

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

[VOLUME 1]

PROCEEDINGS AND DEBATES OF THE FIRST SESSION OF THE
FIRST PARLIAMENT OF GUYANA UNDER THE
CONSTITUTION OF GUYANA

31st Sitting

Thursday, 29th December, 1966

NATIONAL ASSEMBLY

The Assembly met at 2 p.m.

Prayers

[*Mr. Speaker in the Chair*]

Present:

His Honour the Speaker, Mr. A. P. Alleyne

Members of the Government

Ministers

The Honourable L. F. S. Burnham, Q.C.	- <i>Prime Minister</i>
Dr. the Honourable P. A. Reid	- <i>Minister of Home Affairs</i>
The Honourable P. S. d'Aguiar	- <i>Minister of Finance</i>
The Honourable N. J. Bissember	- <i>Minister of Housing and Reconstruction (Leader of the House)</i>
The Honourable R. E. Cheeks	- <i>Minister of Local Government</i>
The Honourable E. F. Correia	- <i>Minister of Communications</i>
The Honourable Mrs. W. Gaskin	- <i>Minister of Education and Race Relations</i>
The Honourable L. John	- <i>Minister of Agriculture</i>
The Honourable R. J. Jordan	- <i>Minister of Forests, Lands and Mines</i>
The Honourable M. Kasim	- <i>Minister of Works and Hydraulics</i>
The Honourable W. O. R. Kendall, C.B.E.	- <i>Minister of Trade, Shipping and Civil Aviation</i>
The Honourable C. A. Merriman	- <i>Minister of Labour</i>
The Honourable J. H. Thomas	- <i>Minister of Economic Development</i>

Parliamentary Secretaries

Mr. D. B. deGroot	- <i>Parliamentary Secretary, Prime Minister's Office</i>
Mr. G. Bowman	- <i>Parliamentary Secretary, Ministry of Labour</i>
Mr. O. E. Clarke	- <i>Parliamentary Secretary, Ministry of Education and Race Relations</i>
Mr. P. Duncan	- <i>Parliamentary Secretary, Ministry of Local Government</i>
Mr. J. G. Joaquin, O.B.E., J.P.	- <i>Parliamentary Secretary, Ministry of Works and Hydraulics</i>

Other Members

Mr. W. A. Blair	Mr. T. A. Sancho
Mr. J. Budhoo	Mr. M. F. Singh
Mr. W. G. Carrington	Rev. A. B. Trotman
Mr. R. G. B. Field-Ridley	Mr. H. M. S. Wharton, J.P.
Mr. H. Prashad	

Members of the Opposition

Dr. C. B. Jagan, Leader of the Opposition	Mr. J. R. S. Luck
Mr. A. Chase	Mr. D. C. Jagan
Mr. B. H. Benn	Mr. H. Lall
Mr. Ram Karran	Mr. M. Khan, J.P.
Mr. H. J. M. Hubbard	Mr. Y. Ally
Dr. Charles Jacob, Jr.	Mr. L. Linde
Dr. F. H. W. Ramsaboye	Mr. R. D. Persaud
Mr. M. Hamid, J.P.	Dr. S. A. Ramjohn

Clerk of the National Assembly - Mr. F. A. Narain
Deputy Clerk of the National Assembly Mr. M. B. Henry.

Absent:

The Honourable D. Mahraj, Minister of Health - on leave
The Honourable S. S. Ramphal, C.M.G., Q.C., Attorney-General and
Minister of State.
Mr. C. V. Too-Chung, Parliamentary Secretary, Ministry of Finance
Mr. R. Tello, Deputy Speaker - on leave
Mr. R. Chandisingh
Mr. C. V. Nunes
Mr. E. M. G. Wilson
Mr. M. N. Poonai
Mr. E. M. Stoby
Mr. S. M. Saffee
Mr. M. Bhagwan - o leave

ANNOUNCEMENTS BY THE SPEAKER

LEAVE TO MEMBER

Mr. Speaker: Leave of absence has been granted to the Honourable Deeroop Mahraj, Minister of Health, from today's sitting.

PRESENTATION OF PAPERS AND REPORTS

The following Paper was laid:

Motor Vehicles and Road Traffic (Amendment) Regulations, 1966, made on the 29th of December, 1966. - [Minister of Finance.]

QUESTIONS TO MINISTERS

REPORT OF THE TALBOT COMMITTEE

Leader of the Opposition (Dr. Jagan): On behalf of Mr. Chandisingh, I beg to ask the Minister of Labour Question No. 48 on the Order Paper:

- (i) Why has the report of the Talbot Committee not been published up to this date?
- (ii) When does the Government propose to make this report public?
- (iii) Has the Government completed its examination of the report of the Domestic Workers Committee?

The Minister of Labour (Mr. Merriman): The Answer is as follows:

(i) The Report of the Advisory Committee on Government Hospitals and Institutions is being examined by the Ministries concerned having regard to the various recommendations made.

(ii) The Report will be released when a decision has been taken on the recommendations contained in the Report.

(iii) No, Sir.

Mr. Ram Kurrin: Will the Minister be kind enough to tell us when it is likely that consideration will be given to this Report?

Mr. Merriman: I should like to assure the hon. Member that consideration is being given.

Mr. Chase: Will the Minister kindly indicate how soon he expects to complete consideration of the Report? Will it take weeks or months?

Mr. Merriman: I cannot say specifically whether it will take weeks or months, but I can assure the hon. Member that it is being dealt with most expeditiously and will be available, I have no doubt, very soon.

Mr. Chase: Will it be available within the period of three months?

Mr. Merriman: I have already said that I cannot relate it to the time of months, days, and so

Mr. Chase: Will the period be more than three months?

Mr. Merriman: I thought I indicated that the matter is being dealt with most expeditiously. As soon as it is completed, I shall have a meeting with the unions and others involved.

Mr. Ram Karran: With respect to part (iii) of the Question, will the same thing apply?

Mr. Merriman: Exactly.

**PUBLIC BUSINESS
MOTION**

**GUYANA'S PARTICIPATION IN
CARIFTA AGREEMENT**

The Assembly resumed debate on the following Motion:

"Whereas on the 15th day of December, 1965, an Agreement providing for the establishment of a Caribbean Free Trade Association was signed on behalf of the Governments of British Guiana, Barbados and Antigua;

And whereas the said Agreement was laid in the House of Assembly on the 25th day of April, 1966;

And whereas there was laid in the National Assembly on the 20th day of December, 1966, a further Agreement supplementary to the Agreement first above mentioned dealing with certain matters which had arisen in connection therewith and signed on behalf of the Governments of Guyana, Antigua and Barbados;

Now, therefore be it resolved that this National Assembly approve of Guyana's participation in the said Agreement and her becoming a member of the Association accordingly." [The Minister of Trade, Shipping and Civil Aviation.]

Mr. Speaker: We will resume debate on the Caribbean Free Trade Association Agreement. Mr. Hubbard had concluded his speech yesterday afternoon.

Dr. Jagan: The Government, in moving the Motion for the Caribbean Free Trade Association Agreement, was rather unconvincing in its arguments. The main point made was that small communities cannot hope to survive and that if they are to progress they must unite so that there can be a bigger market, and eventually a progressive freeing of trade. Now, this talk about unity is nothing new. It is as old as the hills. At first, unity in the Caribbean was to come at the political level and so the political Federation was born. Now that the Federation is dead and buried, we are attempting to achieve unity at the economic level. It seems to me that the level which is aimed at, the "Free Trade area," is certainly the lowest level, for at one time there was even talk of a customs union

2.10 p.m.

I recall in the early days, when this matter of political Federation came up in the late 1940s, there was strong opposition to it by the then British

Guiana Government. The suggestion, however, was made that, perhaps, the Guiana Government would be prepared to consider a customs union. At that time the attitude of the West Indian leaders was that if you do not want political Federation, then there would be no customs union. It seems that, after a great deal of work and discussions, we have arrived at a level which, as I said, is the lowest form of economic unity.

We would like to make our position very clear. We say that unity is necessary, but not unity at any price. There are all kinds of unity. We have an example of unity on the Government Benches, and we see where this unity is leading this country today. As we see it, this unity, which is limited to three relatively small territories, will hardly achieve anything, and the unity which is projected is unity at the trade level more or less in a vacuum without interfering with the social and economic structure of these countries. So we have very mixed feelings on this whole question.

While we agree that unity is essential if progress is to be made, we realise that that unity must be a qualitative type of unity where other structural changes will take place. What is projected here is a unity which we see will not lead to any progress or any forward movement. Indeed, it can be a retrogressive move, and can lead to further binding of the chains of the people of these territories.

First of all, let us deal with the question of a market, since one of the main arguments of the Government is that we need a larger market. The population of the three territories is nearly one million. My hon. Colleague, Mr. Luck, has already given us the statistics as regards import and export trade. I will repeat the figures, not in dollars but in percentages, so that things will stand out more clearly and show that our imports from Barbados are a fraction of 1% of our total markets; from Antigua the figure was much less. Our exports to Barbados were around 1.5%, and to Antigua, again, a very small fraction of 1%. What then is the economic justification for this measure? Clearly, there does not seem to be any real justification for this. The question then is: Why has this been done?

As we see it, those who control or dominate the economy of these countries want it; besides that, the political leaders also want it - of course, each of them wants it for different reasons. The foreign capitalists want it because it will give them an opportunity to have a better stranglehold of the economy of these countries without the bother of having to move and deal with each territory separately. I will develop that point a little later.

There is no doubt that imperialism, today, is facing a crisis. Our colleague in this House, the hon. Minister Mr. J. Henry Thomas, regaled this Assembly with a long discourse on the history of free trade and customs union, but what he did

[DR. JAGAN]

was an exercise which we knew so well when we were learning history. It was a question of a few dates and a few events picked out and thrown together; but I think that the Members of this House, at this stage of our lives, deserve something better. I will try to put this in proper perspective.

What do we find today? Capitalists of developed countries today have a growing economic surplus as a result of exploitation of the working classes in their own countries, and as a result of the extraction of super-profits from the Third World countries. They have to do something with this economic surplus, and there is need to find markets for the export of capital - not only capital, but also goods. We know that as Colonies we have been the traditional buyers of manufactured goods from these countries. But what is facing these countries today is that the market for their exported, manufactured goods is shrinking relatively. If we look at the world picture as a whole we will find that about one-third of the world's population is now living in the socialist orbit of the world. The other two-thirds of the population will be found in the developed and Third World countries.

2.20 p.m.

A large sector, I may say, is becoming closed to the export products of the capitalist world. The socialist bloc countries, with integrated economies, are becoming more and more dependent

upon themselves. The Third World countries are endeavouring to restructure their economies by manufacturing their own products. Thus we find the market is shrinking.

Let me illustrate by giving one figure. At the end of the last war, the United States was exporting 38 per cent of the goods in world trade. That percentage has dropped today to 18 per cent. If we look at it from the other side, that is, from the socialist bloc countries, they are not only producing for themselves what previously they imported, but they are exporting more and more and competing in the very markets which were served by capitalist countries. I understand that exports of the Soviet Union have increased almost thirteenfold over the pre-war level.

All this talk, therefore, about Common Markets and free trade areas has to be considered in the context of the necessity to find markets for surplus capital and surplus goods which are now piling up and which are the headaches of capitalism. My hon. Friend, Mr. Thomas, referred not only to the Common Market and to the free trade area, but also took us back to the last century. One of my colleagues rightly pointed out that while one thing may have achieved a certain result at one time, it does not necessarily follow that the same ingredients, put together at a different time, under different circumstances, will produce the same results. He was not comparing like things and this is an important fact.

The Common Market in Europe has to be related to what was happening before that. My hon. Friend referred to the attempt at achieving unity in Germany, Austria and Hungary. He gave us a history of free trade. Surely he knows that the first champion of free trade was Great Britain. Why was Great Britain the champion of free trade? Because the Industrial Revolution was born in Britain. Secondly, Britain was "Mistress of the Seas" and, therefore, no one could hope to compete against British manufacturers. Thus, there was the advocacy for free trade.

We know that during that period of conquests for markets and possessions, the world was divided up among the French, the Dutch, the Spanish, the British, and others. German capitalism became a big force towards the beginning of this century and so arose the struggle for living ground and the First World War.

There was a serious crisis of over-production after the First World War, and this resulted in the great depression of 1929 and 1930. Then the cycle in Germany took an upward swing with full employment and mass production. Then, again, there was a struggle for markets. This was the period of the Second World War. What happened in the interval between the two wars? A new giant appeared, the United States of America. In the latter part of the last century and in this century, the United States carved out its own sphere of influence under the Monroe Doctrine in the Western Hemisphere. "This is ours," it said. "Hands off!"

A time came, after the Second World War, when the whole of Europe was devastated. Her industries were lying dormant and prostrate. The United States became the most powerful industrial nation in the world. After the First World War the United States began pushing for free trade. That is how there came into being the so-called "Commonwealth Preference" and "French Communities", closed areas surrounded by tariff walls. The former champion of free trade, Great Britain, could no longer survive in open competition, either with Germany or the United States of America. It was this that brought about the closed areas, "most favoured nation" status, Commonwealth Preference, French Community and so on.

During the last war, the Americans pressed Great Britain to abolish the barriers to free trade, but the European countries knew that however much they needed American dollars and American help, if they were to agree to that, they would be finished; they could not hope to compete against American manufacturers in the world markets. But the pressure from America did not stop. It took various forms such as the isolation of the socialist bloc and the spread of a myth that communism was a disease and a conspiracy and should, therefore, be isolated. These were cold war barriers. "Let them neither buy from us nor we from them". That was one tactic. There were also increasing pressures for the scaling down of tariffs. We see that even today, in what is called the Chicken War in Europe, the United States is pres-

[DR. JAGAN]

sing European countries for a scaling down of tariffs on chickens which it wants to export to Europe.

2.30 p.m.

Then came aid with strings. If you accept aid, you must do other things. You must allow other facilities, join military blocs like NATO and SEATO, break up Left-wing Governments which were created during the war out of the necessity of fighting Hitler. In order to obtain Marshall aid, one of the conditions was that France, Italy and Belgium had to expel Left-wing socialists and communists from the Governments. Aid with strings did not resolve difficulties and so devaluation of currency was forced on countries like Britain. We see such policies also being adopted in countries in Latin America and, more lately, in India, because once one has an economy tied to the imperialist set-up, balance of payment deficits and budget deficits inevitably occur.

The result is that one has to devalue currency and we have seen many countries taking this step but not solving their problems. Of course, when a currency is devalued *vis-a-vis* American dollars, then those dollars become very valuable in the markets outside of the United States. They can then buy into industries Fords, Vauxhalls and so on. Following this buying into the industries as a result of devaluation, there comes upon the scene the problem of survival between the foreign capitalists and the local capitalists. This accounts

for the political behaviour as we see it today in countries like France.

I should like to read one quotation from this Canadian magazine called *DIMENSION*, Volume 3, Numbers 3-4, March/April 1966. This article is entitled "Europe and De Gaulle" and it appears on page 46 of this magazine:

"But the American cultural invasion of France is not as important as the economic invasion. American investment in France has risen at a remarkable rate during the last few years. A year ago, on March 8, 1965, *Newsweek* magazine did a cover story on U.S. investment in Europe. Speaking of France, *Newsweek* said, 'American companies have opened 500 new operations (in France) in the past two years. French national pride is lacerated by the fact that U.S. firms now control almost the whole electronics industry, 90 per cent of the production of synthetic rubber, 65 per cent of petroleum distribution, 65 per cent of farm machinery production. Even a few of the subcontractors for President De Gaulle's top-secret force de frappe are U.S. subsidiaries: "Unless Europe reacts and gets organized" warns Louis Armand, the man who turned the French railroad system into the world's best, "we are condemning ourselves to industrial colonization. Either we counter-attack or we sign our vassalization warrant. " " "

I refer to this not because I want to be irrelevant. - [The

Prime Minister: "Thanks for the welcome assurance." - but because it is necessary to understand the realities of our situation in the context of what is taking place in the world at large.

It is no use telling us that there is a Common Market in Europe, that there is free trade in Europe, and that if those big countries see the necessity for it, there is a greater necessity for our puny country to have it. The Common Market has come into being for a political reason, because of the conflict and growing fight between the two systems: capitalism and socialism. Capitalism has become aware that if it does not pull up its boots it will be surpassed by the socialist system which is becoming integrated and more and more efficient.

Another reason is that of U.S. capital which is moving not only into France, as I have just mentioned, but which has dominated the economy of Japan, Germany and Canada. The United States would not like to have to go and set up a factory in every single country but to set up in one place, in a constellation of territories. It does not matter too much whether it is in a free trade area or a customs union. This is the strategy of what is taking place today. It is in this context that we must understand why there is all this talk not only of Common Market and free trade area in Europe, but of Common Markets, or customs union, if possible, in Latin America and the Caribbean.

To come back to the question of size. My friend said that

size is important, but it is not the most important question. It is true that if one has a larger area to work with, and the area has an abundance of natural resources, it will be easier to resolve the growing problems confronting poor countries like ours.

Mr. Speaker: Time!

Mr. Ally: I beg to move that the hon. Member be given an extension of fifteen minutes to continue his speech.

Mr. Linde seconded.

Question put, and agreed to.

2.40 p.m.

Dr. Jagan: If size were the only factor for economic development, we must immediately ask ourselves why are there problems in India, in Brazil, and growing problems in Canada. These countries are plagued with difficulties. In India hundreds of thousands of people face death by starvation. In Brazil, a large territory with a large population, there are immense difficulties of poverty, difficulties of inflation, and so on.

It is clear, therefore, that size alone is not the important thing. Nor must we look at trade in isolation. If we think of trade in isolation from the other things which are necessary to be done for economic development, then we may find that we are merely handing on a platter to those who, today, dominate our economic lives, an advantage which otherwise they would not have.

[DR. JAGAN]

My hon. Friend Mr. Henry Thomas said that there is nothing to prevent the capitalists from coming here. If you do not have unity, they can still come and dominate you. This is only half the truth. While it is true that they can come here, when you have a free trade area comprising three territories or more, then they can go in one place, set up there, and move their goods freely within the area. The decision will no longer be yours but theirs. Follow the genesis of development in under-developed countries.

We do not want to continue to be the importers of manufactured goods and the exporters of raw materials, foods and minerals. The way to change this is to begin to set up industries, either Government-owned or, according to the philosophy of this Government, privately-owned! In any case, tariff walls should be put up to give protection to these local industries. What would happen then? Those who were formerly selling to us by exporting their goods would be forced, if they want to retain the local market, to jump over the tariff wall, to go into the territory and set up an assembly plant or a branch factory. We have seen this taking place in Trinidad. We have seen this taking place in Guyana with British Paints Ltd.

In other words, with nationalism and socialism, it is possible - if you want - to force the investors to come to your country. Under the Caribbean Free Trade Association Agreement they do not have to come to your

country, they can go where conditions are most congenial to them: such as low wages, low taxation proposals or low taxes, anti-strike legislation, low social security measures and surplus labour force so that they can get an abundant supply of cheap labour. All these factors influence them to make the decisions where they should establish.

Another fact is that not only the foreign capitalists but even those internally will, after a while, measure their patriotism by the length of their pockets. This will cause an outflow of money from Guyana because there is no doubt that, from the capitalist point of view, Barbados and Antigua have more ideal conditions than Guyana. It is quite possible therefore that even the capitalists whom the Minister of Finance, the Minister of Economic Development and the Prime Minister are trying to encourage here will not be coming, and those who are here - their own friends - will try to migrate in search of bigger profits and better political climate.

But that is not all. This puts the foreign capitalists at a great advantage over their local brethren for who can compete against one giant combine with 28 manufacturing industries like Unilever? It is like a small retailer having to compete with a man who is a commission agent, a wholesaler and a retailer. The small retailer complains because the man sells below him. This is precisely what will happen under this arrangement.

In this country we have seen where they have thrown out the

local Christmas flowers which used to be sold and have brought in cheap artificial flowers from outside. This is the first stage of capitalism. When the foreigners can no longer sell locally because of tariff walls, they come and establish their industries or their factories and destroy the local enterprises. [Mr. Jordan: "GIMPEX."] You do not understand! It is above your head. [The Prime Minister: "He understands your rascality."] Nobody is more a rascal than you are. [The Prime Minister: "That is a compliment coming from an arch-rascal."]

2.50 p.m.

Professor Arthur Lewis not so long ago wrote a little thesis called "The Industrialisation of the West Indies." What did he say? He said that standards of living in the Caribbean were very low because the small man had to work with his bare hands to farm a few acres of land. Therefore, let us have intensified agriculture; mechanise it, and make bigger farms. What must be done with this big population? Establish industries in the small Caribbean Islands. What must be done with the surplus population, even after you have set up industries and intensified agriculture? Move the surplus population to British Honduras and Guyana. In other words, Guyana and British Honduras would become agricultural appendages in an industrial Caribbean.

Let us face facts. There are two trends today in the world. In every country the rural population is always worse off, generally speaking, than in the other areas. Look at it from the

world point of view. The Third World countries are poorer than the industrialised ones. Where there is industrialisation, there is always a higher standard of living. The imperialists, professors from abroad, and politicians say that Guyana coupled with countries like British Honduras must become an agricultural appendage.

We here are not narrow nationalists, and we do not believe that we must try to solve our problems at the expense of other people. We believe that our nationalism must be tied up with the nationalism of others, but, while we seek unity with other Caribbean countries, we are not prepared to allow our territory to succumb to an inferior status or to see our people relegated to a lower standard of living.

My hon. Friend referred to the unification of Australia, Germany, and so on. It is true that Austria, Bulgaria and Romania were all colonies of greater Germany, where standards of living were lower. The attempt to unify them was only a means of exploiting them further and to keep them in a position of subserviency. It does not follow that unity cannot produce other results, for we have seen where the same politico-economic colonies of greater Germany today have become highly industrialised, and they can now export complete plants and factories to Third World countries such as ours. I refer to Hungary, Bulgaria and so on.

Mr. Speaker: Time!

Mr. Khan: I beg to move that the hon. Member be given

[MR. KHAN]

another fifteen minutes to complete his speech.

Mr. Chase seconded.

Question put, and agreed to.

Dr. Jagan: There is unity, and there is unity. You can have unity of the previous German type with the countries remaining as colonies or satellites, or we can have unity as we see developed in the socialist bloc of countries where industrialisation has taken place, the whole economy has been reconstructed, and the standard of living of the people has risen. Since that is so, then let us see where we are going.

First of all, the hon. Minister of Trade and those who spoke for the Government side told us that this is only a small beginning. They said that we must not criticise CARIFTA because it is small; it is the beginning of something big, and any territory can apply for membership. I have here a Report from the Incorporated Commonwealth Chambers of Industry and Commerce of the Caribbean. These people came here, too; they went all over the area and had discussions with every single Government as well as the various economic bodies.

What has been done? Instead of trying to bring all of these countries together, the Guyana Government has run riot! It has gone ahead. When one reads this Report one gets the impression that important stages have not yet been passed through. One reads here that the West Indies University in Jamaica has ex-

perts who are now beginning to study this problem of Caribbean unity and what it means in realistic terms. The Report is not yet available. [Mr. Thomas: "It is available, and I can loan you a copy."] If the Report is available, then it is not a complete Report. The Report to which I have referred was written on the 9th October. It was suggested that the aim should be to hold a Regional Conference of Heads of Governments, but prior to this Conference there should be a Conference at the lower level of economic experts and advisers. Why is this necessary? Let us look back at the Federation of the West Indies. At one time the cry was; "Federation under any conditions; let us go ahead."

Sir, after the 1953 Commission was arranged and headed by Sir Sydney Cain, he wrote a Report on the fiscal and economic measures which had to be taken, and it was only then that the Caribbean leaders started to realise the implications of what they had gone into politically. They started to think and they had second thoughts. Today this Government is putting the cart before the horse. It should have followed the procedure which was outlined in the Report.

The first thing that should have been done in this matter was to get the experts to make a proper study of things. [An hon. Member (Government): "More experts, again!"] Let the experts from the Guyana University and the West Indies University examine this matter thoroughly. Bring the experts together first at a lower level, and then bring

in the Heads of Government. It is only then that we will avoid what befell the West Indies Federation.

In this Agreement we read that a Council has to be set up, and we also hear from the Government side that it will welcome a larger body. When I was passing through Antigua there was a lot of talk about the Antigua Oil Refinery. The view then was that Antigua does not want Trinidad to join CARIFTA because, if that happens, the protective market in Guyana for Antigua's oil would be lost.

3 p.m.

We are told that there must be a unanimous agreement by the three members, Guyana, Barbados and Antigua, before any other territory can join. I am not speaking about Cuba. Trinidad has a large trade, in terms of dollars, with this country, but Trinidad's entry is not going to come about because we see the motivations already. One of the basic concepts of a free trade area, or a customs union, is to arrive eventually at some overall type of planning with specialisation in each territory in things which it can produce most economically. But look at the ludicrous situation in which we now find ourselves. Trinidad has the basis for a big petro-chemical industry with oil wells and oil refineries. The first deviator was Jamaica, which set up an oil refinery. Barbados followed, then Antigua and now Guyana.

We must make up our minds about what we want. On the one hand we are told that what is

wanted is a free trade area, that we want to go in for specialisation and so on. On the other hand, we do not wish to accept the Phoenix Oil Company deal. We do not know what other deals will come. [Interruptions.]

The point is that there is no clear objective in this Agreement which will lead to the amelioration of the sufferings of the masses. Let me read from page 14 of this Report of the Incorporated Commonwealth Chambers of Industry and Commerce of the Caribbean. After a discussion in Trinidad with the Government of Trinidad and with economic leaders, this is what is written in one section of the Report:

"Communist Infiltration: It was felt that the danger of Communist infiltration in the area should not be regarded lightly, and the earlier situation in Guyana was referred to. The delegation was asked to bear the problem in mind and to emphasize in their talks the importance of preserving the traditional system of free enterprise."

I repeat: We believe in unity, but unity under a set of circumstances which can lead to economic growth and to development, not unity which will allow the foreign capitalists to have a commanding position in the economy of the country and which will allow them to strangle small native enterprises and community enterprises. That is why they talk about fighting communism; Government enterprises mean communism. It is clear that the objectives are not what are mentioned for public consumption.

[DR. JAGAN]

The political leaders, of course, see other reasons for this limited nonsensical type of Agreement. Those who are sitting in the Government here feel that with the free movement of goods there will also be free movement of persons. Thus they will enhance their electoral strength. Those who are sitting in Barbados and Antigua know that they have a volcano below them and, when the fervour of flag-waving and emotionalism is over, there will come a time when people will begin to question programmes and policies.

Thus, the leaders in Barbados and Antigua see in CARIFTA a means of exporting their problem, not their goods. They have no goods to export. They will be exporting their headaches, while Guyana will be importing headaches. What should be our aim?

Mr. Speaker: The hon. Member has been speaking for one hour.

Dr. Jagan: The aim of the Government in this country should be not to sign this Agreement - [Interruptions.] - not to ratify it; to follow the steps of those who have been examining the situation; not to plunge precipitously when dealing with this question. The Prime Minister, in a speech yesterday, said he appreciated the role the academic men can play in this part of the world. Invite these men from Caribbean areas, from the United Nations, from the University of Guyana, to draw up a blueprint which will give an overall plan

for the whole area, which will design a strategy for development and not only talk about free trade.

Trade alone does not result in development. Gunnar Myrdal, in dealing with poor countries, has said that so far as we are concerned we should be great protectionists; that while our goods must go into the territories of those who are great advocates for free trade, we must be protectionists to protect our industries. As I see it, what we are doing here is not protecting anything at all, but opening the floodgates for foreign domination.

Mr. Speaker: Time!

Mr. Hamid: I beg to move that the hon. Member be granted an extension of 15 minutes to continue his speech.

Mr. Ram Karran seconded.

Question put, and agreed to.

Dr. Jagan: Our dilemma on this question is real. We want unity, but we want unity of a special type. Lest it be misunderstood, if we vote against this Motion - which we should normally do - that we are opposed to unity, we will not vote against it. But we cannot vote for it. I have given all the reasons already why we cannot vote for this measure. First of all, the Government has treated this House and the Opposition very badly. It has not really gone in for any serious type of consultation. In fact, I suggested to you, sir, that the Agreement should be put

to a Select Committee of this Assembly, because we have not yet gone into the clauses of the Agreement, nor will this Assembly have an opportunity to make amendments to that Agreement.

For those reasons we cannot vote for this Motion, because there are many things which are obnoxious in the Agreement.

3.10 p.m.

Indeed, one can say that the Council which will be set up will have so many overriding powers that it can actually interfere with the sovereignty of this country without the Parliament having anything to say about it. Therefore, in view of that, we would like our position to be very clear. We will therefore abstain, when the time comes, from voting on this very important issue on which the Government has acted very uncavalierly in this House.

The Prime Minister (Mr. Burnham): On the 15th December, 1965, at Dickenson Bay in Antigua, this Agreement establishing the Caribbean Free Trade Association was signed by the three Heads of Government of the three territories of Antigua, Barbados and what was then British Guiana.

Those of us who worked on hammering out the Agreement and those of us who appended our signatures to this document were never under any illusion that it was a work of perfection, but we were convinced that it represented a significant departure in the history of the Caribbean. In the first place, it was noted on the day on which it was signed

that every single participant, at every level, was a West Indian. In the second place, it was noted that this was the first occasion on which an Agreement of this type was signed as a result of an initiative from the West Indians themselves.

The Agreement, as the title and the Articles disclose, is intended to bring into being a free trade area. It is conceded, when one considers the necessity of Caribbean unity, that the formation of a free trade area represents merely a beginning. It has been noted with accuracy that the West Indian Federation fell apart after being in existence for a few years and many of the diagnosticians with hind-sight attributed the failure of the Federation to the fact that it represented an attempt to bring about political unity before economic unity. But whatever might have been the causes of the failure of the West Indian Federation - some, incidentally, have attributed the absence of Guyana from the Federation as one of the failures - those who signed this Agreement felt that, if West Indian regionalism is to become a reality and unity a fact, a better approach would be to seek to bring about economic unity and co-operation, and the freeing of trade was a first step in this direction.

Not without interest and significance is the Preamble to the Agreement which reads as follows:

"SHARING a common determination to fulfil within the shortest possible time

[THE PRIME MINISTER]

the hopes and aspirations of their peoples and of the peoples of other Caribbean countries for full employment and improved living standards;

CONSCIOUS that these goals can most rapidly be attained by the optimum use of available human and other resources and by accelerated and sustained economic development;

AWARE that the broadening of domestic markets through the elimination of barriers to trade between the territories is a prerequisite to such development;

CONVINCED that such elimination of barriers to trade can best be achieved by the immediate establishment of a Free Trade Area and the ultimate creation of a Customs Union and a viable Economic Community for all the Caribbean Territories who so desire;

HAVE AGREED as follows: - "

Then there follows the various Articles of the Agreement. So the approach was not merely to free trade as an objective or goal in itself. The intention was to remove the trade barriers within the three territories which were willing to accede, at that particular time, as a first stage towards Caribbean unity, and that, in fact, also means economic development on the

basis of a region rather than on the basis of a number of little territories.

There are some who will contend that, eventually, Guyana will have to give of some of its resources. There is no doubt about that, and I make no apologies for that. What I shall attempt to show is that though Guyana will have to share her resources with the other Caribbean territories, the sum total of benefit will be greater than the sum total of the resources of the signatory territories as they stand at the moment. In any case, we are not seized with the satanic complex of believing that to reign is worth ambition though in hell and it is "Better to reign in hell than serve in heaven." [Mr. Luck: "But that was your awful creed."]

Of course, I was not responsible for the literary education of the members of the Opposition who mistook a quotation from Milton's *Paradise Lost*, Book I, for a quotation from Shakespeare's tragedies.

3.20 p.m.

Now, sir, in the first place it should be noted that in the preamble it is positive that there would be welcome to this free trade area other Caribbean Territories and, in fact, there is provision for this in the body of the Agreement itself. There was no intention to be exclusive. It was a question of being realistic. There were three Caribbean territories that were willing and ready at that point of time to come together in a Free Trade Association. [Mr. Ram

Karran: "You do not even know what the word means."] Whatever may be my vices, ignorance is not one of them.

This question of the desirability of a free trade area has been examined, not only at the level of the European countries but by West Indian scholars, notably Dr. McIntyre of Grenada, who made a contribution on this and similar subjects in a Paper which is now a United Nations document. About the same time a study of the question has been carried out by Mr. Demas of Trinidad and even by Mr. Lloyd Best who, at one time, was economic adviser to the Opposition when it was the Government. It may either be otiose or necessary, depending on whom one speaks to, to point out that no one doubts the fact that the freeing of trade between territories or nations automatically results in greater trade movements between the territories.

Of course, if there is great disparity in so far as the development of the participant territories are concerned, there can take place such a thing as polarisation which can result in the rich industrial partner in such an association becoming richer, and the poor agricultural partner becoming poorer. But that is not the case with Barbados, Antigua and Guyana, and I would contend further that it is not the case in all the Caribbean territories. Even though some Caribbean territories have to set up a number of manufacturing industries, when one considers the economies of the respective territories one recognises that basically they are all still depending on agri-

culture, and in the case of Jamaica and Guyana to some extent on minerals for their very existence. If some have set up more industries than others, it is a distinction of degree rather than difference as between one territory and another.

When Nicaragua signed a Free Trade Agreement with Costa Rica some years ago, trade as between the Central American Republics, which eventually came together, represented 2% of the total trade. But within a few years the trade between these member States of the Association represented 10% and continues to grow.

I have no fear in stating that the reasons for the criticism of the present Agreement dare not be spoken and consequently a number of irrelevancies had to be indulged in. I recall my hon. Friend Mr. Luck stating that, since the volume of trade as between Trinidad and Guyana was so much greater than the volume of trade as between Guyana and Antigua and Barbados, obviously, Trinidad should have been the territory with whom we should have considered having a Free Trade Agreement. I shall deal later on with the question of what other territories are going to come in or seem very interested in joining the Association.

I also recall the hon. Member Mr. Luck stating that we imported from Trinidad \$16,314,008 and exported to Trinidad \$13,719,972 and, since in the case of Barbados it was an import of \$364,429 and an export of \$1,497,425, there was no good cause for having a free trade area with Barbados. Well, if the volume of trade is

[THE PRIME MINISTER]

the only criterion, I am forced, relying on the statistics which appear in the *Economic Survey of British Guiana for 1965*, to say that there is the greatest argument for having a free trade area with the United Kingdom, the volume of trade of which country represented over \$83 million in 1965. I had hoped that the hon. Member Mr. Luck, even when he wanted to become most imaginative and to make his greatest play to the ill-informed gathering, would not have been guilty of such a proposition. Mr. Luck, having some acquaintance with teaching, ought to recognise that this *reductio ad absurdum* causes his argument to fall to the ground.

Now, shall we turn to the question of the inclusion of other territories?

3.30 p.m.

It has been accepted at the intellectual and academic level that a free trade area leading eventually to an economic community is most desirable for the Caribbean, but for a number of reasons there has been a certain amount of foot-dragging. Is it proposed, in these circumstances, that the three Heads of Government who signed this Agreement in Dickenson should have waited until all of the feet had become less heavy, or the internal circumstances, or political considerations, in the various territories had disappeared?

It seems to me that in the same way as Costa Rica and Nicaragua started, the three territories which signed could

also start. Since the signing of this Agreement, there has not only been a distinct interest on the part of other Caribbean territories but, in fact, there are scheduled for the months of 1st January to March two conferences of Caribbean territories: one at the officer level, and one at the ministerial level. What is the objective? What is the purpose of these two conferences?

Incidentally, for the information and correction of members of the Opposition, who have suddenly become friends of Trinidad, Trinidad is one of the nations that will be represented at both conferences. The purpose of these conferences is to work out a large Free Trade Agreement on the basis not only of the CARIFTA Agreement which already exists, but on the basis of studies made by West Indian economists, and on the basis of studies made by the Institute of Social and Economic Studies of the University of the West Indies.

It is a question of extending this free trade area to include the entire Commonwealth Caribbean. It may, of course, be urged that even if this Association were extended to include the Windward Islands and Leeward Islands, Jamaica and Trinidad, it would still suffer from an undesirable exclusiveness, for there are existent in the Caribbean other nations and other territories. That, I would submit, would be a very academic argument, because what one has to do in these circumstances is to move step by step.

There is a certain community of history, tradition, culture

and economic background as between the Commonwealth Caribbean countries and, speaking for myself, I can see no reason why an association leading to an economic community as between the Caribbean Commonwealth countries should not be eventually extended to include the other Caribbean countries that are willing to accede to such an association.

It has been suggested, in a spirit of political pettiness, that the inspiration for this association came at one time from the Incorporated Chambers of Commerce of the Caribbean, and at another time from the big business tycoons of North America and Western Europe. In the first place, such an inspiration I can categorically deny. In the second place, I am going to accept the thesis that the businessmen in the Caribbean support the Free Trade Association. For the sake of considering this particular aspect of my contribution, I am prepared to concede that big business in North America and Europe would welcome a Free Trade Association in the Caribbean; but, forgetting for a moment the puerile attempts at humour, the fact that three different sets of people may support a particular idea, ideal, or goal, is not an argument which proves the contention that all three are motivated by the same sentiments and intentions.

I am no great philosopher; I am no great regurgitator of pamphlets, and I am not, therefore, willing at this stage to enter into any disputation as to what happened about Marshall Aid, how Truman manipulated Marshall Aid, and all that. I am happy to say

that even if the businessmen of the Caribbean want a free trade area in the Caribbean so that they can make greater profits at the expense of the workers; even if the European and North American capitalist tycoons and the imperialists want a free trade area so as to be able to make of the Caribbean a *condominium*, to use the Latinist word of the hon. Member Mr. Luck, certainly the political leaders of the Caribbean are entitled to act in keeping with what is set out in the preamble of the Agreement. It is a little short of impudence at this stage for someone, who has failed signally even to run a little country, who suffers from an anxiety to write at the wrong time, to suggest that there is no sincerity in the declaration which appears here.

3.40 p.m.

It has been suggested that Guyana will be an agricultural appendage of Barbados. It has been suggested that so far as Antigua was concerned, Antigua's interest was in enjoying the protected market for oil in Guyana. Let us examine the proposition, first of all, that Guyana will be an agricultural appendage of Barbados. I have already remarked that the difference between Barbados and Guyana is not one of quality but one of degree. If trade is free, the demand for goods must go up, the capacity to absorb goods will be greater and, further, there will be greater opportunity for entering into the field of light industries. [*Interruptions.*] Since 1946 the hon. Member (Mr. Luck) has been suggesting Chinese immigration into this country and

[THE PRIME MINISTER]

now tries to look askance at a number that does not go into the millions. I shall deal with the question of migration later and with his offers to the Minister of Home Affairs.

It has been estimated by Dr. McIntyre, to whose works I made reference earlier, that in the Caribbean territories, excluding Guyana - the study did not at that time include Guyana - there was an importation of about \$200 million (U.S.) per annum of light manufactures which could have been, in proper circumstances and under favourable conditions, produced in the area.

Let us ask ourselves this: Even if, at the beginning, other territories in the Association may be slightly more developed industrially, what are the things which lead manufacturers to set up industries? It is not merely the availability of cheap labour. Incidentally, labour in Barbados and in Antigua is no more inexpensive than labour in Guyana. There are other conditions like the proximity to sources of materials; there are other conditions like the availability of motor power. In fields like those, Guyana is certainly not behind any of the other participating territories. Therefore, the argument that Guyana will be an agricultural appendage falls to the ground unless one is assuming a static position.

Then, the argument is put forward - and I would like to deal with this quickly - that this Free Trade Agreement is politically motivated by a desire to

improve the electoral prospects of the Government in office. Let me examine that proposition. It does not, of course, lie in the mouths of those who since 1946 have been seeking to get Chinese immigrants into Guyana, as a source of personal, political power, to make such an accusation. The hon. Member, Mr. Luck, admitted in the Lobby yesterday that since January 1946, when we went to London, it was his idea to get Chinese immigrants into this country. He admitted, further, that he had approached the Minister of Home Affairs about bringing in a few thousand Chinese.

Mr. Luck: To a point of order. I have never admitted this, nor have I approached the Minister as to any number of immigrants from any country. I hope the hon. Prime Minister will withdraw the statement.

The Prime Minister: I will not withdraw. Since I can advise him that if this is false it is actionable, I will repeat it outside this House.

Mr. Luck: You will get the eight o'clock Court to try the matter.

The Prime Minister: It does not lie in the mouths of those who, in September 1961, invited Mauritians to this country to discuss the question of the migration of Mauritians into Guyana to suggest an ulterior motive for wanting to bring in migrants.

3.50 p.m.

It does not lie in the mouth of someone who, after he returned to

this country after his famous "guesstimate" trip in 1958, suggested that it would be a good idea to bring in Japanese as migrants to this country, to criticise the Agreement when, on the face of the Agreement, there is no suggestion of a desire to make free trade coterminous with free movement.

Now the difficulty in this case arose from a misunderstanding of the text, import and intention of Article 20 of the Agreement. [Mr. Luck: "Read Clause 5 of Article 20."] Clause 5 of Article 20 states:

"5. Nothing in this Article shall prevent the adoption and enforcement by a Member Territory of measures for the control of entry, residence, activity and departure of persons where such measures are justified by reasons of public order, public health or morality, or national security of that Member Territory."

[Mr. Luck: "Explain that."] This Government is fortunate to have such an idiotic Opposition that it would pick Clause 5 in defence of its proposition. It is not Clause 5 to which attention should have been attracted, young man. Now let me teach you. The Clause which the infant should have drawn attention to is Clause 2 of Article 20 which is explicable:

"2. Member Territories shall not apply new restrictions in such a way that they conflict with the principle

set out in paragraph 1 of this Article."

Paragraph 1 states:

"1. Each Member Territory recognises that restrictions on the establishment and operation of economic enterprises therein by persons belonging to other Member Territories should not be applied, through accord to such persons of treatment which is less favourable than that accorded in such matters to persons belonging to that Member Territory, in such a way as to frustrate the benefits expected from such removal or absence of duties and quantitative restrictions as is required by this Agreement."

Paragraphs 1 and 2 of Article 20 amount to this: that a Member Territory of the Association, barring this right to have restrictions in the cause of public order etc., ought not to restrict entry of persons from other Member Territories if their entry is concomitant with or referable to an enterprise being started in the receiving territory by a company or citizen of the sending territory, so to speak. So that if a number of persons from one territory were merely to take a ship and arrive in Guyana, the preventing of those persons from landing or staying in Guyana would not be a breach of this Agreement. If, however, an *entrepreneur* who is established in, resident in; or a citizen of one of the Member Territories came to Guyana to set up an industry and thought it fit that a certain

[THE PRIME MINISTER]

number of personnel with experience should come in, that particular case would be a case in which preventing the persons from coming would be a breach of the Agreement unless there are security reasons for refusing entry.

But let me say this. Let me perhaps digress and make it pellucidly clear so none would misunderstand that, "so far as this Government is concerned, when there is to be migration into Guyana, it has to be from areas with which Guyana has the longest and firmest traditional ties; it has to be from the Caribbean. I am not hiding anything under my shirt-sleeves." Further, I say this: This Government takes the view that over-population is a regional question. In the same way as it is alleged that Barbados is over-populated, the coast of Guyana is over-populated.

This Government is not saying that when it wants migration, or that when the time for migration comes, Guyanese will be excluded. The Guyanese from the over-populated coastal plain of Guyana will be given an equal or, in fact, superior opportunity of migration into the interior to that given to migrants from the Caribbean. This is a matter of policy.

Perhaps this is a convenient time to suspend the sitting. Mr. Speaker, I saw you looking at the clock.

Mr. Speaker: This sitting is suspended until 4.30 p.m.

Sitting suspended at 4 p.m.

4.36 p.m.

On resumption --

Mr. Speaker: Hon. Prime Minister.

The Prime Minister: When the suspension was taken, I was referring to what I contend was a "red herring", and I took the opportunity to state what was the Government's opinion on this question. It is interesting to see the hue and cry that is being made about migration. If the contention of the Opposition is that CARIFTA has been established to allow free movement of persons, and if the contention is that such freer movement of persons is intended to be to the electoral advantage of the Government, it must follow that those who make that allegation are accepting their inability to make any electoral gains from amongst West Indians who come here. It is a very sorry contention and quite indicative of the Opposition's turning in on itself. But enough of that "red herring".

The gratuitous advice has been offered that Government ought to seek to solve the unemployment problem in Guyana before going into the free trade area. **Mr. Luck:** "Sure." If one looks at the preamble, one will see that it is clearly stated that full employment is one of the fixed determinations of the signatories to the Agreement, and those are not mere words because all knowledgeable persons and economists - and here I am not going to rely on what some Ameri-

can economist or some Canadian economist said — [Mr. Luck: "Why don't you listen to West Indian economists then?"]

I am basing my contention not only on experience, but also on analysis by West Indian economists that quite often with a free trade area there is an expansion of the market, not only in the field of agriculture, but in the field of industry as well. Each industry operating within the Association has potentially a larger market and a greater possibility or probability of being efficient. That is elementary.

4.40 p.m.

As in the case of the Central American free trade area, it is confidently expected that with the Caribbean free trade area things or techniques like import substitution can be more effectively employed than if one had to operate within the narrow confines of one of the territories as distinct from three or more territories.

Again, as I said, the beginnings of CARIFTA are small, but so, too, were the beginnings of EFTA; so, too, were the beginnings of Benelux. When Benelux started, in the context of Europe, it included Luxemburg, Belgium and Holland. In the context of the West Indies, I can see no logical objection to our starting with three territories. I concede the advisability — and this is being pursued — of widening the association and getting a greater number of participants.

It has been said that Article 18 is intended to restrict the

operations, powers and privileges of State-owned industries or enterprises. There was no such intention. We have found a certain elasticity of argument used to suggest that, in the minds of those who drafted and signed this Agreement, public undertakings or State-owned enterprises constituted communism! First of all, there is no such concept. Secondly, if one is having a Free Trade Association, one cannot but insist that all enterprises operating within the area, or in any of the Member Territories, must abide by the Rules of the Association. It is similar to provisions which one finds in EFTA; it is similar to provisions which one finds in GATT. Once you reach the stage of having an Agreement as between nations, you cannot permit any nation that is a member of the Association to opt out of it by virtue of having public undertakings which are above the Agreement.

Of course, this does not prevent any nation whatsoever that is a member of the Association opting out of the Association entirely, but you cannot have the better of both worlds. You cannot remain in the Association and get around its Rules, or ignore its sanctions, through the machinery of setting up public corporations. In all three territories there will be public corporations and undertakings, and in none of these territories is there any specific objection to public undertakings and state-owned enterprises.

The hon. Member Dr. Fenton Ramsahoye put forward the superficial proposition that the re-

[THE PRIME MINISTER]

strictive trading policies of Guyana and the Guyana Government would cause Guyana manufacturers to be unable to purchase basic materials at cheap prices from the Eastern bloc and, secondly, to be at a disadvantage as against manufacturers in other Member Territories whose Governments might permit the importation of basic materials from the Eastern bloc.

In the first place, the restrictions which this Government has placed on importation from the Eastern bloc are restrictions which are related to the unfavourable balance of trade with these countries - the unfavourable visible and invisible balance. In fact, this Government is looking at the trade with other countries where there is a downward trend and is prepared to take action in the interest of this country.

In the second place, my hon. Friend does not seem to be aware of the fact that, at least up to now, the basic materials to which reference was made in the Annex of the Agreement are basic materials which are imported by the Soviet bloc and turned into finished articles and exported. So far they are not producing these basic articles, and they have to import them.

I find it a little difficult to understand, after careful study, what exactly was intended by the hon. Member Dr. Ramsahoye. It is either that these superficial objections have been raised without any careful study of the document which has been circu-

lated to hon. Members of this House, or the members of the Opposition do not understand what prevails in the world today.

4.50 p.m.

It has been suggested that, perhaps, within the free trade area there can be dumping of goods by certain manufacturers in one of the participant countries. That is dealt with under Article 17. It is clearly understood that any export support of a manufacture in any participating territory so as to give it an unfair advantage over a similar manufacture in another territory will amount to dishonouring the Agreement and, as such, can and will be dealt with by the Council that is set up under the Agreement. Therefore, there need be no fear in so far as dumping is concerned.

I have already dealt with the Article which deals with the movement of persons and I should like to say, with respect to criticisms, arising out of an attempt to advertise their nationalism on the part of members of the Opposition, that this Agreement amounts to a surrender of sovereignty, that such a contention is fallacious for a number of reasons, but I am going to assume that there is a yielding of sovereignty. This yielding of sovereignty was as a result of free discussion and bargaining.

Secondly, it is in the nature of free trade agreements that certain aspects, which are fundamental, or which relate to fundamental changes, can only be dealt with positively in the terms of a unanimous vote whereas those as-

pects which are referable to breaches of the Agreement, freely entered into, are dealt with on the basis of majority votes.

Finally, since the very Agreement itself arose out of a free meeting of minds, any participating country is free to opt out completely of the Agreement. Therefore, there can be no question of loss of sovereignty in these circumstances. I contend that specious and illogical objections of that kind are merely being used, or brought forward, to veil a much deeper objection.

It is noteworthy that in 1947, in 1953 and in 1958, there were debates on the question of this country drawing closer to the West Indies. On each of those occasions, for one specious reason or another, the proposal for Guyana's coming closer, economically or politically, to the West Indies was opposed by the party now in Opposition and its spokesmen. [Interruption.] I knew that the hon. Member (Mr. Ram Karran) was aging, but I did not know that his memory was aging so fast. I was not in the Assembly in 1963 when the debate took place. You may refer to the *Hansard* if you still maintain any scintilla of literacy. [Interruption.] In 1953 the debate took place before the elections and everyone who was a member of the executive knew that the way the party spoke and voted was a bone of contention.

The Government is not impressed. All we want to do is to congratulate the Opposition upon doing less badly than it has done in the past on this question of West Indies regionalism. In the

past it has voted positively against. In this case, it has spoken against but will abstain, like the political coward and chameleon that it is.

There can be no argument based on logic or experience against this Agreement. It has been observed that, subsequent to the last war, certain Caribbean territories, notably Jamaica and Trinidad, as a result of favourable prices prevailing for the primary products which they export, had a comparatively rapid rate of growth. This rapid rate of growth took a downward trend towards the end of the '50s. What has obviously been known to have been the case is that since they were dependent for their economic growth on market prices in a market which they did not control - and could not control - when the prices fell, their growth receded.

What, therefore, is to be done? It is true that one still finds in the Caribbean too great a dependence on sugar, be it in Jamaica, Guyana, Trinidad or even Cuba. Quite obviously, an area like the Caribbean has to turn to a consideration of its own markets. Its own individual markets are too small to supply an alternative to the export markets of North America and Europe, but the combined markets of all the units would be a sufficient base for the increase of trade as well as the setting up of industries - industries which will have bigger markets, industries which can be more efficient and which, on the Caribbean becoming an economic unit, can give the peoples of this region the opportunity of being able to bargain with out-

[THE PRIME MINISTER]

side agencies, governments or what have you, at less of a disadvantage than is the case when the units are separate, distinct and apart.

One of the objectives stated here, for instance, is a rationalising of the respective economies, emphasis in each case being placed upon the capacity or natural ability of a particular area to produce one commodity or another. A clear goal or objective in this Agreement is to bring about an approximation of incentive legislation within the free trade area, within what we expect and hope will eventually be an economic community.

5 p.m.

It is expected that if, within this small area, you have a number of unit Governments vying with each other as to the incentives which would be offered to new industries coming from abroad, you will have, in the final analysis, an exercise in self-destruction. To put it another way, you will have a frustrating rat race. Those who signed this Agreement particularly addressed their minds to this aspect and not only set it out as an objective in the preamble, but dealt with it specifically in Article 23.

There has been the observation that this Free Trade Association, from its inception, has not taken into account the interest of the workers. It is a little difficult to understand how such a statement could be made in the context of the

preamble and in the context of the Caribbean Congress of Labour representing over 300,000 West Indian workers supporting the concept of the Agreement and of a Free Trade Association.

I have no doubt in my mind that, when the history of the Caribbean is further written, when new chapters are added to the Caribbean history, this document - [Mr. Ram Karran: "Are you the author?"] - which was signed at Dickenson Bay on the 15th December, 1965, will be one of the pre-eminent landmarks. The Opposition itself has conceded the excellence of the Agreement by wasting time attacking it and deciding not to vote against it.

I, therefore, commend the Motion moved by my hon. Friend the Minister of Trade, Shipping and Civil Aviation (Mr. Kendall) and would ask, when the vote is taken, that there be a Division so that posterity can read of these political cowards who do not have the courage of their convictions.

Question put, and agreed to.

Mr. Chase: I call for a Division.

*Assembly divided: Ayes 26.
Declined to vote 13, as follows:*

<i>Ayes</i>	<i>Declined to vote</i>
Mr. Wharton	Dr. Ramjohn
Rev. Trotman	Mr. Linde
Mr. Singh	Mr. Ally
Mr. Prashad	Mr. Khan
Mr. Field-Ridley	Mr. Lall
Mr. Carrington	Mr. Luck
Mr. Budhoo	Mr. Hamid

Mr. Blair
Mr. Joaquin
Mr. Duncan
Mr. Clarke
Mr. Bowman
Mr. deGroot
Mr. Thomas
Mr. Merriman
Mr. Kendall
Mr. Kasim
Mr. Jordan
Mr. John
Mrs. Gaskin
Mr. Correia
Mr. Cheeks
Mr. Bissember
Mr. d'Aguiar
Dr. Reid
Mr. Burnham - 26.

Dr. Ramsahoye
Dr. Jacob
Mr. Hubbard
Mr. Ram Karran
Mr. Benn
Mr. Chase - 13

Mr. Chase: According to the Standing Orders --

Mr. Speaker: I have not proposed anything. Do the members of the Opposition have anything to say?

Mr. Luck: Yes.

Mr. Speaker: You may now proceed.

Mr. Chase: The Regulations which it is proposed to discuss now were received by Members on this side at 2 o'clock,, or shortly thereafter, when they came into the Chamber. The Leader of the House (Mr. Bissember), at approximately 2.05 p.m., did ask me whether we would agree to have these Regulations debated this afternoon on the suspension of the Standing Orders. I immediately told him that I could not agree to such a proposal.

A cursory examination of these Regulations shows that there are a number of matters which require study. The Minister did say to me that the Regulations are, more or less, in conformity with the Budget proposals of the Minister of Finance. With that I respectfully disagree, because I do not recall the various percentage increases which are set out in these Regulations as being set out in the Budget. They vary from them, in some cases, over 60%, over 70%, in one case 100%, to other small percentage increases.

5.10 p.m.

Indeed, Mr. Speaker, in order to be able to examine this pro-

Motion carried.

APPROVAL OF MOTOR VEHICLES AND ROAD TRAFFIC (AMENDMENT) REGULATIONS

"Be it resolved that in terms of section 96(3) of the Motor Vehicles and Road Traffic Ordinance, Chapter 280, this National Assembly approve of the Motor Vehicles and Road Traffic (Amendment) Regulations, 1966, which were made on the 29th of December, 1966." [The Minister of Finance.]

The Minister of Finance (Mr. d'Aguiar): I beg to move the suspension of Standing Order No. 23 to enable this Motion to be proceeded with at this sitting.

Mr. Chase: I rise to oppose the suspension of the Standing Order.

Mr. Speaker: This Motion is not debatable.

[MR. CHASE]

perly we should have the Budget Speech here with us. I would respectfully say that if the Leader of the House intended that this matter should have been dealt with today, when he gave the Clerk instructions to put it on the Order Paper, he could, at least, have indicated this to the Leader of the Opposition so that he could have alerted Members on this side that it was Government's intention to proceed with this matter.

I may add that this is a financial provision, and I would respectfully urge you to be very reluctant to grant suspensions of the Standing Orders to deal with the imposition of taxation on the citizens of this country. It should only be done in the most extreme cases and this is not an extreme case. The Budget was presented in April of this year, I think - I speak subject to correction - and this means that it took the Minister eight months to produce these Regulations and this may be because of one of two things. First, it was probably a matter which required a great deal of study and, therefore, he cannot expect us to deal with it in a matter of an hour or two. The other reason may be that the Minister and the Government are guilty of negligence in the matter, and we ought not to be penalised because of the negligence of the Government. They have themselves to blame entirely for this. Within the last eight months the law officers could have prepared the Regulations and they could have been presented to this House before now. The Minister does not even condescend to

tell us what is the reason for eight months to have elapsed before bringing this measure before the House.

Now, as regards the question of bringing this into force on the 1st January, 1967, if this is going to be used as a reason for urgency, I would say that the Government, in the first instance, ought to have anticipated it and the business of the House ought to have been so regulated for this matter to be dealt with in time. The appropriate two days' notice which the Opposition is entitled to ought to have been given. It will do no harm for the normal two days' notice to be given now. I say this because when I look at the figures, not only have they been changed but it requires time to see whether provisions are made with regard to sugar-cane plantations - the loading of the vehicles, the changing of terms which occur all over these Regulations.

I respectfully say that we need time. We are entitled to time and I ask you, by virtue of the discretion which is vested in you in matters of this kind, to so exercise it as not to permit this debate to take place on so fundamental a matter at such short notice. There is absolutely no reason why members of the Government should have waited until today (a) to present these Regulations, and (b) to have a debate on them when they have been laid only this afternoon. The Member of that front Bench who is responsible for this is not even here. In view of those facts and reasons which I have advanced, I respectfully appeal to you to use your discretion in

this matter so that the normal notice will be given.

Mr. Speaker: But you know, Mr. Chase, the Standing Orders provide for suspension in these cases of urgency. The very Standing Orders permit you to have a suspension in cases of urgency.

Mr. Chase: But this, in my respectful submission, is not a matter of urgency. It does not fall within that category. If it were, it would have been presented since April or May, immediately after the Budget. The fact that it has taken almost eight months for the Minister to bring it to the House is indicative of the fact that there is no urgency.

Mr. Speaker: The urgency lies in the fact that the year is coming to a close.

Mr. Chase: That, sir, is a matter of incompetence not urgency. As I have said, the first business day is Tuesday, 3rd January, and people do not normally go and take out licences immediately on the 3rd January.

Mr. Speaker: Mr. d'Aguiar, will you please give me some enlightenment on this matter?

Mr. d'Aguiar: Yes, sir. First, the argument of Mr. Chase that the Regulations now before the House differ greatly from those envisaged in the Budget as printed and published on the 5th of April is not correct. There is practically no change in the items as put forward in the Budget. There is one instance of a very minimum change where it is

not really a change, it is a spread between two series of weights instead of one series of weights. So, really, there is no change. We have had eight months to consider it. The fact is that it was passed in the Budget.

Now, there was no question of introducing a Motion immediately after the Budget. It was considered that it would be made effective for the half year. But the awkward question of retroaction came into deeper consideration, the question being: Is it right for Government to raise the licence duty after some people may have received from the Government a receipt in full for the whole year's licence? It was, therefore, thought better to make it effective from the beginning of the year. I was of the opinion that - and here I must confess I was wrong - the publication of the Regulation would make the tax effective as is the case with customs duties and other similar matters. But in this case the Regulations are not effective until they are passed by the House. In the case of customs duties they are effective before they are passed by the House. That explains the urgency for it to be passed before the end of the year. If we do not do it now it will mean that it will have to wait for 1967 to pass and become effective in 1968.

Mr. Speaker: The Opposition has a right to ask that these matters be put forward to the House in time. The Government, on the other hand, has a right to see the State properly run. The business of the Government must be carried on and, in this instance, I believe that the busi-

[MR. SPEAKER]

ness of the State is the greater of the two, so I am going to permit the Motion. The Question is that Standing Order No. 23 be suspended.

Agreed to.

Relevant Standing Order suspended.

5.20 p.m.

Mr. d' Aguiar: I beg to lay on the Table the Cabinet's recommendation, in terms of article 80(2) of the Constitution, to allow the Motion to be proceeded with.

The Motion itself is simple and, as I said, it carries out the recommendations as published in the Budget Speech. In order to simplify matters for hon. Members, I will go through the items one by one. Before doing so, I want to refer to what I said in the Budget Speech. I said that motor vehicle licence duties would be rationalised. This is rationalisation. In the case of goods vehicles, the variety of about 27 different rates is reduced to 5 rates. You have 27 different rates for vehicles according to the roads on which they are travelling. You have one rate for the West Coast; one rate for the East Coast; one rate for Georgetown, and so on. That is a most inadequate system.

Let us take **Item 1.** This conforms exactly with what was put forward in the Budget Speech. There are three classifications of motor cycles - (a), (b), and (c):

	Present Rate	Increased Rate
(a)	\$ 7.00	\$10.00
(b)	13.00	15.00
(c)	15.00	20.00

I repeat that this conforms with what was put forward in the Budget Speech, and there has been no change whatsoever.

Item 2. For each motor vehicle other than a motor cycle -

	Present Rate	Increased Rate
(a)	\$ 32.00	\$ 45.00
(b)	47.50	60.00
(c)	62.50	75.00

Further, as envisaged in the Budget Speech, the new rate applicable to vehicles between the weights of 4,000 pounds and 5,000 pounds is \$120.00 and there is a further new rate for vehicles exceeding 5,000 pounds \$200.00. These rates are all in conformity with the proposals put forward in the Budget Speech.

Item 3, Hire cars.

	Present Rate	Increased Rate
(a)	\$47.00	\$60.00
(b)	60.00	75.00
(c)	75.00	90.00

Item 4, Motor buses.

For motor buses operating in Georgetown and New Amsterdam there is no change.

	Present Rate	Increased Rate
(a)	\$ 75.00	\$ 75.00
(b)	120.00	120.00

Then you have motor buses travelling elsewhere. Here you have two routes: on the non-railway route - \$100; on the railway route \$200 for buses of not more than 14 passengers, and this is rationalised to a single rate of \$120. Then you have a rate for motor buses above 14 passengers - \$200 on the non-railway route, and \$400 on the railway route, and this is rationalised to a single rate of \$300. In the case of buses the intention is not to raise the level of duty but to rationalise it. In fact, there will be no increase in revenue from the new duties on buses. This is simply a simplification or rationalisation of things.

Then you come to goods vehicles where you have a variety of rates, depending upon whether it is a goods vehicle for hire, or a goods vehicle for private business. The intention is to do away with the difference between goods vehicles for hire and those for private business. Then you have a variety of rates: one rate for Georgetown, another rate for the non-railway routes, still another rate for the railway routes, and a different rate for the private goods vehicle to carry on business but not for hire. You have 5 different rates relating to each category of vehicle, so we have rationalised this so that under (a) the rate will be \$50.00 and applicable to all vehicles not exceeding 1120 pounds whether they are hired or privately owned for carrying goods. Under (b) the rate will

be \$100; (c) \$200; (d) \$300; (e) \$400. In this process of rationalisation you will find that trucks which transport sugar will come under (e) and will pay \$400. At present they pay two rates. Trucks transporting sugar on the East Bank pay one rate, and trucks transporting sugar on the East Coast pay another rate. Trucks on the East Coast used to pay \$500, and trucks on the East Bank used to pay \$200. The new rate of \$400 is more than the mean between the two rates and is calculated to increase the revenue. That is why \$400 was chosen. It is not a reduction to the producers of sugar, but to anybody who owns a similar type of vehicle.

Under Item 6, the present rate for a motor tractor is \$2 per annum, and this has been increased to \$20. With regard to Item 7, the rate for a motor hearse remains the same - \$20. [Mr. Luck: "Why?"] Item 8 has been increased from \$60 to \$100. Item 9 has been increased from \$10 to \$20. Item 10(i) remains the same, but 10(ii) is rationalised to one rate of \$25 instead of varying the rates for tractors attached to vehicles. Then there is the usual provision for free licences for those vehicles which are restricted to plantations of any kind and to farms and do not travel on the public road.

The principle is one of simplicity and rationalisation, so that when you take out a licence for a hire car, or for a goods vehicle, or for a bus, in Georgetown you will pay the same licence wherever you travel on the public roads of Guyana, and you will no longer have to pay a

[MR. D'AGUIAR]

great variety of different licences for the use of public roads.

5.30 p.m.

I think this is in keeping with modern practice. It encourages smaller people to produce things in country districts and to carry their goods to the markets in the towns. It is making it easier for the smaller man to run a trucking business. A privilege is not necessarily given to people living in Georgetown who now have to pay rates, in some cases as low as \$30, for vans operating in Georgetown. There is one rate and, if anything, it is intended to help persons in the country areas. I therefore beg to move the following Motion:

"Be it resolved that in terms of section 98 (3) of the Motor Vehicles and Road Traffic Ordinance, Chapter 280, this National Assembly approve of the Motor Vehicles and Road Traffic (Amendment) Regulations, 1966, which were made on the 29th of December, 1966."

Mr. Luck: I shall oppose this Motion and I shall vote against it. I never like imputing hidden motives to anybody, but one wonders why this Motion is so urgent. I have looked at the Budget Speech for 1966 and certain things stand out very clearly. At page 18 of the Budget Speech there is a section on Tax Proposals, and there is a list of the ways in which Government proposed to levy increased

taxation during 1966. I shall read them, but not necessarily in the order in which they appear:

"(i) by higher import duties .."

That has already been done -

"(ii) by higher export duties .."

That also has been done -

"(iii) by levying an exit tax on persons leaving the country .."

That also has been done -

"(v) by raising the rates of motor vehicle licence duties .."

This is now being done.

One will note that these taxes fall like the rain on rich and poor alike, but what has happened to the fourth proposal that was contained in the Budget Speech, the increase on the rate of the capital gains tax from 10% to 15%? [Mr. d'Aguiar: "That was done first not last."]

In introducing his Motion, the hon. Minister of Finance said that his proposals followed in every particular, except one, the proposals contained in his Budget Speech. This is wholly untrue. In the class of vehicles with which he is concerned, there is a great disparity between the proposals now before the House and the proposals contained in the Budget Speech, a disparity which reflects a fundamental change in the law.

The old law of this country, in relation to goods vehicles, levied taxes based on their payload. We all know that there are firms with huge vehicles which carry water, bottled water, and, in consequence, are very heavy. The law provides that the rates be fixed on the payload. I should like the hon. Minister of Finance to interrupt me now; he seems very quiet.

Let me read now from page 27 of the Budget Speech. There would be a rationalisation, as the Minister said, and -

"a single scale of rates varying only with the payload of the vehicle will be introduced."

The law as it now is refers to the payload, and it is right that vehicles should pay rates according to the amount of goods they carry. That is the proper unit to measure. What do these proposals now before the Assembly speak of? I see the hon. Minister of Finance is very quiet. If he wishes to interrupt me now, I will yield. We know who owns goods vehicles, and what do we see in these Regulations? There is a reference to goods vehicles "not exceeding 1120 pounds unladen weight". These Regulations are therefore greatly at variance with the proposals contained in the Budget Speech, and they are greatly at variance with the principles of our law as previously established. They are greatly at variance with equity and common sense. The hon. Minister of Finance is wealthy enough to pay proper taxes.

In putting forward this Motion, the Minister of Finance said that these Regulations represented no great departure from the proposals outlined in the Budget Speech. He gave the impression, whether deliberately or not, that there was nothing new in this matter. As I have already said, an establishment that has heavy vehicles which carry water would have a very different liability to tax under these Regulations than under a system whereby the liability to tax is judged by the payload rather than by the unladen weight. In proposing this Motion, the hon. Minister of Finance said it was the same and it is only by fortuitous circumstances - as you know, sir, we had no chance to look into this matter - that I saw "payload" mentioned here in the Budget Speech.

There is no mention of "payload" in the Regulations. I would like to make a mental calculation in connection with the savings involved in so far as a large business with one hundred heavy-duty lorries is concerned. If they were to be adjudged by their payload, with a weight of over 5 tons, they would be rated in the highest bracket.

5.40 p.m.

At five tons you would reach the highest scale - \$400 - that is, if we were to take the laden weight or the payload. An amount of 100 trucks, at \$400 each, would be \$40,000. That would be the liability for tax of this Government, if we were to adjudge the matter by the payload.

[MR. LUCK]

Now let us take their weight. I assume that overnight, by magic, this firm - I am positive now - would escape by \$20,000. Clearly, for this reason alone, I urge the Government to reconsider this. We were told that this is no great difference. I happen to know that those trucks would not exceed two tons and, on this basis, they would have to pay \$200 only. It should be adjudged on the proper basis, by the payload. It is here in the book - payload - and, like some thief in the night, the thing is changed suddenly. Then we have a new basis, but we are not told what is the new basis. That is one aspect of the matter.

If the hon. Minister would like to clarify, for the benefit of this House, how he came to say that these proposals are the same as contained in the Budget, in the light of the clear contradiction that, for the first time in the history of this country, goods vehicles are to be assessed by their unladen weight against the proposals contained - payload - then I would yield the floor to him.

Now let us start with the measure of increase. We find that the poor little typist who rides an auto-cycle will have to pay an increase in the order of 50% - from \$7 to \$10. The man who rides a motor cycle above the weight of 200 pounds will have to pay an increase in the order of 33%. Here again the hon. Minister has us at a disadvantage. He brings us here to pass this legislation, to steam-roller it, giving us no proper oppor-

tunity to prepare for the debate. He gives us figures at variance with what is in the law. We have no means of checking.

What is the moral of this story? The moral of this story is that the poor are to be taxed heavily, and the wealthy, the firms with goods vehicles, are to escape taxation. While I am on this matter, I wish to say that I am at a loss to understand why Georgetown buses should be so slightly taxed. The licence fees in respect of hire cars and motor cycles have gone up, but the Georgetown buses escape one cent increase.

Sometimes I find it necessary to travel in the Georgetown buses, and every time I do this - [The Prime Minister: "What is the fare?"] - I become gravely annoyed with this antediluvian service. It is obnoxious; one has to pay a fare of eight cents. I have travelled in a Georgetown bus from the market square to the end of the line in Campbellville without getting a seat, so crowded it is. On Saturday mornings, I understand - I do not travel in them on Saturday mornings because I was warned against it - that the buses at Campbellville are so crowded that sometimes people cannot stand on the floor, they are suspended in the air.

If any service in this country is making money, that bus service is making. It eludes one cent all right. No one can justify why a bus service, as highly profitable as that one manifestly is - because if it is not making money nothing in this country is - should escape taxation.

That is a matter that is beyond me, and the fact that taxes were not levied on them before is no justification for not raising them now when, indeed, this Government seeks to raise the licence revenues on all categories: hire cars, ordinary bicycles, private cars - and the increases are very steep.

We now turn to the steepness of the increase. We are going to see what kind of socialist Government this is. We know that the heaviest vehicles in this country are the bulk sugar vehicles owned by the sugar estates. There are two categories: those which use the East-Coast road, and those which use the East Bank road. The licence fee in respect of those that use the East Coast road is, according to the Minister, \$400. The East Coast estates include Bath right down. There are at least four estates on the East Coast and one single, little estate down here, so one must assume that there are four times as many sugar estate trucks on the East Coast as there are on the East Bank. [Mr. d'Aguiar: "You assume wrongly."] The ones on the East Coast pay \$500, and the ones on the East Bank pay \$180. At a time when the licences of our own poor people have gone up, you are going to ease the sugar producers! They are going to pay \$400.

5.50 p.m.

I also want to raise a matter of some great constitutional importance. As I have already said in this House, when wealthy men in the United States of America become Presidents of the United States, they feel impelled to

hand over their shares to trusts so that there may not be, in the discharge of their duties, a conflict of interest. The Secretary of Defence, McNamara, has had to hand over his shares to others while he holds the post of Defence Secretary precisely because no one in the Government should deal in matters where his firm could conceivably benefit.

I want to believe that one of the largest owners of goods vehicles in this country, surely, must be Banks Breweries and d'Aguiar Bros. combined. I would have thought that the Minister, in making these proposals, would have told this House frankly whether he is going to pay less, as I say he is going to pay less, and let the House adjudge the matter. In England I do not think this practice occurs, but it is certainly the practice in the United States of America that you cannot be in a position where the firms you own can conceivably benefit from your decisions in any matter. I raise this as a matter of principle and not as a matter of personality.

I am not unaware of the great sacrifice in which these public duties involve Mr. Peter d'Aguiar. But I think it is a very important matter that whenever any measure is introduced before this House and the pilot of that measure can conceivably benefit, he ought to declare his benefit. I do not say that he should sell his benefit, but I say that he should put it in trust. My poor friend, Mr. Rudy Kendall, has had to resign several profitable directorates and now his head is rolled. Clearly the right thing to do is - I hope Mr. d'Aguiar

[MR. LUCK]

understands that this is by no means personal - to hand it over to a trust and leave the management to your trustees until such time as you come out of public office. This is a fundamental principle, and it is a principle rigidly applied in the United States of America, that land which Mr. d'Aguiar so frequently refers to as an example of all things right and good. The United States would not tolerate a Minister of Finance with substantial holdings in firms.

In conclusion let me say this. We are opposed to these increases because they fall mainly on the poor. The principal burden will be on the poor. The wealthy Georgetown bus companies will not pay one cent more although their services are so unsatisfactory. The sugar estates will pay less than they are paying now. Banks Breweries will pay less. But "Tom" who rides an auto-cycle will pay 40 per cent more. By all that is right and fair this is wrong. May I ask the Minister of Finance in his reply to explain how it is that in the Budget Speech he spoke of payload and here he speaks of unladen weight, because they are two different things. The difference is fundamental because it would mean a difference in tax liability of thousands of dollars.

Mr. Ram Karran: I agree with what my colleague has said. This measure varies from principles which have been laid down and principles which have been enunciated all over the world. The Minister, with a mere shake of his magic wand, throws aside all

of these principles which have been put into the original Ordinance on which this measure is based. As this House will recall, this measure was amended first in 1941 and then in 1950. A great deal of thought by more knowledgeable people was put into it to make this Order. He calls it cumbersome. He calls it antiquated, and he seeks to rationalise - "rationalise" is a new word - but hidden behind this rationalisation, as the hon. Member Mr. Luck pointed out, is a great deal of deception.

I said just now that this measure was originally based on principle, and the principle governing the Road Traffic Ordinance, not only in this country but all over the world is based on use. People pay as they use the roads. Since it is impossible to measure the mileage the vehicles are categorised in groups. A motor car carrying passengers for social and other purposes is taxed at a certain rate, having regard to its location. Vehicles taking passengers on hire are charged a higher rate, even the licences and the insurance rates are higher than buses and other larger vehicles taking people to work, and so on. These principles have been handed down to us for many, many years originating from those countries in Europe where motor transport was originally carried out. These principles apply to highly developed countries like the United Kingdom even today.

6 p.m.

There is another principle which the hon. Minister has glossed over. I thought that his colleague, the hon. Member Mr.

Carrington, would have got up and protested against this sort of thing, for he had an opportunity of seeing this paper before I did. I now refer to the principle of road versus rail. My hon. Friend invited the hon. Minister to declare his interest when he spoke on this measure.

I think it is highly immoral for this measure to be brought here when the interest of the Transport and Harbours Department is laid aside by the hon. Minister of Finance whose interest is primarily affected. I refer to this very huge reduction in the carriage of goods by private operators and by hired vehicles against the interest of the railway line. I remember that the hon. Minister of Finance was severely criticised, but he was not ashamed when it was exposed that he had contracted with the Transport and Harbours Department for the carriage of sweet drinks across the Demerara Ferry and other Ferries at a rate cheaper than other businessmen. There must be a limit to what the hon. Minister of Finance, whose interests are affected, can do in this House.

With regard to the question of road versus rail, a certain principle has been followed for centuries. In the United Kingdom, Europe, and the United States of America special legislation is provided for the assistance of the railways which cannot detour, and that is why some form of protection has to be given to the railways. In one wave of his magic wand the Minister of Finance has struck a severe blow to the Transport and Harbours Department in his at-

tempt to rationalise things. We have a representative of big business sitting in this Coalition Government and biting his thumb.

Some time ago we were debating a measure where a policeman was to be appointed to advise the Government on passports and documents for citizens. Some years ago a policeman was brought to this country to advise Government on the control of traffic. His name was Mr. Evans, but he had to run when he attempted to change the system of traffic in this country. Did the Government ask the Police Department to advise it regarding the amendment to the Order? Surely not. Today the hon. Minister of Finance stands here and tells us about rationalisation, when the question of road versus rail is grounded in principle.

The hon. Minister of Finance said that there are 27 different rates, and he has reduced them to 5 rates. In whose interest and in whose benefit has he done this? Why were there originally 27 rates? Did the hon. Minister of Finance refer to legislation in England in order to see what licence is paid by motor vehicles? If he had done so, he would have seen the reason for doing certain things. Has he looked at the legislation in Trinidad? If he had done so and discussed the matter with the Minister of Communications, he would have realised that we are departing from the principles and procedures which have stood the passage of time. Perhaps the P.P.P. Government will have to re-rationalise this monstrosity which the Minister of Finance is

[MR. RAM KARRAN]

attempting to force on this House in such a short time. [Mr. Jordan: "P.P.P. Government?"] Yes, our time will come again.

What do we find here? Very slyly the Minister of Finance tells us that the licence of a private car is going to be increased. I and my colleagues on this side will support the Minister on that. People who can afford to own private cars ought to pay something more for the benefit of the community. But when we look at certain increases and the way in which the Minister of Finance dishonestly compares the rates which he read from his Budget Speech, God in heaven knows how this became a legal document!

When I compare his Budget Speech with page 3594 of Chapter 280. the Motor Vehicles and Road Traffic Ordinance, I find that there is a great amount of disparity in the First Schedule. Let us make a comparison.

Present Rate	Increased Rate
1. For each motor cycle whether kept for the purpose of private use, trade or hire shall be at the rate of -	
(a) having two wheels and not exceeding 200 pounds	
\$5.00	\$10.00
(b) having two wheels and exceeding 200 pounds	
\$10.00	15.00
(c) having three wheels	
\$12.00	20.00

Now the hon. Minister of Finance read out figures for motor vehicles other than motor cycles, and I will continue to quote from what is set out in the First Schedule.

Present	Increased
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3. For each motor car used solely for private purposes.	
(a) not exceeding 2,240 pounds	\$27.00 \$45.00

There is certainly a lot of difference between \$27 and \$45.

(b) exceeding 2,240 pounds, and not exceeding 3,000 pounds	\$40.00 \$60.00
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Mr. d'Aguiar: All of that has been amended long ago.

Mr. Ram Karran: We are now told that the figures in this Ordinance have been amended. The Minister of Finance's new Schedule goes on to state that for each motor vehicle other than a motor cycle -

(c) exceeding 3,000 pounds and not exceeding 4,000 pounds	\$75.00
(d) exceeding 4,000 pounds and not exceeding 5,000 pounds	120.00
(e) exceeding 5,000 pounds	200.00

The hon. Minister of Finance mentioned that certain rates have been amended, and he should have told us about them. No

amendments have been made to the Ordinance before me. The Minister should have told us what were the figures prevailing before, and why he decided to adjust the figures.

6.10 p.m.

The estate owners have a number of buses. How much do they pay for them? The licence for a bus was \$62.50 and the Minister proposes to increase this to \$75.00. I have no quarrel with respect to increases on private cars, although it must not be forgotten that members of the working class in some cases find it more economical and more convenient to pool their resources in order to arrange their transportation. Many people with large families find it economical to buy second-hand cars in order to take their children to and from school.

That is why I thought that this Government, in particular someone with the background of the hon. Minister of Finance, would have seen to it that these figures were really rationalised and would not have arranged for such very big increases percentage-wise. What do we find with respect to the other categories, hire cars, goods vehicles and buses? If this is not class legislation, I should like my friend the Minister of Finance to tell me what is. The small hire-car owners are pestered night and day. They must pay insurances, licences and arrange fitness tests. I hold no brief for anyone; everyone should observe the law, but the law relates only to some people. Many people can drive defective vehicles and

nothing is done, but if someone is not "in the groove", if he does not toe the line, heaven help him. That is what I complain of.

What the Minister seeks to do here is to "soak" these men a little more. There will be no increase on bus licences. The monopoly bus company, with the big company director who owns the bus company operating in Georgetown, this monopoly which says every year, "Give us more money; we want increases", a monopoly which is exploiting the situation, whose buses damage the roads, will pay no increases. On the other hand, what happens to the small taxi-owners who cannot find employment because of the betrayal of this Government? The Government "soaks their skins". That is why there are these steep increases. Those taxi-owners who paid \$47 will now have to pay \$60; those who paid \$60 will have to pay \$75 and those who paid \$75 will have to pay \$90. Compare the increases for the motor buses that carry not more than fourteen passengers! Their owners will pay the same rate: no increase at all. Is it the cost of running the Government, the cost of increased rations for the defence force at Ankoko, or the cost of the alleged improvements in hospitals, that makes these increases necessary? There will be no increase in the licence duty for buses that carry less than fourteen people, and the buses that carry 39 passengers, if they operate in Georgetown, will pay \$120 as before.

We often charge the Government with discrimination. What is the position with respect to

[MR. RAM KARRAN]

the people who operate in areas outside Georgetown? I believe in the principle of tax, and since the bus companies will be able to maintain a reasonably large staff with good wages, I shall uphold the principle until I am convinced otherwise, that the Minister, when introducing far-reaching changes of this kind, ought to bring some arguments for amending a system that operates not only here but all over the world.

What is the position of bus operators in rural areas? The rate on buses that carry not more than 14 passengers will be reduced from \$200 to \$120 and not from \$200 to \$75 as provided for buses operating in the city, where good roads exist and where insurance facilities and maintenance services are readily available. Why is there a difference? The Minister, when he spoke, ought to have said why this discrimination is to exist and why there is to be a licence fee of \$120 for buses that operate outside the city where there is competition, police harassment, mechanical break-downs and long distances to travel on bad roads. Why is it that the big firms, in which de Freitas, Mohamed and men who meet at cocktail parties are large shareholders, will have to pay licences amounting to \$75?

The same argument applies to buses with 14 passengers that ply in the rural areas, on the East Coast and on the Corentyne. The hon. Minister said that the buses that operated in competition with the railway were paying \$500 a

year. This has now been reduced to \$300 and the rate applies all over the country. This, I submit, is class legislation, and we who have entered this Assembly made a pledge when we approached the electorate to serve their interests. When we come into this House and attempt to pass legislation benefiting only one small section of the community, those who are on top, I think it is appalling.

That is why I said the hon. Minister ought to have declared his interest. In the opinion of authorities the vehicles that operate more often than others ought to pay more, and it is on that basis that buses and hire cars ought to pay more. Other than that there would be no justification for them to be charged more.

Hon. Members will recall that not long ago regulations were amended to charge freight on cars crossing by the ferry so that they would pay according to weight. Prior to that, legislation was based on class, and private vehicles paid less than vehicles for hire when they crossed by the ferry. The P.P.P. Government amended that piece of legislation so that a Morris Minor, or any make of car, whether private or carrying goods, would pay the same freight according to weight. That piece of legislation has been changed. We think the principle should be applied now.

I submit that vehicles that ply more regularly and vehicles which authorities have reason to believe will make more use of the roads, because they are used for

hire, should pay more. But what do we find? We find that the hon. Minister has rationalised the amount to be paid by goods vehicles not exceeding 1120 pounds, unladen weight. The licence fee was \$75; it will now be \$50.

6.20 p.m.

The same experiment, the same exercise continues down the page. The Minister says that the licence fee is \$200 in respect of vehicles exceeding 4,480 pounds. But he said that there has been an increase. This is the snag - I nearly said dishonesty. He said that the licence fee will be \$300 in respect of goods vehicles exceeding 4,480 pounds but not exceeding 11,200 pounds unladen weight and that it will be \$400 in respect of goods vehicles exceeding 11,200 pounds unladen weight.

The law, as the hon. Minister of Works and Hydraulics (Mr. Kasim) will tell the hon. Minister of Finance, is that the maximum weight a motor vehicle is supposed to transmit from a square inch of tyre is 1,100 lbs. These Regulations here do not fit in any way with the Regulations provided in the Ministry of Works and Hydraulics for the overloading of vehicles. In other words, you have got to use one measure for assessing the licence fee in respect of a vehicle and another measure to find out if the vehicle is breaching the law or not.

I suspect, because of the limited time available to Members of this House, that this is a gross violation of the existing law as it relates to abuse of

roads. I wish to draw the attention of hon. Members, the Police Department and the Ministry of Works and Hydraulics to the fact that there are a large number of vehicles operating in this country that abuse the law with impunity. Not far from here one can see the contempt with which the hon. Minister treats this House. His trucks are parked along the parapet of this building. This is disgraceful, but I do not imagine that Members of this House can take a question of Privilege, even though the Minister's commercial vehicles disgrace and desecrate this Public Building.

One can see d'Aguiar and Rahaman trucks all over the country, and if any one of those trucks were to be weighed, I wager that it would be overloaded in so far as the laws relating to the overloading of vehicles are concerned. The hon. Minister is using his position very selfishly in this matter. The East Coast and the East Bank roads are built according to certain limited specifications because the country cannot afford to build roads than can take 7-ton and 10-ton trucks. In other words, if you take a 5-ton truck and put a weight of seven or ten tons on it - as engineers will tell us - it would cause overloading on the wheels and axles and that would destroy the road surface. If you go on the East Coast road when the rain is falling and the vehicles are going up, you would see that one side of the road collects more water.

This measure ought not to be pursued here today in view of the criticisms made by Members on

[MR. RAM KARRAN]

ADJOURNMENT

this side of the House. It is very significant that the licence fees in respect of the two types of vehicles - the buses and the goods vehicles - have been virtually reduced, although the hon. Minister says the opposite. One class of vehicles, those that are used for private trade, are called L or XL vehicles.

Resolved, "That this Assembly do now adjourn until Friday, 30th December, 1966, at 2 p.m."
[Mr. Bissenber.]

Adjourned accordingly at 6.30 p.m.