

**THE  
PARLIAMENTARY DEBATES  
OFFICIAL REPORT**

[VOLUME 7]

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

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**31<sup>st</sup> Sitting**

**2 p.m.**

**Wednesday, 10<sup>th</sup> April, 1974**

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**MEMBERS OF THE NATIONAL ASSEMBLY**

**Speaker**

His Honour the Speaker, Mr. Sase Narain, J.P.

**Members of the Government – People’s National Congress (50)**

**Prime Minister (1)**

The Hon. L.F.S. Burnham, O.E., S.C.,  
Prime Minister

**Deputy Prime Minister (1)**

Dr. the Hon. P.S. Reid,  
Deputy Prime Minister and Minister of  
National Development and Agriculture

**(Absent)**

**Senior Ministers (7)**

The Hon. H.D. Hoyte, S.C.,  
Minister of Works and Communications

- \*The Hon. S.S. Ramphal, S.C.,  
Minister of Foreign Affairs and Justice (Absent)
- \*The Hon. H. Green,  
Minister of Co-operatives and National Mobilisation (Absent – on leave)
- The Hon. H.O. Jack,  
Minister of Energy and Natural Resources
- \*The Hon. F.E. Hope,  
Minister of Finance
- \*Dr. the Hon. K.F.S. King,  
Minister of Economic Development
- \*The Hon. S.S. Naraine, A.A.,  
Minister of Housing

**Ministers (6)**

- The Hon. W.G. Carrington,  
Minister of Labour
- The Hon. Miss S.M. Field-Ridley,  
Minister of Information and Culture
- The Hon. B. Ramsaroop,  
Minister of Parliamentary Affairs  
and Leader of the House
- \*The Hon. Miss C.L. Baird,  
Minister of Education (Absent)
- \*Dr. the Hon. O.M.R. Harper,  
Minister of Health (Absent)
- \*The Hon. G.A. King,  
Minister of Trade

**Ministers of State (9)**

- The Hon. M. Kasim, A.A.  
Minister of State for Agriculture
- The Hon. O.E. Clarke,  
Minister of State – Regional  
(East Barbice/Corentyne) (Absent)
- \*Non-elected Ministers**

The Hon. P. Duncan, J.P.,  
Minister of State – Regional (Rupununi) (Absent)

The Hon. C.A. Nascimento,  
Minister of State, Office of the Prime Minister

The Hon. M. Zaheeruddeen, J.P.,  
Minister of State – Regional  
(Essequibo Coast/West Demerara)

\*The Hon. C.V. Mingo,  
Minister of State for Home Affairs

\*The Hon. W. Haynes,  
Minister of State – Regional (Mazaruni/Potaro) (Absent)

\*The Hon. A. Salim,  
Minister of State – Regional  
(East Demerara/West Coast Berbice) (Absent – on leave)

\*The Hon. F.U.A. Carmichael,  
Minister of State – Regional (North West)

**Parliamentary Secretaries (8)**

Mr. J.R. Thomas,  
Parliamentary Secretary, Ministry of Housing

Mr. C.E. Wrights, J.P.  
Parliamentary Secretary, Ministry of Works and Communications

Miss M.N. Ackman,  
Parliamentary Secretary, Office of the  
Prime Minister, and Government Chief Whip (Absent – on leave)

Mr. E.L. Ambrose,  
Parliamentary Secretary, (Agriculture),  
Ministry of National Development and Agriculture (Absent – on leave)

Mr. K.B. Bancroft,  
Parliamentary Secretary (Hinterland),  
Ministry of National Development and Agriculture

Mr. S. Prashad,  
Parliamentary Secretary, Ministry of  
Co-operatives and National Mobilisation (Absent)

**\*Non-elected Ministers**

Mr. J.P. Chowritmootoo,  
Parliamentary Secretary, Ministry of Education

Mr. R.H.O. Corbin,  
Parliamentary Secretary, Ministry of  
Co-operatives and National Mobilisation

**Deputy Speaker (1)**

Mr. R. C. Van Sluytman, Deputy Speaker

**Other Members (17)**

Mr. J.N. Aaron

Mrs. L.N. Branco

Mr. M. Corrica

Mr. E.H.A. Fowler

Miss J. Gill

Mr. W. Hussain

Miss S. Jaiserrisingh

Mr. K.M.E. Jones

Mr. M. Nissar

**(Absent – on leave)**

Dr. L.E. Ramsahoye

Mr. J.G. Ramson

Mr. P.A. Raymon

MR. E.M. Stoby, J.P.

**(Absent)**

Mr. S.H. Sukhu, M.S., J.P.,

Mr. C. Sukul, J.P.

Mr. H.A. Taylor

Mrs. L.E. Willems

**Members of the Opposition**

**Liberatory Party (2)**

Mr. M.F. Singh, Leader of the Opposition

Mrs. E. DaSilva

**(Absent – on leave)**

**OFFICERS**

Clerk of the National Assembly – Mr. F.A. Narain

Deputy Clerk of the National Assembly – Mr. M.B. Henry, AMBIM.

10.4.74

National Assembly

2.05 – 2.10 p.m.

2.05 p.m.

## PRAYERS

### ANNOUNCEMENT BY THE SPEAKER

#### Leave To Members

**Mr. Speaker:** Leave has been granted to the hon. Minister of Co-operatives and National Mobilisation, Mr. Green, to the hon. Member Mr. Salim, and the hon. Member Mr. Ambrose, for today's Sitting; and to the hon. Member Mr. Nissar for one month from the 1<sup>st</sup> April, 1974.

### PRESENTATION OF PAPERS AND REPORTS

The following Papers were laid:

1. Age of Majority Order 1974 (No. 4), made under section 7 (3) of the Representation of the People (Adoption and Modification of laws) Act 1974 (No. 7 of 1973), on the 7<sup>th</sup> of January, 1974, and published in the Gazette on the 7<sup>th</sup> of January, 1974.

**[The Minister of Parliamentary Affairs and Leader of the House  
on behalf of the Minister of Foreign Affairs and Justice.]**

2. Constitutional Officers (Remuneration of Holders) Order 1974 (No. 44), made under section 5 of the Constitutional Offices (Remuneration of Holders) Act, Chapter 27:11, on the 19<sup>th</sup> of March, 1974, and published in the Gazette on the 23<sup>rd</sup> of March, 1974.

**[The Minister of Finance]**

**INTRODUCTION OF BILLS – FIRST READING**

The following Bills were introduced and read the First time:

- (1) National Development Surtax Bill 1974, Bill No. 11 of 1974, published on 4<sup>th</sup> April 1974.
- (2) Tax (Amendment) Bill 1974, Bill No. 12 of 1974, published on 4<sup>th</sup> April, 1974.

[The Minister of Finance]

**PUBLIC BUSINESS****BILL – SECOND AND THIRD READINGS****DEFENCE (AMENDMENT) BILL**

A Bill intituled:

“An Act to amend the Defence Act.”

[The Prime Minister]

**The Prime Minister (Mr. Burnham):** Mr. Speaker, I beg to signify, in accordance with article 80(2) of the Constitution, that the Cabinet has recommended the Defence (Amendment) Bill 1974 for consideration by the National Assembly. This is very short and, I would assume, non-controversial Bill. Under the Defence Act, Chapter 15:01, provision is made for the payment of emolument and allowances to members of the Guyana Defence Force. Those in the nature of things provided for in the Annual Estimates and the Supplementary Estimates brought to this House from time to time.

Under the said Act there is provision for regulations to be made providing for pensions and gratuities under specified circumstances to members of the Guyana Defence Force whether

they are gazette officers, N.C.O.'s or other ranks.

Regulations, in accordance with the apposite provision, have been prepared but before they are promulgated it was though necessary to bring this amendment to the Defence Act to the Act to the House so as to make these gratuities and pensions chargeable on a Consolidated Fund as are the gratuities and pensions with respect to members of the regular Civil Service or Public Service.

It is thought that it would hardly be the proper thing to make gratuities and pensions for members of the Guyana Defence Force such as would have been provided for by what I would describe as the “discontinuous” process of Annual Estimates. This, as I said before, to my mind leaves little or no room for controversy and in the circumstances I ask that the Bill be read a Second time.

*Question propose.*

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

**The Leader of the Opposition (Mr. Singh):** Mr. Speaker, we can certainly have no objection to this Bill. I speak for my party, the symbol for which the Sun the people voted, for at the last Elections, despite what happened to nullify their wishes.

Officers and soldiers of the Guyana Defence Force are certainly entitled to have their pensions and gratuities and those of their dependents surviving them charged on the Consolidated Fund. We can have no quarrel with that. But since money is involved here and since we are presently facing an economic crisis I think it is appropriate to make a few observations at this stage and perhaps suggest some possible economies in respect of the G.D.F. I would anticipate that the Government would want to hear of any area where there could be possible economies at this present time in this present crisis.

We have no objection to the concept of an independent nation having an army of which it can be justifiable proud. But one must always take into account the realities of the country's situation in setting up and keeping such an army. Sure, we need an army as a standby in case of civil disturbances, but is it necessary to try to build an army big enough to defend us from possible invasion by our neighbours when we cannot realistically conceive that such an army would be capable of resisting attack from any of our so very powerful neighbours? Surely, therefore the size of our army and indeed the expenditure thereon should be related to what is reasonable necessary to preserve law and order internally, bearing in mind the existence of a police force, properly entrenched and existing, and bearing in mind also the present serious economic crisis of which we hear so often through the mouths of Government Ministers.

We ask the question: Are we really satisfied that all possible economies have been made in respect of expenditure for the Guyana Defence Force? Let us not very carefully that yearly expenditure on this Head keeps escalating: To give just a small example, in 1971 the Actual Expenditure in respect of the Guyana Defence Force as stated in the Estimate was \$6,064,901. What do we note as the estimated expenditure for 1974? The estimated expenditure for 1974 is not in the vicinity of \$6 million. It is, in fact, estimated at \$13,598,366. And this does not even include expenditure on equipment nor does it include capital expenditure. Can Guyana really afford an army with this magnitude of expenditure? Can Guyana really afford such expenditure in respect of the Guyana Defence Force?

Often we have been told – indeed, it has been drummed into us – that the soldiers are paying their way, they are producing enough food to feed themselves. Fortunately, the revenue Heads in the Estimates do not bear out this assertion. Unfortunately, we see the soldiers so often driving up and down the roads of Guyana, ill-treating their vehicles and getting into accidents.

In view of our present economic crisis I feel that it is time we seriously examine the Guyana Defence Force in dept, examine this areas of expenditure by the Government in depth,



[Mr. Singh continued]

with a view to cutting down on the increased expenditure, expenditure which I have said before increases year after year to an alarming extent.

**2.20 p.m.**

Let us understand that our army must not be out of proportion to our means as a small nation. It must not be merely for the purpose of show, or prestige, and indeed it must not be as a means of keeping any Government in office by means of force or, indeed, by any other means. Therefore, I urge, let us examine expenditure in respect of the Guyana Defence Force.

**The Speaker:** Hon Prime Minister do you wish to reply?

**The Prime Minister (replying):** Mr. Speaker, I want to congratulate the hon. Leader of the Opposition upon his home work, but I want to commiserate with him upon his basing remarks upon non-existent facts. Obviously his premise is that this is a spit and polish army which we have. It might have escaped his attention that it is better known in Guyana as the People's army. This army, apart from being a second-line of defence in case of civil disorder or even a catastrophe, operates in the hinterland and other places. He is unaware of the fact, for instance, that a lot of meteorological work is done by the army, that the army is involved at the moment, for instance, in completing the dam at the Hydroelectric Station at Tumatumari; that it is involved in the laying of the second surface on the Mahdia/Annai road. These are just examples of the type of work which the army pursues.

It might have also escaped his attention that the school recently completed at Timehri, on the basis of self help was to a large extent the work of the army. In the circumstances, I cannot, however much my generosity might persuade me, agree with the hon. Leader of the Opposition that the expenditure on the army in the circumstances of Guyana is excessive. I ask that this Bill be now read a Second time.

*Bill read a Second time.*

*Assembly in Committee.*

*Bill considered and approved.*

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

### MOTION

#### SUSPENSION OF STANDING ORDER NO. 46 (2) AND (3)

“Be it resolved that paragraphs (2) and (3) of Standing Order No. 46 be suspended to enable the Assembly to proceed at its Sitting on Wednesday, the 10<sup>th</sup> of April, 1974, with the Second Reading and the remaining stages of the Tax (Amendment) Bill, 1974.

**[The Minister of Parliamentary Affairs and Leader of the House]**

**The Minister of Parliamentary Affairs and Leader of the House (Mr. Ramsaroop):**  
Your Honour, this Motion seeks to clear the parliamentary decks, as it were, for the Tax (Amendment) Bill 1974 to be taken in its Second reading and the remaining stages at this Sitting. This Bill, as hon. Members will be aware, was only introduced this afternoon and was published on 4<sup>th</sup> April, 1974. It does not therefore comply with the requisite paragraphs of Standing Order No. 46 (2) and (3), and therefore requires the approbation of this House for its passage today.

It is, Your Honour, a measure that is inextricable bound up with the matter which will be debated in a short while pursuant to the Minister of Trade putting all imports under licences recently. During the debate members will hear more of this measure.

The hon. Leader of the Opposition has given this measure his unqualified support in view of its urgency. I therefore wish to commend this Motion to this House for its acceptance.

*Question proposed, put and agreed to.*

*Motion carried.*

### **BILLS – SECOND READING**

#### **TAX (AMENDMENT) BILL**

“A Bill intituled an Act to amend the Tax Act.”

**[The Minister of Finance]**

**The Minister of Finance:** (Mr. Hope): In accordance with article 80(2) of the Constitution of Guyana I signify that Cabinet has recommended the Tax (Amendment) Bill, 1974, for consideration by the National Assembly.

I therefore beg to move that the Tax (Amendment) Bill, 1974 be now read a Second time. Bearing in mind the purpose and background to the Bill, with your consent, I would ask the hon. Minister of Trade to explain more fully to the House the reasons and implications of the Bill.

*Question proposed.*

**The Speaker:** Hon. Minister of Trade.

**The Minister of Trade (Mr. King):** Mr. Speaker, on the 3<sup>rd</sup> April, an Order was signed, No. 49/74, under the Trade Act which Order amended the trade control of imports and exports for the purpose of prohibiting the importation of all goods into Guyana except under the authority of a licence issued by the competent authority.

This measure would seem to have no controversy whatsoever. This House was made aware and, indeed, the nation was made aware, of the very serious economic crisis which now faces the world. Guyana, of course, is no exception and is, therefore, passing through a very serious time and must, of necessity, conserve its foreign exchange.

The Bill before us seeks to provide for the imposition of stamp duty on licences for the importation of goods granted under the Trade Act. It is proposed that every priority will be given to essential supplies including pharmaceutical products, drugs and medicines of every type. It is also intended under this Act to give all priority of agricultural and industrial spares. It is equally proposed to give similar priority to fertilizers and any other commodities which sever the productive sector of our economy.

It is unfortunate that this Bill must be introduced. I will not attempt to say that it will not provide a certain amount of inconvenience and a certain amount of hardship on our commercial sector. But in January, when I addressed the private sector, I warned that unless importers and merchants acted responsibly Government would have no alternative but to take complete control of imports and exports.

We have, as a first measure in January, placed textiles and footwear under control using the quantitative restrictive measure. But it was tragic to discover that, within three weeks of such a measure, importers attempted to bring in quantities of textiles and footwear which exceeded a normal six months' supply to this country. I know that I will not stagger this House when I say that our imports for January and February, 1974, amounted to \$77.3 million compared with 1973 which was \$48.7 million. If this situation were allowed to continue indefinitely we would face a deficit at the end of the year of more than \$150 million.

The bill before this House, therefore, seeks to control imports at a level consistent with the demand of consumers. It proposes to deal fairly and squarely with all importers and to ensure that quotas are issued in accordance with the historic data based on the year 1973.

I am aware that here have already been certain criticisms of this Bill but I want to say that Guyana is not unique in these measures. Other countries have, indeed, introduced such measures even in the absence of an economic crisis and, therefore, what we are doing is seeking to continue a path where our economic development can continue by shutting out non-essential semi-essential items and provide very precious needed funds for development, machinery and spares. Because of the considerable task involved, it will be necessary to impose a stamp duty which will assist to a very large extent in defraying the cost because the last thing we want to do is to delay in any way or in any fashion the processing of licences to the detriment of commerce.

We wish to assure this House that these licences will be processed expeditiously and there will be no undue hardship imposed.

That, Mr. Speaker, is a very brief background to the intent and purpose of the Bill, No. 12 of 1974, now before the House.

**Mr. Speaker:** Hon. Leader of the Opposition.

**Mr. M.F. Singh:** Mr. Speaker, we have before this honourable House today a tax proposal to place all imports under licences which, when taken together with the Order signed by the hon. Minister of Trade last week of which he has just spoken, spells, in my humble opinion, chaos and disaster for the private sector and the people of Guyana. It most definitely will lead also to retrenchment and a rise in the already high unemployment figures. One is alarmed at the fact, also, that we have degenerated to such an extent. Whereas previously there was consultation and time was given to the private sector to study such proposed measures, now, by the stroke of a pen, the measure is put into existence, is slapped on the community and thereafter the Chamber of Commerce crawls to the Minister and tries to find out from him what it is all about.

The Government makes very pious statements about wanting the private sector to remain in existence but what, in fact, is it doing? Let us look at the facts and the realities of the situation. Let me say here, in fairness to the hon. Minister of Trade, that I do not doubt his good intentions. I have no quarrel with him. In fact, I have been very impressed by the devotion and the dedication with which he has attacked the onerous task before him since he has assumed duty as Minister of Trade. I note that he has come from the private sector, he knows the difficulties of the private sector, he knows the trials and tribulations of the private sector. Can he really remedy the situation bearing in mind what has gone before? Is he being allowed to do so? Let us look at the pattern.

First, it was the E.T.B. with its controls and its five per cent commission. Then there followed the rise in taxation generally; higher Income Tax, Corporation Tax, Customs Duties, Consumption Tax and, up to recently, Defence Levy. Very shortly there will come into existence – the Government has the majority – the Development Surtax.

**2.40 p.m.**

As now there is to be a stamp duty on import licences, this is, perhaps, the final straw, because there is more to come.

It seems to be the pattern. You name it in taxation and we have got it. We seem in Guyana to have collected the various methods of taxation from all the countries the various around, and we seem to have put them into force in this little country Guyana. Surely, the Minister can tell us that this measure exists in some other country, but can he really tell us that all these bits of taxation that we have collectively exist together in some particular country? I doubt it. We have collected from all countries their various measures of taxations and we are putting them into operation here in Guyana. Can the Minister really tell us which country has all these serious methods of taxation put together as one?

[Mr. Singh contd.]

The Government's previous efforts to control imports through the External Trade Bureau have provided depressing examples of official incompetence, a short-sightedness, and possible, even corruption. Two chiefs of the E.T.B. have left office under accusations of mismanagement and allegations of widespread irregularity. The country has been victimized by inexplicable delays in ordering, by unexpected shortages, poor quality products. The consumers and the business community have suffered. They have done without, and they have done so to support an expanded bureaucracy. To this burden, the Government now proposes to add further taxes, to add *de facto* bans, to add controls, as if having demonstrated its incapacity to cope with the importation of goods the only cure is a further dose of ineptitude.

We have long seen this Government squeeze the life from the once efficient private sector and substitute – governmental growth, and nonsensical propaganda and inefficiency to the highest level.

I have made investigations among the private sector people and I am told there are applications for licences in respect of those items previously any attention for months. They are just piling up there. I have heard of cases where they say that licences have actually been granted, but the licences have been misplaced by the Ministry. The result is that the goods have been left on the wharf resulting, of course, in the merchants having to pay additional storage.

Now that everything has been placed under licence, one can only foresee further chaos, a general delay in importation and, consequently, much less being imported. And this is important. Is this what the Government really wants? Because if it delays the licences, if it holds back things, as had been happening, much less will be imported. Obviously, it would make a difference to our balance of payments, but at what cost? Regardless of the needs of the Guyanese people. Is that going to be the cost? Obviously, this seems to be what the government contemplates.

[Mr. Singh contd.]

If the allegation is that non-essentials and semi-essentials are being over-imported, or are being hoarded, then, surely, all we need to do is to extend the system already instituted whereby some items are completely banned and others are placed under quota to cover the additional list of non-essentials and semi-essentials. Textiles have already been put under licence. What is the problem? If you put them under licence, obviously you can control the importation. It may be that orders which related to the pre-licence period have come in, thereby resulting in the alarming figures which the hon. Minister has given. But if we put textiles – and this is an item that he quoted – and footwear under licence, how can they bring in an abundance of textiles and footwear over and above what they have been granted licences to bring in? Obviously they cannot.

It may be that there was a throw-over from the pre-licence period, but obviously, with the system of the licence coming into operation, they will never be able to do this. If there is a licence situation operating properly, in respect of textiles which are already under licence, and footwear, this will never happen. Why are we putting everything under licence and then creating more paper work? Do we have a staff to deal with this increase in paper work? [Interruption]

Some of us really need work. Others, who occupy sinecure positions in the Office of the Prime Minister, do need to do a good job of work, but the point is: will not the private sector suffer as a result of this further control by bureaucratic agencies of the Government? If a man has to import machinery and spare parts to keep his factory turning over, obviously, he will not import machinery and spare parts merely for the sake of importing them, to hoard them, or to stock them, because he is not dealing with them as saleable commodities, and yet that man is now going to be subjected to the same controls, whereby he will have to trot down to the Ministry of Trade, he will have to get a licence, and he will have to go through the time-wasting operation of this whole lot of paper work.



Why did the Government do this? Is it, perhaps, a combination of securing additional revenue from this measure before the House? We have here a dollar for every thousand dollars or part thereof, and this could result, as we calculate, in approximately \$3 million more of revenue in the coffers of the Government. Is it a combination of that, and is it also a means of controlling private enterprises, favouring those who are approved by the Government and victimizing those who are not?

**2.50 p.m.**

Let us face it. We have the classic example of Dr. Jagan and his New Guyana Company which prints the **Mirror** newspaper having to go to the High Court to get a licence to import newsprint. Dr. Jagan said he could not get the licence granted by the Ministry of Trade so he went to the High Court for it. It is not therefore reasonable to assume that the Government could well be using this measure to control the private sector, to favour those people who it feels like favouring and to squeeze out and victimize those people who it does not like, those people perhaps whose ideology differs from that of the present Government? We have seen examples of it so often in the past. It is a dangerous and powerful weapon which the Government is now taking into its hands by placing all importation under licence.

The Government infers that the measures are necessary because of the oil crisis. Certainly our foreign exchange position is precarious. But as we have so often asked in the past: Is this only because of the oil crisis, the bad weather and so many of the other little excuses that the Government has put forward?

We say that if the Government did have the oil crisis it would have invented a crisis. The Government would have had to invent a crisis because the situation was so critical. Why was the situation critical? The situation was critical because of lavish expenditure on non-essentials such as Ministers in the office of the Prime Minister having nothing to do but spout propaganda; foreign missions; African Safaris; grants to African Freedom Fighters; a G.D.F. to prop the

Government; National Service and the like [**Interruption**] I have come here because Dr. Jagan has abrogated his responsibilities to the people who voted for him. I have to come here because there is a job to be done and somebody has to do the job. The lot has fallen on me to do that job and I will do it to the best of my ability regardless of anyone on the other side.

The oil crisis is being used as an excuse to impose repressive measure on the Guyanese people. It is being suggested – and the figures keep varying from time to time – that between \$100 to \$200 million more will be required. But it is not true also that as a result of the oil crisis we are demanding and getting more from our sugar, rice and bauxite to meet the crisis created by the Arabs?

Fuel is paid for a turnover basis. Bauxite, rice and sugar are sold on a turnover basis. Obviously there is no need to find immediately \$100 or \$200 million to meet this crisis which the Government keeps forcing down our throats. The final figures may be somewhere in that vicinity but obviously we do not need these several million dollars immediately to meet this situation.

Already unrealistic price controls and taxation are making existence very, very difficult for a number of small companies. Supermarkets and groceries are finding it very difficult to get supplies while the Co-op Complex, the P.N.C. outlets and the P.N.C. boys are able to secure supplies that are otherwise so scarce on the open market [**Dr. King**: Prove that.] I can and I will do in due course.

These new measure, are bound to create further hardships particularly if the merchants – and we bear in mind all the recent pronouncements by the Government about buying from certain source – resist pressures from the Government to buy cheaper and inferior goods from designated source. [**Dr. King**: “What designated sources.] The time will come when we will be able to give evidence of this. Right now it is in the air.

The projections have been made. We are waiting to see exactly what will happen as a result of this measure which was just introduced. When this licence business is put into full operation we are waiting to see whether private enterprise and the merchants will be allowed to buy from customary source they will be dictated to by the Government and have to buy from certain sources which the Government will stipulate.

We can understand if because of political reasons, because of a switch in loyalties and a change in ties, as we have seen in the past, the merchants are made to buy cheaper goods of inferior quality from sources which have not been traditional to Guyana. I am not saying that there is anything wrong with buying from non-traditional source. What I am warning against is whether the goods will be of the quality and standard acceptable to the Guyanese public. I am saying it as a warning to the Government if it begins insisting and stipulating exactly where the merchants are to buy their goods to the detriment of the Guyanese people.

We can see, as a result of this, businesses being forced to close down. We have seen the result of the Government bureaucracy. We have seen the inefficiency. We have seen the difficulties created. We can see some small businesses may well be forced out of existence. We can see that even big businesses may be forced to cut down on their staff in order to cut expenses and avoid complete elimination by Government arms such as Guyana Gajraj and Wrefords. When this happens it must lead to a rise in the unemployment figures. If you have no goods to sell you cannot make a profit and if you do not make a profit you cannot pay wages. It is as simple as that. So what will happen? We will be creating unemployment.

Within recent times it seems to have become fashionable for Government representatives to refer to the private sector as a bunch of shopkeepers with shopkeeper mentalities. But surely every society must have its shopkeepers and we have over on the other side the product of shopkeepers mentalities. Those people on the other side who speak so piously must look at their backgrounds. Let them examine their backgrounds very, very carefully when they are making these pious statements about the terrible things these shopkeepers do.

[Mr. Singh continued]

**3 p.m.**

Does the Government really intend that the only people who should benefit from shopkeeping must be the inefficiently run Co-op shops, the party hacks and organizations such as Guyana Gajraj and Wrefords? Are they to be the only shopkeepers? Are they to be the only shopkeepers? Why cannot the others be allowed to exit? Must private enterprise be bullied into investing in the high-risk agriculture and mining ventures in an unstable political atmosphere? And let us not doubt that this present political atmosphere is, in fact, unstable at the present position. Will we do that while Guyana Gajraj, Wrefords and other favoured P.N.C. few enjoy the fruits of the so-called “easy profits” of shopkeeping with preferential treatment from the Government? Is that what is really being advocated? If that is so, the future seems very dismal indeed.

Let us understand that professionals and even the ordinary people are seeing the writing on the wall. So up to Timehri daily, you will see aeroplanes taking off filled with people leaving their homeland driven by fear of the future and are willing to risk the unknown in foreign lands rather than live under the present state-control system in Guyana.

We all agree that we need professionals. We say that we need expertise in order to put into effect our Development Programme and yet daily we are taxing them out of existence. It is true this country is bankrupt. We know that, hence, all these measures. But the Government will never be able to salvage the situation by its present methods. When the average Guyanese goes to the store or the market he is daily reminded of the failures of the Government’s official policies. He is so stupid to believe that the Arabs are more to blame than the Government.

This new stop before the House today is licensing is another indication that more shortages, higher cost and increasing mismanagement are the certain prospects for the Guyanese people. The Government needs only to look the failure of the E.T.B. to realize the folly of its

[Mr. Singh continued]

ways.

Let us remember that the declared intention of the E.T.B. was to bring down the cost of living. Has the cost of living come down as a result of the External Trade Bureau? The cost of living had gone up and up. The cost of living has soared as a result of the External Trade Bureau. Its operations have created shortages. It has encouraged blackmarketing.

Let me ask a question. Since the E.T.B. was established in 1971, have we ever had a financial statement in respect of its operations? The E.T.B. collects 5 per cent commission. Do we know how much it owes overseas? Do we know anything at all about the financial operations of the External Trade Bureau? Do we know what the financial state of affairs is? We know nothing and I predict that we will know nothing because it will always continue to be hidden by the Government in order to hide the inefficiencies of the E.T.B. The facts are glaring. Two heads of the E.T.B. have been chucked out of E.T.B. Why? I urge the Government to tell us the reasons. Why did the United Force chuck out Kit Nascimento? **[Interruption by Mr. Nascimento]** We are Christian party; we believe in forgiveness. The good Lord said: “Forgive and ye shall be forgiven.” If you are penitent, if you are willing to say you are sorry for your past ways we will take you back.

I urge the Government, and this is no laughing matter, to seriously rethink its position, to cut down on this bureaucratic control. If this is to be done, the future for Guyana will be very dismal indeed.

**The Speaker:** Hon. Minister of Trade.

**Mr. King** (replying): Mr. Speaker, the hon. Leader of the Opposition seems to be running true to form. Indeed, he is doing a job equal to the one who perhaps should have been in that chair. He uses such words as “chaos”, “disaster to the private sector”. These are words that

I have read in a very popular newspaper. But let the Leader of the Opposition also get advice from that source to find out that in 1962: it was not a question of bringing imports under licences it was a question of his introducing state purchases on all commodities. Let him tell us what has happened to the millions of dollars which he obtained from the super powers to effect and establish a business on Regent Street intended to close down the private sector.

It is unfortunate that a person so learned and so informed by the private sector should suggest that these measures will lead to unemployment. We have said very clearly that these measures are intended to curb unnecessary supplies coming into this country. There is such a thing in the business sector as growth and all we seek to do is have businesses operate this year at a level which does not take in growth.

If this is done then there need not be any unemployment. All I can say in reply to that criticism is that he consumers of this country should watch very closely those businesses which seek to retrench people because of this measure and deal with them appropriately when the crisis is passed.

### **3.10 p.m.**

The Leader of the Opposition again plays what surely now to him must be a broken record when he speaks of the weaknesses of the External Trade Bureau. Surely, the External Trade Bureau was established to keep the cost of living down and, in fact, it has. The cost of living in the United Kingdom rose in one year by 4.6 per cent; in Japan it rose by 30 per cent and in Guyana it has risen by less than 12 per cent. In my calculations, that is depressing the cost of living. Had not the E.T.B. been established, then our cost of living could have risen well beyond 30 per cent.

Let me ask the hon. Leader of the Opposition: Where are all the queues? Nobody remembers cement. There was a time when he whipped cement; cement was not available. He

does not remind this House today that cement has been in uninterrupted supply since December of last year. There is no much cement now that there is no question of whipping that horse any more. The oil queues have disappeared; there have been no gasoline queues; there are no queues for onions; there are no queues for margarine. Everything is in supply. Why continue to whip a dead horse when, in fact, the Leader knows that the External Trade Bureau is doing an exceptionally good job?

The hon. Leader refers, in his remarks, to the lack of consultation. My Ministry has been consulting with the private sector ever since December on this matter. I can show to him a list. If I took the advice of the private sector half of the imports in this country would be totally banned. And they are right; I have not done that because I think there is need for a period of time for these businessmen to move from the shopkeeping mentality into the industrial sector.

We have no quarrel about Government entering shopkeeping but Government is also involved in industry. We have no quarrel with people involved in shopkeeping; it is a service we need, a service which is essential to the country. But let it be clearly understood that we must reach in our development a stage where investment is balanced both in service enterprises and in industrial enterprises.

If, in fact, we have reduced the textile imports by thirty per cent, the textile imports by thirty per cent, let those shopkeepers put the other thirty per cent into making bonnets which they are now bringing from Taiwan. Let them put their investment into canvas shoes which they are bringing from Hong Kong. It is time that we begin to the industrious in our society. There is no question that these measures not only provide savings in our foreign reserves, but they provide an opportunity for more and more industry. We have, for example, told the industrial sector that there will be no restriction whatsoever on their enterprise. We have formula that where manufacturers can export they will get an even greater quota to maintain that type of manufacturer.

The hon. Leader talks about accumulation of tax measures. I think he should know that this country has not yet introduced Purchase Tax which a country as strong as the United States has implemented. You can buy nothing in the United States without Purchase Tax. A strong economy like the United Kingdom has introduced Value Added Tax. Is the hon. Leader suggesting that we should, in fact, introduce those two as well? No, Mr. Speaker.

I do not wish to continue on the same dramatic theme on which the Leader of the Opposition spoke. He questioned the necessity for bringing all imports under licences but surely he will know that if you attempted to leave only part under control, you would create speculative purchases and you would allow the greater investor, the man with the greatest financial resources, to stock-pile to the detriment of the small businessman. Is this what the hon. Leader advocates this Government to do? Surely, it must not be. We believe in a just society; we believe that all people must be allowed to trade within their capacity and this measure does not protect the big business that he represents in this House.

The hon. Leader of the Opposition seems not to be in disagreement with the need. All that he disagrees with is the method of implementation. He agrees that foreign reserves must be conserved; he agrees that there is a need to impose some measure of control. That is a reflection and, indeed, it is exactly what the business community has been doing. If we left them in a state of suspense not knowing what will next be banned they will continue buying heavily and, therefore, drain foreign reserves.

I wish to assure the hon. Leader of the Opposition that adequate staff will be maintained to ensure that these new measures have a free and effective operation. Let us remove completely from our society that element of mistrust and that element of suspicion for, indeed, if we wanted to control the private sector there are measures which are much easier than this to manage and to implement. I wish to assure the hon. Leader of the Opposition that there is nothing sinister about his measure. Its birth is out of a deep sincerity of necessity; it is channeled and implemented and



10.4.74

National Assembly

3.10 – 3.20p.m.

brought before this House to conserve foreign exchange and to permit our Development Programme to continue.

*Question put, and agree 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.*

3.20 p.m.

#### **CARIBBEAN METEOROLOGICAL ORGANISATION BILL 1974**

A Bill intituled:

“An Act to provide for the implementation by Guyana of the Agreement Establishing the Caribbean Meteorological Organisation and for purposes connected therewith.”

**[The Minister of Works and Communication]**

**The Minister of Works and Communications** (Mr. Hoyte): Your Honour, in accordance with paragraph 2 of article 8 of the Constitution, I signify that Cabinet has recommended the Caribbean Meteorological Organisation Bill 1974 for consideration by the National Assembly.

The Agreement to which this Bill seeks to give legal validity in Guyana marks another stage in the process of Caribbean regional co-operation and integration. Indeed, the Bill seeks to set up the Caribbean Meteorological Organisation, which will be a specialized agency of the Caribbean Community Secretariat, but having functional autonomy.

The decision to set up this regional body arose out of a Resolution of the Seventh Caribbean Heads of Government Conference held in 1972, and pursuant to that decision, the existing Caribbean meteorological Conference resolved that the Organisation should be set up in accordance with the decision of the Heads of Government. The Resolution of the Caribbean meteorological Conference is set out in the Schedule to the Bill.

The Organisation will have four organs. The Caribbean Meteorological Council, the Caribbean Meteorological Institute, the Caribbean Meteorological Foundation, and the Headquarters Unit. A little later on, I will have something to say about the functions of these four organs.

Membership of the Organisation is open to the countries set out in article 2 of the Agreement which is annexed to the Schedule of the Bill, and it will be seen that the countries listed there are members of the English-speaking Caribbean community. But in addition to those members, provision is made for the accession of any State in the Region, which is willing to join and to abide by the provisions of the Agreement.

The objectives of the Organisation are, of course, the promotion and co-ordination of activities in the field of meteorology and allied sciences, for some time now there has been a very great need for greater cohesiveness in the work of meteorology in the Caribbean. For many years, there has been co-operation in this field. Indeed, the first meteorological organization was set up in the Caribbean during World War II by the British Government and served mainly in the field of weather forecasting for Royal Air Force flying activities in the region, but, in 1951, there

was set up the British Caribbean Meteorological Service which was intended to integrate within the Caribbean the work of meteorologists in the several countries.

With the founding of the West Indies Federation, the British Caribbean Meteorological Service gave way to the West Indies meteorological Service, and when the West Indies Federation foundered, a new organization came into being, that is, the Caribbean meteorological Service. That came into being on 1<sup>st</sup> January, 1963.

One unfortunate aspect of that organisation was that meteorological work became decentralized and every country became responsible for its own meteorological service, though there was still a unifying influence in the Caribbean Meteorological Conference, which met from time to time to exchange ideas, experiences, and data. Despite the limitations of the Caribbean Meteorological Conference, there was still valuable work done since 1963, when that Conference came into being, and there was set up under the aegis of the Conference, a Headquarters Unit, and also, very importantly, a training institute which was known as the Caribbean Meteorological Training Institute.

However, the situation was far from satisfactory but, as I said before, both the Heads of Government Meeting in 1972 and the Conference of Regional Meteorologists in the same year resolved that this situation should be corrected and that there should be a single organisation under the aegis of the CARICOM Secretariat, having the function of co-coordinating work, having the necessary functional authority to deal with training, and also to implement the decisions taken at a policy-making level.

Guyana has always been a member of the several regional meteorological bodies to which I have referred. Indeed, since 1951, when the first general regional body was set up, Guyana became a member and has been a member ever since. Before 1965, the benefits derived by this country were minimal because the older organisations tended to concentrate largely on weather forecasting and hurricane spotting; but, since 1965, Guyana has set up a

Hydrometeorological Section at present within the Ministry of Works and Communication. Hydrometeorological work has become a very important feature of governmental activities. The hydromet division of the Ministry of Works and Communications has received very valuable assistance from the old regional body.

I have referred to the four organs which will make up the Caribbean Meteorological Organisation, and I hold like to say something briefly about the functions of each of those organs. The Council will be the supreme authority: all member Governments will be represented on it. It will be in fact the policymaking body having general jurisdiction over the other organs.

**3.30 p.m.**

The Institute will be the training body. It will be responsible for training our meteorological officers. In fact already the Institute has a very close working relationship with the University of the West Indies; it trains students of the University of the West Indies who are studying for the B.Sc. degree in Meteorology. The Institute will be responsible for training, research, compilation and dissemination of technical data and matters related thereto.

The Foundation is a very important body because it will be responsible for attracting the necessary funds whatever source for the work of the organisation.

This organ has already done very valuable work in approaching many international foundations, many international organisations and other bodies with a view to securing the necessary financial assistance to enable the Caribbean Meteorological Organisation to function as effectively as possible.

The Headquarters Unit is the standing secretariat of the organisation and is charged with the task of implementing the policy decisions of the council. The functions of the Headquarters

[Mr. Hoyte contd.]

Unit are more fully set out in article 2 of the Agreement which is annexed to the Bill before this honourable House.

I should like to dispel briefly a common fallacy which exists among most laymen about meteorology and the work of meteorologists. By and large the popular concept is that meteorology is concerned with weather forecasting only. We all know that meteorologists are the butts of many jokes. It is true that part of the function of meteorology is to forecast the weather but that is just one small part of the work of meteorology.

That science is concerned with the atmosphere; it is the science of the atmosphere considered as a heat engine. Therefore it is concerned with climate, weather, optical phenomena and with atmospheric electricity. It has a very close and vital relationship to the whole world of business. It has a very vital relationship to aviation, shipping, forestry, commerce, agriculture, as I said, to the whole business activity of a country and, as my friend has humorously remarked, to cricket. It is related to the whole field of human developmental activity. Today proper developmental planning can take place in the absence of adequate meteorological data.

I thought I would make this point so that hon. Members would understand the importance of meteorology to the development of Guyana itself. I commend, therefore, this Bill to this honourable House, not merely because of the value of this organisation which we are now going to set up, but also because the very fact that the Government has brought this legislation before this honourable House once more, in a clear and unambiguous way, government's commitment to the cause of regional co-operation and regional integration. [Applause]

*Question proposed.*

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

**The Leader of the Opposition Mr. M.F. Singh:** Mr. Speaker, I have very great pleasure indeed in supporting this Bill to implement the Agreement establishing the Caribbean Meteorological Organisation.

**3.40 p.m.**

The Hon. Minister has very ably dealt with the regional aspect involved in this Bill. With your permission, sir, I should like to say something on the local aspect. I am happy to say that I learnt recently with very great pride and joy that at long last Guyana has a Meteorological Service that is among the most advanced in the Caribbean and certainly comparable with the rest of Latin America taking into consideration the amount of money that is spent on our Service.

Since I feel that credit should be given where credit is due, I want to place on record that Guyana is deeply indebted to Mr. Kenneth Potter, the outstanding young Guyanese Engineer who is at present heading the Meteorological Division in the Ministry of works and Communications. I know for a fact that largely because of his initiative, his drive and his dedication, meteorology has advanced and taken firm root in Guyana.

If I may be allowed to reminisce, my first exposure to meteorology was when I became Minister of Works and Hydraulics in 1967. As the hon. Minister (Mr. Hoyte) so rightly pointed out, before that I had only a very hazy idea of what it was all about. I thought at that time it had only to do with weather forecasting that I met Mr. Ken Potter who had already at that date been appointed as head of the Meteorological Division of the Ministry of Works and Communications.

I was most impressed, to say the least, by the dedication of this young Engineer and his earnest determination to advance meteorology in Guyana. It was from him I learnt that meteorology is not merely weather forecasting but it was also inextricably bound up in industry and agriculture. For example, the flow of water and water patterns for hydroelectric purposes, as

[Mr. Singh continued]

the hon. Minister said, rainfall for agriculture, currents and their pattern for drainage and irrigation and indeed a host of other services.

I learnt that the initiation of a meteorological service in Guyana had been pushed by a Mr. Dawson, an expert from ECLA, the Economic Commission for Latin America, who had visited Guyana in 1962. As a result of his recommendation a Mr. Martinez, a World Meteorological Organisation Official, came to Guyana in 1963 to more or less put things in motion. Then from 1964 to 1966 we had a Mr. Peterson from the World Meteorological Organisation who was stationed in Guyana.

Mr. Ken Potter joined the Guyana Public Service as an Engineer in the Drainage and Irrigation Department, as it then was, in 1958. In 1962 he did a post-graduate course in Meteorology overseas. On his return in 1963 he was attached to the Meteorological Division so that when Mr. Peterson left in 1966 he became the first Guyanese to head the Meteorological Division.

In those earlier post-Independence days, in 1967, when each Minister of the Cabinet, at that time, was vying for priority for his Ministry's projects the tendency – and this is a fact – was to dismiss this Meteorological Division as a non-productive sideline of low priority, particularly when we were vying for very scarce funds at that time. Mr. Potter had the job of convincing the Minister and also the Ministry of Finance of the importance of meteorology in Guyana, the importance of securing funds to carry out and expand the works in his Division. His arguments and his dedication I well remember. They were so forceful that he was able to promote his Division higher up on the priority list. That is why I am so happy to learn that Guyana can now boast of a Meteorological Division that is comparable to any in the Caribbean and, indeed, as I said before, to any in Latin America, bearing in mind the money that is spent on it.

This is true, even though a few short years ago we were so much behind in the field of meteorology. We now have at Timehri a modern radar station, we have a modern radio teletype equipment receiving and transmitting weather information. We also have a store-room of vital information meticulously collected over the years, information which is now readily available to agriculture and industry.

Guyana can be justifiably proud of her achievements in this field. And I think it is necessary to state that in addition to Mr. Kenneth Potter and his devoted staff, we have also to record our thanks to Mr. Phillip Fracinate, an operation expert from the World Meteorological Organisation who served here from 1967 to 1972, to ECLA, the Economic Commission for Latin America, to the World Meteorological Organisation for its generous assistance, and also to the British Government for equipment donated in those very early formative days of the establishment of the Meteorological Division in Guyana which is now part of the Caribbean Meteorological Organisation.

*Bill read a Second time.*

*Assembly in Committee.*

*Clause 1 to 4, agreed to and ordered to stand part of the Bill.*

*Clause 5*

**Mr. M.F. Singh:** Mr. Chairman, for the purpose of information and clarification I wonder if the hon. Minister would tell us what status these officers would have. This Clause 5 is bound up with article 24 of the Agreement.

“(2) The Organisation shall enjoy in each Member State such legal status and legal capacity as may be necessary ...”



and

“(3) The Organisation shall enjoy in each Member State such privileges and immunities as may be necessary of the fulfillment of the objectives and the exercise of the functions of the Organisation.”

Mr. Chairman, I wonder whether the Members of the Organisation will be granted privileges and immunities which are similar to the diplomatic privileges and immunities, or something along those lines. I wonder whether the hon. Minister could amplify this.

**The Chairman:** Hon. Minister.

**Mr. Hoyte:** Mr. Chairman, under the relevant statute dealing with immunities and privileges of diplomats and international organisations and similar person, there is a provision for privileges and immunities for organisations which are termed international organisations such as, for example, the World Bank, the Caribbean Development Bank and many agencies of the United Nations. Obviously, since these organisations work on a world-wide basis and on a regional basis they can only function if they and their officers are entitled to certain privileges and immunities. The privileges and immunities which are envisaged for certain officers of the regional organisation will be those privileges and immunities which attach by law and international understanding to officers of international organisations. The privileges and immunities will not be as high as those enjoyed by diplomats; but they will be privileges and immunities not necessarily enjoyed by the ordinary private citizen.

*Clauses 5, agreed to and ordered to stand part of the Bill.*

**3.50 p.m.**

*Clauses 6 and 7 agreed to and ordered to stand part of the Bill.*

*Schedule*

**Mr. M.F. Singh:** Mr. Chairman, there are two typographical correction to tidy up the legislation. At the beginning of the schedule the word “establishment should be substituted for “ectablishment” if we turn to page 6 Article 4(f) it has there “participation in the week of the appropriate international organisations ...” I presume it should “work” instead of “week”.

**The Chairman:** Thank you.

*Question put, and agreed to.*

*Schedule agreed to and ordered to stand part of the Bill.*

*Assembly resumed.*

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

**MOTIONS****CONFIRMATION OF THE CUSTOMS DUTIES ORDER 1974 (NO. 40)**

“Be it resolved that this National Assembly, in terms of section 9 of the Customs Act, Chapter 82:01, confirm the Customs Duties Order 1974 (No. 40), which was made on the 4<sup>th</sup> of March, 1974, and published in the Gazette on the 18<sup>th</sup> of March, 1974.”

**[The Minister of Finance]**

**Mr. Hope:** Mr. Speaker, I beg to move the Motion standing in my name Confirmation of the Customs Duties Order 1974 (No. 40). This is just one of a series of measures designed to complete the installation of the Common External Tariff within our tariff system. In these items,

we have sought to bring into effect certain increases and certain decreases in Customs Duties which, under the C.E.T. system, have to be phased downwards in some cases and upwards in other cases.

What we have also done, if I may go on, is, as in previous cases, to try to recoup the duty lost through reductions, by virtue of Consumption Taxes on those items. The end result has been that we have a Consumption Tax Order and a Customs Duties Order. I want it clear that it has been peddled in some areas that the Consumption Tax Order increased the Consumption Tax on a wide range of commodities.

Looking at the Order, two points should be made. In the first place, we have tried in the Order to consolidate by bringing into one Order all the previous Orders. Therefore we have one long list. Secondly, the Consumption Taxes were just, in fact, an attempt to recoup what was lost on the duty side and in most cases the Consumption Tax should not have resulted in any increases in the price of the commodity. In fact, the two Orders go together; the Customs Duties Order which reduces the duties in some cases and increases them slightly in some cases as a result of installing the C.E.T. system and the Consumption Tax Order which attempts to recoup the duty lost where the Customs Duty was reduced.

I therefore, move sir that the Customs Duties Order (No. 40) be confirmed.

*Question proposed.*

**The Speaker:** Hon. Leader of the Opposition.

**Mr. M.F. Singh:** Mr. Speaker, following the example of the hon. Minister, I do not propose to speak again and I would like to deal with both the Confirmation of the Customs Duties Order and the Confirmation of the Consumption Tax Order together because they are, indeed, as rightly said by the hon. Minister, inextricably bound together.

At first glance it does appear, that these measures are merely a bringing together of the legislation on Customs Duties and Consumption Tax into one comprehensive document. But the Minister has quite rightly said, and some merchants have pointed this out to me, that the Government has taken the opportunity to slip in a few increases in the rates over and above what obtained before in the overall rates. This, to say the least, would be highly immoral. We had thought that all the paper work as a result of CARICOM has been done in the previous Orders particularly in that exhaustive document No. 97/1973 but from what the hon. Minister has just said this apparently was not so.

We remember the Budget Speech in December last when the hon. Minister made known his proposals for taxation during this year. The hon. Minister did outline new tax proposals which included Customs Tax. As a result, we remember distinctly that the Consumption Tax (Amendment) (No. 3) Order 1973, that is, No. 152 of 1973 was promulgated dealing with an increase in aerated drinks, petroleum products, certain electrical appliances which included radios, stoves, washing machines, gramophones, records and even cigarettes. The business community at that time was led to believe that there would be no further Consumption Tax or, indeed, Customs Duties for 1974. It has been pointed out to me that this is not so, that increases have, in fact, been put on by these Orders, No. 40 and 41 of 1974. If this is correct, goods which have been ordered will now come in to be sold at higher prices than were calculated at the time when they were ordered.

One has to ask: How can businesses be expected to run efficiently and keep within their budgets if the Government keeps putting on increases? We all know what Government budgeting is like. I have had cause to be very caustic of Government budgeting in this honourable House and we certainly would not want to know that Government would like the private enterprise to emulate its example. We certainly would like to know that this is the end of increases in Consumption Tax and Customs Duties for this year 1974 and that it is not proposed to put on any further increases except of course, for very good reasons. They may well be very

good reasons but all the adjustment, all the fixing, that has to be done as a result of our entry into the Caribbean Common Market and the rationalization of taxes has, in fact, taken place.

**4 p.m.**

I have been given examples of increases in the over-all rates of duty on such commodities as shampoo, toothpaste, mosquito coils, travel goods - and travel goods carry a lot of increases - and, if I am not wrong, on shirts and garments generally, a 10 per cent increase, both in duty and consumption tax, on refrigerators, compressors for refrigerator, air conditioning units, and such things.

The hon. Minister has admitted that there have been increases and this is what the business community is complaining about. They did not budget for these increases: they did not anticipate them. In fact, the business community is certainly entitled to some explanation and an assurance that there would not be any further taxation in respect of consumption tax and customs duty except for very good cause.

**Mr. Hope** (replying): Sir, I thought when we started this exercise on C.E.T., that I had explained very clearly how this thing was going to work. It seems that the hon. Leader of the Opposition possibly did not appreciate what I was saying then, or he has forgotten. Alternatively, it seems that the business community, whom he represents, really has misled him in some of the remarks he has made.

I originally explained certain things. First, that the C.E.T. rates agreed on within the Caribbean were lower in the majority of cases than the original Guyana rates, but they were higher in a few cases only; and, secondly, all the discussions that preceded C.E.T., the business community was made aware of through the Chambers of Commerce. The business community in Guyana knows what I have said before, that the C.E.T. rates in most cases were lower than the Guyana rates and only in a few cases were higher. The business community also knows that because the rates were higher in those few cases, and because we wanted to give that community

[Mr. Singh contd.]

an opportunity to adjust itself to these higher rates, we agreed, as part of the C.E.T. system to phase in over a period of three years some of those increases.

I should let the hon. Leader of the Opposition know that again in 1975, and again in 1976, we will see similar Orders representing the next stages in the phasing towards final rates. Therefore, I cannot promise the Leader that his is the last. I expect it will be the last in 1974 for the particular purpose of C.E.T. but it will not be the last in the installation of C.E.T.

Finally, I should say that I am a little but surprised that the business community is not aware of these things because the business community was in fact involved in all the discussions through the Chambers of Commerce in the Caribbean.

*Question put, and agreed to.*

*Motion carried.*

#### **CONFIRMATION OF THE CONSUMPTION TAX ORDER 1974 (NO. 41)**

“Be it resolved that his National Assembly, in terms of section 5 of the Consumption Tax Act, Chapter 80:02, confirm the Consumption Tax Order 1974 (No. 41), which was made on the 4<sup>th</sup> of March, 1974, and published in the Gazette on the 18<sup>th</sup> of March, 1974. [The Minister of Finance]

Mr. Hope: I should also like to move the Confirmation of the Consumption Tax Order 1974 (No. 41), and since I have explained the background before, I will rest at this point

*Question proposed, put and agreed to.*

*Motion carried.*

**Business for next sitting**

**Mr. Ramsaroop:** Before I move the formal Adjournment of this House, I should like to indicate to hon. Members that the Order Paper for the next day's Sitting, that is, the 17<sup>th</sup> April, 1974, next week Wednesday, has been circulated. On that day, we propose to do two items of business, the first one is the Second Reading of the National Development Surtax Bill 1974, and the second one is the Motion for the Guarantee of Credits of the Guyana Bauxite Limited.

**ADJOURNMENT**

With those few words, I wish to move the formal Adjournment of this House to Wednesday, 17<sup>th</sup> April, 1974, at 2 p.m.

**The Speaker:** The Sitting of the House is adjourned to Wednesday, 17<sup>th</sup> April, 1974, at 2 p.m.

**Adjourned accordingly at 4.08 p.m.**

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