

**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**

41st Sitting

2 p.m.

Wednesday, 21st August, 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.,
Prime Minister

(Absent)

Deputy Prime Minister (1)

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

(Absent)

Senior Ministers (7)

The Hon. H.D. Hoyte, S.C.,
Minister of Economic Development

(Absent – on leave)

- *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
- *The Hon. K.F.S. King,
Minister of Economic Development (Absent)

Ministers (6)

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

Members of State (9)

- The Hon. M. Kasim, A.A.,
Minister of State for Agriculture (Absent - on leave)
- The Hon. O.E. Clarke,
Minister of State – Regional
(East Berbice/Corentyne)

***Non-elected Ministers**

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

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

(Absent - on leave)

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

(Absent)

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

*The Hon. W. Haynes,
Minister of State for Consumer Protection

(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 Works and Housing

(Absent)

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

Miss M.M. Ackman,
Parliamentary Secretary, Office of the
Prime Minister, and Government Chief Whip

Mr. E.L. Ambrose,
Parliamentary Secretary,
Ministry of Agriculture

(Absent – on leave)

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

***Non-elected Ministers**

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

Mr. J.P. Chowritmootoo,
Parliamentary Secretary, Ministry of Education
and Social Development

Mr. R.H.O. Corbin,
Parliamentary Secretary, Office of the Prime Minister

Deputy Speaker (1)

Mr. R.C. Van Sluytman, Deputy Speaker

Other Members (17)

Mr. J.N. Aaron

Mrs. L.M. Branco

Mr. M. Corrica

(Absent – on leave)

Mr. E.H.A. Fowler

Miss J. Gill

(Absent – on leave)

Mr. W. Hussain

Miss S. Jaiserrisingh

Mr. K.M.E. Jonas

Mr. M. Nissar

(Absent)

Dr. L.E. Ramsahoye

Mr. J.G. Ramson

Mrs. P.A. Rayman

Mr. E.M. Stoby, J.P.

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

(Absent – on leave)

Mr. C. Sukul, J.P.

Mr. H.A. Taylor

Mrs. L.E. Willems

Members of the Opposition – Liberator Party (2)

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

Mrs. E. DaSilva

OFFICERS

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

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

21.8.74
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. Green, the hon. Member Mr. Hoyte, the hon. Member Mr. Nascimento, the hon. Member miss Field-Ridley, the hon. Member Mr. Kasim, the Hon. Member Mr. Thomas, the hon. Member Mr. Ambrose, the hon. Member Mr. Fowler, the hon. Member Mrs. Branco and the hon. Member Mr. Stoby for today's Sitting. The hon. Member Mr. Kasim, has been granted leave until the 26th August, 1974.

PRESENTATION OF PAPERS AND REPORTS ETC.

The following Papers were laid:

- (1) Report on the operations of the Guyana Credit Corporation for the year ended 30th June, 1972. [**The Minister of Parliamentary Affairs and Leader of the House on behalf of the Prime Minister**]
- (2) Final Act of the international conference of Bauxite Producing countries incorporating the Agreement establishing the International Bauxite Association. [**The Minister of Energy and Natural Resources**]
- (3) Ministers, Members of the National Assembly and Special Offices (Emoluments) Order 1974 (No. 95), made under section 8 of the Ministers, Members of the National Assembly and special Offices (Emoluments) Act, Chapter 1:07, on the 7th of August, 1974 and published in the Gazette on the 10th of August, 1974. [**The Minister of Finance**]

INTRODUCTION OF BILLS – FIRST READING

The following Bills were introduced and read the First time:

- (1) Debentures (Special Provisions) bill 1974 – Bill No. 27/1974 published on 19.8.74. [**The Minister of Finance**]
- (2) Unification Church (Incorporation) Bill 1974 – Bill No. 25/1974 published 3.8.74, 10.8.74 and 17.8.74. [**Mr. Ramson**]

PUBLIC BUSINESS**BILLS – SECOND READING****GUYANA WATER AUTHORITY (AMENDMENT) BILL 1974**

A Bill intituled:

“An Act to amend the Guyana Water Authority Act 1972.” [**The Minister of Parliamentary Affairs and Leader of the House on behalf of the Prime Minister**]

The Minister of Parliamentary Affairs and leader of the House (Mr.

Ramsaroop): Your Honour, I beg to move that the Guyana Water Authority Bill 1974, Bill No. 24 of 1974, be now read a Second time. This measure substantially is very simple. It seeks an amendment to the extant legislation, the Guyana Water Authority Act of 1972, and essentially brings about the transfer of the supervisory jurisdiction that now resides with GUYSTAC under the aforesaid Act to the Minister in whom will now vest the responsibility for the Water Authority.

Consequent upon this, the present structure that operates under GUYSTAC will perforce have to be changed and provision is made under Clause 3 of this Bill for the reconstitution of the Authority. It states:

“The Authority shall consist of such number of persons being not less than three nor more than nine members as may be appointed by the Minister.”

that is, the Minister assigned the responsibility for the superintendence of the Authority. Under the bill, too, clause 4 seeks to bring about certain changes. Presently there are certain powers exercisable under the provisions of the Public Corporations Ordinance 1962. This measure seeks *mutatis mutandis* to vest those powers in the hands of the Minister who will be assigned the responsibility for the Authority, as it were, taking the powers out of the Corporation that is now constituted under the Public Corporations Ordinance 1962. This, of course, is a rational move, I submit, because in effect it will give the Minister the necessary teeth for the execution and implementation of policy that will fall to his control now.

There are certain consequential changes that are necessary as a result of what I have said before and Clause 5 of this bill seeks to bring about these amendments. For example, in situations where the phrase “President of the Guyana State Corporation” is used the words “the Minister” will be substituted for “the President” since the Minister will now be the person in whom will reside the power to formulate policy etc. with respect to the Authority.

Clause 6 of the measure before the House is in a sense a safety valve measure in that it makes provision for a situation where, because of the exigencies of public interest or political expediency, it becomes necessary for this Corporation to go back under the superintendence and control of GUYSTAC. Hence Clause 6 seeks to make provision for the Guyana Water Authority to be brought under the control and supervision of the Guyana State Corporation if it is considered by the Minister to be in the public interest to do so. Essentially, this is a prospective power which can be enjoyed in the future if it becomes imperative and necessary.

Briefly, those are the reasons for this measure before the House and I respectfully move that this Bill be accepted and read a Second time.

Question proposed.

The Leader of the Opposition (Mr. M.F. Singh): Mr. Speaker, we are very happy to support this bill before the honourable House today. The Minister, in this remarks, made a very important statement that the change in the legislation would give the Minister assigned responsibility for the Guyana Water Authority the necessary teeth to execute the plans and so on. It is unfortunate that when the Guyana Water Authority was established a little more thought was not put into it, but perhaps it could not have been seen at the time and with hindsight, in the light of experiences, the changes are now being made.

I know that traditionally the supply of pure drinking water throughout the country was the responsibility of what we knew as the Public Works Department except for the Municipalities, Georgetown and New Amsterdam and in the extra-nuclear areas where pure water supply was looked after by the sugar Industry labour Welfare fund. But, by and large, it was the Ministry of Public Works and its successors the Ministry of Works and Hydraulics and then the Ministry of Works and Communications that looked after pure water supply. The Guyana Water Authority then came into being and it was thought by the powers that be that it would be a good thing to put this body under GUYSTAC. To my mind that was unfortunate.

GUYSTAC is more suitable to companies and commercial organisations, not to essential services such as the supply of pure water where the important thing is that the people should get an adequate supply of drinking water and not necessarily that the Authority should make a profit at the end of the year.

[Mr. Singh continues]

2.25 p.m.

A profit is very desirable. But of paramount importance is that the people of the country must enjoy an adequate and a healthy supply of pure water. Apparently, the change-over from the Ministry to GUYSTAC caused a deterioration in service. My information is that shortly after the change-over was effected the facilities offered deteriorated to such an extent that they left very much to be desired. Systems failed. Residents in the stricken areas were without this essential service for days on end.

To give two recent examples: In April, 1974, the water supply at Industry, Goedwerwagting, failed and it took about a week before it was restored to the normal level. More recently a failure occurred in the Lusignan area around the third week in July. Again, it took over a week for normal service to be restored.

Then, of course, the hitherto efficient supply of pure water in the extra-nuclear areas, as was operated by the Sugar Industry Labour Welfare fund, suffered a relapse after the service was taken over by the Guyana Water Authority. We had numerous complaints from the residents in these areas. We even had the Secretary of the M.P.C.A., Mr. Cleveland Charran, making Press Releases about the deterioration in the supply of water in these areas.

I could go on on this but I note that the hon. Leader of House moved the Second reading of this Bill and in the absence of the two substantive Ministers – the Minister of Works and Communications and the Minister in charge of GUYSTAC – it seems that no useful purpose would be served in my enumerating the deficiencies of the system. I will take this up on another occasion when the relevant Ministers are present.

I read in the **New Nation** that the Minister responsible for areas – as his Parliamentary areas – opened Schemes and other activities in the area which is supposed to be the Headquarters

of a Regional Minister. I wonder what the role of the Regional Minister is. We cannot expect to have any answers from Regional Ministers: so much for the Regional Ministers and their happy living in these areas.

Let it suffice, Mr. Speaker, that I think that is a good move. They have not said that the Minister of Works and Communications will be assigned the responsibility under this bill. There is talk that he will be the person. If he is, I would welcome the appointment.

The Ministry of Works and Communications has the expertise and the equipment. This is very important. The hon. Minister told me some time ago that any piece of machinery in his Ministry can be deployed in any area over which he has control which means that a piece of road-making up a well-pipe. The Ministry can deploy a turbine or whatever it may be.

This is not necessarily the position at the moment when the Guyana Water Authority is under GUYSTAC. That is why I would welcome this move to put it under the Ministry of Works and Communications. The Ministry has the expertise; it has the equipment; it has the materials and the know-how. Let GUYWA go back to this Ministry where it will receive priority attention from the best technical and administrative brains and where the best machinery and equipment are available to effect expeditious repairs, repairs which at the present moment take far too long a time to be completed.

Therefore, Mr. Speaker, it gives us, on this side of the House, very great pleasure to support this bill before the honourable House.

Question put, and agreed to.

Bill read a Second time.

Assembly in Committee.

21.8.74

National Assembly

2.25 – 2.35 p.m.

Bill considered and approved.

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

2.35 p.m.

NATIONAL DEVELOPMENT SURTAX (AMENDMENT) BILL 1974

The Speaker: Hon. Minister of Finance.

The Minister of Finance (Mr. Hope): Mr. Speaker, in accordance with Article 80(2) of the Constitution, I signify that the Cabinet has recommended the National Development Surtax (Amendment) Bill 1974 for consideration by the National Assembly.

Accordingly, I beg to move the Second Reading of a Bill intituled:

“An Act to amend the National Development Surtax Act 1974.”

It will be recalled that about six weeks ago when I presented a Financial Paper for the approval of this House, I said that following discussions which the Prime Minister had with the Public Service Association, the Cabinet had decided to make certain adjustments to the National Development Surtax Act.

The application of this Act has been the subject of a great deal of misunderstanding and it is possible that it might be appropriate at this point in time if I were to explain the area of that misunderstanding.

The proposal in the law required that a tax of 5 per cent be applied to what in the Income Tax Law is known as the “Chargeable Income.” This “chargeable income” is not the income

which a person earns; it is the person's earnings after certain deductions have been made under the Income Tax Act. For instance, it is the amount that is left from a man's salary or earnings after he has made allowances for himself, for his wife, if he has one, for his children, if he has any, for premiums on account of insurance policies and so on. All the deductions which are allowed under the Income Tax Act are deducted from the person's salary or earnings, and it is after these deductions have been made from a person's annual income that we arrive at the person's "chargeable income."

The Act stated that all persons who had a "chargeable income" in excess of \$500 – "chargeable income" being defined as I explained earlier – would be subject to that surtax of 5 per cent of that "chargeable income." Many people confused this "chargeable income," as I said before, with their gross salary and later on when it was announced – and it was in the law – that an exception was going to be made on account of those people whose "chargeable income" was \$500 or less, many people thought that what this really meant was that \$500 would be deducted from their salary each month and that it was on the remainder of their earnings that the tax was going to be applicable.

I seek to explain and to underline the fact that this is not the case. The exemption of \$500 applies, as I said before, to a person's "chargeable income." But, in the law, as it is now, a person was exempted only if his "chargeable income" was \$500 or less and so long as his "chargeable income" was more than \$500 he was subject to pay the surtax on the whole sum.

What this Amendment seeks to do is to give every taxpayer the advantage of an exemption of \$500 so that the first \$500 of a person's "chargeable income" will not be taxable under the present Amendment, which, as I said, is different from the law as it now stands. As it stands, it states that one is exempted only if his "chargeable income" is less than \$500. Now, all taxpayers have the advantage of having the first \$500 of their "chargeable income" exempted from this surtax. This is the simple purpose of this Amendment.

In proposing this Amendment, one took into account the representation by representatives of a certain trade union, as I mentioned before, because we accepted the view that, on reflection it was probably a hardship that a person whose “chargeable income” was, let us say, \$500 or \$480 was completely exempted but as soon as he reached \$550 he had to pay the surtax on the whole \$550.

I should also take this opportunity to mention that it is easy to say that Guyana is one of the most heavily – if not the most heavily –taxed country. But the realities of the situation must be patent to all of us: that unless we are able to raise the resources for development from our own efforts, the chances of our being able to make investments at the right levels to push this country forward would be much reduced and our levels of taxation must be viewed in the light of the fact that the country needs to raise a large amount of financial resource for development, that the country needs to have a larger savings ratio than has been prevalent in the past, and that the country needs resources to support its very impressive level of social services.

2.45 p.m.

I think that taxation in Guyana has to be seen in that light, but the government stands ready to review the tax system at all times to ensure that the incidence of that tax is equitable, and that those who can pay are asked to pay in preference to those who cannot afford to pay. Incidentally, that is really one of the substantial advantages in applying the tax to the chargeable income rather than to the personal gross income.

I think, therefore, when we seek to examine this Bill, we must remember that the government has under review the tax system, intends to keep the tax system under constant review, not only to ensure equitableness with respect to the distribution and incidence of that tax but also to ensure that the intensity of its incidence is consonant with our development objectives, is in consonance with our development efforts, and with the so far undisputed aspirations, that we should as far as practicable rely on ourselves for our own development.

When and if this Amendment is passed in this House, it is certain that a number of people, practically all taxpayers, would be eligible for refunds in some form. If, of course, the person has so far paid more tax than he ought to have been paying, as at this point of time, based on the amendment, but what he has paid is still less than what he has to pay for the whole year, based on this same Amendment, an adjustment will be made in the third quarter or the fourth quarter, as adjustments are normally made under the P.A.Y.E. system, because the whole thrust of this bill is to apply it in the same way as the P.A.Y.E. system. So there would be adequate opportunity at the end of the third quarter for an adjustment, so that what the person pays in the last quarter of this year will be an amount which takes account of the fact that he had been paying at a higher rate in the first nine months of the year, based on the Amendment, which is now before the House.

In that case, there will be no actual money refund because, as I said, as of a particular date, assuming the Amendment is passed, that person may have paid more than he need have paid, based on the Amendment, but less than what he would be required to pay for the whole year, based on the Amendment, in which case, the payments in the last quarter will be reduced accordingly. In the unlikely event that the person to date has paid more than he is required to pay for the whole of the year, based on this Amendment then no further deductions will be made and a refund will be available to him early next year, when his assessment is normally made.

I must repeat the fact, as I said earlier, that the application of the surtax is on all fours with the operation of P.A.Y.E. Just as P.A.Y.E. is a sort of advance payment, so the surtax is, and when the assessment is made for the 1974 income, early in 1975, when the person will have submitted his tax returns to the Commissioner, and the calculations are made, refund will then be available.

I think it might be apposite for me to say at this point that the Commissioner of Inland Revenue and I have been giving extra attention to measures and procedures to expedite refunds. He has pointed out that in many cases, he, that is, the Commissioner, addresses official letters by

registered post to taxpayers at their know addresses, and these envelopes are very often returned to the office unopened because the Post Office could not find the people. The commissioner then did an experiment, and he sent the same contents but in unregistered, unofficial envelopes. That correspondence was not returned. It was delivered.

The implication is that, for some reason or the other, there are a number of people who are not very anxious to receive official letters emanating from the Tax Commissioner's Office. The result has been that there has been a pile-up of some 10,000 refund cheques in the Income Tax Office, for which there has been no effective delivery. The Commissioner has now adopted the procedure of advertising in the press, inviting persons who think that they are liable for a refund, to, in the first instance, send a claim or a letter to the effect that they are due for a refund and they have not yet got it. This is to be addressed to the Refunds Officer, and he is an officer specifically designated to deal with refunds only, and if – the commissioner's notice goes non – the taxpayer has not got a response within three weeks, then that taxpayer should write the Commissioner directly.

All of this in is an effort to expedite refunds. Many times persons claim that they are due a refund and they have not got it. Invariably, in so many cases, it has not been the fault of the tax office. In any case, we are not shirking from our duties. We will try to devise and to implement procedures which will ensure that the refunds flow. I expect that despite, the refunds – and this is my present advice – under the National Development Surtax (Amendment) Act will be made early next year after the assessments have been submitted and made if there are refunds to be got. I expect these new procedures will ensure that the refund cheques are in fact delivered to the persons concerned.

I will, therefore, at this stage, commend the Bill to the House in the hope that, bearing in mind its purpose and bearing in mind our development efforts, we will recognise that the government is willing to make adjustments, where adjustments are possible, to the tax system to

ease burdens or to reduce difficulties, I hope that the bill will be reviewed within the context of those understandings.

2.55 p.m.

Question proposed.

Mr. M.F. Singh: Mr. Speaker, once again we are dealing with the now infamous National Development Surtax. The amendment before the honourable House is an attempt to ameliorate the harshness of this National Development Surtax. This surtax first reared its ugly head in the Budget Speech in December, 1973. We objected to it at that time pointing out that the level of taxation in Guyana was already very high, far too high when the spiraling cost of living was considered.

We heard nothing further about this National Development Surtax until April, 1974, when the proposed legislation came to Parliament for approval. Again we objected to the Bill as a whole. We pointed out that if the Government did not withdraw the Bill, that if it was so hell-bent on enacting the legislation, then at least some relief should be given in marginal cases. We, at least, did not misunderstand the Bill.

I have before me my notes from which I spoke on that occasion in April, 1974. Let us take, for example, I said, a man who earns \$2,500 per year – this, today, is not very much, it is about \$208 per month – and who has a wife and two children. The deductible allowance for himself is \$800, for his wife \$600, for his two children \$600, making a total deduction of \$2,000 and leaving a balance of \$500. In accordance with the legislation at that time we said that this man would pay nothing at all. But we pointed out that the man whose gross income was just \$1 more so that he earned \$2,501, would have a taxable income of \$501. If he had the same dependants, he would have to pay income tax of \$25.05 and development surtax of \$25.05 making a total of \$50.10 just because he is getting one dollar more than the man who is getting

\$2,500. We pointed out that this was unjust. We recommended to the hon. Minister at that time that there should be something done to relieve the hardship which was so clear –it did not need spectacles to see it. It is known as the border line case and we suggested what is known as marginal relief.

We suggested that the individual in such a case should pay only on the excess over the limit. We went to that extent pointing out the hardship. The hon. Minister has referred to the case where the chargeable income was \$550 and he said that would perhaps work hardship and that is why this amendment is being made. We pointed out to him in April that \$501 would have worked hardship. The attitude of the hon. Minister was this: “We are sorry; people have to pay for development and the law will stay as it is.” We are happy now that there has been this change and that the first \$500 of chargeable income will be omitted totally. No taxpayer will be liable to pay this National Development Surtax on the first \$500 of chargeable income. That gets rid of the marginal case but it does not get rid of the problems.

We understand from the hon. Minister that it is on the representation of the Public Service Association that this amendment is brought. I have read in the Press that the T.U.C. have also made representations. I also know that what the hon. Minister says is quite true. Some of these gentlemen clearly did not understand because one of them spoke to me and he thought that \$500 of chargeable income meant \$500 a month. Now that they understand they have made representations and this is the result of their representations.

The Government is giving effect to its promise to give the trade unions relief. But what is this relief? It is five per cent of \$500, that is, the princely sum of \$25, the princely sum of approximately \$2.08 per month. That is the relief that this workers' Government is giving to the people, the relief that they are making such capital of in the country today. They are giving you National Development Surtax relief of \$25 for the whole year. Is the T.U.C. satisfied with this? Is the Public Service Association satisfied with this? I would like to ask them through you, Mr. Speaker. I will throw it out here and hope that they will answer it. Are they satisfied with this?

Have they sold their rights to the P.N.C. Government which they have supported since 1964? Since 1964 they have been coming out in public to say “We support the P.N.C. at every election.” Are they so tied to the apron strings of the P.N.C. that they cannot put up a decent fight for the workers? Do they think that the workers can get significant or substantial relief from \$2.08 per month? What are they doing for the workers? Why are they not agitating? Why do they not clamour for some relief? Is the T.U.C. oblivious of the problems?

I know that one union, an affiliate of the T.U.C., is not oblivious of the problems. This union held its last delegates conference on Sunday last and the hon. Minister of Labour attended. Here, on the front page of the Sunday Graphics of August 18, 1974, is a headline:

“Todd warns pressures may force workers to take action.”

This is the C.C.W.U. This is a union that is aware of the serious situation in Guyana. The Sunday Graphic goes on to state:

“Clerical and Commercial Workers’ Union President, Gordon Todd, in a hard-hitting address yesterday evaluating the rising cost of living, unemployment and underemployment warned that the C.C.W.U. would not agree to any curtailment of their demands for higher wages and salaries and declared:

Unless we see a new day dawning, the pressures might become so unbearable, that workers may be forced to protest in no uncertain manner.”

The hon. Minister of Labour was there when these words were spoken. He pointed out that the C.C.W.U.’s support for the External Trade Bureau was based on the understanding that –

“It would be a machinery to regulate trade, stabilise prices, bring in more revenue to the country and increase trade with CARIFTA countries. But the President declared:

We continue to support the objectives as set out by the E.T.B., but I am not convinced that the Bureau has been able to achieve any of its objectives.”

3.05 p.m.

This is what we have been saying all along. The External Trade Bureau was ostensibly established to bring down the cost of living. Here is a recognised and powerful Union saying that it agrees with us; that that is not the fact today. Mr. Todd want on to ask:

“Who can deny that unemployment and under-employment is playing havoc with the social fabric of the society?

Young able-bodies men taking to a life of crime because the devil finds work for idle hands to do. Young women in their quest for jobs being left bereft of their dignity because they are asked to subject themselves to physical favours.”

Young women who have to go out and look for jobs because their parents are so pressed by the higher rate of income tax obtaining in the country. They have to get jobs to help out the position at home. What have they got to do? Subject themselves to physical favours and then they are left bereft of their dignity.

In that a state of affairs that Guyana can be proud of? Are we, sitting here in this honourable House, proud to read a responsible trade unionist writing that in a national newspaper? Are we really proud of that as Nation? Is it not time for us to get down to the job of trying to sort out these problems in Guyana?

This is not the only problem. Look at the front page of the newspapers. Further down there is a headline:

“Ishamael calls for more dollars for sugar workers.” This is a demand for money to meet the rising escalating cost of living. They want money to survive. And again:

“Ministry of Trade deplores rise in bread prices.”

We have to declare the intention of the Government. It will take away the subsidy on flour. What will happen? Bread will cost more; flour will cost more.

I commend the hon. Minister of Trade. He has acted very fast indeed by calling in these bandits and telling them, in front of their faces, that what they have done is wrong and that unless they put themselves right now they are liable to meet trouble. He went on further to say that from the 1st of September, 1974, the price and weight of bread will be controlled.

I commend the Minister for his swift notion. I wish we had that kind of swift action in so many other spheres where the people are suffering. All Guyanese look forward eagerly to seeing the price of bread controlled so that the workers will not have to pay more.

This morning my mother showed me a loaf of bread which she bought only yesterday. It had become mildewed. Inferior quality bread is being sold now. Somebody needs to look into it. I am very glad to hear that the hon. Minister of Trade is looking into this.

Here is another thing in this same newspaper for another Minister to look into. It shows you the tragic situation in our country. Once can have an insight into the country’s situation by merely looking at the front page of the **Sunday Graphic** of the 18th August, 1974. Another article states:

“Hospital Dispensary is raided again.”

The foot note to it is this:

“A Ministry of Health spokesman said yesterday that due to the shortage of drugs in the country in private and Government Hospitals, the thieves realise that there is a ready market for these items.”

The people who buy the drugs are bandits; they are worse than the thieves because they encourage the thieves to steal. But what is the admission? The admission is, b this alleged “spokesman for the Ministry of Health”, that there is a shortage of drugs. We do not need an admission from the Ministry of Health. We know it. People complain every single day about the difficult times they experience at the hospital – the hospital which will not be rebuilt any more because of shortage of funds. I wish they would take the funds that they are squandering on the National Service and give the hon. Minister to build his new hospital. All Guyana would then benefit instead of having the indoctrination that we will get from National Service.

The state of affairs is that the people are suffering. They go to the hospital and cannot get attention because the doctors are leaving. Why are they leaving? Because their salaries are inadequate.

I know the hon. Minister is looking into the question of remuneration for doctors but in the meantime, let the hon. Minister tell us how many doctors have left within recent times. I challenge him to deny that the hospital is terribly short-staffed at the present moment. It is seriously depicted in respect of doctors because they prefer to clear out. They are frustrated by the conditions at the hospital. There is a shortage of drugs, a short age of facilities and equipment plus inadequate salaries and no proper conditions of service. That is why the doctors are leaving. When they leave the people suffer from lack of proper medical attention, medical facilities and drugs. They have to find money to go to private hospitals who put a squeeze on them. There are no drugs at the Public Hospital and they have to pay through their noses for attention at the private institutions.

That is the state of affairs in the country. What is the Government doing about it? It is giving us the princely sum of \$2.08 as a rebate in respect of the National Development Surtax. Government workers got increases recently it is true. But many of them have complained that the Government has given them with one hand and is taking it back with the other.

Dr. Clive Thomas recommended a cost-of-living allowance. What is the Government going to do about this? Will it give a cost-of-living allowance to the civil servants? The trade unions are clamouring for increases. We read in the newspapers that the C.C.W.U. is clamouring for increases. Will it succeed? Where will this all end?

The Government is complaining about the escalation of prices; about the crisis brought about by the oil situation. The poor masses have to face the same crisis of rising prices also. The Government has put a special levy on sugar. It is to put a levy on bauxite. What can the masses do? What will they put a levy on? On themselves and on their children? Where can they get relief?

Obviously, a benevolent Government would come to their assistance. Has this Government done so with \$2.08 a month? Why does it not scrap this Development Surtax altogether until such time as the cost of living maintains the kind of level where one can be reasonably sure that the masses will be able to pay without feeling the pinch as is happening now. Such action would make a tremendous and a significant difference.

3.15 p.m.

One of the things that we have been clamouring for the Government to do for some time now is to allow married women to be taxed separately from their husbands. On the last occasion the hon. Minister did say that the Government is reviewing this. I think there was a tax committee going into the matter but we have been hearing the same thing for a long time. “While the grass is growing, the horse is starving!” It is time for us to take some positive action;

certainly more positive than the \$2.08 a month that we are now being given as some sop to the Government's conscience.

We are a developing nation. Government needs the skills; Government needs the expertise. What has been happening recently? Because of this state of affairs in this country, this high taxation, the rising unemployment, rising cost of living, people have been lining up outside the Embassies; those who have relatives who can sponsor them have been clamouring for their relatives to sponsor them. They have been clearing out of the country by droves. All one has to do is to go up to the Timehri Airport and see every aeroplane going out filled with Guyanese who are fed up of Guyana and who are clearing out and shaking the dust off their feet.

Can we afford to lose these people? We are losing them not because they do not want to stay in Guyana; I have talked to them; we are losing them because they find that living in Guyana has become a burden. Guyana is no longer the kind of place where they can live a life of comparative ease of mind and be determined to contribute meaningfully to the welfare of the country. They see it as a one-sided affair where the Government wants them to make all the sacrifices and the Government is not willing to give anything in return. That is why they are leaving.

The hon. Minister has not told us, either on the last occasion or on this occasion, how long this iniquitous tax will be imposed. Has it no limit? Will it go on forever? So often we have been told measures will last one year, two years. It seems to have become a habit for these measures to take on permanent status. What will be the position in respect of this bit of legislation?

I note in the substantive legislation that whereas the ordinary interest on overdue income tax is 12 per cent, the interest on overdue National Development Surtax is 15 per cent. Why the disparity?

May I say to the hon. Minister – of course he did not deny this – but there are cases where tax could become refundable. Let us take a case with a man with a taxable income of \$600. His National Development Surtax at 5 per cent would be \$30.00. We remember that the deductions started in May, so that within the months of May to December the sum of \$30.00 would have had to be deducted. Therefore \$3.75 would have had to be taken out each month for 8 months to give a total of \$30.00.

If that person had paid from May to August (this month) \$3.75 he would have paid 4 months at \$3.75m that is, \$15.00. Under the Amendment, he would not have to pay on the first \$500, therefore, he would have to pay only on the extra \$100. His net liability would therefore be \$5.00. But, he has already paid \$15.00 so that there would be a refund for him of \$10.00.

I understand the hon. Minister to say that this sum of \$10.00 would be refunded at the end of the taxable year of assessment 1974 which is April 1975. I wonder whether the hon. Minister could tell us whether there could be any adjustment, if one could take that \$10.00 and apply it towards satisfaction of income tax as separate and distinct from development surtax.

We have been told by the Income Tax Department that if a refund is due, owing and payable to someone in respect of one year of assessment that refund cannot be applied to tax due in respect of another year of assessment. Perhaps the same system would obtain here. It may well be that the Income Tax Department may want to keep the two taxes in separate, distinct and watertight compartments. I ask this for clarification.

In conclusion, I would urge the government to take cognizance of the serious hardships being experienced by the masses in the country as a result of the rising cost of living. I would urge the government that they have not gone far enough in this National Development Surtax (Amendment) Bill 1974. I would urge the hon. Minister to make representation to the Cabinet that the entire legislation be scrapped; that the original legislation be repealed so that there would be no National Development Surtax payable by the people. Even if this tax remains, at least give

the masses a chance. Let us raise the level; let us raise the \$500 to say, \$2,000 or something along those lines. At the present moment, the \$500 does not bring any significant relief at all to the masses in the country.

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

Mr. Hope (replying): Mr. Speaker, the hon. Member has shouted at us; he has harangued us and he has substituted in most of his presentation, noise for substance. But let me quietly bring to the hon. Leader of the Opposition the facts and figures of this case.

Take the ordinary man – the labourer; let me give him a wage of \$8.00 per day. That is \$2,400 per year. We are talking about the masses, the people whom the hon. Leader of the Opposition would try to persuade us are the persons in whom he has his real interest. At \$8.00 per day for a year, even if I give a working year of 300 days, that labourer would earn \$2,400. Let us say that that man has a wife and three children. Statistically, that is smaller than the average family in Guyana.

3.25 p.m.

Let me give him only the very basic allowances which this so-called “onerous” tax system allows him. He gets \$800 for himself; \$600 for his wife; and \$300 for each child. That adds up to \$2,300. That man is working for a wage of \$2,400. Under our tax system, that man does not pay any income tax at all because, despite the fact that his chargeable income may appear to be \$100, we have on our statute books a law which says that if a person’s chargeable income is less than \$500 he will not pay any income tax at all. So, this man, who earns \$8 per day and has an ordinary-sized family, will pay no income tax and, of course, no surtax. Now where is the foundation of the noise which the hon. Member was making?

Let me suppose that that same person was working for, say, \$10 per day. His earnings would have been \$3,000 per year. With the same sized family, his chargeable income in that case would be \$700. He would have paid surtax, 5 per cent of \$700, which is \$35 per year under the Act that is current. But let us assume this new Amendment. Under this new Amendment, he will pay only on \$200. So what is he liable to pay on the surtax? Ten dollars. This is the man who is earning \$10 per day and working every day of the year. He is contributing to the development of the country at the rate of \$10 per year.

Let us look at what has been the effect of this new Amendment before us. That man would have paid \$35 under the law as it stands now. Under the Amendment, he will pay \$10. In other words, his reduction is \$25 out of \$35, by no means an insignificant change, moving from \$35 down to \$10. The hon. Member is obviously misleading the House when he divides \$25 by 12 and get \$2.08 per month. What is relevant is not the average. What is relevant is the change. You are moving from a tax to nothing. As far as the man's pocket is concerned the average is known, insignificant, and irrelevant. What matters to him is how much tax he used to pay and how much tax he is now called upon to pay. That is what determines how much he has left in his pocket to spend.

Again, having made a substantial amount of noise, he tries to hide this obvious flaw in his argument by this noise, but it has no merit. But I suspect what has really happened is that someone who did not understand the implications of the Bill prepared a note for the hon. Member. So he proceeded to read that note. I would never attribute so weak an argument to the hon. Member. I can only be kind to him and say that somebody misled him in his notes and he was not careful enough to think it out very carefully. Perhaps he had no time even though the law was published four weeks ago.

Sir, from the figures I have called, you will see that the surtax does not really hit the mass of workers, the small wage earner, but yet the hon. member would seek to make us believe that those are the people who are most strongly affected by this legislation. The people who have to

pay are the people like him, his associates, to whom we say: “To whom much is given, much is expected.” They are earning and they must pay at a higher rate, and if he wants to speak in the interest of those people, let him say so. He should not come and mislead the House about the masses. The tax is not directed at the masses. The masses, when they have taken out the numerous allowances which the tax law permits them, have nothing left as chargeable income. That is the beauty of this Act.

We are not talking about the man’s gross income. We are talking about his chargeable income – after the numerous allowances which I have mentioned here. They are not the only allowances available. I have mentioned allowances for himself, his wife and his children. But what about allowances for his mother and dependent relatives? What about the insurance policies? What about the N.I.S.? What about the interest which the man pays on the new house which he has been given by the Ministry of Housing. All those things are available to be deducted. This is the tax system that the hon. Member speaks about in such terms. He really does not understand; he does not know the system.

The system is not only a matter of rates; is a matter of allowances, and I would defy the hon. Member to show me one tax system anywhere in the world where the allowances given are as much as, much less in excess of, the allowances given in Guyana.

I hope I have pointed out to the hon. Member the fallacies of his argument, that he is not really speaking of the masses because this tax does not affect the masses in the way he says. I hope that he recognizes that his arguments are very fallacious when he seeks to average and what is relevant, as I said before and I repeat, is what this man is left with in his pocket, in other words it is the change from what he used to pay to what he will now have to pay.

And so the hon. member goes on and he speaks about “those bandits.” Now to whom is he referring? The bakers? **[Interruption]** But what the hon. Member is saying is true. It is very

true. We have got a high cost of living. A lot of that represents imported inflation. If we seek to prevent imports, we will hear a noise from that same hon. Gentleman. But it is also true that in many cases high prices are due to manipulations by those who run certain businesses. Not all. They manipulate, they hide, they jack up the prices, they corner the market, they inflate the costs.

3.35 p.m.

The price of bread is a classic example. We know that Government has been subsidizing flour substantially. Government admitted and did say that it proposed to remove that subsidy. But what do we find? The facts are that the price of flour is still, in this country, less than half the price it really should have been based on the price we have to pay for wheat. The flour makes that bread and we find bakeries upping the price, practically doubling the price of bread. Why? There is absolutely no reason and logic for it except an inordinate desire in certain sections of our business community, for whom the hon. Member so often speaks, to push the price up; to take advantage of every situation; to earn a quick dollar, and unfair dollar and, certainly, at the expense of the masses. I am not the Minister of Trade and I do not mind, really, if I speak plainly.

We have been regaled by the argument about the high cost of living. I agree that the cost of living has been going up, but certainly not at the rate that the cost of living has been going up in other countries, countries which are very near to us, countries which buy in the same markets. We try and we ensure, as far as the competent authorities are able, to keep the prices down. We have been subsidizing at a rate which is not available to any other territory in the Caribbean.

Flour has been subsidized to date at a price of less than half of what the going price should be. I do not have to pass on anything, I do not make anything in flour. Sugar has been kept down at six and a half cents per pound – a price which was current, as far as I know, prior to 1957 – at a time when the world market price of sugar is at the heights recently achieved. That has been a deliberate policy of the Government and I do not think that the hon. Member realises

– probably he does – that the fact that the price of sugar has been kept at this level certainly does not please those who produce sugar. It is the Government which has insisted that the price of sugar remain as low as it is today.

What we are talking about is the basic commodities of food, sugar, flour and bread. Look at rice. The price of rice in this country is the lowest anywhere in the world and I guarantee the hon. Member that. If he looks at Caribbean, he will observe. He has travelled very recently and he will know that no where is the price of sugar what it is in Guyana. The price of rice is very low and is being kept low through Government's efforts.

Again, let me remind the hon. Member that we are talking about the basis commodities of food: flour, bread, sugar, rice. Then look at oil. Oil is subsidized. Whatever you may say it is subsidized. The consumer is getting it at a lower price than is justified at the price at which it is imported or produced. Even cooking gas is subsidized because Government has removed the duty that is normally applicable to cooking gas. So the story goes and I can name numerous other products where, because of government's actions, the prices have been kept at a relatively low level despite the high cost of living.

I think the hon. Member should not mislead the House and mislead the public, for whom I suspect he is speaking, by saying that the cost of living in Guyana is higher than anywhere in the world. Judging from his remarks and the volume of his voice one would have believed that this is the case. This is not the case.

The hon. Member spoke of the Water Authority a moment ago and he was saying that it is a service and it must be subsidized. It is being subsidized at the rate of more than \$4 million per annum so that people can get good water – and I am told, better water than in most parts of the world – free or at a very low cost. They get so much water and so cheaply that people can afford to use that water not just for drinking which is the proper purpose, but even for watering their gardens. The masses do not have gardens to water.

As we go on we would see the wide range of essential commodities which are being subsidized. Even sports gear is being subsidized. I wonder if the hon. Member knows that sports gear is coming into this country free of tax so that the masses can enjoy sport at a lower cost.

Why does the hon. Member not recognize and accept these things rather than come to the House and try, without success, to mislead the people who know better. The hon. Member made a sally into the problem of the doctors. He says that he knows the Minister of Finance is looking at the question of the improved remuneration of doctors. The hon. Member is more than three weeks late. The doctors have already got their improved remuneration.

I hope the hon. Member recognizes that many of his arguments have been fallacious and misleading. I hope he has been informed by what I have been able to say over the last ten minutes in reply to him and that – this is more important – in speaking or writing he will not make the mistakes and errors and inaccuracies that he has subjected us to this afternoon. It is not enough that an hon. Leader of the Opposition in the Parliament of Guyana who has an office, I am sure, should depend on somebody else's speech reported in the Press to quote to me or to this House. We expect the hon. Member to do his own researches, to use the staff he has been given – [Applause] – and come to the house with facts and understanding.

3.45 p.m.

Finally, sir, I wish to say that I would certainly ensure that the people who have to get refunds are treated as well as possible. I hope the hon. Member recognizes that I am not in a position to advise the house, at this stage, whether it is possible to offset refunds of the surtax with a payment of tax. What is quite possible and what would probably be done is that the two things will be assessed together because they are based on the same income and the payments will be made simultaneously.

I want him to understand, however, that the tax is based on a person's whole chargeable income for the year and even though it may appear now, based on the amendment, that a man may have overpaid one does not know what his final chargeable income will be.

What we are talking about is chargeable income and I wish to give the House and the hon. Member the assurance that we will do whatever we can to ensure that the systems are applied with a certain amount of humanity and that people will not be made to suffer more than they have to in these respects.

There has been a career question raised by the hon. Member of taxing married wives with their husbands. All I can say is that the whole tax system is under constant review and I am sure this question will be one of the questions that any review committee will have to look at, contend with and come up with a recommendation. [Applause]

Question put, and agreed to.

Bill read a Second time.

Assembly in Committee.

Bill considered and approved.

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

MOTION

INTERNATIONAL BAUXITE ASSOCIATION

“Whereas a conference of Ministers of bauxite producing countries was held at Conakry from 5th to 8th March, 1974, at the invitation of the government of the Republic

of guinea for the purpose of preparing an Agreement for the establishment of an International Bauxite Association to further the interests of bauxite producing countries;

And whereas the countries represented at the conference were Australia, Guinea, Guyana, Jamaica, Sierra Leone, Surinam and Yugoslavia;

And whereas the conference agreed on the text of the Agreement for the establishment of the International Bauxite Association;

And whereas the Agreement was opened for signature at Conakry in the Republic of Guinea by the duly accredited representatives of those countries participating in the Conference;

And whereas the duly accredited representatives of the countries represented at the Conference signed the Final Act of the Conference at Conakry in the Republic of guinea on 8th March, 1974;

And whereas the Government of Guyana on behalf of Guyana intends to sign and ratify the Agreement in accordance with the provisions of the Agreement:

Be it resolved that this National Assembly approve of the action to be taken by the government of Guyana to enable Guyana to become a Member of the International Bauxite Association.” [The Minister of Energy and Natural Resource]

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

The Minister of Energy and Natural Resources (Mr. Jack): Mr. Speaker, one of the burning questions which engage the attention of statesmen in the world today, and particularly statesmen from the developing countries of the world, concerns the relationship between the producers of raw materials, usually countries of the developing world, and the users of those raw materials, usually countries known as the developed world.

The increasing gap between the developed and the developing world, between the rich nations and the poor nations has been the subject for much heart-searching and investigation by persons seeking to bring about a new organisation of world society, where justice will prevail and where proper returns would be had by Third World countries for their products.

We, in Guyana, are committed to a policy of ownership and control of our natural resources. To this and we have taken over, and are running ourselves, the largest bauxite enterprise in Guyana. Many other countries, particularly of the Third World, whatever their persuasion, whether they incline to socialism or to the free enterprise system, have become increasingly aware that until such time as the nation itself controls its raw materials, until such time as the nation controls its economy, it is impossible to achieve the re-organisation and the re-alignment of forces necessary to bring us up to the level of the rich countries of the world.

We have suffered, from time immemorial, the consequences of imperialism with its attendant exploitation and despite the fact that many persons tend to believe that the wealth of the developed world is a result merely of the acumen and industry of the populations in those countries, we who have suffered various degrees of exploitation, know for a fact that the riches of the developed countries have been largely the result of the poverty of the Third World.

May I be permitted to quote from a book entitled “Exploitation” by Robin Jenkins where he says at page 59?

“While the super-powers talk of aid and numerous charitable organisations in the west collect funds to help peasants dig new wells and plant better crops, the fact of the matter is that much of humanity never experiences any progress or development but becomes increasingly impoverished. This is because development and under-development are the opposite sides of the same coin in the non-socialist part of the world.

3.55 p.m.

The under-development of the third world is a necessary product of four centuries of capitalist development of the internal contradictions of capitalism itself. These contradictions are the expropriation of the economic surplus from the many and its appropriation by the few, the polarization of the capitalist system into metropolitan centre and peripheral satellite and the continuity of the fundamental structure of the capitalist

system throughout the history of its expansion and transformation due to the persistence or re-creation of these contradictions everywhere and at all times.”

In an effort, as I said earlier, to redress this situation, we have sought a policy of ownership and control of our natural resources but it must become evident to anyone who examines this policy carefully that we do not achieve ownership and control of our economy or of our natural resources merely by taking a particular industry, or even a group of industries, into our own hands while others outside of our borders continue to control the disposal of the products which we make from that industry.

A classic example of what are the limitations of control where that control is confined merely to your own borders can be seen in the case of Ghana and I would quote again from the same book at page 61:

“In 1954 Ghana produced 214,000 tons of cocoa which was sold abroad for £84½ million. In 1965 Ghana produced 490,000 ton of cocoa which was sold abroad for £68 million.

Although the cocoa production was more than doubled, the income from its sale decreased by over 20 per cent. The picture is even more dramatic for Nigeria when the cocoa crop has trebled and the income from cocoa has remained the same. This is a common pattern where rich nations can fix the price of products from poor nations. The people in the poor nations end up working harder and getting poorer.”

Ghana had increased her production to almost double and had yet received less than she had been getting before. This was because while the people in Ghana controlled the cocoa industry within their borders the disposition of the product was manipulated by persons in the city of London and elsewhere, completely out of the control of the Ghanaian Government and the Ghanaian people.

It is with the realization of this inadequacy that countries have been banding themselves together for the purpose of protecting their products and for the purpose of gaining a control over the marketing of their products.

In this regard, I would like to refer to the case of O.P.E.C. because since the inception of the concept of the Bauxite Association, numerous references have been made to O.P.E.C. and dire predictions have emanated from interested quarters as to what would be the situation if the Bauxite Club were set up and became strong.

As you know, we have all recently experienced the effects of what has come to be known as the “Oil Crisis”. What many people have not known and have not recognized is that the great post-war transformation which has taken place in Western Europe and in Japan has been based largely upon the depressed prices for raw materials coming from the Third World.

One of the most glaring examples of this has been in the case of oil where the price of oil had remained static for so long, where the prices of oil had been so depressed, that it became so profitable to use oil in place of other materials for energy, that numerous coal mines in America and in Europe were shut down since they could not compete with the low cost of oil.

During this period, the producers of oil suffered as well as the other countries of the Third World being under-developed and poor. In 1960, and I quote here from the O.P.E.C. Weekly Bulletin of April 19, 1974:

“OPEC came into being in September 1960 as an action of self-defence on the part of some oil exporting countries against threats from the international oil companies which started to cut down unilaterally posted prices endangering the welfare of the host countries. It is well-known that for most of these countries oil revenues constitute the main, if not the only, item of their budget resources, as well as of their foreign trade

earnings. Thus the main oil exporting countries at that time, Iran, Iraq, Kuwait, Saudi Arabia and Venezuela, decided to set up the Organisation of the Petroleum Exporting Countries (O.P.E.C.) with a view to coordinating their petroleum policies and determining the best means for safe-guarding their interests individually and collectively.”

This was an organisation not of an offensive nature but of a defensive nature. An organisation set up to protect countries, which were being exploited, from further exploitation. And it took from 1960 until 1972 for the full impact of the strength of these countries organized in this oil association to be felt by the developed world.

The fact that control of the marketing of our products is an integral part of the development of the concept of ownership and control of our natural resources was very early recognized by our Prime Minister and he set about to try to have an organisation similar to O.P.E.C. established. In June, 1970, our Prime Minister wrote to the then Prime Minister of Jamaica and the Minister/President of Surinam, in similar terms suggesting the establishment of a bauxite association. Among other things which he said were these words:

“Experience has shown that in negotiations with these bauxite companies, we have been operating from positions of weakness because we have in each case approached them as individual countries rather than as a group. A situation now confronts us where although the Caribbean countries produced nearly 50 per cent of the free world bauxite and supplies approximately 90 per cent of the North American needs, less than ten per cent of the alumina and four per cent of the aluminum trade originate in the Caribbean.”

4.05 p.m.

He went on to say,

“it is therefore clear that there is a considerable benefit to be derived by our countries individually and collectively from a multilateral agreement as exists in the oil industry in O.P.E.C., and more recently in the copper industry in C.I.P.E.C.”

He had in mind, as he put it:

“... a meeting of Government representatives from all bauxite producers in the developing world, but thought that it would be much better and more advisable to start with a meeting of the significant producers in our area first, namely, Surinam, Jamaica, and Guyana.”

This early approach to our sister territories for the establishment of an Association was not at that time fruitful. Since then, there has been a new Government in Jamaica and, also, a new Government in Surinam, Governments which, to my way of thinking, are more alive to the necessity for joint action than had been the previous administrations and it is within the context of this new situation that our Prime Minister was able to make further advances along the realisation of the concept of a bauxite association.

Having written in 1970, we were not able to make any major step until 1973, when discussions were held at the Commonwealth Prime Ministers' Conference by our Prime Minister with Mr. Manley of Jamaica and with the Prime Minister of Australia. Subsequently, at Algiers, at the Non-Aligned Conference, the idea was further developed and discussed with other nations of the Non-Aligned Movement, and, following that Conference, the Prime Minister paid visits to Guinea where he spoke to the President, Sekou Toure', and to Sierra Leone, where he discussed the matter with President Stephens. In both instances, he received an enthusiastic response to his proposal.

As a result of this and as a result of discussions held with the Yugoslavs at Algiers, the first preparatory meeting of officials was convened in October, 1973, in Belgrade. At that meeting, there were present Australia, Guinea, Guyana, Jamaica, Surinam, and the host country, Yugoslavia. That meeting of officials prepared a draft agreement and recommended that there should be a full meeting of Ministers to be held in Conakry, guinea, in march, 1974, and it was that this year, in March, we met at Conakry and we discussed the establishment of a bauxite association.

Sir, you have, and this House has before it, the final act which sets out the basic agreement of the Association.

One will note from this act that the countries present were Australia, guinea, Guyana, Jamaica, Sierra Leone, Surinam, and Yugoslavia. As an indication of the importance which has been attached to the formation of this Association, Algeria, which is currently the President of the Non-Aligned Movement, sent an observer to indicate solidarity with us in the formation of this movement, and the Cameroon, Ghana, and Mali, sent observers. Later on, the Dominican Republic also sent observers and indicated at the Conference a desire to join the Association.

If one were to look at the countries which have actually signed the Agreement, one would note that between us we produce well over 70 per cent and nearer to 80 per cent of the world's bauxite. With the inclusion of those countries which have already indicated a desire to join the Association, we will in fact control about 90 per cent of the world's bauxite resources. Already, last week, we had a visit from the relevant Minister from Haiti, who discussed bauxite with me and indicated the Haitian interest in the Association which has been formed.

When we met at Conakry, we met amidst a plethora of predictions that we were about to set up a cartel and strangle the industry. Along with these predictions were many veiled threats to us that if we rocked the boat, as it was put, we would not find ourselves in the strong position as the oil-producing countries found themselves, because there were alternative sources for attaining aluminium. Various companies just around that time announced new developments in transforming anorthosite and other clays by various methods into aluminium. And the suggestion was that if we attempted to raise the price of bauxite, then the technology for transforming these other clays having already been developed, it would only be a matter of comparing costs. The suggestion is, of course, that we should keep quiet and leave prices where they are.

My own response to those threats has been that if the technology is developed for producing aluminium from other resources will be produced in any case, and that since we have a lot of bauxite – and I speak here not only for Guyana but for the other members of the bauxite association – then the time is all the more ripe now, when the aluminium industry is experiencing its greatest profits in history, for us to get our just returns for our product.

4.15 p.m.

If, in other words, bauxite will have to compete with other materials in years to come then do not let us wait until that time comes to try to get our proper returns let us get our proper returns now. No amount of ‘good behaviour’ will stop the developed countries from carrying out its research and development into alternative sources but I am convinced that bauxite will be competitive with other sources of aluminium for many years to come. So the threats that we heard hold no terror for me.

If one looks at the objectives of the proposed Association one would see that they are:

“to promote the orderly and rational development of the bauxite industry...;

to secure for member Countries fair and reasonable returns from the exploitation, processing and marketing of bauxite and its products for the economic and social development of their people,”

bearing in mind the recognized interests of consumers, and

“generally to safeguard the interests of Member Countries in relation to the bauxite industry ...”

As I say, it is a matter of some pride to us in Guyana that we have been instrumental in spearheading the movement for the formation of this Association. All over the world today developing countries and producers of raw materials are recognizing that unless they can wrest from the finance centres of the world the manipulation of prices for raw materials, we will remain poor forever and that it is absolutely necessary to change the relationship whereby we produce and others fix prices for us to one in which we produce and we fix prices.

The people who produce motor cars fix the prices for motor cars. The people who produce bauxite, iron and copper tend to have the prices fixed for them. One has heard the old saying of the balance of supply and demand and the oil producing countries have argued very forcibly that on the basis of the balance of supply and demand, oil prices should be even higher than they are now. But it would appear that the balance of supply and demand is supposed to operate only for the products of the developed countries and not for our products.

It has become clear to us that irrespective of our social organisation, if we have any hope of developing our societies and our economics we must band together to protect our interest by ensuring that the products which we produce are marketed in accordance with our wishes and not in accordance with the wishes of the consumers.

It is with these remarks that I wish to move the Motion standing in my name and to urge its adoption by this House.

Question proposed.

The Speaker: Hon. Members I do not know if it is your wish that we continue until the Order Paper is finished or should we take the suspension.

[Hon. Members indicated a wish to continue.]

The Speaker: Hon. Leader of the Opposition.

Mr. M.F. Singh: Mr. Speaker, I would like on behalf of the United Force and on behalf of this side of the House to heartily commend the government on its foresight and on its initiative; to commend, particularly, the hon. Prime Minister on his initiative. Let us give credit where credit is due. From what the hon. Minister has said, certainly great credit is due to the hon. Prime Minister. I would like to commend the government for the significant part it played in bringing to fruition the establishment of the International Bauxite Association as is evidenced in this historic document to which we are now being asked to give our blessing so that Guyana may formally sign and be a member of the International Bauxite Association. Certainly, Guyana can be justifiably proud of the role she played in the formation of the International Bauxite Association.

The world is constantly changing. We know of the powers of the vast multi-national corporations; we know of the powers of cartels and other bodies banding themselves together; we know that in order to survive and exert influence, even the great nations have been joining together with others. We have seen within relatively recent times Great Britain entering the European Economic Community. We have been told just now by the hon. Minister of the copper producing countries banding themselves together and, of courses, we all know of the

Organisation of petroleum Exporting countries, that powerful band of countries that recently demonstrated so forcibly the value and power of collective action. We know that collectively they held the world almost to ransom by their control of their vital oil products. We refer to it now as the oil crisis in the world.

Bauxite, also, is of vital importance in the modern world. Is it not, therefore, logical that the bauxite producing countries should band themselves together to get the necessary strength collectively in order to secure for their people a fair return for the extraction of their natural resources, our wasting resources? As the hon. Prime Minister quite rightly put it on one occasion, how do we explain the gaping holes in our land to our children? I am happy, indeed, that Guyana was so instrumental in the formation of this bauxite club. I am really very pleased and so are we all on this side of the House.

But one aspect of the Agreement caused me to exhibit particular interest and that aspect is reflected on page 3 under the heading Article 4(c), Obligations of Member Countries. In furtherance of these objectives Member countries shall, as it states here:

“Take action aimed at securing maximum national ownership of and effective national control over the exploitation of this natural resource ...”

The words that struck me forcibly were “take action aimed at securing maximum national ownership of” and I wondered within myself what these words meant. Obviously they were very carefully chosen words and to my mind they are capable of different interpretations depending on the person or the body that is interpreting.

4.25 p.m.

What is “action aimed at securing maximum national ownership? What does that really mean? Does it mean nationalisation? Of course it could mean nationalisation. Does it mean 51

per cent ownership or more? Of course it could mean 51 per cent ownership or more. What does it mean in terms of the countries that are about to sign this Agreement? For some it may mean some things; for others it may mean other things. For example, for Jamaica I doubt whether it would mean imminent nationalization and perhaps that would be the case for Surinam. What does it mean for Guyana? I do not know and I would prefer to wait and see.

One thing that did strike me when I read the “New Nation” of Saturday August 17, 1974, was the fact that it was replete with news about bauxite.” On page 2 we see: “Overdue move to get more dollars from bauxite.” At the bottom of page 2: “Our share of the cake.” On page 3: “Exploitation of Guyana’s Bauxite.” At the bottom of page 3: “Reynolds in Guyana; some facts you should know.” On page 4: “Bauxite – the Reynolds Issue. Guyana has the skills to take over and manage” and such items.

I wondered, Mr. Speaker, whether something was imminent. Let me make this quite clear. We on this side of the House are not against nationalization per se. We feel that each area in which nationalization is proposed should be examined by itself. All the circumstances, facts and data should be examined and after examination we may well find a justifiable case for nationalization. What we will say at the moment is that we would prefer to wait and see. We have not the facts, the data nor the knowledge at our disposal. We will wait for the appropriate time. When that time arrives the Minister will lay bare before us the facts, the figures and the circumstances, then we will come to a conclusion guided, of course, by what is before us. That time is not now.

Suffice it to say that we on this side of the House are very proud and we think that all Guyanese should be proud of the part that Guyana played in the establishment of this really worth while Organisation, the international Bauxite Association. [Applause]

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

Mr. Jack (replying): Mr. Speaker, I do not intend to follow the hon. Member into a discourse concerning another matter on which I will inform this House and the Hon. Member, personally, later. But let me say this: we have the manpower and we have the will to run that small bauxite enterprise in Berbice. [**Applause**]

While I am on my feet, Mr. Speaker, I would like to mention something I omitted to say in my opening remarks and that is that upon ratification of this Agreement, the first formal meeting of the International Bauxite Association is scheduled to be held in Georgetown, Guyana, in November this year. [**Applause**]

Question put, and agreed to.

Motion carried.

SUPERANNUATION BENEFITS TO NON-PENSIONABLE GOVERNMENT EMPLOYERS

“Whereas the conditions governing the payment of superannuation benefits to non-pensionable government employees, as authorised by Legislative Council Resolutions No. LII of the 6th July, 1951, No. LVI of the 8th of May, 1957 and No. XXXIII of the 8th May, 1974, provide *inter alia* that –

- (i) An employee who at the date of his retirement holds “an approved appointment”, and has served in an approved appointment for at least twenty (20) continuous years immediately preceding the date of his retirement will be eligible for an annual allowance; and
- (ii) with effect from 1st July, 1973, an employee to whom an annual allowance is granted may be paid, at his option, an allowance at the rate of three-fourths of the allowance payable in terms of the

Resolutions together with a gratuity equal to twelve and one-half times the amount by which such allowance is reduced;

And whereas the Government considers that the option should also be exercisable by persons who retired during the period commencing on 1st January, 1973 and ending on 30th June, 1973:

Be it resolved that the conditions authorized by the Legislative Council Resolution mentioned aforesaid be varied to enable an employee who retired on or after 1st January, 1973, to whom an annual allowance is granted to be paid, at his option, an allowance at the rate of three-fourths of the allowance payable in terms of the Resolutions together with a gratuity equal to twelve and one-half time the amount by which such allowance is reduced.” [The Minister of Finance]

The Speaker: Hon. Minister of Finance.

Mr. Hope: Mr. Speaker, in accordance with Article 80(2) of the Constitution of Guyana I signify that the Cabinet has recommended the Motion which is in my name for presentation to this House today.

My Motion deals with the superannuation benefits to a certain class of workers. It is a very simple Motion despite its length. The situation, sir, is this: There is a certain group of workers who are in certain approved posts who on retirement after a minimum period of twenty years are entitled to superannuation which is limited to an annual allowance.

A short while ago, I think it was about six or eight weeks ago, this House had approved a motion on the basis of which these employees, when they retire at the end of twenty years, would have the option of taking a gratuity and a pension in lieu of the annual allowance. At that stage

the pension was calculated using the formula which is used in the Pensions Ordinance governing public servants and teachers and that is, that the pension or the annual allowance will be reduced to three-quarters and a gratuity will be provided equivalent to $12\frac{1}{2}$ times 25 per cent of the annual allowance.

At that time the effective date was given as 1st July, 1973. The intention of this Motion is to seek the approval of the House to extend that date to make it effective from 1st January, 1973.

The problem here arose from the fact that there are still cases which were under contemplation at the time when this proposal to give this option was under consideration and the date which had been fixed at 1st July, 1973, unfortunately, does not satisfy all the cases that had come to attention prior to the completion of the consideration of this matter.

4.35 p.m.

The effect of this Motion therefore, is to seek to take the commencing date back from 1st July, 1973, to 1st January, 1973, in order to ensure that all those people benefit. I therefore move the adoption of this Motion.

Question proposed.

Mr. M.F. Singh: Mr. Speaker, we have no objection to the Motion at all. Certainly we would like to see these people who retired between January and July, 1973, benefit; it is regrettable that this was not done in the first place. There may have been some reason, but it certainly is regrettable that, considering the law officers are so very heavily taxed, we are making them work twice by bringing a separate Motion to the House when we could have done this in the first place. However, we have absolutely no objection to this Motion.

Question put, and agreed to.

21.8.74

National Assembly

4.35 – 4.45 p.m.

Motion carried.

MEETING OF COMMONWEALTH PARLIAMENTARY ASSOCIATION BRANCH

The Speaker: Hon. Members, immediately after the Adjournment, the Commonwealth Parliamentary Association will meet. I think you have already been circularized with a notice to that effect.

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 4.35 p.m.
