

**THE
PARLIAMENTARY DEBATES**

OFFICIAL REPORT

[VOLUME 3]

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

51st Sitting

2.00 p.m.

Thursday, 27th November, 1969

NATIONAL ASSEMBLY

The Assembly met at 2 p.m.

Prayers

[Mr. Deputy Speaker in the Chair]

Present

His Honour, the Deputy Speaker, Mr. O. E. Clarke

Members of the Government

Ministers

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

The Honourable M. Kasim,
Minister of Communications

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

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

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

The Honourable B. Ramsaroop,
Minister of Housing and Reconstruction

Parliamentary Secretaries

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

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

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

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

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

Other Members

Mr. J. N. Aaron
Miss M. M. Ackman
Mr. K. Bancroft
Mr. J. Budhoo, J. P.
Mr. L. I. Chan – A – Sue
Mr. E. F. Correia
Mr. M. Corrica
Mr. E. H. A. Fowler
Mrs. P. A. Limerick
Mr. S. M. Saffee
Mr. D. A. Singh
Mr. R. C. Van Sluytman
Mr. C. E. Wrights
Mr. M. Zaheeruddeen, J. P.

Members of the Opposition

Dr. C. B. Jagan, Leader of the Opposition
Mr. Ram Karran
Mr. R. Chandisingh
Dr. F. H. W. Ramsahoye

Mr. D. C. Jagan
Mr. E. M. G. Wilson
Mr. G. H. Lall
Mr. R. Ally
Mrs. L. M. Branco
Mr. BalchandPersaud
Mr. BholaNersaud
Mr. I. Remington, J. P.
Mrs. R. P. Sahoye
Mr. V. Teekah
Mrs. E. DaSilva
Mr. M. F. Singh

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

Absent

His Honour, the Speaker, Mr. R. B. Gajraj, C. B. E., J.P.	-	on leave
The Honourable L. F. S. Burnham, Q. C., Prime Minister		
The Honourable R. J. Jordan, Minister of Agriculture and National Resources	-	on leave
Mrs. the Honourable S. M. Patterson, Minister of Education		
The Honourable S. S. Ramphal, Q. C., C. M. G., Attorney – General and Minister of State		
The Honourable M. W. Carter, Minister of Information		
The Honourable H. Green, Minister of Works and Hydraulics		
The Honourable H. O. Jack, Minister without Portfolio		
Dr. the Honourable S. E. Talbot, Minister of Health		
Mr. A. M. Hamid, J. P.	-	on leave

Mr. R. D. Persaud, J. P.
Mr. E. M. Stoby
Mr. R. Ally
Mr. E. L. Ambrose
Mr. J. A. Sutton
Mr. R. E. Cheeks

- **on leave**

ANNOUNCEMENTS BY THE SPEAKER**RESIGNATION OF MR. C. M. L. JOHN**

Mr. Speaker: Hon. Members, we have received from Mr. C. M. L. John, a letter dated 25th November, 1969, resigning as a Member of the National Assembly. As Mr. John has in accordance with article 61 (2) (a) of the Constitution vacated his seat in the Assembly, I have as required by article 70 (1) of the Constitution called upon the representative of the P. N. C. list to further extract from the list the name of a person who is not an elected member of the Assembly but who is qualified for election as, and willing to become, such a Member to fill the vacancy.

LEAVE TO MEMBER

Leave has been granted to the Hon. Member, Mr. Sutton, from today's Sitting.

PUBLIC BUSINESS**BILLS – SECOND READING****INCOME TAX (IN AID OF INDUSTRY) (AMENDMENT) BILL**

A Bill intituled:

“An act to amend the Income Tax (In Aid of Industry) Ordinance.”[**The Minister of Finance**]

The Minister of Finance (Dr. Reid): Mr. Speaker, the Bill before the House is the Income Tax (In aid of Industry) (Amendment) Bill, 1969. Its main objective is to give effect to

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our policy in regard to the present system of tax concession and so to accelerate the pace of industrial development. This was indicated as far back as 196 by my predecessor in office in his Budget Speech and this Bill seeks to give effect to that provision in the Budget. We are all aware that we now allow five years' tax concession to companies carrying a development and risk – bearing nature and we also allow some additional time, so that by the passage of this Bill we propose that it will be retroactive to 1st January, 1967 to take care of those cases granted on the ground that this Bill will become law.

This Bill also seeks to invest in the Minister the powers held by the Governor – General under the Ordinance. All of us in this House are agreed that this country must do all that is reasonable to attract and maintain industrial development. This Bill is an effort to make this a reality.

There is not much more to say about the Bill except to say a word about harmonization. We are all aware now that the Caribbean Governments have instituted a committee that is studying harmonization of incentives. So that it should not be assumed that this is in conflict with the work of that committee, we now state that we hope that it will be not inconsistent with the work of that committee. I am certain before long that the committee will submit its report and we will be able to analyse and discuss that. I made that point, Mr. Speaker, because some of our friends will begin to think that notwithstanding the work the committee is doing, Guyana is rushing ahead giving additional concessions. We are not giving additional concessions. This was in operation since 1967 and if we make it retroactive, what was done in 1967 on condition, will now be legally effective. That is all I have to say and I am sure we will all agree with this Bill.

Mr. Ram Karran: No longer does the Government attach any blame to the ex – Minister of Finance, Mr. D'Aguiar. No longer can the Government blame the Coalition which existed in so far as its big – business policies are concerned. Indeed, no longer can the members of the Government blame the so – called liberals who were left among them. Only yesterday we heard and today we still seem to hear the refrain:

“The gallant hound the wolf had slain,
To save Llewellyn’s heir.”

after all he had stood for and done for the party which is now in office. And my friend next to me says, “Who next?”

In a little while we shall hear from the big – business section of this House supporting this legislation. Today, the P. N. C. stands out as it always has stood out, as a party – with all its talk about working class, all its talk about the poor people, all its talk about labour and what not, its clap – trap, in the words of the Hon. Deputy Prime Minister – holding the interest of big business. It seeks to make it worthwhile for those people who have created it – big business.

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Perhaps it is the reason why the giant of big business who was once a member of this House has given up the leadership of the party and has left to his underlings the shadow of the substance, for this Government already represents big business. *[Interruptions]* That is why we have proportional representation. The P. N. C., as I said before, is naked as big business representatives. This question of - - *[Interruptions]* - - tax holidays is not a new one. The Hon. Minister of Finance (Dr. Reid) ought to know that for two decades now starting with Puerto Rico and stretching across the Caribbean from Jamaica, all the territories including Guyana have been stretching out their hands to offer tax holidays and concessions to big business. Some have been mildly successful – I say mildly because this bit of fooling the people cannot be successful forever. We have learnt that in some territories, particularly Puerto Rico and Jamaica, big business comes in, sets up its trade and, with the extension of seven years provided in these territories, which have been able to make all the profits paying back all the capital costs, making fantastic profits and moving out. We have a sorry history of this for I recall that in 1953 when the P. P. P. tried to abnegate big business representatives, we were pilloried by the then Minister of Education (Mr. Burnham) to give tax concessions to one Mr. Keller in Essequibo. Even though the Leader of the party resisted because we knew that tax holidays did not mean any

development at all, Mr. Keller, as we pointed out and we have been proved correct, merely wanted to save some corporate tax from the U. S. A. he came, expended a lot of money and became a more vicious landlord than the feudal ones we have had. The Hon. Members of the Government cannot deny that tax holidays in that sense did not in any way help.

We have had tax holidays granted in recent times and these Hon. Members who were then on this side of the House pilloried the Government. "Why don't you give tax holidays? Do like Jamaica, Trinidad and Barbados and all the social democratic governments!" Tax holidays were reluctantly granted, but what has been the result? Indeed, the records will show that more business came to the country during the office of the P. P. P. than after 1964. Indeed, what has been coming to them is loans, loans; all the time. I have not seen any big business; all have been going away. The Hon. Deputy Prime Minister (Dr. Reid) cannot deny that. The Manganese Company has closed down and others are going away; not only big business but the population in large numbers and if Your Honour wishes to examine this he has only to go to the Passport Office and he will see the large number of people who are booking passages. So this is to fool the business people or perhaps new businesses will come in. What big business wants in cheap labour, cheap electricity and other facilities. Perhaps the Government is moving in that direction to provide empty stomachs and empty mouths so that new business can come to exploit but so far there is no indication that they are successful.

I wish to refer to what the Hon Prime Minister said with respect to tax holidays. He speaks so seldom on any subject, he is a man for generalization. In one of his criticisms in 1962 he said that the Government should not impose a measure without saying specifically in the law what is to be obtained. What concessions are going to be given? Here we find not only vagueness but another dictator being created in the person of the Hon. Minister of Finance. I remember that during the recent debate on the Local Government elections, we on this side pointed out that the Bill sought to give a great deal of power to the unfortunate Minister of Local Government (Mr. John).

[Pause]

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We pointed out that the Hon. Minister of Local Government, I understand that he is going to be executed politically by the young socialists in the P. N. C. - - what are we creating here in this Bill? A greater dictatorship! The Minister, not the Cabinet, not the Governor – General, is going to be responsible for the grant of this holiday and for a period of ten years. These dictators being created are not good. I want to read what the Hon. Prime Minister said when he was Leader of the Opposition; I was talking about the philosophy behind his dictatorship.

Only a few days ago I thought that we would have heard in public that the Hon. Minister of Home Affairs (Mr. Hoyte) had apologised to Mr. Rickey Singh whom he slapped and whom he attempted to kick.

I am saying it here, let the Hon. Minister deny it: [Mr. Hoyte: “Go and say it outside and you will know what will happen.”] These people have too much power. Imagine this was done in the presence of policemen and he was not charged. *[Interruption]* Let the Minister deny it if it is not true: The Prime Minister said that Mr. Singh would get an apology and unto now, this has not been done. When you give people power like this, are they going to behave in this manner? Can you imagine a man who has “honourable” before his name slapping someone who has no power to retaliate? I wish he would slap somebody else. *[Interruption]* I wish he would forget himself and slap the right person, he would not like it. *[Interruption]* Arrogance and ignorance prevail on the other side of the House and this is the result of power which is created here.

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The other day the Hon. Minister of Home Affairs told me that the Police Force and the Army are there to see that civilcommotion does not take place --- *[Interruption by the Hon. Minister of Home Affairs.]* Here what this coward is saying; all right let the Special Branch work, we gave them \$200,000 the other day. [Dr. Reid: “Are you still on the subject?”] Yes. *[Laughter]*

What the Prime Minister said then was that if you are going to grant tax holidays then you must be specific; you must not create loopholes and a lot of loopholes have been created during the time of the Government of 1955 to 1957 where the Demerara Bauxite Company was given holidays on things that could not qualify for tax holidays having regard to the fact that it was extracting our wasting asset. Many of the Government's friends during that period got this so – called tax. He must be explicit when he comes and tells us that tax holidays will be granted; whether it is for making Puma, or for grinding black pepper or if it is for grinding massala. The Government must be specific and it is not for the Minister to make decisions. In all these legislations, it should be the civil servants who must apply the principles. [Dr. Reid: "Who was the Competent Authority at one time in this country? Was there a man called Ram Karran?"] The Government must be specific so that there would be no jiggery – pokery and no attempt by big businesses and others to come and confuse the issue. The Government tells us that businesses that are developmental are risk – bearing. What business is not, depending upon how it is operated? All of them are. It is not for the Government to put up vague legislation like this, and to put it in the hands of the Minister responsible for Finance – power that will create a great deal of fear in the minds of the people that certain people can get tax holidays and certain people only.

As I said at the beginning we are looking forward to the Government to bring legislation which will benefit the working class. As my Hon. Friend (Mr. Lall) pointed out, a large number of legislation that was brought by the P. P. P. was in support of the working class. Indeed, this type of legislation takes the profits out of the country to enrich the very good friends of the Government.

Mr. Speaker: Does any other Hon. Member wish to speak?

Mr. M. F. Singh: Mr. Speaker, we of this section of the House have no objection to the subject matter of the Bill; the principle is good. It is good to encourage development in a developing country, especially where we have a world market in which money is scarce. You

must offer incentives to the investor for him to invest his money and get a fair return while at the same time, helping the economy of the country – providing jobs for the people. This is good. But what I want to warn the Government about is the spirit in which the legislation would be administered. It is not the subject matter so much, as the way in which the legislation will be administered. We note that the Minister has very wide powers, indeed, we all know what power does. We have seen, for example, in respect of the former Minister of Local Government what very wide power could do, what eventually happens. *[Interruption]*

Let us, Mr. Speaker, ask the Hon. Minister of Finance to administrator this piece of legislation honestly and fairly in the interest of all the people of this country.

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The fact of the matter is that it must not be used to benefit one particular section or group in the community. It must not be used to benefit the P. N. C. friends; it must be used to benefit any deserving case. It must be administered fairly. This is what was ask for.

As I said, we know the consequences that can follow too much power exercised unwisely and the injection of political considerations. Maybe the resignation of the Hon. Minister of Local Government is some indication that the P. N. c. has at long last acquired a conscience and is reacting violently against the perpetrator of the 1968 election fraud, in which case let us ask the Minister of Finance to continue having a conscience and to administer this legislation in the interest of all and not in the interest of one section alone.

Dr. Ramsahoye: Your Honour, when the P. P. P. Government was in office it was faced with the same problems with which this Government is faced from people who want to invest money in the country. The solution which this Government is adopting is the same kind of solution which the P. P. P. Government was forced to adopt in dealing with the problem of attracting investors.

I think this House should be awake to the fact that legislation of this nature in our time is not something which is right. Let us justify it on the basis that we are forced into it at present because we are in dire need of having some more capital to finance the needs of the country. But, when we reflect that small men contributing even more to the development of this country – on their farms and in their minor activities of transport and communications – are not getting relief of this nature, or of any similar nature, we must realise that these companies, getting these long tax holidays, are on the backs of our people. After ten years of tax – free functioning any efficient business could have more than paid off for itself, more than replenished its capital assets and taken out as much as it had put in.

I think that we ought to have in Parliament soon from the Hon. Minister of Finance an economic analysis of the way these industries which have been getting tax holidays have been functioning in the last ten or twelve years. If we do that, I think we will see that much has not been gained from the dispensation of these concessions, however much we might have thought that we needed the money to flow into the country to help the economy.

I think this system of giving tax holidays to all and sundry who come here and say they are providing development is not really benefiting the people. Now and again these people provide a limited number of jobs for Guyanese, but really and truly they carry out colossal profits, far beyond what would be justified in the markets of the western world.

We therefore need to analyse this position and to re-examine it. I am prepared to presume that the Minister will give the concessions to people who he thinks deserve it. My difficulty is that I do not see anyone who really deserves it because all the people who come and say they cannot make money unless they are given tax – free concessions are really making a lot, while people out in the fields who are struggling to carry this country on their backs are not getting the same kind of concessions, duty – free gasoline, tax – free machinery. We need machines in this country to develop land, to clear the terrain and irrigate it and have it cultivated. But concessions do not go that way.

The Minister of Finance will remember that other people used to get duty – free gasoline for their activities and this has been cut out. The Hon. Minister has said that this is an agricultural country and we cannot subsidise agriculture, but when the Ministers go around this country they see the hardship under which farmers are working. They see that farmers do not benefit from these measures.

In so far as the Inland Revenue Department is concerned, it is making an avalanche of demands against all the people of this country, against all the people who are working and contributing and doing so much – the farmers and other people who should benefit at this time. I am not saying the Government must not pass this Bill. I am saying the time has come when we should analyse what we have been doing over the past ten or twelve years; analyse how much money has come in, how much income tax has been relieved because of the tax – free concessions, how many people have been employed, how much income has come to that number of employed persons and let us really see whether we are doing business by making these concessions. To my mind we have not really been doing good business by them. The time has come when we should analyse it and just make sure.

Mr. Deputy Speaker: The Hon. Leader of the Opposition.

Dr. Jagan (Leader of the Opposition): The Bill before the House deals with the whole question of strategy of development which the Government has set its mind to. One would have thought that after five years of being in power the Government – especially with the experience gained not only in Guyana but in countries in a similar state – would have, perhaps, modified by now its policies. Clearly, the Government is proceeding on the same old beaten track. Instead, what we are finding is an extension now of what was promulgated many, many years ago during the colonial era.

The five years' tax holiday was introduced in this country many years ago, even before the P. P. P. came upon the scene. One would have thought that, with Independence, we would

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have had a new type of thinking, that with Independence we were breaking with the past and breaking new ground.

In the last five years, particularly, there has been much information on this question of foreign investments, of private enterprise being encouraged by tax holidays and other incentives and increasingly one finds that even Governments and parties which were prepared to go along with this are now looking askance at this kind of strategy of development.

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If we draw from the experience of Latin American and South American countries which have a longer history of this kind of so – called incentive legislation to attract capital, to attract development as they put it, what do we find today? In the Caribbean, following the introduction of five – year tax holidays, there was a large competition taking place. Some countries gave a tax holiday of seven years, some gave a tax holiday of ten years, some gave a tax holiday of fifteen years, and some said, “Come along, you do not have to pay any taxes at all.” In spite of all of this, the Caribbean territories have not been industrialized. The same thing applies to South American countries. The result today is abject poverty, backwardness, illiteracy, misery.

A staid, well respected, bourgeois, glossy publication, the Life magazine, in an editorial headed “Why the Latins don’t love us”, in the issue of July 18, 1969, stated virtually that U. S. policies were largely responsible for the instability in present day Latin America. The main point made was that U. S. investors made more profits every year since 1962 than was being invested in the area. In 1967 alone, repatriated profits exceeded private investments by more than one billion dollars. This is the general pattern. More money is going out of these poor countries than coming in.

Dr. Gallo Plaza, Secretary – General of the Organisation of American States, made the same points at a recent meeting when he was addressing the United Press International editors

and publishers at Hamilton, Bermuda. Even he who got his job virtually through the assistance of the United States, was forced to become critical of these policies which are causing such a large drain and outflow from Latin America of capital in a form of profits and interest.

This is precisely the strategy which this Government has been following, as my colleagues just said. All right, let us have the experience. What has been the experience in the last few years with this kind of policy? Perhaps we have not got the statistics; we have not had time to work it out. Well learn from others. Are you going to do like a child and get our fingers burnt when others are getting themselves burnt by the same policies?

Foreign investors do not come to countries like Guyana to invest unless they see quick returns to make enough profits so that they can recoup their investments in three or four years. This has been admitted in Jamaica and in other parts. All these incentives – tax holidays, duty – free concession, quick right off, depreciation allowances, not to forget free outflow of capital, freedom to move capital out, and many other things – have resulted in the degradation of this area right next door to us called Latin America with a net outflow almost every year of nearly one billion dollars.

Based on this same policy of attracting, Caribbean countries are not industrialised. Latin America is not industrialised by this bankrupt policy and we are now told, “Let us give a tax holiday of five years to secondary industries, etc.” My colleague on my left has observed that, in the last five years, not much has been done in this country by way of industrialisation. Surely, the Government should break some new ground. Why can’t the Government establish its own industries on a credit turn – key basis? If you cannot get a factory from the Western countries then, surely, you should make some new initiative, probably the countries in the East may be willing to help you to become industrialised.

One of the election gimmicks was, “We are going to have the multimillion – dollar Tiboku hydro – electric scheme.” This was told to the electorate. Now we are told that there are

great difficulties in the way. U. S. N. team came here and said that, in ten years, an aluminium smelter could pay for itself out of profits. The Government has the report. What is it doing about it?

Instead of giving tax holidays of five years and ten years, try to get a factory on credit for ten years and you can pay for it out of profits. Why give people tax holidays of five years and ten years when they can recoup their investments in five years, when experts tell you that you can pay from profits in ten years? But no, your masters in the West are not prepared to allow you to become industrialised. They all have balance – of – payments problem. They want to sell more goods. They want to extract more wealth out of these countries to help their balance – of – payments problems. Dr. Gallo Plaza declared:

“This inflow into the United States was a positive contribution to reducing the balance – of – payments deficits of the United States.”

So they sell you their surplus industrialised goods.

They do not want you to become industrialised and when they do come to set up a few branch factories you give them five – year and ten – year concessions and, after a while, they take out more money out of your country than they put in. this is a bankrupt policy. This policy has been proven to be bankrupt in Lation America so much so that even the friends of the United States, *Life* magazine, Dr. Gallo Plaza, are forced to come out and speak of the realities.

Now you have complete power. You do not have the U. F. holding your hands. We were told at the elections, “We want a majority so that our hands will be freed of the capitalist elements.” Where are they now? They are over. They are not holding you now.

It is a disgrace - fooling people with slogans. “Hold on boys, things are going to get better. Carifta is going to save us. The Co – operation Republic will help us.” Nothing will save us so

long as this party which has sold its soul to big business and United States imperialism holds the seat of power.

Sir, even those who are now going along this road is saying, "Let us have a new policy." West Indian economists, Guyanese economists, are saying, "Let us get rid of house slave politics." That is what they are calling them, house slave politicians. Read the *Rattoon*, first issue. Like the good old days of slavery, one slave used the long whip on the other slave. All the West Indian academicians are saying this Puerto Rico model is bankrupt. Dr. Neville Linton, the Guyanese teaching at the St. Augustine campus of the U. W. I., when he passed through Guyana earlier this year, said that Guyana should follow the model from Tanzania or Cuba, but the Guyana Government cannot follow any model except that dictated in the United States of America.

We see not only Tanzania and Zambia but even countries in South America traditionally ruled by dictators, Peru and Bolivia, now charting a new path. Dictators, who were traditionally friends of the United States of America, who were part and parcel of the "triarchy", with the big clergy and the landlords in South America, are charting a new path. They have nationalised three American companies, oil, sugar and telephone. I took out a clipping from the *Trinidad Guardian*. Senator Church from the United States warned his own colleagues, "We must stop beating the dead horse, the bogey of communism. "The President of Bolivia was the one who gave the order to shoot Che Guevara. A few days ago he seized power and he seized American oil companies also. He was wined and dined only a week ago." The point is, you all know to slap people. Force and fraud and big stick. Well, the big stick is not working.

The United States has the power to apply sanctions against Peru but up to now, over a year, it has not been able to apply those sanctions. These policies as enunciated in this Bill are bankrupt. Co – operatives, self – help, community development, and birth control. Ten years they have been practicing that in India. The India Congress Party has been talking socialism.

Only talk but no practice. In India, they developed so much so they picked up people on the street and gave them a few coins to be sterilised. We see in Indian today the growing influence of the United States in the last decade, and a political crisis where the ruling party is torn asunder, where the President is dismissing the Leader and the Leader is dismissing the President.

We see the Prime Minister of India nationalising banks. The same thing we see in Africa. Kaunda nationalized the copper mines. Last year he nationalized twenty – four companies. Last year in Tanzania Nyererenationalised sisal factories, banks, import – export trading. But what are these doing? Slogans – Co-operative Socialist Republic. Symbols – Afro – shirt, change of name like Sydney King to EusiKwayana! What we want are new policies.

As I told your Prime Minister on one occasion, “You do not want to go to China, to Cuba, or to the Soviet Union. Well, go to the Third World countries. Latin America, Africa, Asia, and follow those progressive states if you must be socialist.” What do we get grinding out of the mill? The colonialists gave five years. They want to give ten years. They say they are decolonising. They are decolonising name and dress only. It is a disgrace, a shame, a betrayal of the trust which was not given to them but which they seized.

We cannot see how this Government can come at this time in its life to this House with this kind of Bill. When we were debating the Budget earlier this year, a Professor from the University of Guyana, the Head of the Faculty of Economics, said that the Government could have found the \$15 million, which it was putting on the poor people from the wealthy classes. But no! The Defence Levy was put on, 3 per cent, which has caused the cost of living to rise all over the country and now we see a supplementary vote - additional burdens.

I recall Dr. Richmond at that time talking about building a bigger army, a bigger police force. If the motivation, as was declared by the Government benches, was true, that we are preparing to repel attacks, he made the point that we would never have a big enough army or air force to cope with, particularly Venezuela.

Mr. Deputy Speaker: Are you dealing with this point?

Dr. Jagan: Yes, sir. I am dealing with this same point.

Mr. Deputy Speaker: No, you are not. I shall have to stop you.

Dr. Jagan: We are dealing with the point that we need - - - [*Interruptions*] - - - he mentioned France, the Soviet Union - -

Mr. Deputy Speaker: I hope that you will restrict yourself and keep your arguments to the Bill so that we will be able to proceed.

Dr. Jagan: I am dealing with this Bill. I am coming to the point which Dr. Ramsahoye was making for security but tied up with that is that from those countries one can get factories – not only weapons, but factories . The Socialist countries have helped many countries to become industrialised - Egypt, India, other places. We have just heard where Tanzania and Rhodesia have signed an Agreement with China to build a new railway to make the country more independent for Rhodesia. But nothing is forthcoming from this Government. Thus I would say that this side of the House cannot at this stage support such a measure; cannot, for in concept this is wrong.

One would have thought that the Government which has had a great deal of experience, a great deal of advice in front of it, a large amount of analysis over the last five years, even the work done before that at its disposal, would have clearly indicated a new way, a new direction. We are spending a lot of money on many bureaucratic organisations. We have set up the Guyana Development Corporation. Now we understand that we are going to have an Interior Development Corporation and so on. But nothing tangible is coming out of all this because presently the Government's overall strategy of development is hamstrung. Even the machinery that was set up is hamstrung. Therefore all that we can do is to advise – Government has a

majority, they will steamroller it. All we can do is warn them. All we can say is that this is wrong. But we know that they will not listen. The time is long past to strike out from the Statute books this legislation, especially by those who call themselves "socialists" and who are interested in creating what they call "making the small man into a real man"

Mr. Deputy Speaker: May I, for a moment, before I call on the Hon. Minister of Finance (Dr. Reid) to reply, draw your attention to the fact that we have among us in our Chamber a very distinguished visitor, the Right Reverend Timothy Omotayo Olufosoye, Lord Bishop of Gambia and the Rio Pongas. The Lord Bishop has come to Guyana on a short visit and we are happy to have him in this Chamber even for the short while which he has at his disposal to spend. On behalf of all Hon. Members I extend to him a very hearty welcome and wish him a pleasant stay. *[Applause]*

Dr. Reid: Mr. Speaker, a little while ago this measure would not have evinced so much interest but when they spoke I saw the reason; my Hon. Friends were speaking for the audience. All I have to say is that when we listened to them we had to remind them that in this country practical problems will need practical measures and one does not do this with fantasy, one does not do this by getting a model and setting it down in Guyana whether from East or West. One does not do this by rejecting methods, every method has to be tested in a certain environment.

We recognise, under the circumstances, that some industries do take advantage of tax concessions. We recognise that some of them come in and make use of tax concessions. Sometimes when we are making these decisions, it is difficult to identify industries which will not play fair but every opportunity is taken to consider very carefully before granting in the first place those concessions and greater care is taken before extending concessions beyond five years. Because of the situation and because we recognise that we do not operate in a vacuum, in isolation in this area, that we have been able to get our Caribbean friends to agree to meet, analyse and study this situation. As my Hon. Friend mentioned a while ago, there is a Committee

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studying incentives in the Caribbean area. I trust that out of this study something useful will evolve to guide not only Guyana but the entire Caribbean area.

We know that in some of these places tax relief concessions have been granted for fifteen years and sometimes twenty years. Guyana in these parts has been holding the line very firmly but, notwithstanding that if we are to attract industries at home something practical must be done and this is the measure that has been taken. I sometimes wonder, sometimes I do not even feel when I hear my Hon. Friends talk of corruption. Immediately comes to one's mind things like Del Conte whereas this Government has got in this country evidence of jobs attempted and jobs completed all over this country. This Government has been into the depressed areas that were not visited or helped by any Government in the pre – 1964 field.

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And this is tangible evidence; it is not just talk. We recognise that changes are necessary in Guyana but we do not intend to go about those changes indiscriminately; they must be properly initiated so that we will have the support of the people of this country, as we have had in the past. We recognise that new methods to these will come with the full support of the people. Meanwhile this practical measure that is before the House is necessary to meet practical problems. I therefore ask that the Bill be put for the Second Reading.

Question put and agreed to.

Bill read a Second time.

Assembly in Committee.

Bill considered and approved.

Assembly resumed.

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

CARIBBEAN DEVELOPMENT BANK AGREEMENT BILL

“A Bill intituled an Act to enable the implementation by Guyana of the Agreement for the establishment of the Caribbean Development Bank and for the purposes connected therewith,” [The Minister of Finance]

Dr. Reid: Mr. Speaker, in moving the Second Reading of this Bill, I beg to report that in accordance with Article 80 (z) of the Constitution of Guyana, I signify that the Cabinet has recommended the Caribbean Development Bank Agreement Bill for consideration by the National Assembly.

In moving the Second Reading of this Bill about this very important development in the Caribbean area, we feel that it is a unique opportunity to bring the Bill before the House because regional integration in the Caribbean is a very important aspect for the entire region. As far as the Guyana Government is concerned, it is part of the policy of the Government to promote and support regional integration. As a matter of fact, Guyana has been in the very forefront of this movement; it can well be considered as one of the prime movers of Caribbean integration. Therefore, if we are to make real what has been said about Caribbean integration, then we need to have a policy that will assist in the development in the context of regional integration. So this Bill before the House is significant for the development of the entire Caribbean area. More so, now that we have Carifta that is making available wider markets for the region, it is good to know that this Carifta Agreement is the forerunner agreement for the Caribbean Development Bank.

I should like to deal briefly with the historical background of the Caribbean Development Bank. It was in July, 1966 that this idea was born and, it was agreed then that a study should be

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made to see what could be done. A conference was held to study the possibility of establishing a financial institution for regional development that might be used as a method of financing projects in the smaller areas as well as projects which will benefit the region as a whole. That conference in July 1966 was soon followed by another conference in November, 1966, which was held in Antigua. An economic survey was made of the Caribbean and it was proposed at that conference in Antigua that there should be established a regional development bank. We thought that we should not go into this without first getting advice from people who have been involved in such establishment, and so the UNDP was called in to give whatever assistance it could. As a matter of fact, the UNDP was asked to mount a mission to study the establishment of such a financial institution.

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This team worked long and hard and in July of the next year, 1967, a Report was submitted. This Report was discussed in Barbados in October of that same year at what was known as the Fourth Conference of Heads of Government of the Commonwealth Caribbean Countries and there a decision was taken adopting the Report and establishing an inter – Governmental Committee to do further work, including drafting of an Agreement and bringing into being the Caribbean Development Bank.

A number of meetings of officials and Ministers followed until in July 1969 a preparatory Committee was appointed to accelerate the establishment of the Caribbean Development Bank. At the first meeting a Director was nominated and later this nomination was approved by the regional Governments. He was to act for the executive to carry out the work.

As I said, many meetings were held; they were long and difficult meetings. Finally the Draft Agreement establishing the Bank was signed in Kingston, Jamaica, on the 18th October, 1969. The following Government signed the Agreement: Antigua, Bahamas, Barbados, British Honduras, British Virgin Islands, Canada, Cayman Islands, Dominica, Grenada, Guyana,

Jamaica, Montserrat, St. Kitts – Nevis – Anguilla, St. Lucia, St. Vincent, Trinidad and Tobago, Turks and Caicos Islands, United Kingdom. These are now known as the original members of the Bank.

Before the Bank can be firmly established we need to ratify this Agreement that is before the House. Later there will be appointed a President and Vice – President, a Board of Directors and the key staff.

We must, in this House, mention the purpose and functions of the Bank. It is recorded in the Agreement that the main objective in establishing the Bank is to provide the region with an institution which can, in its scope, “contribute to the harmonious economic growth and development of the member countries in the Caribbean” and “to promote economic co – operation and integration among them, having special and urgent regard to the needs of the less developed members of the region”.

Because of this main objective the Bank has certain functions. It will be noted in the Agreement that these are the functions and I quote:

- a) To assist regional members in the co – ordination of their development programmes with a view to achieve better utilization of their resources, making their economies more complementary, and promoting the orderly expansion of their international trade, in particular intra – regional trade;
- b) To mobilise within and outside the region additional financial resources for the development of the region;
- c) To finance projects and programmes contributing to the development of the region or any of the regional members;
- d) To provide appropriate technical assistance to its regional members, particularly by undertaking or commissioning pre – investment surveys and by assisting in the identification and preparation of project proposals;

- e) To promote public and private investment in development projects by, among other means, adding financial institutions in the region and supporting the establishment of consortia;
- f) To co – operate and assist in other regional efforts designed to promote regional and locally controlled financial institutions and a regional market for credit and saving;
- g) To stimulate and encourage the development of capital markets within the region, and
- h) To undertake or promote such other activities as may advance its purpose.

In addition, it is expected that the Bank will co – operate with national, regional or international organisations or other entities concerned with the development of the region. The Bank, to do this, must have financial resources and so the Bank has two types of funds, ordinary funds and special funds. The authorised capital will be \$50 million (U. S.). One half will be paid – up and one half will be on call.

It will be seen in the Agreement how this is to be executed, the paid up portion of the capital being payable in six instalments. The first instalment must be equivalent to 20 per cent of the paid – up capital and shall be due within 90 days of the entry into force of the Agreement.

There will also be the special fund. The special fund will be established to enable the Bank to receive contributions. Already substantial subscriptions have been indicated for the special fund coming from the United States of America, United Kingdom and Canada.

Membership of the Bank shall be open to all states and territories of the region as well as to non – regional States, but these non – regional States must be members of the United Nations or of any of the specialised agencies of or International Atomic Energy. These countries are also listed in the Agreement.

In the Agreement, too, we will see the operation for lending. There is an important section on technical assistance. The Bank is authorised to provide technical assistance to member Governments, their agencies or their sub – divisions as well as to regional institutions and even

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private firms within the Territories. This technical assistance in the Agreement is to provide help in:

- 1) The preparation, financing and implementation of the projects;
- 2) The formulation of loan proposals and requests;
- 3) The functioning of the existing institution on a national or regional basis in all areas of economic importance.

The Bank is also free to organise missions to member countries in order to familiarise itself with economic conditions prevailing in those countries and to provide member countries with economic appraisals of their development potential. Such technical assistance may be either in the form of grants or loans.

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In order to assist the Bank in carrying out these functions, the U. N. D. P. has been requested to provide pre – investment units staffed by experienced and skilled technicians so that we will not go wrong and we will have suitable technical assistance to assist in carrying out the work.

The organisation of the Bank is not really new; it is like most of the banks of such type. There will be a Board of Governors, a Board of Directors, a President, a Vice President, and such other officers and staff as may be required. Of course, the Board of Governors will be the policy – making body of this Bank and shall be responsible for all the operations of the Bank. The Board of Governors will be free to delegate all of its powers to the Board of Directors, except some relating to matters such as any change in the capital structure of the Bank, election of the Directors and the President. There will also be, as I said, a Board of Directors who will be responsible for the general direction of the operations of the Bank.

There will be seven directors – five representing the regional members and two representing non – regional members. The President, of course, shall be responsible for the organisation and operation of the Bank. In consultation with the President, and on his advice, there will be elected a Vice –President.

It is good to report at this stage that the President is a notable West Indian, Sir Arthur Lewis. He is well known in the Caribbean and in international financial circles. All of us know that Sir Arthur has earned for himself worldwide renown as a great intellectual in the field of development economics. He has agreed to give his services to the Caribbean Development Bank as the first President and we in Guyana are very pleased to endorse his nomination.

I said a while ago that the Bank will be free to mobilize funds in the capital markets of the world so as to augment these finances. We expect that men of Sir. Arthur Lewis' stature and experience will be able to do this task very effectively so that the Bank will be properly funded to carry on urgent jobs that must be done in this region.

The Bank will be particularly interested in infrastructure work such as roads and bridges, harbour development, airports, water supply and distribution, telecommunications, power development and flood control. It will be especially interested in agriculture, including credit, marketing, storage, processing, land development, fisheries, food and livestock research and development, forestry, irrigation, soil conservation and training. Industrial development: The Bank will be pursuing policies so as to ensure that there will be diversification in these areas. It will also be involved in community and social development because, after all, whatever we do as far as development is concerned is directed towards the improvement of man.

The voting policy of the Bank will be voting according to shares and, if it is possible, there will be a basic share holding of 150 shares per territory and then additional shares according to the authorised capital of each territory.

These are all important facts about the Bank and I am certain that Members have read through the document. I have not gone through every article in the Agreement, I have merely highlighted the important ones. I am certain that Members of this House will have some measure of joy that the Caribbean region will soon be having a Caribbean Development Bank with the objective to accelerate the development of the Caribbean. I am very pleased to move the Second Reading of this Bill.

Question proposed.

Mr. Teekah: In opening my address on this Bill I wish to quote from page 2 of this Bill before us. I quote from the Agreement establishing the Caribbean Development Bank:

“Recognising the resolve of these States Territories to intensify economic co – operation and promote economic integration in the Caribbean;

Aware of the desire of other countries outside the region to contribute to the economic development of the region;”

What does the Government mean when it speaks about economic integration? Economic integration of whom? Is it economic integration of the people of the Caribbean, or economic integration of the capitalists of the Caribbean? Who controls the economies of these Caribbean States? Let us look at the membership: Jamaica, Trinidad and Tobago, Bahamas, Guyana, Barbados, Antigua, British Honduras, Dominica, Grenada, St. Kitts – Nevis – Anguilla, St. Lucia, St. Vincent, Montserrat, British Virgin Islands, Cayman Islands, Turks and Caicos Islands. Those are regional members and then there are two non – regional members: Canada and the United Kingdom.

Who are the people who control the economies of, first of all, the regional states? Not one of these states is controlled by the people. In every single one here the capitalist class is in power and the economy of each state is controlled by the capitalist class.

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We of the P. P. P. are in favour of economic integration. We have always been in favour of economic integration.

3.45 p.m.

But economic integration must be a meaningful integration, an integration where the people of the area, of the region, will benefit, not the capitalist class, not the monopolists, not the imperialists, but integration that will lift the living standard of the people of the region. That is why we are not at all in favour of Carifta as it is presently organised because economic integration within the present framework is meaningless. It is not going to assist the people of the area but will only assist the exploiters of the people of the area.

I recall as a student attending a seminar in Montevideo in December, 1965, there was the same theme, social and economic integration in Latin America, and after ten years of work there, the students of the area, the people who have done much research, came to the conclusion that social and economic integration in Latin America within the existing framework is not going to assist the people of the area. It is only going to assist the capitalists and assist the profits of the capitalists of the area. That is why we call for a new type of integration, a socialist economic integration, because integration itself is not absolute. It is relative in one way it can assist the enemies of the people and in another way on other foundations it can assist the people. That is why we argue that what is necessary is a socialist economic integration because only in such an integration will people have control over their welfare and over the economies of their countries.

We urge that this integration is meaningless and if we want to make a contribution to the standard of living of the people of the Caribbean, then we ought to integrate with others that have socialist economies. Only then we will be able to do something for our people.

The O. A. S. is an example of a wrong type of integration. As a matter of fact, the O. A. S. is an organisation, an integration of countries of a particular region with the same political, economic and military background, but it has failed miserably to provide for the Latin American states a better life. It has failed miserably in changing the Latin American states from being an exploited area into a free area and that is why many members of the O. A. S. are now breaking away from the existing framework.

The first country to have done this was Cuba and when Cuba did this in 1969, the big powerful Uncle Sam used all his might and strength and influence to ostracise Cuba from the family of Latin American States. It was blockaded, boycotted, and treated as an enemy within the same family. Cuba was almost stifled out by states that are supposed to be friends, sister states, because Cuba decided that the only way to change the existing position was to take over the commanding heights of the economy and hand them to the working class and its allies.

That was 1959. Cuba was expelled at a gathering at Punta del Estes as being a threat to the area. But Cuba was right and history has shown that Cuba was right because what we are now witnessing is that two other Latin America states are following the same path which Cuba trod some years ago. Peru and Bolivia. They have seen the wisdom in the example set by Cuba. They have seen intelligence in the path Cuba has taken, in the new economic policy which it took since 1959, and some of the same states that agreed to expel Cuba at Punta del Estes are now asking for its return to the family of Latin American states. It is clear that Cuba was correct in seeking a new socialist basis for its development and now other states are clamouring for the same thing, are now walking the same road.

I wish to go into the Bill in great detail. Article 3 under the heading, Membership states that:

“1. Membership in the Bank shall be open to:

- a) States and Territories of the region; and

- b) Non – regional States which are members of the United Nations or of any of its specialised agencies or of the International Atomic Energy Agency.”

I want to point out to the House that membership of the Caribbean Development Bank not only is open to regional states but to any other state from outside the region. That is a point I want to hammer home. That, of course, would include membership by Uncle Sam, because he is a member of the United Nations and he is eligible for membership in this Caribbean Bank.

3.55 p.m.

And then, under Article 3 it says:

“3. States and Territories eligible for membership under paragraph 1 of this Article which do not become members in accordance with paragraph 2 of this Article may be admitted to membership on such terms and conditions as the Bank may determine by a vote of not less than two – thirds of the total number of the governors representing not less than three – fourths of the total voting power of the members and on acceding to this Agreement in accordance with paragraph 2 of Article 63.”

What this paragraph is saying is that, as presently constituted, the United States of America is not a member of the Bank. Here is a paragraph keeping the door wide open for the United States of America or any other powerful imperialist State to enter. *[Interruptions]* I will proceed to speak on Article 5 which says:

“1. The authorised capital stock of the Bank shall be the equivalent of fifty million dollars (\$50,000,000) in terms of United States dollars of the weight and fineness in effect on 1st September, 1969. The authorised capitalstock shall be divided into ten thousand (10,000) shares with a par value of five thousand dollars (\$5,000) each, which shall be available for subscription only by members in accordance with the provisions of Article 6.”

But then paragraph 3 says:

“3. The authorised capital stock may be increased by the Board of Governors at such time and on such terms and conditions as it may determine by a vote of not less than two – thirds of the total number of the governors representing not less than three – fourths of the total voting power of the numbers.”

Now, Article 3 and Article 5 do allow any foreign member, any non – regional member, to come in and take over the Bank. First of all, under article 3 any non – regional member can come and gain such membership and under Article 5 the size of the Bank could be expanded at any time to facilitate this new member and give him as large a share as possible, maybe all that he needs to come and have a decisive word in the Bank. Article 3 and 5 of this Bill really allows a non – regional member to gain entry into the Bank and take it over.

Let me proceed to Article 32. Let us see what is the present position with the members who constitute the Bank. I wish to discuss the voting powers of members.

“1. Each member shall have 150 votes plus one additional vote for each share of capital stock held by it.”

“2. In voting in the Board of Governors, each governor shall be entitled to cast the votes of the member he represents. Except as otherwise expressly provided in this Agreement, all matters before the Board of Governors shall be determined by a majority of the voting power of the members represented at the meeting.”

Mr. Deputy Speaker: This is a good time to suspend.

Sitting suspended at 4 p.m.

4.35 p.m.

On resumption - -

Mr. Deputy Speaker: When we suspended, the Hon. Member Mr. Teekah had spoken for 20 minutes and may continue his speech.

Mr. Teekah: Mr. Speaker, just before the suspension I spoke on entry of members to the Bank and the fact that they had a decisive word in the Bank and I went on further to discuss the present voting arrangements.

Now, in the Bank there are 10,000 shares and the total voting power of the 15 members is 12,250 votes. Of this total Guyana has 630 votes, Jamaica has 2,390 votes, Trinidad has 1,690 votes, Bahamas has 810 votes, Barbados has 430 votes, Antigua, British Honduras, Dominica, Grenada, St. Kitts – Nevis – Anguilla, St. Lucia and St. Vincent each have 250 votes and the four States of Montserrat, British Virgin Islands, Cayman Islands and Turks and Caicos Islands together have 250 votes. The regional States therefore have a total of 7,950 votes and the non – regional States have between the two of them 4,300 votes.

This means that Canada and the United States of America have a total voting power to be able to control the Bank with the aid of Jamaica when they would have a majority. According to Article 32 it says:

“...Except as otherwise expressly provided in this Agreement, all matters before the Board of Governors shall be determined by a majority of the voting power of the members represented at the meeting.”

These three States control, by far, the majority of the voting power. In other cases in this Bill, it is said that certain things must be decided by a two – thirds majority of the voting power.

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Two – thirds of the voting power is 8,167 but still Jamaica and these two non – regional States have a majority; and these two non – regional States plus Jamaica will control 8,380 votes. So there again, it is very clear that three states actually have the controlling word in the Bank.

In other cases where decisions have to be taken by a three – fourths majority four countries could control the Bank. For example, if you add Trinidad to these three states, then any decision whatsoever that these four countries – United Kingdom, Canada, Jamaica and Trinidad – would like to have taken would be taken. Most of the decisions are taken by a single majority and a two – thirds majority and Canada, United Kingdom, and Jamaica have that easily at their disposal. So our votes, 630 comprise just a little drop and we are really wasting money - \$480,000 for this Bank. When you observe the situation, these countries – Jamaica, United Kingdom and Canada – have the controlling voice. What Guyana has to do is just toe the line because she really cannot influence decisions at all in the matter. The two countries which have the main force are Canada and the United Kingdom, and we know that Jamaica is actually like the United Kingdom. Canada is fully under the control of the United States. It does not agree with its Caribbean... It is always at war. So this Bank really is under the control of these three States and if we are to get benefits it means that we will have to toe the line otherwise we will just be sitting there as a - - [*Interruption by the Hon. Minister (Mr. Ramsaroop)*]

I thought that the Hon. Minister was intelligent but I understand why the Prime Minister has put him on the Front Bench.

Yes, sir. I wish to deal now with the composition of the Board of Directors. Article 29, para.1 states:

- “1. (a) The Board of Directors shall be comprised of seven (7) members of whom:
- i. Five (5) shall be selected by the governors representing regional members; and
 - ii. Two (2) shall be selected by the governors representing non – regional members.”

What is actually stated here is that of the seven directors who will be selected by the governors representing regional States and two will be selected by the governors who will be representing non – regional States.

Mr. Speaker: I am sorry to break your trend of thought but your time is up.

Mr. Remington: I beg to move that the Hon. Member be given fifteen minutes to complete his speech.

Mr. Ram Karran *seconded.*

Question put and agreed to.

Mr. Teekah: I should like to ask the Hon. Minister this question: Will those States have the right to increase the number of directors which have to be selected from among themselves if other non – regional states enter the Bank? At present, they have the right to select two directors. There are, at present, two non – regional States and they have the right to select two directors. Will these non – regional States, therefore, have the right also, each one selecting a Board of Directors? I would be very thankful if the Hon. Minister of Finance could give us an indication as to the position of the Board of Directors especially as it concerns non – regional States.

I go on now to Article 35. It is stated in paragraph 2 that:

“2. The Bank, its President, Vice – President, Officers and staff shall not interfere in the political affairs of any member, nor shall they be influenced in their decisions by the political character of the member concerned. ...”

I note the term “political character”. On the surface, it sounds as if the Bank will not be at all worried about the political structure of Member States. It is called Caribbean Development Bank, mind you but one wonders why Cuba was not invited to take part. One wonders whether it was not political influence that was brought in to keep that country out of the Bank. *[Interruption]* I think it shows concern only for economic consideration. At the same time, it is very clear for us to conclude – since Cuba has the great honour of being the only socialist country in the

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Caribbean, not monkeying around like the P. N. C. Government – it was left out because of political considerations.

4.50 p.m.

Recently, Dr. Eric Williams has been talking about the involvement of Cuba in Caribbean affairs and we hope that the Guyana Government, which postures as a socialist Government, will follow the wisdom of Eric Williams and invite Cuba to take part in the making of politics and economics in the Caribbean. We look forward very sincerely to see how this Government will approach the question of Cuba entering into Caribbean organisations, because here it is stated that the Bank is not concerned at all with the political character of its members. If you are not concerned with political character then put your words into action, implement them! Let us see your attitude to Cuba.

Finally, may I reiterate that the People's Progressive Party is very strongly in favour of Caribbean integration, integration at all levels, political, economic and social, but only integration that will benefit the masses of the Caribbean.

I note that it is stated in Article 2. 1. (e) of the Articles of Agreement that one function of the Bank is

“to promote public and private investment in development projects by, among other means, aiding financial institutions in the region and supporting the establishment of consortia;”

It states, “to promote public and private investment”. We all look forward eagerly to see how much public investment will be promoted by this Bank.

This is a very important thing and the P. N.C. Government will stand or fall by the position taken. But, seriously, we cannot expect much from this Government because it is just a

drop in the ocean. The Bank is controlled by imperialist nations and really this Government cannot do anything meaningful.

I wish to conclude with word of advice. The P. N. C Government will be charting the correct course only if it proceeds with socialist economic planning and organisation – because this is the only answer to the economic ills of this country – and if it influences the other states in the Caribbean. When it shall have done this, then certainly we on this side of the House will congratulate it most sincerely for doing something that will benefit the masses of this country. Join the family of socialist nations and stand up for socialist economic planning and integration!

Mr. Deputy Speaker: The Hon. Leader of the Opposition.

Dr. Jagan: Unfortunately, sir, the Government refuses to answer the points made on our side and thus Parliament becomes a farce.

The Minister of Trade and Parliamentary Affairs (Mr. Bissember): The Minister responsible will speak afterwards.

Dr. Jagan: The Minister responsible will speak and then nobody else will speak. The Leader of the House does not understand.

Sir, I make the point that Parliament is supposed to be a deliberate body and if points are made by the mover of the Motion and then certain points are made by the Opposition, one expects answers to be given by another Minister perhaps and not wait for the reply. How then can the Opposition make further contributions to the debate? This is the farce to which these people have reduced Parliament.

Mr. Deputy Speaker: I am sure the Hon. Leader of the Opposition realises that every Hon. Member has a democratic right to express his opinion in this House freely. I would hope

that Hon. Members would take advantage of this right. If Hon. Members do not take advantage of this right you cannot do anything about it. Will you proceed?

Dr. Jagan: The Hon. Ex – Minister of Local Government (Mr. John) has a democratic right to sit in the House but he was told to resign.

My colleagues, the last speaker, made some very important points and I wish to make some statements which will show that the points he made have a great deal of validity. We have another institution called the World Bank. One sees the same kind of control through the manipulation of voting. The major powers, especially the United States and United Kingdom, can virtually monopolise the decision – making process by playing on a few members – giving a favour here, giving a favour there, and winning over the necessary majority vote. We see the same thing being perpetrated here. There is not going to be a Caribbean Development Bank. Let us give it the right name. This is going to be an arm of the imperialist banking system.

Again I must draw from experience elsewhere, for the benefit of my Hon. Friends. In South – East Asia a big Colombo Plan was boosted to help to develop those areas. There was a South – East Asia Development Bank. What is the end result? Today the puppets of imperialism cannot stand on their two feet without American bayonets in the whole of South – East Asia after a decade of the Colombo Plan.

When is the Government going to stop fooling the people? This Development Bank is going to be just another bureaucracy, another institution created to no avail, more money for overheads. We have already in this country a Credit Corporation. Now we are going to have a Co – operative Credit Bank, when the same institution could have set up a section to deal with co – operatives. It is another bureaucracy. More jobs for the boys.

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There is a private investment fund in this country in which the Government participates with United States money. What is happening about that? The last report from the Bank of Guyana which I read said very little use is being made of the money.

Money is there not being used because of the onerous conditions.

5.00 p.m.

We are now going to have another bank but, as my colleagues pointed out, who will control the policy? To what purpose? Private enterprise? Is this to be another arm of the Import Export Bank of the United States, or another arm of the World Bank, or another arm of the International Bank for Reconstruction and Development? The word “international” is being used without meaning international – controlled by the United States and Britain.

Who is getting to be the chief bottle – washer? We are told by the Press that the head of the Bank is going to be Sir Arthur Lewis, the man who was the architect of the Puerto Rican economic model of development for the Caribbean which is an admitted failure. He is going to administer the Bank. [Mr. Hoyte: “Tell us about the success of Kaldor.”] Slogans and flippant remarks are not going to help the people of this country. All this Government is doing is adding one institution on top of another one, more and more bureaucracy.

The Prime Minister told the C. S. A. that the bureaucracy is already eating up 50 per cent of the Budget of Guyana. He used that as an excuse for not giving the civil servants increases in salaries. We were told by Gorsuch way back in 1958 that the bureaucracy should eat up only one – third of the Budget. In Guyana it is already eating about half and we are adding on more and more institutions which are not necessary. If they were necessary, if they were going to mean real development, then of course Guyanese people will gladly bear them but I do not see where this will help. The Minister said that we must concentrate on infrastructure. That is what we are doing now.

Is this just a means of helping out Canada and the U. K. so that they do not have to deal with one of the boys at a time, so they can put the responsibility, the onus, on you and play one against another, when they want to put the squeeze on one they take the vote from another one? The Organisation of American States was penalising Cuba. They needed one vote to get a two – thirds majority and Papa Doc from Haiti demanded, and got, a big airport because the one vote was essential to the U. S. A. [**Mr. Hoyte:** “Tell us about Papa Sandys.”] Bring up all the irrelevancies; you are famous for that, but you cannot fool all the people with this nonsense.

Let us give it the real name it deserves – not Caribbean Development Bank. This is an arm of the imperialists, their aid systems. There is not going to be any change in the strategy of development. A bank is supposed to be an instrument for development, provided the strategy, the policy behind it, is determined beforehand and the directors are told to pursue a certain policy. The bank will then be performing a useful purpose, but it is clear that there is no policy, or rather we are going on in the old policy – Professor Arthur Lewis, the chief architect of that old bankrupt policy. Thus I can see, as my colleague said, that this is just another waste of taxpayers’ money and, of course, another means of fooling the people, another means of telling them, “Hold on boys, something will come. A bank is being set up now.”

I should like to add my criticisms of this measure – not that I am opposed to the idea of a development bank, not that we do not see the necessity for having financial institutions to help in the development of a country, but this institution is not going to be one of those which can materially help in the development of Guyana, indeed, of the Caribbean.

Dr. Ramsahoye: Before we conclude this debate, I would crave the indulgence of this House to observe that we are being provided with yet another opportunity to create more privileges and immunities in relation to the judicial process. This country is well known for its archaic laws which prevent the citizen from bringing suit against the Government for wrongs which are done. At the moment, the only time when a citizen could, in general terms, bring suit against the Government is on those occasions when a petition of right would have laid against

the Government several centuries ago in England. Those circumstances are confined to actions on contracts. In other words, they are confined to cases in which businessmen can enforce their contractual rights against the Government.

The mass of people, however, hardly seek, except in the case of employees, to have contractual rights enforced against the Government. They usually suffer when wrongs are done to them by the Government and by the Government servants and its agents. In those cases they are prevented from suing. Article 48 of the Agreement provides that:

“1. The Bank shall possess full juridical personality and, in particular, full capacity:

- a) To contract;
- b) To acquire, and dispose of, immovable and movable property; and
- c) To institute legal proceedings.”

5.10 p.m.

The right to institute legal proceedings by the Bank is unlimited and is unrestricted. However, as we go into article 49 we observe that the Bank itself shall enjoy immunity from every form of legal process except in cases arising out of or in connection with the exercise of its power to borrow money and so on. There is also a provision in article 54 which gives immunities and privileges to governors, directors, alternates, officials and employees of and experts performing missions for the Bank. All these persons are to be immune to legal process in respect of acts done by them in their official capacity.

It is also provided in article 63 that when there is ratification, a member, when depositing its instrument of ratification, may provide that immunities shall not apply to civil actions arising out of an accident cause by a motor vehicle belonging to the Bank or operated on its behalf or to traffic offences committed by the driver of such vehicle. Well, in the first place, I would like to

know whether that immunity is being waived so that a person suffering personal injury cause by a vehicle owned by the Bank will be able to sue in the courts in Guyana. This is very vital.

At present, Government vehicles are killing and maiming people on the streets of Guyana and they have no right to sue in the courts of the country. Their wrongs go unredressed. The Government had considerably increased its activities in relation to vehicles in recent years, and many bread – winners have been killed and several suffered severe injury without being able to go to the courts for redress. This situation ought to be remedied and I am counselling this Government against having this situation in relation to the Bank and its employees.

The time has come when the Government ought to be able to understand two fundamental principles. We said that if you are setting up diplomatic institutions and immunities for diplomatic institutions, it may be necessary to grant immunities but it is not in the public interest or in the interest of the people of our country in the case where death or permanent injury occurs on the road that nobody should be made liable. The Bank should insure vehicles and everybody who drives a vehicle should be insured and process should be allowed in the case of people who suffer. This is certainly one case in which no diplomatic immunities should be applied. Vehicles are lethal and they do much damage and there is no reason why we should allow these immunities to exist in this land. I would therefore ask the Government specifically whether it has made the necessary arrangements to ensure that these immunities in relation to civil proceedings in relation to the driving of motor vehicles are waived.

In relation to other matters, negligence for example, it may not be a very urgent consideration but one would have thought that this system which the Government has extended by this legislation providing immunities against judicial process is not a very wise one. The principle ought to be, only a compelling public interest should prevent people from standing with other people as equals before the law. There must be a very compelling reason and it must be very compelling in the public interest why men should not be equal before the law, why men should not be equal right under the law of the land. We know that this principle has given way in

the diplomatic context but even though the principle in some cases be conceded in a diplomatic context, there are certain circumstances so fundamental to our existence that people who have suffered and who are wronged ought to be able to approach the ordinary courts of law.

Those observations are what I would like to make on that part of the Agreement. It has been dealt with in other respects and I hope I will get some answer as to whether this Government has waived immunity in respect of civil actions arising in Guyana.

Mr. Deputy Speaker: The Hon. Minister will now reply.

Dr. Reid: I listened with interest to the few real points. The other portions of what has been said are the usual clap – trap, a repetition of the old record, but we have no time to pursue that line. I should like to refer my Hon. Friend, Dr. Ramsahoye, to article 48. This Bank when established must be able to operate meaningfully as a practical institution and we ought to have these immunities which are not immunities peculiar to the Caribbean Development Bank. These are immunities peculiar to all the development banks all over the world. As a matter of fact, our diplomats enjoy the same immunities in other countries and it is necessary that we have these immunities because in some countries there might be malicious persons who might wish to act against the national interest and if these immunities are not there, you interfere with the operation of the institution which would benefit all the people of the country.

As far as the voting is concerned, in article 32 there is of course a majority in the region. My good friend in the person of the Hon. Member, Mr. Vincent Teekah, has no real respect for the intelligence of the people of the region when he thinks of them getting together with non – regional people to act against themselves. If people are going to get together with others and vote against themselves we cannot help them because in fairness to the regulations, particular care has been taken so that the region will have a majority and this majority will be maintained notwithstanding how many other non – regional territories should become members of the Bank. Of course, we have the Jeremiahs and the doubtful Thomases, those who believe that nothing

will work for the benefit of the people of this region. We are not hopeless. We are hopeful. We are working toward the functioning of an institution that will bring benefit to the people of the region.

5.20 p.m.

As far as membership is concerned my Hon. Friend referred to Article 3. If he notes that Article – he can refer to it again – he will notice that:

“Membership in the Bank shall be open to:

- a) States and Territories of the region; and
- b) Non – regional States which are members of the United Nations or of any of its specialised agencies or of the International Atomic Energy Agency.”

Any territory in the region which shows interest is free to indicate and we would be more in a position to make a decision whether to permit that applicant to become a member or not. It is free, it is open. Those are the few points which were made. For us the Development Bank is a move in the right direction. We are not saying that there will not be any mistakes on the way; we may make some errors but as of now these recommendations which have been so processed that the region will maintain control of this Bank at all times.

If member Territories fail to do their duty then the individual cannot be blamed. This Bank should be controlled by persons who are members of the region, as far as Guyana is concerned, and if that control is lost then my Hon. Friends on the other side will have an opportunity to speak their minds. Mr. Speaker, I move that the Resolution be put.

Question put, and agreed to.

Bill read a Second time.

27.11.69

National Assembly

5.20 – 5.26 p.m.

Assembly in Committee.

Bill considered and approved.

Assembly resumed.

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

ADJOURNMENT

Resolved, “That this Assembly do now adjourn to a date to be fixed.”[Mr. Bissember]

Adjourned accordingly at 5.26 p.m.
