

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**

32nd Sitting

2 p.m.

Wednesday, 17th April, 1974

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

(Absent)

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

*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 (Absent)

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

*The Hon. G.A. King,
Minister of Trade (Absent)

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)

***Non-elected Ministers**

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

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)**

*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

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

***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

(Absent)

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.

17.4.74
2.15 p.m.

National Assembly

2.15 – 2.25 p.m.

PRAYERS

ANNOUNCEMENTS BY THE SPEAKER

LEAVE TO MEMBERS

The Speaker: Leave has been granted to the hon. Member Mr. Duncan for today's sitting.

PRESENTATION OF PAPERS AND REPORTS

- (1) Minutes of the First Meeting of the Committee of Selection, held on Wednesday, 10th April, 1974.

The Speaker (Chairman of the Committee of Selection)

- (2) Annual Report of the Forest Department for the year 1971.

[The Minister of Energy and Natural Resources]

INTRODUCTION OF BILLS – FIRST READING

The following Bill was introduced and read the First time.

Factories (Amendment) Bill 1974, Bill No. 13 of 1974, published on 18th of April, 1974.

[The Minister of Labour]

PUBLIC BUSINESS
BILL – SECOND READING
NATIONAL DEVELOPMENT SURTAX BILL 1974

“A Bill intituled an Act to provide for the imposition of a national development surtax upon the chargeable income of individuals.

[The Minister of Finance]

The Minister of Finance (Mr. Hope): Mr. Speaker, I beg to move that the National Development Surtax Bill 1974, be read a Second time.

In accordance with article 80(2) of the Constitution I hereby signify that the Cabinet has given its consent to the National Development Surtax Bill, 1974, to be introduced in the National Assembly.

It was in my Budget Speech presented to this House in December last year that I indicated that as one of the tax measures for 1974 the Government was proposing to introduce into this House a new tax measure designed to garner some extra taxation in a direct form from the income of individuals. It was pointed out then that the whole concept behind the tax was developmental.

But before proceeding along these lines I think it is very important for me at the very outset to point out and to make it very clear that in the first instance the tax proposed will be applicable to person's incomes after various allowances that are available to person under the Income Tax Act. In effect, the tax will apply to the chargeable income of individuals and unincorporated businesses. It is therefore not a tax on persons' gross income. It applies only to the chargeable income, the income after allowances.

There is one other important qualification to be made, and that is, that person whose chargeable income as assessed by the Commissioner of Inland Revenue in any particular year is less than \$500 shall not be required to pay this special surtax. In effect, therefore, the surtax that I am now presenting for the approval of this House applies only to those person whose assessed chargeable income in the given year exceeds \$500. It will be recalled that his point was not made clear in my Budget Speech, but it was made clear in subsequent discussions, and I think, as well, in an announcement from the Prime Minister himself.

As I was saying earlier, the tax is developmental in concept. The public sector, the Government sector, as we know, has in our time taken the initiative in promoting economic development within Guyana. It intends, in fact, to play not only the role of a catalyst in this whole exercise of development, but also to take positive steps and to move in positive directions in terms of development of Guyana. It would do so, of course, in conjunction with the private sector and one only has to read the Development Programme to see the areas mapped out for the private sector, for the co-operatives and for the Government.

But, sir, we must bear this very carefully in mind. As I said before, the Government is taking the initiative in economic development in this country. Because of that, it is not surprising that financial resources must shift from private hands into the hands of the Government and the rest of the public sector so that this development which is proposed can be financed.

We know that development in any circumstances is not an easy exercise, it is not a cheap, inexpensive exercise. In our context, in the context of all developing countries, if we take development seriously, as we certainly do in Guyana, there has to be substantial expenditure for capital programmes. And when one puts that intention within the context of the present crises facing the world in terms of foreign exchange, in terms of monetary matters, in terms of resources, one must understand that it is going to be an expensive business to develop a country. One also has to remember that if the people who constitute a nation are not prepared to endure

that measure of self-denial that is necessary for financing investment and development, no one else would be prepared to underwrite development of that country.

2.25 p.m.

We know that in the international forums, in the United Nations, for more than twenty years there has been constant talk of the flow of development resources, of financial resources from the richer countries of the world to the poorer countries.

But experience has taught us that one cannot develop a country by the flow of resources in that form purely from developed to developing countries, even if one were getting that flow which was anticipated. In fact, we know that over the last twenty years or more these resources have not flowed in the quantity and in the shape and quality which had been anticipated.

And now we are in our second development decade. The poor countries are still poor and I venture to suggest that part of the poverty of those poor countries arises from the fact that they were not prepared to do what is necessary in terms of sacrifice to finance their own development.

With this lesson before us, it is clear that despite the difficulties, despite the obvious rises in prices, despite the clear denuding of incomes through price rises, a country has to try to get itself out of that quagmire and it can only do so by a substantial level of self-reliance. Self-reliance is not a matter of doing physical things for oneself; it is also trying to develop and finance the development of the country through one's own resources.

Therefore, all Guyanese, we feel, must participate in the development effort of this nation and it would certainly be a strange argument to contemplate a situation in which all person, the less well-off and the more well-off, are not required to contribute according to his means. Because people have to contribute according to their means we have chosen the only measure we have in terms of taxation and, that is, chargeable income as the base.

[Mr. Hope continued]

But I would feel that it would be a sad reflection on this House if we continue to hear criticisms that the poor man is being called upon to pay this tax, if the tax does apply to him taking into account its formulation. Because, as I said, all Guyanese have to contribute to the effort of nation building in the economic sphere and that is what this tax measure is all about. We have not exempted anybody except those whose incomes are below a certain level, all, we fee, must participate in the development effort.

Bur, sir, where and what is the direction we are taking in terms of our development? We have, in the past, spent money on infrastructure development. That is a necessary thing because infrastructure development must come first. But if one examine our intentions for this year, one would observe that the thrust of economic spending and development for 1974 would, in fact, be in the productive sectors. Productive, because we feel that it is only in these areas that monies spent can provide the kind of financial returns that will justify the expenditure.

We feel that it is only by investing and concentrating our efforts in the productive sectors that employment will be created on a lasting basis. We feel that it is only by concentrating on the productive sectors that income would be generated and when income is generated it will make the tax burden lighter. It will make it lighter because more people will earn more income tax and less people will have to finance the consumption of those who are not working because employment will be found for more people.

In addition to that we need foreign exchange and we need to place our money in areas which, while they earn us income and bring us increased employment, also augment the flow of foreign exchange into this country. Because of this, much of our expenditure will be going into things like agriculture, forestry and fishing. It is because we have been pressing the idea that we need to improve our agriculture and to rely on ourselves in terms of consumption of food that today Guyana has a much better prospect than many other developing countries in terms of one of the most important crises facing the world today and that crisis is one of food shortages and

starvation. So when our money is going into agriculture we know we will ensure that our people will not go hungry. We know that we will ensure that we will help to feed other parts of the world to the advantage of our own foreign assets and resources.

So I think we want to make it quite clear that monies raised substantially by this measure and other measures which have gone before in this House earlier this year and late last year are, in fact, designed to improve our development opportunities, to lay the foundation of a real economic breakthrough in this country. I should like to measure before us to be analysed, studied and debated within that context.

None of us, I think, is happy to pay more taxes but what we have to realize is the very cold fact what we do not do for ourselves no one else will want to do for us and, in fact, we have to make the effort despite the sacrifice, despite the difficulties, in the hope that with the kind of spending that will be done more income will be generated and more employment will arise.

But I think it is also important to observe that while we are, in fact, pressing on with our development effort we have not lost sight of the social services which we have to provide for people and which are themselves – some of them – developmental in the sense that they are the important bases for future development. One only has to look at what the Government is doing in education. High as the 1973 expenditures were in education, in 1974, more than \$5 million extra will be spend on education alone, and I have not included in these figures the Development budget. I am just speaking purely of the Current Budget.

We have tried to improve the lot of pensioners, both people who were employed by the Government formerly as well as the people who receive pensions through the Ministry of Labour. All of these we have increased within our means. The important thing to observe, as I said, is that while we have been pressing on with our intentions to promote development, we have not lost sight of the high necessity of increasing expenditure in certain social services.

[Mr. Hope contd.]

The Bill before us, as is said before, applies to the chargeable income of persons. It is going to be administered by the Commissioner of Inland Revenue, and, in the administration, the procedures will be exactly those adopted for the P.A.Y.E. system, so that, one would expect that from month to month, from week to week, as person are employed, once they fall within the category of person covered by this Act, one would expect that deductions will be made for the National Development Surtax as deductions are made for P.A.Y.E.

In fact, while we are bringing the Act to Parliament only now, the measure applies to the chargeable income for the year 1974 and successive years and, therefore, as far as is practicable, amounts will be deducted over the remaining period of this year in equal proportions to cover the tax that is due for the whole year 1974.

Basically, this is a simple measure. As I said, it will be administered by the Commissioner of Inland Revenue and the procedures will be those applicable to the P.A.Y.E. system. We hope that this measure will go into effect not 30th April, of this year. With these explanations, I will now commend the Bill to the House hoping that having realized its significance and its purpose, this honourable House will see fit to enact the legislation.

Question proposed.

The Leader of the Opposition (Mr. M.F. Singh): Mr. Speaker, I listened with interest as usual to the speech by the hon. Minister attempting to justify what, I am sure John Public would realize, is yet another addition to the already oppressive taxation burden which the Guyanese taxpayer has to bear. We must all recognise that there must be a limit to the taxation which can be imposed on any citizen in any country. And it is not my opinion alone but the opinion of significant portion of the population – and opinions have been canvassed – that the Guyanese people have reached saturation point in respect of taxation.

[Mr. Hope contd.]

It is all well and good to talk of making sacrifices but how many of us are making these sacrifices? True, we have replaced our colonial masters but what have we replaced them with? We have replaced them with the new elite, so that whereas some of us are making the sacrifices, others, the bureaucrats, are really enjoying life.

The hon. Minister insinuated that he thrust has moved away from infrastructural works towards more economic spending. Respectfully, I should like to ask the hon. Minister: what about such areas as the Guyana Defence Force where, as I pointed out last week there is \$6 million increase as against the expenditure in 1971? For what purpose? To keep a Government in office? Why the tremendous increase in expenditure? **[Interruption]** I do not need that. I have the Police Force. We have a good Police Force.

Expenditure on the army has been increasing year after year and one must be suspicious at such escalated expenditure on any army when we, as I said last week, know the realities of the situation and we know that the army can only be an army to stand by us in times of civil commotion in this country.

What about such other areas as the proposed National Service? We read in the papers not long ago of a whole variety of fancy jobs with fancy salaries to set up a National Service, and the Director has not even been named. A former Minister of Information seems to be heading this National Service in spite of all the pronouncements about impartiality and so on that were made in this honourable House. Surely, that kind of expenditure could be diverted to more creative areas about which the hon. Minister was talking.

Surely, this moulding of the national character that has been talked about can be delegated to the multilateral schools, to the Youth Corps about which we used to hear so much in the not too distant past. It could be delegated to institutions like the Kuru Kuru College. But, no. We are hell bent on spending money in such unproductive areas as National Service. To do

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National Assembly

2.35 – 2.45 p.m.

[Mr. Singh continued]

what? To brainwash a set of people , to make them products of the political drawing board rather than allowing this national culture to emerge without political interference.

2.45 p.m.

To get back to this measure before the House. This one is even more objectionable in that it is retroactive. It is before the House for passing now, in April, and it is to have effect from January this year, 1974. It is true that the hon. Minister did outline this in his Budget Speech albeit not as explicitly as he did a few moments ago. But the Budget Speech is not law and we have very many examples where proposals have been made in a Budget Speech and have never been implemented.

Let me give one example. A couple of years ago we were told in a Budget Speech that betting shops would be required to deduct tax from winnings before the payout. We have heard nothing further. In fact, I have been reminded of something which did come into effect, but after how many years. The first time the practice certificate was proposed for professionals and others, we objected; we waited. One year passed and it was no until the third year that that was put into effect. Even though it was proposed in a Budget Speech one year, it never did take effect at the time the Budget Speech said it would take effect. In December the next year it did not take effect at all, and that is a fact.

It is true that this one is taking effect, but when is it taking effect? If the intention was that his proposal should take effect from the beginning of the year, and we know that this intention was crystalised by subsequent speeches made by Government representatives, then why was it not done at the beginning of this year? Why did this Government wait until the fourth month of the year to bring this measure into operation? I admit that it is highly immoral of the Government to allow people to spend their money in January, February and March, probably

[Mr. Singh continued]

lulled in the false sense of security thinking that perhaps, like so many other proposed measures mentioned in a Budget Speech this also would not take effect. Now in April the government is calling for the extra 5 per cent for the rest of the year. In addition to the extra 5 per cent from April to December the Government is also calling for the extra 5 per cent to be collected in respect of January to March. Instead of having this extra 5 per cent spread over twelve months the taxpayer now has to pay it over nine months. He has already received his money from January to March and he has spent it all.

I would respectfully submit, having regard to the fantastic rise in the cost of living within recent times, he obviously has had to spend it. So now what is he faced with? For the coming months, April to December he is faced not only with the 5 per cent extra surtax on his chargeable income which is added to his P.A.Y.E. but that the amount from January to March will also be added and spread over the remaining nine months; so that this deductions will be 5 per cent plus a proportion of January to march also. That will be the state of affairs.

I ask again: Why did the Government not introduce this at the beginning of the year so that the wage-earner would have had his P.A.Y.E. spread out over twelve months? We all know what our people are like; we all know that when they have money in their hands they spend it. Now they will have the added burden of meeting the deficit between April and December of this year.

In spite of what has been said, to the contrary, this 5 per cent increase will be very significant indeed. In the case of the small man with a chargeable income of, for example, \$1,000, the increase will be 100 per cent in the tax he normally pays. There are heads which are shaking. Let me give an example; I have it all worked out here. One \$1,000 chargeable income the income tax will be \$50, the development surtax will be \$50 which is 100 per cent increase. The man who has a taxable income of \$1,000 will be required to pay his normal income tax of \$50 plus an additional development surtax of \$50, and this is a 100 per cent increase. Let us not

[Mr. Singh continued]

fool ourselves into thinking that this is some small increase, 100 per cent is a tremendous increase.

On a chargeable income of \$2,000 the income, income tax is \$300, development surtax \$150; on \$4,000 chargeable income, income tax \$850, development surtax \$250; on \$6,000 chargeable income, income tax \$1,200, development surtax \$300; on \$8,000 chargeable income, income tax \$2,000, development surtax \$400; on \$10,000 chargeable income, income tax \$2,950, development surtax \$500.

Let us see what happens in the top bracket. On \$15,000 chargeable income, income tax is \$5,850, development surtax \$750 and when you get into that area the sum total of it is that for every extra \$100 you earn \$75 go to the Government and \$25 to you. Part of that money which goes to the Government is used to create jobs for party boys, propagandists, who sit down and spout propaganda and do nothing else. They are non-productive as far as the Guyanese public is concerned.

2.55 p.m.

The Government claims that it is easing the burden on the small man because five per cent will not be paid on a chargeable income of \$500 and less. We also know that the present position is that income tax is not payable on a chargeable income up to \$500. But I should like to point out to the hon. Minister that we must realize that if the chargeable income increases by just \$1 to \$501 the man will then have to pay income tax of \$25.05 and development surtax of \$25.05 making a total of \$50.10. So what is the situation? A man with a chargeable income of \$500 retains the whole of his \$500 but a man with a chargeable income of \$501 has to pay out \$25.05 income tax, \$25.05 development surtax making a total of \$50.10 so that he is then left with \$450.90.

[Mr. Singh continued]

Let me give a concrete example of how this can operate. Let us take the man who earns \$2,500 a year and let us realize that \$2,500 a year is not very much these days. It is approximately \$208 a month. This man with \$2,500 a year, his allowance for himself is \$800, allowance for his wife is \$600, let us give him two children and the allowances for them will be \$600. They cannot afford to have more children and he cannot afford insurance because the money cannot cover insurance. His total deductions are \$2,000 and the balance is \$500. He pays no income tax and he pays no development surtax.

But let us take the man whose income, unfortunate for him, happens to be \$2,501. He has the same number of dependants, the same allowances, but he will be required to pay income tax of \$25.05 and development surtax of \$25.05 making a total of \$50.10. The man with \$2,500 with the same number of dependants pay nothing and the man with \$2,501 will pay \$50.10, leaving him with a balance of \$2,450.90.

Obviously, Mr. Speaker, there is hardship here. Is there a solution to the problem? We hear that we must draw a line. Surely, we must draw a line. But is it beyond the ingenuity of the present Government to put into operation a system which will not create as much hardship as this does, in fact, create? I recommend to the Government and the hon. Minister the system which I am reliably informed obtained in the United Kingdom and in some other countries. It is the system known as marginal Relief on Small Incomes. There are various ways in which this can operate but I will give one example and I will deal with the case I just gave.

Let us take the man I have just mentioned with a chargeable income of \$501. If his income is \$2,500 alone, his allowance \$2,000 and his chargeable income \$500, he pays nothing. If his income is \$2,501, his allowances \$2,000, and his chargeable income \$501 under the present system he pays \$50.10. This marginal Relief system can be operated in such a way that he pays only the excess over and above the limit of the chargeable income so that in this case he will pay \$1. His chargeable income is \$501, the allowance s \$500 so he will \$1. [An hon.

Member: “He must take out Insurance.”] He cannot afford Insurance. There is not enough money to stretch for Insurance. If, for example, his gross salary is \$2,510, his allowances \$2,000 and his chargeable income \$510, then he will pay \$10 instead of \$51, as income tax and development surtax. It will run like this until you meet an excess of \$50.10 and at that stage the regular rates will apply.

There are some countries which vary it so that they do not take in the excess but only a proportion of the excess. This is certainly a system which I commend to the Government because it does create a hardship in the marginal cases. Clearly, this kind of system will be less unfair to the small man with a border line taxable income of over \$500.

Mr. Speaker, I should like to make another observation and I am sure that it is one which the technocrat Ministers over on the other side with their easily saleable expertise, in a world short of expertise, will appreciate. Guyana is a developing nation and need expertise to carry out its development programme. Experts, we agree, are scarce the world over. How can we hope to keep expertise in Guyana after this Bill is passed? An expert with a taxable income of \$15,000 – and this is not a significant sum for an expert – will have reached the stage where for every \$100 extra he earns \$75 will go to the Government and \$25 will go to him. Let the technocrat Ministers say how many of them would remain in Guyana were it not for the fact that they are in receipt of the generous tax free allowances for senior technocrat Ministers, that is, \$750 a month.

I have been practicing law in spite of everything, but the time may well come when even, not at my own free will, may be driven from my own beloved Guyana. I hope and pray that that day will never come.

3.05 p.m.

But I ask the question again. How many of the technocrat Ministers over there, with their scarce expertise, would stay in this country were it not for the fact that they receive such generous

allowance, \$750 Duty Allowance, Entertainment Allowance, House Allowance, and all the rest of it? It is not true, were it not for those allowances, that many of them would clear out and go and sell their expertise to other countries where taxation is less oppressive, where even the political situation is less oppressive than it is in Guyana? I doubt whether there are many of them, if indeed there are any of them, who would stay in Guyana were it not for those generous allowances.

We do not support this measure. If the Government is so desperately in need of funds, let the Government cut down on its bureaucratic expenditure, for example, in the field of foreign affairs. Let the Government cut down on expenditure on its safaris to all the various parts of the world. Let it cut down on expenditure on the G.D.F. Let it cut down on expenditure on the proposed National Service. Let it delegate that brain-washing function to the already existing institutions which it has so successfully attempted to take over. Let it get rid of its propaganda agents who are there for no other reason but to curse those bridges which they have crossed in the past. Let it cut down on the variety of Government unnecessary expenditure which I pointed out during the last Debate on the Estimates in December last year.

If, in the final analysis, the Government is still hell bent on passing this Bill, well then, the least it can do is introduce the system of marginal relief which I have recommended. This will give a small measure of relief, not to the big man but to the small man with the marginal income over and above the non-taxable \$500.

Surely, we must regard it as highly immoral on the part of this Government, when, shortly before the last elections, with one hand, it handed out increases to Government servants, and now, after the elections, with the other hand it is taking them back from these very Government servants. And lastly, how long will this measure last? The hon. Minister has not said how long it will last. We see provision for it to go on from year to year. Will it last until the end of the present P.N.C. regime? If that is the intention, well, one can only hope that he regime

comes to an end as soon as possible.

The Speaker: Hon. Minister, do you wish to reply?

Mr. Hope (replying): Mr. Speaker, just one or two remarks. First of all, the hon. Member, the Leader of the Opposition, willfully, I am sure, because I am sure he knew better, sought to mislead the House and to mislead the nation when he said that this measure was retroactive. There can be no retroactivity in this measure.

The hon. Member knows that the tax is applicable on one's chargeable income for year of assessment 1975. People become liable to tax over a period of a year. Even though they may be requested to pay in advance, periodically, the liability is on a year's income. And what we are talking about is the year of assessment 1975, which means all the income earned in 1974. The problem of period or month is irrelevant to that issue. It is relevant only to the fact that it has to be prepaid but prepayment does not remove the liability to pay. The hon. Member sought, I think and I hope unsuccessfully, to mislead the House and the nation. There is no element of retroactivity in this Act.

Secondly, he tried to confuse the issue and he tried to make synonymous, a chargeable income of \$500, or \$1,000, with an income of \$500, or \$1,000 for even \$2,000. I know, and I repeat that what we are talking about is the income after a man's various allowances have been deducted from his earnings so that a man may be earning substantially above what he would call a small man's earnings and still have a chargeable income of \$1,000. That is the case with many people who have to take out professional certificates. That was the whole reason for those certificates and the hon. Member knows that.

It is not unusual that a person could be earning a high level for income and still have a fairly low level chargeable income, because in the Guyana tax system the allowances are numerous. You have allowances for yourself, you have allowances for you wife, you have

allowances for your dependants, your mother, your mother-in-law who not working, you can claim allowances for all of eleven children without limit, you can claim your mortgage interest once it is a new house. You can claim your insurance, and if you buy Government debentures you can claim on them as well. The country's tax system is replete with allowances, so that a person with a very high salary can still turn up a low chargeable income, and it is completely wrong for the hon. Member to suggest that there is any equivalent between a low chargeable income and a low income.

The hon. Member quotes the United Kingdom system. He speaks of a marginal tax relief system which he says is in the U.K. tax law. A gain, he is making a serious error in assuming that once can compare two tax systems by just isolating one element. Now our tax system requires the maximum marginal rate of 70 per cent, and even if one adds the 5 per cent it will make it 75 per cent. We know, it is my advice, that in the United Kingdom the maximum marginal rate is 90 per cent. Where is the example? The hon. Member is not advised on this issue; he is not qualified to speak on this issue.

3.15 p.m.

I should like the hon. Member to refrain from the concept that one does not have, I repeat, to pay for development. He quoted figures. But I think it would have been pointless bringing this Act to this House if one did not intend to collect taxes out of it. So what is the purpose of all the figures quoted? If it is to show you what is the whole objective of the act, namely, to collect additional revenue. The mere fact that he has said that people are going to pay more is what the Act states and what is the intention behind the Act. I am not sure what the hon. Member hopes to gain by that kind of criticism. I think those points adequately cover the points of substance which the hon. Member sought to make.

Question put, and agreed to.

17.4.74

National Assembly

3.15 – 3.25 p.m.

Bill read a Second time.

Assembly in Committee.

Bill considered and approved.

Assembly resumed.

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

MOTION

GUARANTEE OF CREDITS TO GUYANA BAUXITE COMPANY LIMITED

“Whereas Guyana Bauxite Company Limited proposes to enter into Commitments during 1974-75 for the purchase of capital equipment and engineering services to the value of G\$85 million in connection with its expansion scheme for increasing the production of calcined bauxite;

And whereas Export-Import Bank of the United States, in association with Royal Bank of Canada Trust company, New York and chase Manhattan Bank, New York both of which are banking corporations organized and existing under the laws of the State of New York, United States of America, is prepared to enter into three Agreements with Guyana Bauxite Company Limited to provide credits not exceeding the sums of US\$3,432,740, US\$3,500,000 and US\$3,420,000 (being in the aggregate US\$10,352,740) for the purchase of two large draglines and other mining equipment required, provided the credits are guaranteed by the Minister of Finance on behalf of the Government of Guyana, the credits being repayable in ten to fourteen equal semi annual

instalments at an effective interest rate which on prevailing levels amount to approximately 8½% per annum;

And whereas Guyana Bauxite Company Limited progresses to obtain from other international financial institutions credits on comparable terms and conditions to cover the balance of financing requirements for the aforementioned purpose:

Now, therefore, be it resolved that this National Assembly do hereby authorize the Minister of Finance or such other person duly authorized by him, acting on behalf of the Government of Guyana, to enter into Agreements as guarantor with Guyana Bauxite Company Limited, Royal Bank of Canada Trust Company New York, The Chase

Manhattan Bank New York, and Export-Import Bank of the United States (including the authority to sign any promissory notes and other related documents pursuant to the said Agreement) for the purpose of guaranteeing the credits to be provided by Royal Bank of Canada Trust Company, New York, The Chase Manhattan Bank, New York and Export-Import Bank of the United States under the said Agreements and also to sign other similar Credit Agreements (and related documents) as guarantor between international financial institutions and Guyana Bauxite Company Limited amounting in the aggregate to G\$85 million.”

[The Minister of Finance]

Mr. Hope: Your Honour, I beg to move the Motion standing in my name. The Motion is seeking to have the approval of this honourable house for the Government to guarantee a level of borrowing by GUYBAU for its expansion over the next four years.

Since GUYBAU and its activities come essentially under the responsibility of the Minister of Energy and Natural Resources, with your permission, I will ask the hon. Minister to speak on this Motion more explicitly.

Question proposed.

The Speaker: Hon Minister of Energy and Natural Resource.

The Minister of Energy and Natural Resources (Mr. Jack): Mr. Speaker, when we took the Guyana Bauxite Company into national ownership and control in 1971 we stated at that time that we intended to use this Company as a focal point for further development. During the years which have elapsed since that time, GUYBU has undergone a period of re-organisation and consolidation. The activities of that Company have been mark with a very high degree of success, so much so that the original apprehension which some had voiced concerning our capacity to run this industry successfully has now been quieted.

3.25 p.m.

We had, also, intended form the very outset to expand the bauxite industry at GUYBU and to go into various fields of development using the Complex there as a starting point.

During the years from 1971 – 1873 we looked at the world situation, we examined the possibilities for expansion, we had a very exhaustive feasibility study done about the market for our calcined bauxite which is our most lucrative product line and we came to the conclusion that since we held an almost monopolistic position in the world market as regards the sale of calcined bauxite, we should expand calcined bauxite first of all.

The present plan calls for an expansion for our calcined bauxite running from now until about the year 1980 to the tune of approximately 1,112,000 tons from the expected production in 1974 of some 675,000 tons. We expect, during the same period, to reduce our production and sale of metal-grade bauxite which is the least lucrative portion of our production so that by 1980 we expect to reduce the metal grade bauxite so considerably that we would be producing something under 200,000 tons of metal-grade bauxite.

In order to carry out this expansion and in order to develop certain other prospects which we have investigated we propose, apart from the expansion of the calcined bauxite to set up a pelletising plant and what is called an electrostatic precipitator. At present the people at Wismar suffer from pollution from the bauxite dust which escapes during the course of production. This dust, I am told, would represent if it were possible – and it is possible – to retain it in the production stream, something of the order of 140,000 tons of calcined bauxite. One can immediately see the amount of present wastage which we have inherited from the former Company, DEMBA and one can immediately appreciate the necessity for proceeding, without delay, towards the establishment of this electrostatic precipitator which would not only relieve the pollution in the Linden area, but would increase our production and, therefore, increase the profitability of the enterprise.

The present plan, for which we have come to Parliament for approval, calls for the buying of one walking dragline for the East Montgomery Mine; for another dragline at the Kara Kara Mine and for mining equipment necessary to develop our mining areas further. We have been able to make arrangements with EX-IM Bank, in the first instance, along with the Royal Trust Company for credit to the tune of US\$3,432,740.

With regard to the second item which is the dragline for the Kara Kara Mine, we are getting accreditation from EX-IM Bank and Chase Manhattan Bank to the tune of US\$3,500,000 and with regard to the mining equipment we are obtaining credit from EX-IM Bank and the Royal Bank Trust Company to the tune of US\$3,420,000. Apart from this we are at the moment pursuing negotiations for the purchase of a calcined bauxite kiln and we have in the works the development of a second kiln which we would have in operation before 1980.

In 1971 when we had contemplated this expansion, the cost of the expansion was estimated at something at little over G\$50 million. You will notice that due to escalation of prices and to the change which we have contemplated as a result of the further investigations

which have been taken place with regard to this expansion, we now seek a total coverage of some \$85 million.

The interest rate which we secured, you will see, is approximately 8½ per cent. When compared with the present rates of interest in the International World Market and particularly with regard to the English rates which vary between twelve and fourteen per cent, one can see that we have been able to secure very favourable rates indeed, as a matter of fact, outside of grants and special concessionary arrangements made between Governments, one would not have expected to have received better terms.

The ability of the Guyana Bauxite Company to negotiate these loans attest to the credit worthiness of that Company and to the degree of confidence which the performance of GUYBAU, since we have taken that company into national ownership, has been able to generate in the minds of the international business community. We have done remarkably well in our first venture at the nationalization of a large scale enterprise and have given the lie to those who thought that a Government could not run a business in a businesslike manner. One newspaper, not particularly known for its sense of responsibility, seems to have suggested that the borrowing of a quantity of money such as this represented bankruptcy on the part of GUYBAU. Nothing could be further from the truth and a report of that nature attests only to the deliberate attempts which some people in Guyana are determined to make to cause damage to the reputation of this country in the world abroad.

There are some people who cannot find it possible to congratulate this government when we have succeeded in some quarter or the other. They look for all manner of excuses, and when they can find no legitimate excuse for their criticism, they invent some.

The proposed expansion for calcining at GUYBAU is intended to maintain our lead in calcined production throughout the world. Unless we are prepared to be producing more calcined bauxite, and unless we are prepared to be constantly improving our product, we will not

be able to maintain the lead and the dominant position in calcined bauxite which has been an insurance for Guyana against the vagaries of the world bauxite market in recent years.

I urge this House in these circumstances, to agree to the Motion proposed by the hon. Minister of Finance and to pass this Motion.

Mr. M.F. Singh: The Motion now before the House can perhaps be divided into two parts for the purposes of debate. One part is: what does the Motion tell us? The other part is: what does the Motion not tell us?

The hon. Minister of Energy and Natural Resources just said that GUYBAU's ability to negotiate a loan attested to the credit-worthiness of GUYBAU. Is that really the factual position? Is it not true, from what is before us, that the lending agencies are not prepared to lend money to GUYBAU without governmental guarantee? Is that not the actual position before this House today? And, why is this, one wonders? The Government has been boasting about the firm footing that the industry is now on.

My learned and hon. Colleague, the Minister of Energy and Natural Resources, recounted that since 1971, there has been a period of re-organisation and consolidation marked with a very high degree of success; from 1971 to 1973, they examined the world situation: that Guybau held almost a monopolistic position in the world. After all these statements, Mr. Speaker, why is it that these lending agencies are insisting on governmental guarantees?

Indeed, GUYBAU is supposed to be an industrial company operating like any other industrial company in the private sector. One would have thought that the company's undertaking coupled with its balances sheets and these prospects, the monopolistic position of the company and, of course, a consideration of the company as a whole, would have been enough to convince the lending agencies that the company is indeed a very viable one, and that the company's undertaking could be pledged as security for this loan to be covered by a mortgage,

by a floating charge, by an issue of debentures. The commercial world is well aware of all these means whereby industrial companies can raise money on the open market.

We recently had the public information fed to us that GUYBAU had done reasonably well, GUYBAU had declared dividends. Why is it that GUYBAU is coming to Government for guarantees? It is that a critical examination of its financial position by the lending agencies has convinced the lending agencies that the security by the company is not enough? Is this the reason why they need formal governmental guarantees? We would like to know.

We are all aware that figures can be manipulated. They can be put in such a way that they look very good to John Public, they look very good at propaganda, as material to be used by some of the lesser Ministers of the Government for propaganda purposes, for outside consumption, but under the scrutiny of purposes, it is also true that the picture can be found to be factually very different indeed. From a factual standpoint, GUYBAU declared dividends to the Government. Did GUYBAU put aside any reserves for expansion? We would like to know. What do the present reserves stand at? What are the figures? We want to know a little bit more about this state-owned industry.

Perhaps I may mention here the ominous reports, and I mention this by the way, of the drop in the stocks of vital spare parts to the extent, it is alleged, that on several occasions, vital spare parts, parts not stocked by the ordinary stockists in Guyana, have had to be flown done to this country at increased costs, when with a little bit of foresight, these spare parts could have been ordered and stocked, and the necessity for increased expenditure in respect of air freight charges, could have been obviated.

Let us be very factual, we are all agreed – indeed, I do not think there is anyone who could disagree – that GUYBAU is vital to our survival as a nation. If GUYBAU were to fail, then the whole of the Guyanese nation would suffer. There is no doubt about this.

17.4.74

National Assembly

3.25 – 3.35 p.m.

It will be recommended that in the debate in 1971 on the nationalization of DEMBA, we did make it clear that we did not agree with the Government's proposed actions, but we made it clear also that once nationalization became a fait accompli, we would do everything within our power to help to make GUYBAU a success, because we realized that GUYBAU was most vital to the economy of the country, and that GUYBAU was vital to our survival as a nation.

3.45 p.m.

We are still as committed to this now as we were then. But this must not preclude us from saying that we are very worried about the various reports which filter through. It may well be that some of them are untrue, it may well be that some of them are indeed very wicked but there is a Guyanese saying that there is never smoke without fire. We urge the hon. Minister to bare the facts to us. Is the industry really being run properly and efficiently?

What this Government has to realize is that an industry, like GUYBAU, as indeed any other industry, cannot be run successfully unless you remove entirely all political interference and all political patronage. **[Interruption]**

It is a great tragedy that we hear from the other side that it is not necessary to remove political interference and political patronage from an industry in order to make it run efficiently. It is a really a tragedy to hear an hon. Member suggesting that political patronage and political interference are necessary in the context of Guyana today. I would sincerely hope that the hon. Minister would give the --

Mr. Jack: Mr. Speaker, --

The Speaker: A point of order. I take it.

[Mr. Singh continued]

Mr. Jack: Yes, Mr. Speaker. If the hon. Member is quoting me then I would hope that he would quote me accurately. At least we hope for some accuracy in this House. I never spoke about political patronage. I hope that he would not invent something and put it on me and then criticize. I hope that he would quote me correctly. You will be the judge of what transpired.

Mr. M.F. Singh: Mr. Speaker –

The Speaker: Hon Leader of the Opposition, will you please confine your remarks to those made by the hon. Minister and not what you may have heard from hon. Members sitting.

Mr. M.F. Singh: That is what I want to say. The hon. Minister of Energy and Natural Resource, my learned colleague and good friend, never said that. But there was a remark made by an honourable – and one would have like to put that in inverted commas – Minister from the other side who said that to remove political patronage from the industry was claptrap. You know, Mr. Speaker, the forensic cut in debating sometimes permits us, with your tacit consent, the leeway of picking up remarks like that. The result of a remark made to the extent that the removal of political interference and political patronage was claptrap, I replied. But I confirm that the hon. Minister, Mr. Jack, did not say that; his colleague did.

It is a sad fact that the allegation has been made that political patronage and political interference are very much there at GUYBAU at the present moment. I would invite the hon. Minister to repudiate that allegation.

I am glad that the integrity of the hon. Minister, Mr. Jack, is above agreeing with the remarks made over on the other side, and I am very happy to know that he did get up on his feet very promptly when the remark was made. I think that there is some hope, but one wonders sometimes.

[Mr. Singh continued]

Let us get back to the issue. The fact is, according to the reports which have filtered out, that in GUYBAU a good P.N.C., party big boy still cannot be touched in respect of this job. He is still allowed to hold on to his job even though he may not be the most efficient among the available people. That is why, I order to give this most vital industry a change of standing above criticism at the highest levels, I urge that the hon. Minister cause a review to be done of the entire operations GUYBAU with a view to re-organising it on a sound business basis on the principle of the best man for the job. Quite contrary to the mouthings on the other side, let us cut out the politics. Let us cut out the propaganda from the industry and let us be run as any other viable private sector industry. That industry is far too important to Guyana particularly of the present world crisis.

What does the Motion fail to tell us? The Motion states that (U.S) \$10,352,740 is expected for the purchase of two large draglines and other mining equipment. We all know that every detail cannot be put in a Motion. We quite expect that the details would not be put down in the Motion. But I invite the hon. Minister to give us the figures for these draglines. I am glad that he did state that one dragline is for the East Montgomery Mine and the other is for Kara Kara. I wonder whether the hon. Minister will be kind enough to let us have the figures. We would like to know how much for each of these draglines. Presumably one is represented by the first figure of \$3,432,740 and the other is represented by the second figure of \$3,500,000; those figures may have been rounded off. We would be grateful for the figures if they are available.

The next detail that we would like to know if it is available is what is the meaning of the words “other mining equipment”? I am now sure whether the words” other mining equipment refer to the electrostatic precipitator. I am not sure whether that is what is referred to in respect of the sum of \$3,420,000. But we would like a breakdown of that \$3,420,000 in respect of mining equipment. This is a very important industry and we would like all information that is available to be given to this honourable House.

[Mr. Singh continued]

The next aspect we would like to comment on is the very imprecise statement of credits being repayable in ten to fourteen equal semi-annual instalments. I did get the impression when the hon. Minister Mr. Jack was speaking that we had already negotiate these loans except for the Government guarantees.

3.55 p.m.

But then when one looks at the statement “being repayable in ten to fourteen equal semi annual instalments” one wonders whether we are still negotiating this loan. These terms are very vague. They give the impression that the terms and conditions are not settled. Will it be ten instalments? Will it be fourteen? Will it be eleven? Will it be twelve? Why cannot the hon. Minister say with some preciseness exactly how this proposed loan will be repaid? It may well be that there is some good reason why this is so. We would like to know what the reason is.

Then we go on to what is stated here also, “effective interest rate which on prevailing levels amounts to approximately 8½% per annum”. What do the words “approximately 8½ per cent per annum” really tell us? What is the percentage? How much over 8 ½ per cent will be considered to be within the definition of approximately 8½ per cent? Will 9 per cent be approximately 8½ per cent? Will 10 per cent be approximately 8 ½ per cent? Would it not, perhaps, be much better for the benefit of the House if the hon. Minister had been able to put down “Not exceeding 8½ per cent” or, perhaps, “not exceeding 9 per cent?” We do not know, we are left in the dark. What does approximately 8½ per cent really means? I would much prefer it if the hon. Minister could have tied the matter by saying “not exceeding 8½ per cent” or even “not exceeding 9 per cent.” We would then know where we stand and we would know that there is an upward figure over which we cannot go. That is why we ask for more details in respect of these statements here.

[Mr. Singh continued]

Further down it say "... Guyana Bauxite Company Limited proposes to obtain from other international financial institutions credits on comparable terms and conditions ..." Well, perhaps, the hon. Minister will clear up the vagueness about these words "other international financial institutions." It may be that the hon. Minister would not want to prejudice negotiations with any international institution. If that is the reason then the hon. Minister must tell us that he cannot tell us anything more, he cannot say it with any preciseness because it might prejudice negotiations. Let us know; we would like to know what the position is.

Then it goes on to state "on comparable terms and conditions." But the credits are repayable in "ten to fourteen equal semi-annual instalments." We do not know exactly what that means. We need some clarification as to what is meant by "comparable terms and conditions." Comparable to what? To things that are themselves vague? Well then, obviously, clarification is necessary.

The resolution is to give authority to sign any promissory notes and other related documents. What are we really being asked to do here? Are we being asked to give carte blanche authority for promissory notes and the like to be signed by the Government for G\$85 million? I am sure that he hon. Minister realizes that he has an obligation to this House to tell us the facts and figures to clarify the areas of doubt to say why it is necessary for these guarantees before we can commit this nation to underwrite this huge sum of G\$85 million albeit in respect of an industry that we all recognise to be vital for the survival of Guyana.

We say this because we bear in mind the Government's oft stated proposition that its enterprise established on a commercial basis should stand on their own feet as commercial enterprises. Therefore, we ask for these clarifications and we also repeat our request for an inquiry into the operations at GUYBAU in order to let the nation know that we are cutting out political patronage, political propaganda and jobs for the party boys at GUYBAU.

The Speaker: Hon. Minister of Energy and Natural Resources.

Mr. Jack (replying): Mr. Speaker, I recall that some time ago the hon. Leader of the Opposition was himself a Minister. It is not such a long time, and listening to him this afternoon I would have wished that during his time as a Minister he had the opportunity of, at least, acting for a little period as the Minister of Finance. Had he that opportunity I am certain that he would have been more acquainted with the working of EX-IM Bank, though I seem to recall that he must have had some acquaintance with that institution during the many months that he spent doing a lot of very interesting work in this country.

The fact is, Mr. Speaker, that these loans are all joint loans in the sense that they are loans with the Royal Bank Trust and EX-IM Bank, Chase Manhattan Bank and EX-IM Bank and again Royal Bank Trust and EX-IM Bank. In each of these cases it is a joint loan and the leading factor is EX-IM Bank. The standard policy of EX-IM Bank is to require Governmental guarantees when lending to state-owned institutions. The policy has been applied not only with regard to Guyana but with regard to all the other loans with EX-IM Bank has made to other institutions of a similar nature in developing countries where they have required Government guarantees. So the requirement for Government guarantee is in no way a reflection upon the viability, efficiency or credit-worthiness of the company in question.

The Leader of the Opposition asked what the reserves were. I recall, and I think I am right in this, that since the very first Balance Sheet was published and the Statement of Accounts was printed, GUYBAU, through the Ministry of Energy and Natural Resources, circulated to all Parliamentarians copies of this document and I trust that Mr. Singh will have a copy of the 1972 Balance Sheet which, if he examines, he will note that in 1972 the reserve stood at \$16,396,201. Now, in 1974, the Interim Report for GUYBAU should be out around May, but it will show that the reserves are \$19,905,915. The hon. Member will have an opportunity of looking at these figures.

17.4.74

National Assembly

4.05 – 4.13 p.m.

4.05 p.m.

There was some mention of rumours and reports. It is the sort of thing I had spoken of earlier in my remarks. I would be very happy if at any time the hon. Member could acquaint me with the substance of these rumours and reports but I am certainly not in a position to start a detective agency for the purpose of tracking down these rumours.

I had proposed to pass in silence the remarks pertaining to political patronage but having regard to the fact that the hon. Member sought to end his presentation this afternoon with a call for an inquiry, I think I must say something about it. We have prided ourselves at GUYBAU in the fact that we have run this business as a business. I do not think that one should seek to gain a cheap political advantage by casting aspersions on an industry as large and important as this is, especially when these allegations must be known to be without foundation.

I understand that remarks made in this House are privileged and therefore one would imagine that if there was, at GUYBAU and I quote: “a good, P.N.C. party big boy” would be known, and in this forum, which is the forum for the people, the name would be called. I think it is uncharitable, it is unkind, and it is downright wicked to speak of a “P.N.C. party big boy” who cannot be touched. Who is he, what has he done, and why is it that he cannot be touched? As I say, this is good for the street corner at election time. It might gain a vote from some gullible person but, surely, at a time when we are seriously discussing matters here, I think that we are entitled to have the names and the circumstances which would be the foundation for an allegation such as this.

It is upon an allegation of this nebulous nature that the hon. Leader of the Opposition would like us to raise a question mark in the minds of the international business community, by mounting an inquiry into the entire operations of BUYBU to look for this mythical “big boy.” If he is big enough, he can be easily seen. Point at him and we will go and touch him.

The hon. Member has made some valuable comments on the question of the cost of the dragline and the question of the interest rate as well as the instalments. First of all, if one takes

item one, which would be the walking dragline at East Montgomery, in each of these cases we pay 10 per cent of the total cost of the item, so that the figure of \$3,432,740 would represent 90 per cent of the total cost, and I am sure that my friend will do a quick calculation and come to the actual figure.

In order not to cause confusion, I will list each one and say what are the instalments. With regard to item one, we will be paying back in fourteen semi-annual instalments starting from August, 1975. With regard to item two, the dragline, again the figure represents 90 per cent of the total cost. We will be paying back fourteen semi-annual instalments from May, 1977. And with regard to item three, we will be paying back in ten semi-annual instalments starting from May, 1975.

It is for this reason that we spoke of from ten to fourteen semi-annual installments. With regard to the interest rate, and why we said “approximately 8½ per cent”: the interest rate which we are charged by EX-IM Bank is 6 per cent. The interest rate from the commercial bank is 1½ per cent above the prime rate which is a rate that varies from time to time. It is when one adds the interest we pay to EX-IM Bank on to the interest that we pay to the commercial bank that we come out with an interest rate of approximately 8 ½ per cent, but it is not possible at this stage to give a fixed figure on this because of the oscillation of the prime rate.

I think that that covers, in effect, all of the pertinent points which were raised by my very good friend, the hon. Leader of the Opposition.

Question put, and agreed to.

Motion carried.

17.4.74

National Assembly

4.05 – 4.13 p.m.

ADJOURNMENT

Resolved, “That this Assembly do now adjourn to a date to be fixed.” [**The Minister of Parliamentary Affairs and Leader of the House**]

Adjourned accordingly at 4.13 p.m.
