

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

The Hon. Miss S.M. Field-Ridley,
Minister of Information, Culture and Youth

The Hon. B. Ramsaroop,
Minister without Portfolio and Leader of the House

The Hon. D.A. Singh,
Minister of Health

The Hon. O.E. Clarke,
Minister of Home Affairs

The Hon. C.V. Mingo,
Minister of State for the Public Service

The Hon. W. Haynes, **(Absent – on leave)**
Minister of Co-operatives and Community Development

The Hon. A. Salim,
Minister of Local Government

Appointed Ministers

The Hon. S.S. Ramphal, S.C., **(Absent)**
Minister of Foreign Affairs and Attorney-General

The Hon. H. Green,
Minister of Public Affairs

The Hon. H.O. Jack,
Minister of Mines and Forests

The Hon. Miss C.L. Baird, **(Absent)**
Minister of Education

The Hon. F.E. Hope,
Minister of Finance and Trade

Dr. the Hon. K.F.S. King, **(Absent)**
Minister of Economic Development

The Hon. S.S. Naraine, A.A.,
Minister of Housing and Reconstruction

Parliamentary Secretaries

Mr. J.G. Joaquin, J.P.,
Parliamentary Secretary, Minister of Finance
and Trade

Mr. P. Duncan, J.P.,
Parliamentary Secretary, Minister of Information,
Culture and Youth

Mr. J.R. Thomas,
Parliamentary Secretary, Ministry of Information
Culture and Youth

Mr. C.F. Wrights, J.P.,
Parliamentary Secretary, Ministry of Works and
Communications **(Absent)**

Other Members

Mr. J.N. Aaron
Miss M.M. Ackman, Government Whip
Mr. K. Bancroft
Mr. N.J. Bissember
Mr. J. Budhoo, J.P.
Mr. L.I. Chan-A-Sue
Mr. E.F. Correia
Mr. M. Corrica
Mr. E.H.A. Fowler
Mr. R.J. Jordan
Mr. S.M. Saffee
Mr. R.C. Van Sluytman
Mr. M. Zaheeruddeen, J.P.
Mrs. L.E. Willems

(Absent – on leave)

Members of the Opposition

People's Progressive Party

Dr. C.B. Jagan, Leader of the Opposition

Mr. Ram Karran
Mr. R. Chandisingh
Dr. F.H.W. Ramsahoye, S.C. (Absent – on leave)
Mr. D.C. Jagan, J.P., Deputy Speaker
Mr. E.M.G. Wilson (Absent – on leave)
Mr. A.M. Hamid, J.P., Opposition Whip
Mr. G.H. Lall, J.P.
Mr. M.Y. Ally
Mr. Reepu Daman Persaud, J.P.
Mr. E.M. Stoby, J.P.
Mr. R. Ally
Mr. Balchand Persaud
Mr. Bholu Persaud
Mr. I.R. Remington, J.P. (Absent)
Mr. L.A. Durant
Mr. V. Teekah

United Force

Mr. M.F. Singh (Absent)
Mrs. E. DaSilva
Mr. J.A. Sutton

Independent

Mr. R.E. Cheeks (Absent)
Mr. E.L. Ambrose
Mrs. L.M. Branco

Officers

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

The National Assembly met at 2 p.m.

[Mr. Speaker in the Chair.]

Prayers

ANNOUNCEMENTS BY THE SPEAKER**Leave to Members**

Mr. Speaker: Leave has been granted to the hon. Minister Mr. Hoyte, the hon. Minister Mr. Haynes and the hon. Member Mr. Corrica for today's sitting.

PRESENTATION OF PAPERS AND REPORTS

The following Paper was laid:

Minutes of the First Meeting of the Committee of Selection held on Thursday, 23rd November, 1972. [*The Speaker (Chairman, Committee of Selection)*]

PUBLIC BUSINESS**MOTIONS****CONFIRMATION OF CUSTOMS DUTIES****(EXEMPTION FROM IMPORT DUTIES) (NO. 3) ORDER 1972**

The Minister of Finance: (Mr. Hope): Mr. Speaker, I beg to move the following Motion standing in my name:

“Be it resolved that this National Assembly in terms of section 9 of the Customs Ordinance, Chapter 309, confirm the Customs Duties (Exemption from Import Duties) (No. 3) order 1972 (No. 72), which was made on 31st August, 1972, and published in the Gazette on 9th September, 1972.”

Question put and agreed to.

Motion carried.

Mr. Speaker: The hon. Minister of Finance and Trade

**CONFIRMATION OF CUSTOMS DUTIES
(EXEMPTION FROM IMPORT DUTIES) (NO. 2) ORDER 1972**

Mr. Hope: I beg to move the following Motion standing in my name:

“Be it resolved that this National Assembly in terms of section 9 of the Customs Ordinance, Chapter 309, confirm the Customs Duties (Exemption from Import Duties) (No. 2) Order 1972 (No. 74), which was made on 8th August, 1972, and published in the Gazette on 23rd September, 1972.”

Mr. Ram Karran: On a point of order. It is customary in dealing with these matters for the hon. Minister to say something about it. It seems to me that we are departing from procedure when the hon. Minister merely moved the Motion. Surely he should say something about it. We are all laymen in so far as the Tariff and Customs Ordinance is concerned. The hon. Minister is new, I know, to this House but surely he has had some experience in the Ministry. All his predecessors have indicated to this House what it is.

Mr. Speaker: I do not think it is a point of order. You are merely asking as I understand it, that further explanation be given to the Motion. Does the hon. Minister wish to give further assistance?

Mr. Hope: Yes, Mr. Speaker. Order No. 74 of 1972 seeks to do two things. First of all, it is to enable the customs duties payable on gin comparable to gin manufactured locally to pay the same rate of duty as the excise duty payable on gin manufactured locally. The same applies to wines.

In September, an Act was passed in this House amending the Tax Ordinance to impose an excise duty of \$28 per liquid gallon on certain kinds of gin produced locally, as well as an excise duty of \$1.50 in some cases and 50 cents in other cases on certain table wines produced locally.

The purpose of this Order is to ensure that similar wines imported from Carifta territories in particular pay at a rate of import duty which is no lower than the exercise duty payable on locally produced gin and wine. We recognize the fact that from time to time the local manufacturers have been producing different kinds of alcohol and liqueurs and we have been imposing certain levels of excise duty. We have taken the opportunity in this order to amend the Customs Ordinance so as to ensure that whatever excise duty is imposed on any kind of alcohol produced locally, automatically that same duty is applicable to similar types of alcohol imported from Carifta territories. This is basically what the Order is about.

Question put, and agreed to.

Motion carried.

2.10 p.m.

CONFIRMATION OF CONSUMPTION TAX ORDER 1972 (NO. 82)

“Be it resolved that this National Assembly in terms of section 5 of the Consumption Tax Act 1969 (No. 13), confirm the Consumption Tax order 1972 (No. 82), which was made on the 20th of October, 1972 and published in the Gazette on the 21st of October, 1972.” **[The Minister of Finance and Trade]**

Mr. Hope: Mr. Speaker, I wish to move the Motion standing in my name namely, the confirmation of Consumption Tax Order 1972 (No. 82). In this Order, you will remember that it was widely publicized over the last two or three months that the price of wheat imported into Guyana from the usual North American sources had increased, substantially. This increase, it

was pointed out and I now say, was due largely to the fact that certain large countries, notably the U.S.S.R., had come on the American market to buy almost \$6,000 million worth of grain; more than half of that was in terms of wheat.

This, of course, meant that there was immediately created a situation where the supply of wheat in stock in the United States was substantially run down. In those circumstances, the subsidy which the United States Government normally applies to the Wheat exported was removed because the world market prices of wheat had climbed, so that countries like Guyana found themselves importing wheat at a substantially higher price than in the past. The Government was faced with a situation where the local manufacturer, who uses wheat imported exclusively from North America, wanted to have an increase in the price of flour produced locally. This was understandable because the price of wheat, which was the major input, had gone up substantially and, in any case, the price of flour was controlled.

The Government thought however, that while the increase was justified on the basis of the increase in the price of wheat, it could not possibly ask, at this stage, consumers of flour to pay the increased price of flour that would ensue. In those circumstances, the government decided it would subsidise flour but the subsidy was largely a shift in tax in order to compensate for the loss of revenue that was necessary as a result of the subsidy. The Government decided to impose a consumption tax on rum, gin, vodka and whisky. The Order, which is before the House, seeks to do just that.

Question Proposed.

Mr. Ram Karran: The House is aware and, indeed, the population is aware of the Government's decision to impose additional taxation on certain commodities in order to enable the subsidy to be placed on flour. However, it had already been debated in this House, it had already been examined and established that in the first instance the Government did not act squarely with the population in Guyana. By that I mean that while the Government had set up

the National Milling Company with its American friends, they were importing wheat at a time when the price of wheat was not inflated by Soviet purchases or Chinese purchases. The price of wheat was normal.

We in this country, and I am sure that you too, sir, as an eater of roti, must know that the local flour makes roti of no quality at all. Housewives were quarelling all over the place that the quality of flour which was imported before this situation developed was very poor but that the price of flour sold by the National Milling Company was not in relation to the quality previously imported. In other words, while we were paying let us say for the sake of argument ten cents for American imported flour, the arrangements made by the Guyana Government and the milling company, and perhaps its purchasers, was to reduce the price of flour by this exercise, manufacturing local flour, by one cent.

We are saying that if you bring the mill from the United States, you use cheaper labour, you bring the wheat, then the price of flour should be far lower than merely saying one cent. As soon as the company ran into difficulties, in the first case, not now, the Government decided to wind up and then the price of flour was on par with American flour of the same quality. I am not talking of Robin Hood. Robin Hood is a hard wheat flour and much more expensive.

The original deal completed by the Guyana Government,, is what is responsible for our present plight and not the purchasing of \$6,000 million worth of grain by the Soviet Union. Whether they were buying wheat directly from the United States or whether they were buying through the brokers, sir, you know there is a world arrangement, but because of Nixon's desire and world pressure, and the need for re-adjustment of the situation as they are getting out of the Vietnam war, they decided to allow direct purchases. The hon. Minister might refer to that because it was in the newspapers, but the Russians would have got their wheat from the United States or Canada, the Chinese would have got their wheat from the United States and from Canada in the same way, without all this palaver, but we would have been told that the price has

gone up. If the price has gone up, has that quality of wheat imported by Guyana gone up to that extent which will require the Government to subsidise the company?

This company is a cut throat. Look at the tie up with the Guyana Government, where all its transportation is done by the Greenland Co-operative. Sir, you know that there are so many trucks in this country that will transport the flour at cheaper prices than the contract price. All that helps to squeeze the Guyanese people to have to pay more for their flour.

2.20 p.m.

I want to go to the other question of taxing rum. I am no drinker; I leave that to my hon. Friend across there. We have made out in this House that the Government seems to be paying no attention to the illicit brews that are damaging the lives of so many people in the community. The other day my friend the Minister of Works and Communications who was then Minister of Home Affairs or some other Ministry was making out how serious it is for the American civilization to catch up with us, the use of drugs. We know, at least, those of us who are conversant with life in this country must know that bush rum is even more dangerous than these drugs in certain parts of the country, and that the Government, apart from doing something to rehabilitate those people ought to see that the imposition of additional duty on other types of liquor though not altogether safe for human consumption ought not to go up unreasonably to drive more people, irresponsible perhaps, to the illicit brewing and drinking of bush rum. All these factors I would have thought that a Government concerned with the welfare of the Guyanese people would have taken into account rather than coming to this House saying that because the Russians bought this flour we are put into a plight and we must pass this measure.

Mr. Speaker: Hon. Member Mr. Ram Karran, what is said is because of the demand in the market in the United States of America the price rose. That is something completely different from what you are saying.

Mr. Ram Karran: I think that all these points which have been made by the Opposition ought to be borne in mind. What happens next year or the year after when the Russians crop improves? I will hold the hon. Minister who might not be the Minister when the time comes, but who might be in a senior Government position, or perhaps still resident in Guyana, are we going to have a reduction in the price? Let the hon. Minister tell us in his reply if the Russians decide not to buy American wheat, or the Chinese decide not to buy American wheat whether the price wheat is going to go down.

The Leader of the Opposition (Dr. Jagan): The whole question, sir, of this imposition on the price of liquor has been done, according to the Government, to offset the increased cost of the price of flour. The Government claims that the cost of flour has gone up because the international price has gone up.

This matter needs to be looked at very closely from several points of view. Has the Government done a careful survey to find out what is the price now of flour in Canada compared with the price in the United States of America?

We know that at one time the Canadian price was lower but because the American Government was giving a rebate on export prices it resulted in its moving into setting up what is called a soil bank, in other words, paying farmers not to produce and giving export rebates so that more sales can be made abroad. Because of these factors the American price became lower than the Canadian price, which was a true price.

But since this flour mill is tied up, no doubt, with an American Company and the whole objective of the American Government has been to export more products, we want to know whether the price quoted by this Company in Guyana – the Minister must have all the facts – on which they base their import prices, their costs, whether that price from the United States is the same price today in Canada and other markets, Australia and so on. It may be that because the Soviet Union bought a lot of wheat and flour there must have been a shortage resulting in a

world surplus and thus the market price rose particularly in the United States, because as we understand it the export subsidy has been removed.

It may be that American subsidiaries are continually buying from the United States in keeping with order which were made since the time of Johnson that subsidiaries must buy in America even though they can buy cheaper in other countries. I want to know whether that is so.

Secondly, we would like to know whether the Government has gone very carefully into the costing, into the profitability of this monopoly, whether the Government is satisfied from the rate of profit being made, that this increase would have caused the Government either to become bankrupt or, if not becoming bankrupt, to lose money. In other words, we must have the facts. How much profit was this company making? What was the rate of profit on investment? How much more the extra price of flour would have added to the cost? Perhaps these figures were given, but I have not seen them.

The other side of this coin is that the Government has instituted these taxes, but we have not been told by the Government how much is the estimate of revenue. In other words, what is the likely subsidy we have to pay? How much additional revenue will be forthcoming from these taxes? These facts must be made very clear, otherwise it may be that we are continually subsidizing a foreign company and, secondly, imposing too much taxation on the public.

My colleague referred to costs in considering profitability. In a monopoly, one has to consider cost. We know that this company contracted out to the Guyana Marketing Corporation to market the flour at 25 cents a bag and the G.M.C. sub-contracted to Greenland Co-operative Society which has no trucks. Nobody knows, nobody can find out who are the owners, who are the directors of this company. [**An Hon. Minister: “Why don’t you go to the Co-op. Department?”**] The Minister says that I must go to the Co-operative Department. I have been there endless times. I have written the Manager and I have not received a reply.

[Interruption] Because you want to put things in the cupboard. A lot of chicanery is going on. Take the facts out. Tell us about who are the directors and managers of Greenland Co-operative which, no doubt, through Government influence has been able to get this lucrative contract as it has had other contracts. Is this the reason why we are pandering to the company by now taxing the small man who has to get his little rum every week-end?

In a matter such as this, the Government should call the Opposition in and give us all the facts, let us see all the facts and the figures then we do not have to talk and waste time in this Parliament. The public must be satisfied that all these things are being done in such a way that the public will not be penalized, but when we do not have the facts, and when we see deals such as the one with the Greenland Co-operative Society, people get concerned. We would like the Minister to tell us at this stage what is the real position and not to forget the amount which is estimated to be obtained from this taxation.

Mr. Hope (replying): The hon. Leader of the Opposition confused two important questions which must be faced when one is seeking supplies, prices and availability. He said that the price of Canadian flour might well be lower than the price of American flour but he completely overlooked the question of whether Canadian flour is available.

Mr. Speaker: What are you really saying, that he does not know whether any enquiry was made as to whether Canadian wheat was available at a lower price?

Mr. Hope: We can say this, Mr. Speaker, that before a decision was taken, a very thorough investigation was carried out in all facets of the question. Canadian flour is just not available. Just as the Russians were on the American market for substantial supplies of wheat, so other communist bloc countries were also on the Canadian and Australian markets for wheat. The result has been that Canadian wheat is sold out for all of next year so that no other country can get supplies from Canada at this stage, irrespective of the price, and there is nothing to suggest that Canadian prices are lower than American prices.

There is the other question. It has been agreed with the company, the company knows that as the price of wheat falls, whenever this talks place, the price of flour is consequently adjusted. Flour prices are controlled. The accounts of the company were examined. The Government looked at the profitability of the company, such as the figures would reveal, and was satisfied that the financial circumstances were such as to justify an increase. I think it must be clearly understood this Government is not going to stand by and see consumers fleeced, but at the same time, one has got to be realistic and recognize that no manufacturer is going to continue producing to make losses. Losses, after all, make inroads into one's property so that one had to look very carefully at all the sides and what the Government came up with was a solution which it thought was the best for all concerned, producers, consumers, and the Government.

I do not know what is the meaning of a normal price which was referred to for wheat. Wheat in the United States was subsidized. It was definitely the cheapest source of wheat. When supply conditions changed, when surplus changed to shortage, there was absolutely no need from the point of view of the Government concerned to maintain a subsidy, and it must be clearly understood that if the U.S.S.R. was not on the American market for purchases of wheat in that magnitude, the situation that occurred now would not have been there. The United States and Canada are the two countries that supply the world with wheat. Even those countries that produce wheat, when they want extra supplies, go to the United States and Canada. Few other countries produce the surpluses which would be necessary for exportation. There may be Australia and France on a small scale but, certainly, large scale supplies, the United States and Canada are the only sources.

If one looks at the price of flour which was imported, not wheat, from non-United States sources, one sees the same trend, prices have practically doubled over the past six to eight months, and therefore, it is not without adequate enquiry that the Government took the action it did take. In deciding whether those who consume flour should pay the increased price, or those who consume alcohol should pay the increase price, I think it would be recognized that practically all of us in one way or the other, in all age groups, are consumers of flour and flour

products. Few of us, if not few at least several of us, a large proportion of us, and certainly not in all age groups, are consumers of rum. Less of us are consumers of whisky, and even less of us are consumers of gin and Vodka, and therefore, it was felt that if the population had to feel the cost of what had taken place, it had better take place in an area which did not affect in that critical way the whole population, and in any case, the taxes we placed on a commodity which is not an essential. Bread and flour are essentials. If you increase the price of flour and bread, people must buy, but nobody must buy rum, or whisky or gin or Vodka.

Taking the whole issue into account, the Government thought and we still feel that this was the best solution, to place the increased tax on rum and the other forms of alcohol that I have enumerated rather than on bread and bread products. Thank you, Mr. Speaker.

Question put, and agreed to.

Motion carried.

2.40 p.m.

CONFIRMATION OF CONSUMPTION TAX (AMENDMENT)

ORDER (NO. 82)

Mr. Hope: Mr. Speaker, I beg to move the following Motion standing in my name:

“Be it resolved that this National Assembly in terms of Section 5 of the Consumption Tax Act 1969 (No. 13), confirm the Consumption Tax (Amendment) Order, No. 2 of 1972 (No. 86) which was made on 3rd November, 1972, and published in the Gazette on 4th November, 1972.”

Mr. Speaker, in our society on a reciprocal basis, by law and international convention there are an important corps of people who are permitted to receive their alcoholic beverages free

of customs duty. The purpose of this Order is to ensure that all such people can continue to receive their alcoholic beverages free of consumption tax as they are free of import duty.

Question put, and agreed to.

Motion carried.

BILLS – SECOND AND THIRD READINGS

PUBLIC CORPORATIONS (AMENDMENT) BILL

“A Bill intituled an Act to amend the Public Corporations Ordinance, 1962.” [**The Prime Minister**]

The Minister of Mines and Forests on behalf of the Prime Minister (Mr. Jack): I beg to move the Second reading of this Bill. Mr. Speaker, I should like to draw the attention of the House to section 3 where we would be asking for some slight amendments, really largely of a formal nature. At line 3 instead of the word starting in inverted commas “and”, we would ask to have the word “any”. Page 4, subsection 3 line 3 for a correction “any” to be substituted for “any” and after the word “or” which ends in rackets on the last line but on the line where it appears for the second time, and after the word “Guyana” which ends the paragraph the closure of a bracket inadvertently omitted.

This Bill seeks to amend the Public Corporations Ordinance 1962 to extend the functions of the Guyana State Corporation to include, “the stimulating and facilitating of economic development in Guyana.” One of the means to achieve this may be, by way of the taking over of the functions of any public corporation established under the Ordinance if the Guyana State Corporation considers it requisite for that purpose.

Provision is made in clause 2 of the Bill by way of a proposed amendment of section 32 of the Ordinance to confer power on the auditor appointed to examine and audit the accounts of a public corporation to summon and examine persons in connection with the examination and audit.

Section 42 of the Ordinance is to be repealed and re-enacted to provide for service with the public corporation established under the ordinance to be “other public service” for the purposes of the Pensions (Consolidation) ordinance 1957. This has been found necessary because of the large number of corporations being established, and the fact that from time to time it becomes necessary to transfer certain public officers who should not lose because they are called upon to serve in another public capacity.

The Bill also contains amendments to sections 45 and 51 of the Ordinance to provide for a number of other matters for which provision may be made in the event of a merger of public corporations, or the dissolution of a public corporation, under sections 45 and 51, respectively, of the Ordinance.

The Bill includes a proposed amendment of section 52 of the Ordinance enabling the making of regulations authorizing the payment of fees to the auditor of the accounts of a public corporation for his services.

These amendments have become necessary because of the increasing role which the state corporation is playing in the developmental process and the acceleration of its activity.

Question proposed.

Mr. Speaker: Hon. Member Mr. Ram Karran.

Mr. Ram Karran: Sir, I am sure that the House is disappointed having heard the hon. Minister telling us about the possibility of a merger of public corporations and the possible dissolution of public corporations without going a little into details to let this House know and to let the taxpayers of the country know how taxpayers money have been squandered over the years since this Government has been in office. Surely, if the Government has any intention of dissolving any corporation this is the time for it to be stated, and perhaps, the reasons why and, perhaps, the shortcomings or the advantages to be gained by merging with other public corporations.

But the hon. Minister has been completely blank. He has left the House with nothing that the House can use to come to the conclusion that the Government has been spending in these state corporations money advantageously, and what makes it more suspect is that the hon. Minister did not even try to convince the House, of the need for the appointment – not appointment for that is already there, although consistently criticized by Members of the Opposition and a view shared by many members of the Government Backbenches that the auditing of the books of the existing corporations is not in the best keeping of the traditions of any Government.

2.50 p.m.

Indeed, the chief Government auditor, the Director of Audit, a statutory post, a post respected in all Commonwealth countries, it has been drawn to the attention of many Members of this House, suffered the insult of not being presented with the annual reports and with the auditor's balance sheet, etc. of several corporations. It was only after the insistence of the Director of Audit and some Members, whose business it is to look into these matters, that corporations are now beginning to send to the Director the relevant information. We have always questioned the reason why Government prefers to hand the auditing of these corporations to certain individuals, and I hope I am not embarrassing my friend, the Minister acting under this head, when I call the names of some of the private public auditors, very closely associated with

the P.N.C., and very closely associated with some of the members of the P.N.C. Stoll and Thomas, at one time, sir, enjoyed almost a monopoly in being auditors of the public corporations. I do not think that is good enough.

Mr. Speaker: Hon. Member Mr. Ram Karran, there is no such company, Stoll and Thomas.

Mr. Ram Karran: Stoll and J. Henry Thomas. They are public auditors. They are qualified auditors in their own right and they have been featuring very prominently. I think Mr. Thomas has since left the county, for reasons I do not know, but Mr. Stoll continues to enjoy monopoly rights in so far as representations on these companies are concerned. We have been told, and I am sure the Minister will regale us with the fact, that since these corporations are business concerns, that people with business acumen and business experience are required. Our argument has been that the Director of Audit can attach to his department people qualified in the field, so that these corporations can be examined by that office.

We are now building a tradition in Guyana, and we have been dealing with traditions during the last few days. India seems to have a very strong audit section, finance control, and this Government has been following in many respects, it says, senior Commonwealth countries. I wish to ask why is it they have so studiously avoided the system of finance control and auditing, as prevails in India and some of the younger Commonwealth countries in Asia and Africa. There must be some reason and in our minds we are very suspicious of the association of particularly Mr. Stoll, who sits as member of the Public Service Commission. He used to serve with you, sir.

Mr. Speaker: Hon. Member Mr. Ram Karran, I will not have that. You cannot attack a member of the Public Service Commission.

Mr. Ram Karran: I am not attacking him, sir. I am just describing him.

Mr. Speaker: Yesterday, when the hon. Member Mr. Jagan was described as the brother of Dr. Jagan, the Leader of his party, I upheld your objection.

Mr. Ram Karran: He was described as his brother and I said he was speaking in his full right as a Member. Mr. Stoll and his former colleagues have featured so much in these public corporations and in other Government position that it makes me suspicious, and it makes other members of the Opposition suspicious that one man should hold so many posts close to the Government. I want the Minister to tell us why he does not wish to entrust to the Director of Audit, responsibility for auditing these corporations. And more, why does the Government give power to this auditor to summon witnesses and, indeed, to have more power than the director of Audit has statutorily? There must be some reason for that.

Is it that the Government has seen so much dishonesty and so much pocket filling on the part of those whom it appoints to these corporations? They want to merge some of them, close some of them. They were talking as Sir Oracle: what the Government does is all right. They appoint Ministries all over the place, every other day they change the Ministries. The poor Ministers do not know where they are going to be tomorrow and some of them cannot even find a Permanent Secretary. All these changes are only so-called action to keep the people on their toes so as not to be able to recognize shortfalls that befall this Government at every tack and turn. It is inefficient, and I cannot for one minute believe that the Minister is going to deny it, all around and that is why they come to amend the law to merge and to dissolve public corporations. Public corporations must be set up after careful thought and examination of the industry it proposes to run and, indeed, soliciting advice from those members of the public who can give advice.

The other day, at the beginning of the term of office of the Government, we heard so much, and look how much waste there is in printing publications of the Guyana Development

Corporation, what it is going to do, and what not. All that paper has gone down the drain. It is not the type of paper one can use in the toilet, it is a thicker type. Tons of it have been used and wasted and more is going to be used setting up corporations, merging them, dissolving them at the will of those incompetents.

It is time that a halt be called to that and I hope that the hon. Minister will, before he regales this House with empty talk, tell us something about the failures of these corporations. The Opposition will be sympathetic, the public will be sympathetic. The Opposition is at all times willing to help the Government to solve the problems – and once we are approached in the right spirit, of course – but if the Government wishes to hide its head in the sand and continue to bedevil the taxpayers by pushing its hands in their pockets, it is a question for the Government because in a little while, the taxpayers will be telling it where to get off.

3 p.m.

Mr. Jack: Mr. Speaker, in 1962 when the Public Corporations Ordinance was passed and if my memory serves me right, when the Opposition was then in office, they included in Section 51 that the Council of Ministers may, by Order, approved by a Resolution of the Legislative Assembly, dissolve a Corporation. Secondly, an Order dissolving a corporation may include any provision which in the opinion of the Council of Ministers is necessary for the disposal, etc. This particular Amendment seeks to tidy the provision, as provided, quite wisely, let us say by the People's Progressive Party Government in 1962 for the eventuality of the dissolution of a corporation.

Unfortunately either consciously or perhaps unconsciously, the Opposition, since their term of office has sought to forget what they have been doing or what they did when they were in office, or probably they have good reasons for forgetting, I thought that I would remind them of that.

However, let me say with regard to the question of dissolution of corporations, there is under consideration at the moment the question of the merging of the G.D.C. in the Guyana State Corporation because of the developmental functions which the Guyana State Corporation is increasingly taking on and because we believe that this will increase efficiency. Perhaps I could have mentioned that at the outset but my good friend the hon. Member Mr. Ram Karran was kind enough to point it out to us.

With regard to auditing, I do not understand why hon. Members keep mentioning the various people by name. I would call no name but I seem to recall the Chairman, at one time, of the Guyana Development Corporation also being President of the Senate but I shall not indulge in any name calling. Let me say that with regard to the auditors which the corporation uses, has used, and will continue to use – I may mention, in passing, that Pannel Fitzpatrick and Company are auditors for the Electricity Corporation as well as the Rice Corporation and that a certain firm of Gangadin is auditors for Guyana Gajraj. It would be well if the hon. Member would check his facts before coming to this hon. House to accuse the corporation of giving all the auditing work to one person. If he would check more closely he would find that the whole purpose of the exercise is to spread the auditing. He has also asked about the powers which are to be given. Let me assure this House that these powers will be similar to the powers already possessed by the Director of Audit.

Bill read a Second time.

Assembly in Committee.

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

Clause 2.

Mr. Jagan: I am wondering whether there is not a mistake in 2(1) (a). We have “by re-lettering paragraph (e) of section 2C (1).” There is no such paragraph (e) in section 2(e) (1). I had a lot of trouble in seeing whether there is such a section. There is no paragraph (e) and it seems it should be (c) instead of (e) and where it should be (c) at the end of the paragraph it should be (e). (c) and (e) are in the wrong places.

Mr. Jack: The hon. Member is correct. Substitute “(c)” for “(e)” in the first line of paragraph (a).

Dr. Jagan: I should like to make just an observation on this Clause. The hon. Member referred a moment ago to the measure which was enacted during the time of the P.P.P. to establish the Industrial Development Corporation. As I recall, the wording then in the similar clause to this was that the Government would stimulate, facilitate and undertake the establishment of industries. “Undertake” was the key word. I recall – I think it was in 1966 or 1967 when there was an amendment to this law when the name was changed from Industrial Development Corporation to Guyana Development Corporation --

The Chairman: Hon. Member, I do not want to interrupt you but what the hon. Minister said was in relation to the objection raised by the hon. Member Mr. Ram Karran stating about the winding up of --

Dr. Jagan: I am raising that point.

The Chairman: That is what he replied to.

Dr. Jagan: I am making a different point. I am saying that when the Government amended the law previously it took out the key word “undertake” and we then attacked the Government saying that the key word was taken out because their sponsors in Washington did not want the Government to establish industries. What we said then is borne out by the facts

because all these years the I.D.C. has done very little except big publicity campaign. We have an example of that right here in the latest Financial Times where it says the investor in Guyana is offered 83,000 square miles with rich forest, a variety of skills, mineral resources and an exciting potential in agricultural development, while the Prime Minister is going around the world at non-aligned conferences telling them we will own and control our own resources.

Where do we stand? They took out the key word “undertake”. No doubt because it did not conform with their philosophy or the philosophy which has been imposed upon them, that is not to establish state-owned – I am not talking about nationalization. I am talking about the Government taking the initiative to establish factories. No doubt they want to wind up that organisation and merge it now into GUYSTAC. That should have been done long ago.

3.10 p.m.

I am surprised to hear the Minister saying, that is under consideration, because there are two separate bureaucracies the people have to pay for, and all we get is an advertisement like this. I know when I was premier they were always coming to me with things like this and I rejected them. They merely spend money to do nothing. Go to the industrial estate. Nothing has been done. We want to know whether the Government has in mind to establish many industries on its own and whether the clause as now written without that key word will permit of such activities on the part of the Government. The hon. Minister must say so because at the time, I recall, we thought it strange that the Government should have taken out the word, “undertake.”

Mr. Jack: I wonder why my friend made such heavy weather of this. We are undertaking developmental work. Section 2C (1) says: “to carry on all activities the carrying on whereof appears to the corporation to be requisite, advantageous, or convenient for or in connection with the discharge and exercise of their functions”, so that under this we can “undertake industries.” I am speaking in 1972.

We have no controversy with our friends on the other side apart from the technical mechanics of whether Guystac of itself undertakes, or whether a corporation undertakes the development of which Guystac is now, as it were, the overseer. For instance, we are proposing to set up certain industries. Let us take, for example, kaolin. This could be set up by the corporation which then would come under the aegis of Guystac. Guystac as the corporation, since it is a corporation monitoring other corporations, need not undertake of itself. The concept is not different from what my friend on the other side thinks.

Let me say quite plainly that the Government, by a Government corporation will undertake industrial activities. Shrimping, I am just reminded of, is an undertaking that we have set up. It is under Guystac. So that conceptually, we are really not a variance here. We agree that the Government entity, call it what you will, should undertake economic activity and not wait for some man with money in his pockets coming from abroad to invest, so you have no quarrel with us on that.

Question put, and agreed to.

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

Clause 3

Mr. Jack: I ask that in line 3, in place of the word, “and”, we insert the word, “any”; after the word, “or”, in the fifth line should be inserted the words, “where it appears for the second time”; and after the word “Guyana” a closing bracket should be inserted. The first “or” refers to interest and it was intended to relate to the second “or”.

Amendment put, and agreed to.

Clause 3, as amended, agreed to and ordered to stand part of the Bill.

Assembly resumed.

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

SUGAR INDUSTRY SPECIAL FUNDS (SPECIAL PROVISIONS) BILL

“A Bill intituled an Act to make special provisions for the making of disbursements out of the Special Funds established by the Sugar Industry Special Funds Ordinance as ex gratia payment of pensions to labour workers in the Sugar Industry.”

Mr. Hope: I beg to move that the Sugar Industry Special Funds (Special Provisions) Bill, 1972, be now read a Second time. It was in 1967 that a high-powered Commission was established under Mr. Justice Guya Persaud to investigate the conditions in the sugar industry. That Commission reported in 1968 and made certain recommendations referable to the pensions of sugar workers. In brief, in that connection, the Persaud Commission recommended that a special fund should be established to finance pensions of sugar workers who would never qualify for pensions under the National Insurance Scheme, which was due to be set up shortly after. Essentially, the Commission recommended that a fund should be set up valued at roughly \$14 million and that that fund should be used to pay pensions to sugar workers who would have to continue receiving what was essentially ex gratia pensions.

3.20 p.m.

The Commission recommended that the money should be got in the following way: five of the fourteen million dollars suggested was to come from a transfer of securities and funds from the Sugar Industry Rehabilitation Fund and the remaining \$9 million should come from an existing funds on the Sugar Industry Price Stabilisation Fund augmented and supplemented from year to year by the contributions made to that fund through the usual levies.

The Fund was to cover these classes of workers: (1) those sugar workers who had already retired and were already in receipt of ex gratia pensions and would not therefore receive pensions from the National Insurance fund; (2) those sugar workers who, even though they had retired after the introduction of the National Insurance Scheme, would not have worked long enough to qualify for pensions at the time of their retirement at age 60; and (3) those sugar workers who, having retired at age 60, which was the retirement age for the industry and although they had qualified by the adequate number of payments to receive pensions from the National Insurance Scheme, would not have received pensions from that Scheme because they would not then have attained the age of 65.

The I.L.O. subsequently looked at the proposals and endorsed them. The proposals were acceptable to the recognized union as well as to the employers, and the Government accepted the proposition. It is in that context that this Bill has been brought to this House to do two things: (1) to authorize the transfer of the amount of \$5 million from the Rehabilitation Fund to the Sugar Industry price Stabilisation Fund, and (2) to authorize payment to be made from the Price Stabilisation Fund for the purpose of meeting sugar workers' pensions.

We know that the payments to be made from the Fund would in the first year or two be no more than what the Fund would derive from annual levies made to the price Stabilisation Fund, but it is understood that where the new Fund is not liquid because a substantial portion of its assets will be in terms of securities, the sugar industry is prepared to buy those securities at current prices in order to provide the liquidity with which to meet the payments from year to year. It is generally accepted that an amount approximating to \$14 million as suggested will be adequate to meet the liabilities of that new Fund in the future. As I said before, the fund of \$14 million is to be augmented from year to year by the levies going into the Price Stabilisation Fund annually.

Question proposed.

Mr. Speaker: The hon. Leader of the Opposition.

Dr. Jagan: Sir, it seems to me that the Government should have brought a bill which is completely different from the present one. I say this because while what is being sought here is quite all right, that is, to give pensions to sugar workers who have given years and years of service and who on retirement get nothing. No one will quarrel with this. What we are concerned about is the question of the administration of this whole thing.

From the Bill it seems that the whole administration will vest in the Committee which is responsible for the price Stabilisation Fund. And this Committee, as we understand it, by law is made up – I speak subject to correction – of five sugar planters' representatives and two persons appointed by the Government. The time has come when unions should administer things like pensions funds. This is their function in socialist countries and not puppet unions, but union which have the confidence of the workers.

Every now and then we hear from the Minister of Labour how solicitous this Government is to the workers etc., how much it has done. Why does he not take a trip to one of the socialist countries? Let him go to china since you have such good relations with China and see how the trade unions function. How on questions of pension funds and holidays and things like that – *[Interruption]* This position should have been corrected long ago. How is it that since 1967 when this recommendation was made only now this Government has sought to bring forward this measure?

3.30 p.m.

Sugar workers who have given years of service receive \$3 and \$4 per week ex gratia payment and many of them do not qualify. It depends on goodwill. If you are a good stooge,

belong to the company union, you will get ex gratia payment. We proposed that a completely new entity, completely divorced from this Price Stabilisation Fund Committee, should be set up to administer this fund and we are now making a second point, that the sugar planters should not be let out, as is now being done by the Government. They came to us when we were in the Government and we refused to entertain this.

Sugar planters were paying people over \$300,000 a year for ex gratia payments but they wanted, through the company union, to raid the other sugar funds, in this case, the Price Stabilisation Fund and now we see the Rehabilitation Fund, and remove themselves from any responsibility they had. We could not agree to that. Therefore, we are proposing that this Fund should constitute not only the two which we have here, that is, contributions from the Price Stabilisation Fund and the \$5 million from the Rehabilitation Fund, but it should also include what the sugar estates have been contributing all along.

It is a disgrace that workers have to receive only \$3, \$4, and \$5 a week. Many are not receiving anything. Some had small loans, up to a thousand dollars, to build houses. They cannot afford to pay because the payments are \$2 per week. And since the local authorities have embraced sugar estates, these poor people have been called upon to pay rates and taxes. How are they going to meet \$2 payment for their loans and meet rates and taxes out of a pension of \$3 to \$5 per week? In addition to this, large numbers do not receive anything at all.

It is clear that a scheme should be worked out which will meet all these demands of the pensioners, embrace all, raise the pension, so that the people can live decently. Wipe out the loans and pay the contribution from this fund towards the rates and taxes. The Labour Welfare Fund has been paying this all along, but since the local authorities have come in, the estate workers have been called upon to pay rates and taxes.

We say we want an independent administration that can look sympathetically at the cause of these poor people. Sugar producers and the two civil servants who do not know what is

happening, I refer to the civil servants, they may be in sympathy but they do not know what is happening. The sugar producers know, but they are out of sympathy. This must be completely administered by a group in which the workers' representatives constitute a large majority and they must be able then to calculate what it will take to meet the needs of these people, how much money will be involved, where the money is to be got.

The hon. Minister told us that some of the funds are not liquid, they are invested. I have been trying for the last six months to find out how much money is in this price Stabilisation Fund, and in the Rehabilitation Fund, where the money is invested. We know in the case of the Labour Welfare Fund that a sum of \$5 million is invested, no doubt, in government securities, but we cannot get information about the others. Call up, they do not answer you. This is not good enough. We know the Government is hard up. Even its sponsors are not giving it handouts any more, as they used to, and so the Government is raiding all these funds and the workers' welfare is not being met, legitimate demands of the workers.

Sugar workers need all kinds of things, house lots, preparation of house lots, they need loans to build houses. The Labour Welfare Fund has not got the money because the Government is using it. The Minister should have the facts now to tell us, not to tell us in generalities – “the funds are frozen, they are invested.” We want to know what is the amount. We want to know where they are invested, and if they are invested in Government securities, the Government must unfreeze them so that the people's welfare can also be met. Those are our main contribution on this question. The Government should look at this sympathetically in view of the fact that it has expressed concern about the working people and it is always talking about jailing sharks. The Government jails the small man all the time. If they are sharks we do not mind, but do not let the big sharks go away.

Yesterday, reference was made to a unanimous report of the sugar planters being negligent in the case of the clarifier deaths at Canje, yet no action is taken against them. The labour inspectorate has done nothing. They have the power to prosecute. What is done about

that? Nothing. What is done about prosecuting Beharry who donates money to the congress Fund so they can collect \$150,000? They do not prosecute them because these sharks are the ones who are contributing to their coffers. This is how they are operating. The time has come not only to profess interest in the working class but to let us see it in practice. I repeat. Let us have an independent board to administer this whole thing outside of the hands of the sugar planters and the Price Stabilisation Fund Committee.

3.40 p.m.

Let us have contributing to this fund not only from these two Funds, but the contribution of the sugar planters, a contribution which they were making all along towards ex gratia payment. Lastly, but not least, let us get the information about the status of these Funds and whether these Funds are invested so that we can understand properly how far one can go towards making proposals for the relief of these people who are suffering so much in the sugar estates.

Mr. Speaker: Hon. Member Mr. Harry Lall.

Mr. Lall: Your Honour, it is really heartening to hear that the Government is prepared to spend \$14 million on the workers who are pioneers of the Sugar industry. But, sir, I should like to remind the Government that the workers who are responsible for building the industry are still getting \$1.50 a week. I can bring proof to this hon. House where people get a pension of \$1.50 and \$1 is deducted for house loan. All that they are left with is 50 cents.

The hon. Minister of Labour and Social Security is aware of the facts, because we make representation week after week, day after day, pertaining to these problems. I wish to ask the hon. Minister of Finance whether Government is prepared to increase the pension of these unfortunate workers. [Interruption] I expected the Minister of Labour to heckle because he does not want to hear the truth, but the truth shall always prevail. We feel, as my Leader rightly said, that the loans should be waived as far as the pensioners are concerned. Why it should be

waived? Your Honour, it should be waived because these workers are seasonal workers. It is not because these workers do not want to repay the loan.

I want hon. Members of the Government who do not know what is happening in the sugar industry that during the non-grinding season these workers do not get work at all, therefore, money cannot be deducted from their pay packet. We are saying that if the pensioner has a family to take care of the loan should be waived. This is why we are advocating that the Price Stabilisation Fund should be a continuous one so that preference can be given to the pensioners as far as house loans are concerned. If Government recommends that these people get \$8 a week they cannot live on \$8 a week and pay a rent. They cannot live on \$8 and pay tax they cannot live on \$8 a week and pay house loans.

Therefore, we feel that the Minister concerned should take these factors into account and should recommend to the estate that these loans should be waived. In fact, we do not feel that the estate should have anything to do with this money but the Government should have a body administering this fund.

Why should the national producers cease paying pension to the pensioners? According to the Low-A-Chee Award, the latest report, the sugar producers are paying pension to the tune of over \$700,000 per year which is negligible as far as the income of the companies is concerned. For instance, the replacement reserve that is taken by the sugar producers every year. This amount is over \$6 million per year, which is magnanimous.

3.50 p.m.

So we feel that the sugar producers should continue to pay what they are now paying.

I should like to make mention about workers who have 30, 35, 40 years' service and who happened to get involved in industrial injury. If a worker has a permanent partial disability to the

amount of 15 to 20 per cent, that worker is not given any work by the estate any more and what he or she gets from the N.I.S. is \$4.50 or \$5 per week. Could this maintain a man and his family? This man does not receive anything from the estate for his years of service. Let the Minister of Labour answer me if this is true or not.

I took a gentleman by the name of Adams from Versailles to the Minister, an Afro Guyanese gentleman. He complained of 15 per cent permanent partial disability and he got \$4.50 per week; he has thirteen children, himself and wife. Can fifteen persons live on \$4.50 per week? The hon. Minister of labour spoke to the estate, then the estate gave a \$4 per week pension. After the intervention of the hon. Minister of Laobur he got a job for the man in security work. This is one individual. But there are thousands of people who are affected this way and they have to depend on \$4 and \$4.50 per week. They are not getting any work from the estate and no severance pay for the years of service they have given. What does the Government intend to do about this? Whether the Government likes it or not, we have to draw all these things to its attention.

When you tell the doctors that these workers only receive \$4.50 per week and they do not get any work any more, the doctor tells you: well, we have a job to perform and we are doing it. The Government's duty is to look after the citizens of the country. *[Interruption]* He says, what about the union? The union is going to struggle for all these things. You sit down, take it easy, bit figure \$14 million, and how many workers are going to share in the \$14 million, and how much are they going to receive? Something like \$1.50, \$2.00, \$4.00 or \$5.00 per week. The hon. Minister talked about the Soviet Union. Let his Prime Minister send him to the Soviet Union. When he comes back, I am sure he will communize the whole Government. That is, if he is a true labour man. The conditions of the working class in the socialist country are not like those of a capitalist country. The means of production are owned and controlled by the working class. In the socialist country, there is a proletarian dictatorship, or a working-class dictatorship, if you do not know the term.

24.11.72

National Assembly

3.50 – 4 p.m.

I went to a botanic garden where I met a Russian working. I asked him, "What is your age?" He said, "Sixty-five". I said, "How are you not pensioned?" He said, "I am getting pension, 80 roubles per month, and 125 roubles as my usual salary. I can work. I want to work." Could that happen here? You are asking why there is no strike? Why must there be strike when the workers are getting everything they want? Because the workers control everything. This is why we want you to socialize Guyana. Siberia is an industrial city. Go there.

The hon. Minister once told me he does not want people to go to America to be indoctrinated. The hon. Minister gets a whole heap of socialist books and I do not know if he reads them or not because if he took time to read those books he would talk differently in this House.

In conclusion, I do hope that the Government will take into consideration our contribution to the debate on this Bill and try not to put powers in the hands of the sugar producers, who do not have mercy on the working class, but only care about profit, and to try to do something to help the pensioners so that they can survive the few years they have to live. I thank you.

Mr. Speaker: it is now 4 o'clock. Perhaps this is a convenient time to take the suspension.

Sitting suspended at 4 p.m.

On resumption --

Mr. Hope (replying): Mr. Speaker, we heard a number of comments, most of them were not quite relevant to the purpose of this Bill. As I said in my opening remarks, the Bill flows from a recommendation of a commission which investigated for several months conditions in the industry. Whether the sugar pensioners should have a higher level of pensions from the industry is not, I submit, a matter relevant to the considerations before the House this afternoon. That, I think, is a matter which was properly for the Commission and is proper for negotiations between the industry and the unions representing the workers in the industry today.

In addition to that, what we are dealing here with is a simple process of providing a mechanism for continuing the payment of pensions to the workers. It does not deal with the rationale of those payments, it does not deal with quantum. It is purely a mechanism flowing out of the Persaud Commission Report to continue the payment of pensions to all sugar workers who qualify for ex-gratia pensions.

I think it should also be noted that the situation may well be very substantially stated in the sense that, by and large, more and more sugar workers will be qualifying for national insurance benefit and the purpose of this Fund, as I see it, is to meet the liability of the industry for those workers who are now in a position where, having retired, they cannot qualify for pensions.

The industry – and they expressed this wish in discussions with me – do not wish to administer the Fund. It is pure administration of a fund, not a pension scheme per se. They would wish, according to the Persaud Commission Report for these funds to be administered – and I must underline the word “administered” – by the N.I.S. It is their wish that the N.I.S. take over the responsibilities but since the N.I.S. is not geared to take over these responsibilities now, and since it is expedient that the fund should be set up, then the conditions would remain as they

are now. The administration of the ex gratia pension would probably continue, with the industry doing what it has always been doing in respect of payment of the pensions except that the money will be made available by the Committee administering these two funds – the Price Stabilisation Fund and the Rehabilitation Fund.

The point has also been raised that the industry should not only continue to contribute what it has always been paying in respect of ex gratia pensions in addition to utilizing funds from these two sugar funds, but it seems to me that it is useful to consider that these two funds, the Price Stabilisation Fund and the Rehabilitation Fund, had apparently been used in the past to benefit the industry as distinct from the workers and therefore, the fact that the price Stabilisation Fund is being used may well be regarded or perceived as an alternative to the payment which they have been making in the past.

But what is more significant is that this solution is not a solution of Government; it is a solution recommended by an independent commission which heard evidence from a wide variety of sources, investigated the industry thoroughly and made a report. It is not a solution initiated by the Government.

I think, Mr. Speaker, that the administration of the Fund, the new fund, could possibly be improved at a later date, as the Leader of the Opposition suggested. In this regard, I shall probably point out that as the Prime Minister announced some time ago, the Government intends to introduce legislation controlling all pension funds and part of that control, as I see it, would be the establishment of committees to administer the fund in addition, of course, to corporate trustees in whose charge the investment of the funds would be made.

What has been projected for our pension fund is in consonance with the idea of a separate committee, with whatever representation you may wish, administering the fund.

As I said this is not a matter for this Bill which seeks to do a very simple thing of implementing a very important recommendation of a very important Committee. The funds in the Price Stabilisation Fund and the Rehabilitation Fund I am told and I am here giving information as I received it – outstanding in the Price Stabilisation Fund is approximately \$3 million and in the Sugar Rehabilitation Fund something over \$5 million. Practically all of these funds are held locally a substantial portion of each being held in the Government of Guyana securities but it is not usual, as a matter of fact, it is the usual practice for pension funds of this nature to invest in long-term securities in which payment is substantially guaranteed and Government securities satisfy this Bill not only in Guyana but all over the world. All over the world investments which are intended to be long-term and which are intended to yield, particularly where pensions are involved, are usually held in central government securities, blue chit securities as distinct from risky and perhaps higher earning securities.

It is nothing unusual if these funds are invested in government securities and the fact that they are, does not imply that there is no liquidity. I mentioned a moment ago that the industry has already undertaken that where the annual payment of levies to the Price Stabilisation Fund is inadequate at any point in time to meet the payments with respect to pension in any one year and the assets, the securities, have to be liquidated they will buy the securities at the current going market price. There is no question of lack of liquidity. As the pension payments require it, the funds will be liquidated. As a matter of fact, that is the intention. Nobody in the world holds money in cash. Cash obviously is barren and all funds that have money seek to invest those monies in forms which vary on the question of liquidity depending on what is the use to which the fund will be put.

So I repeat, that despite the fact that a substantial portion of these monies are held in government securities, it does not imply a lack of liquidity. Securities will be liquidated as the necessity arises to pay the pensions.

Thank you, Mr. Speaker.

Question put, and agreed to.

Bill read a Second time.

Assembly in Committee.

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

Clause 2

Dr. Jagan: I wonder whether the Minister will be in a position to tell us whether the ex gratia payments which will be made to sugar workers, and which were not covered by the National Insurance Scheme, will be the same as now paid. I presume this exercise is to bring in all the people who are not covered. That is why I ask this question, whether it is proposed not only to bring in additional people but whether the amount which is clearly inadequate will be increased and is envisaged by the calculations made for the expenditure of \$14 million.

Mr. Hope: This exercise will not contemplate that kind of review of the terms under which sugar workers receive ex gratia pensions. It does not contemplate any question of rate or amount. It purely contemplates that there will be a group of sugar workers who, now, because they have already retired, will never qualify for N.I.S. payments. There is also a group who would have retired after the introduction of the N.I.S. but would not have worked long enough after that time to get a qualifying period of payments. There is also the third group who, having retired at 60 according to the industry's conditions and although they have qualified, will not get pension payments until they have reached the age of 65. This sum covers those workers. It does not contemplate any other changes. It is a pure transfer of responsibility of payment of these pensions from the sugar industry's current accounts to an established fund.

Dr. Jagan: The hon. Minister is only saying that the sugar industry will be let off and a lot of poor people will come in. We heard the hon. Minister of Labour say that under the N.I.S., the minimum payment is \$15 to \$17. What I want specifically to hear from the Minister, is whether consideration has been given also to the amount which will be paid, that is, is the rate going to be the same as the workers are not getting? And what is contemplated, is it just to give some others who were not getting anything? As he mentioned three categories, we want to know whether that point has been considered.

Mr. Hope: I am not sure if I made myself quite plain. The terms under which the ex gratia payments have always been given to sugar workers are not being affected by this Bill. It is a clear case of whereas in the past the industry would have paid the pensions from its current account, now a fund is paying and the sugar industry will be responsible for replenishing that fund annually. I do not think it is right to say that the sugar industry is being let off. In all fairness, the industry contributed monies, levies in respect of a Price Stabilisation Fund, which I do not think was contemplated or structured for the benefit of the workers. That Price Stabilisation Fund is being used to finance these payments. In any case, this is a recommendation of a committee which investigated the industry thoroughly and I think on the basis of which, sugar workers got between \$6 million or \$7 million and a number of other conditions. This is part of that whole recommendation.

Dr. Jagan: The Minister keeps reiterating about this wonderful committee and that is the point I was trying to speak about yesterday when you stopped me. This was the committee for which G.A.W.U. was asked by the Prime Minister to name individuals. Two distinct lists were proposed including well-known people. The first list was rejected all the names proposed by the workers' union. I am not talking of the M.P.C.A. Even the hon. Minister admits this union has no status among the workers. We know what recommendations the commission gave. The workers got \$8.5 million for five years once for all bonus, whereas, in one year under the P.P.P., the workers got \$6.3 million. These are the facts.

If we had a real wonderful commission, perhaps the tale would have been much different. And that is why I would have thought the Government would have gone into this question. It is not enough to tell us that the commission proposed this. The Government should have seen to it, whatever the commission recommended, should have taken that into consideration and also the vital question which we raise – how much will the workers get, is enough to live on, and then the Government would have seen how to get more funds. Perhaps more is necessary to be got from the funds, and then come to the House with a full picture.

We are not satisfied only that more people will receive. The question is, will they be able to live? Figures have been given to show that these people cannot live on the pittances they are receiving and, therefore, the Government is not really doing anything to hide behind the fact that this was a wonderful committee and it made its recommendations and all we are doing is implementing the recommendations. It is not good enough at this stage of the game especially after five years have passed since the committee recommended.

4.50 p.m.

The Chairman: Do you wish to say anything further hon. Minister?

Mr. Hope: No, sir.

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

Preamble, agreed to and ordered to stand part of the Bill.

Assembly resume.

Bill reported with Amendment, read the Third time and passed.

24.11.72

National Assembly

4.50 – 4.53 p.m.

ADJOURNMENT

“Resolved,” That this Assembly do stand adjourned to Thursday, 30th November, 1972 at 2 p.m. [Mr. Ramsaroop]

Adjourned accordingly at 4.53 p.m.
