

**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**

44th Sitting

2 p.m.

Wednesday, 23rd October, 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

Senior Ministers (8)

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

*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

*The Hon. S.S. Naraine, A.A.,
Minister of Works and Housing

*The Hon. K.F.S. King,
Minister of Economic Development

*The Hon. G. B. Kennard, C.C.H.,
Minister of Agriculture

Ministers (5)

The Hon. W. G. Carrington,
Minister of Labour (Absent – on leave)

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

*Dr. the Hon. O.M.R. Harper,
Minister of Health (Absent)

Members of State (10)

The Hon. M. Kasim, A.A.,
Minister of State for Agriculture

***Non-Elected Ministers**

The Hon. O.E. Clarke, Minister of State – Regional (East Berbice/Corentyne)	
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)	(Absent – on leave)
The Hon. K.B. Bancroft Minister of State – Regional (Essequibo Coast/West Demerara)	(Absent – on leave)
*The Hon. C.V. Mingo, Minister of State for Home Affairs	(Absent)
*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. Carmicheal, Minister of State – Regional (North West)	(Absent)

Parliamentary Secretaries (7)

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

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

***Non-Elected Ministers**

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

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

Mr. J.P. Chowritmootoo,
Parliamentary Secretary, Ministry of Education
and Social Development **(Absent - on leave)**

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 **(Absent – on leave)**
Mr. M. Corrica
Mr. E.H.A. Fowler
Miss J. Gill
Mr. W. Hussain
Miss S. Jaiserrisingh
Mr. K.M.E. Jonas
Mr. M. Nissar
Dr. L.E. Ramsahoye **(Absent – on leave)**
Mr. J.G. Ramson
Mrs. P.A. Rayman **(Absent)**
Mr. E.M. Stoby, J.P.
Mr. S.H. Sukhu, M.S., J.P.
Mr. C. Sukul, J.P.
Mr. H.A. Taylor
Mrs. L.E. Willems **(Absent)**

Members of the Opposition – Liberator 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

23.10.74
2.20 p.m.

National Assembly

2.20 – 2.25 p.m.

PRAYERS

ANNOUNCEMENTS BY THE SPEAKER

Leave to Members

The Speaker: Leave has been granted to the hon. Members:

Mr. Carrington up to 5th November, 1974; Miss Field-Ridley for six weeks from 18th October, 1974; Mr. Bancroft up to 8th November, 1974; Dr. Ramsahoye up to 25th October, 1974, and to Mr. Duncan, Mr. Zaheeruddeen, Mr. Prashad, Mr. Chowritmootoo, Mrs. Branco and Mrs. DaSilva for today's Sitting.

PRESENTATION OF PAPERS AND REPORTS

The following papers were laid:

- (1) (a) Customs (Exemption from Duties) Order 1974 (No. 124), made under section 8 of the Customs Act, Chapter 82:01, on the 21st of September, 1974, and published in the Gazette on the 3rd of October, 1974.
- (b) Purchase Tax (Motor Cars) order 1974 (No. 125), made under section 5A of the Motor Vehicles and Road Traffic Act, Chapter 51:02, on the 21st of September, 1974, and published in the Gazette on the 3rd of October, 1974.
- (c) Consumption Tax (Motor Vehicles)(Exemption) Order 1974 (NO. 126), made under section 4 of the Consumption Tax Act, Chapter 80:02, on the 21st of September, 1974 and published in the Gazette on the 3rd of October, 1974.

[The Minister of Finance]

23.10.74

National Assembly

2.20 – 2.25 p.m.

(2) State Lands (Amendment) Regulations 1974 (No. 11), made under section 17 of the State Lands Act, 1974 Chapter 62:01, on the 19th of August, 1974, and published in the Gazette on the 28th of September, 1974. [**The Minister of Agriculture**]

2.25 p.m.

INTRODUCTION OF BILLS – FIRST READING

The following Bills were introduced and read the First time:

(1) State Enterprises (Guarantee) Bill 1974 – Bill No. 35/1974, published on 7.10.74.

(2) Customs (Amendment) Bill 1974 – Bill No. 36/1974, published on 21.10.74.

[**The Minister of Finance**]

PUBLIC BUSINESS

BILLS – SECOND READING

THE NEW AMSTERDAM TOWN COUNCIL (APPRAISMENT) BILL, 1974

A Bill intituled:

“An Act to provide for the making of appraisements in the Town of New Amsterdam pursuant to the continuance in operation of certain provisions of the New Amsterdam Town Council Ordinance.” [**The Minister of Co-operatives and National Mobilisation**]

The Minister of Co-operatives and National Mobilisation (Mr. Green): I beg to move that the Bill No. 32 of 1974, the New Amsterdam Town Council (Appraisal) Bill 1974 be now read a Second time. This Bill should entail no argument, or discussion, or opposition, as it is a fairly simple Bill to regularize a situation and permit the Government through its local agency to complete the appraisal of all properties in the town of New Amsterdam. We hope to do so within the shortest possible period.

The reason for this Bill being put before the House is that we have not had the opportunity to have the valuation under the Valuation for Rating Purposes Act. That being so, I commend this Bill for acceptance by this honourable House.

Question proposed.

The Leader of the Opposition (Mr. M.F. Singh): I am really very disappointed. The operative words of the hon. Minister seem to be, “to regularize the situation.” Why is there a need to regularize the situation?” This proposed legislation seems to be partly to cover up something which should have been done since 1st January, 1974, or thereabouts, because it says quite clearly and unambiguously in the proposed legislation.

“... an order under section 136 of the New Amsterdam Town Council Ordinance (continued in force by section 44 of the Valuation for Rating Purpose Act) for the purpose of extending to the 31st December, 1975 the period within which the New Amsterdam Town Council shall order and direct the general appraisal of all properties in the Town of New Amsterdam shall for all purposes be deemed to have been duly made and to have come into operation on 1st January, 1974.”

The government is dating it back to the 1st January, 1974, on which date it shall be deemed to have come into operation. Why are we dating back legislation? I am fully aware that we have a dedicated bunch of law officers, who are really very pressed with work. I acknowledge that but

were they told of the need to have this legislation in time? I doubt it very much. Who has been sitting and doing nothing about this flagrant disregard for the law? This has been happening far too often in the past, and is happening far too often at the present moment. We need to get out of what seems to have become a habit of coming to Parliament, to put matters right, long after the event. What are we doing now? We are asking that an Order have retroactive effect as if it were passed on the 1st January, 1974.

I go to the meat of the matter now. Under the existing law, the valuation officers attached to the Local Government Department – whatever that may be called under the Government's ever-varying and changing appellations – should have got on with the job under the Valuation for Rating Purposes Act. It is obvious that they have not done so hence the need for this legislation to continue the orderly process by continuing valuation under the old law, the New Amsterdam Town Council Ordinance. The questions arise: Who has been procrastinating? What is the reason for this procrastination?

This valuation department has been on the job for several years now. What has it achieved so far? How many areas has it completed in respect of assessments for valuation purposes? Let the hon. Minister tell us what the position is.

It is not good enough to say that they have not done the job and they need an extension. We are giving them an extension to the 31st December, 1975. Why? It was thought before that the time they had was satisfactory. We have given them two extensions. How many more extensions will we give them? Will we continue to give the kind of extensions that we recently gave in Parliament where Local Government Elections, so much needed in this country to restore democracy, free and fair elections, have been postponed twice. We do not know how many more times they will be postponed. Are we going to continue to postpone implementation of the Marshall Plan? Is it not time that the Guyanese people got a fair deal?

The law has been passed. Great speeches were made at the time about the effect of this new law, how much it would revolutionise local government in this country. What has it done? It has been put into operation. Parts of it have been relegated to the past, parts of it we see are continuing to the 31st December, 1975, and the councilors once elected are being perpetuated in office. The last one we had continues until 1976.

This leads me to another point. The vacancies are not even filled. In the New Amsterdam Town Council there are two vacancies which have existed legally since January this year. Ten months have passed and what is happening about filling these vacancies? One vacancy was created when P.N.C. councilor, Basil Teekasingh, emigrated to the United States of America. Since January this year his seat has been vacant by virtue of the regulation of the Town council which states that a member misses “X” number of consecutive meetings without leave granted by the Council, his seat is automatically vacated.

The Council is operating without a full quorum. It is operating at less than its required strength by law, and nothing has been done in the past to fill the vacancies. Now, I understand, a notice has been issued and action is being taken to fill them. But what about the past? Why has nothing been done for ten months? Is this part and parcel of the whole Government’s programme of *laissez faire*, not really bothering and thinking: “Okay, we have the majority; we are in power; we are in control; nobody can say anything; we can do what ...” I nearly said a word for which Your Honour would probably have rules me out of order. They think they can do as they like. **[Interruption]**

2.35 p.m.

There are times when a man is so moved to indignation because of the state of affairs in this country that he is forced ...

Mr. Speaker: Hon. Leader of the Opposition, you are competent and capable of using, excellent words to express your feelings.

Mr. Singh: There are times when I think that hon. Members those on the other side of the House do not understand the kind of eloquence and probably flowery language that I use. They would perhaps understand language at a lower level and there are times when one has to lower oneself to that level in order to let them realise that one is very dissatisfied with the state of affairs existing in this country at the present time.

Let the hon. Minister tell us the reason for this failure on the part of the Valuation department to do its job. What has it really done so far? So many years have elapsed. Let him tell us why the vacancies have not been filled. Let him tell us why there seems to be this constant need to come to Parliament to rubber stamp something that has been wrong, that has continued to be wrong in the past and also to white-wash what the government has been doing that is wrong. Let him tell us that.

Mr. Green (replying): Mr. Speaker, I appreciate the hon. Leader of the Opposition seizing upon every opportunity in this honourable House to tell us some of his views but certainly, sir, he should not argue that this is disregard for law.

The simple matter to which he referred in terms of the problems of staffing in the Valuation Division and in the legal department is something which Ministers on this side of the House have alluded to on several occasions. We are short of personnel and staff. I wish to assure my hon. Friend that there is nothing sinister here. It is a question of adjusting the legal procedures to ensure that something, must be done and it is; the valuation of an important town like New Amsterdam must continue and be regularized. I am sure he would agree with that.

I am a simple layman, but I wish to advise my learned Friend that there is a difference, as I understand it, between a Council, or a Body, not having a quorum and not being at full strength. Though I am a simple layman I think there is a substantial difference.

I do not think we need to respond to the question of elections which was raised by my hon. Friend. He has an election problem which we understand. This House, sir, is not a full strength but we have a quorum of which he is a part and I hope that we will maintain a level of consistency.

Question put, and agreed to.

Bill read a Second time.

Assembly in Committee.

Bill considered and approved.

Assembly resumed.

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

PUBLIC BUSINESS

BILLS – SECOND READING

STAMP DUTIES (MANAGEMENT) (AMENDMENT) BILL 1974

A Bill intituled:

“An Act to amend the Stamp Duties (Management) Act.”

The Speaker: Hon. Minister of Finance

The Minister of Finance (Mr. Hope): The issue here is very simple. The arrangement as it stands now is that cheque books which have to be issued by banks require the commissioners responsible for issuing of stamps to stamp or suitably endorse the cheques in order that the stamp duty may be properly paid. The cheques are then sent back to the banks for issue to their customers.

In general, the procedure has been found to be rather time consuming and cumbersome and in an effort to simplify the procedures it has been agreed with the banks that they will suitably endorse the cheques and account to the stamp Commissioners, from time to time, for the stamp duty collected.

In order to enable this arrangement to be put in hand it is necessary for formal agreement to be entered into between the Stamp Commissioners and the institutions which are registered under our existing laws for carrying on banking business in Guyana. The purpose, therefore, of this Bill, is to provide the necessary legislative authority for that agreement to be entered into between the parties concerned.

The rest of the Bill deals essentially with matters designed to support this agreement. For instance, the Commissioners have to receive reports and accounts from time to time which have to be inspected by the Stamp commissioners so as to ensure that stamp duties paid by persons to whom cheques are issued and paid to the banks are duly accounted for by the banks concerned.

This then, sir, is the simple purpose of the Bill and I therefore ask that it be read a Second time.

2.45 p.m.

Question proposed.

The Speaker: Hon. Leader of the Opposition

The Leader of the Opposition (Mr. Singh): Mr. Speaker, I am glad that the Government at long last has acceded to the clamour of the banks to put into operation, this very reasonable, very sensible and very expeditious system, which, I understand, has been in operation in Barbados since 1967. It makes sound commercial sense to have a system like this operating. It will save a lot of time; it will save a lot of energy; it will save a lot of paper work for the Government agencies, the Stamp Commissioners and also the banks.

I have read the Bill, I have studied carefully the provisions and, to my mind, the possibility of fraud is remote in the context of the over-all system which will be operated under the proposed legislation.

Mr. Speaker, we heartily endorse this Bill. Our only regret is that it was not put into operation a long time ago.

Question put, and agreed to.

Bill read a Second Time.

Assembly in Committee.

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

Clause 2

The Chairman: Hon. Leader of the Opposition **Mr. M.F. Singh:** Mr. Chairman, just one small observation which must have been, to my mind, an error of the printers. It concerns 2(c) of the insertion 28A in Chapter 80:03. This begins: “of such instruments issued by it, ...” This clause goes on to state: “... and may contain such other terms and conditions as the commissioners think proper.” That should not be part of 2(c), but should be separate. I am subject to correction, but it appears as though that should be part of the general preamble.

The Chairman: Thank you, hon. Leader of the Opposition. I am advised that there should be a comma at “it” and then the other part of the sentence commencing at “and” comes in.

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

Assembly resumed.

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

MOTIONS

CONFIRMATION OF THE CUSTOMS (EXEMPTION FROM DUTIES) ORDER

“Be it resolved that this National Assembly in terms of section 9 of the Customs Act, Chapter 82:01, confirm the customs (Exemption from Duties) Order 1974 (No. 124), which was made on the 21st of September, 1974, and published in the Gazette on the 3rd of October, 1974. [**The Minister of Finance**]

Mr. Hope: Your Honour, I request that we consider the Motion standing in my name, Confirmation of the Customs (Exemption from Duties) Order, 1974.

The purpose of this particular Motion, like the ones that follow it, is really to tidy up one or two anomalies which appeared in the original Order which was made some time ago – early this year, I think it was – in order to implement the common external tariff and to improve certain compensatory purchase taxes in some cases and consumption taxes in other cases.

The confirmation of the Customs (Exemption from Duties) Order deals essentially with certain vehicles which are, in fact, to be admitted free of duty when used for agricultural purposes. We know, sir that agriculture is a very risky business and it is the area of economic activity in which the Government has decided to put its major thrust in terms of development. As an incentive to farmers, it has been agreed and decided that certain vehicles for use in agriculture should be admitted free of duty. The purpose of this Motion, is to seek the confirmation of that particular Order. I therefore move the Confirmation of the Customs (Exemption from Duties) Order, 1974.

Question proposed.

Mr. M.F. Singh: Mr. Speaker, this legislation is merely legalizing what, in fact, has been in operation on an *ad hoc* basis for at least a year now. It was operating by way of a special letter of concession given by the Secretary to the Treasury in these cases. I am glad to see that it has now been brought to the House in terms of substantive legislation but, I suggest that it has not been set out in clear, precise and unambiguous terms.

2.55 p.m.

I must therefore read it for the benefit of the House, and I must ask the hon. Minister, for the benefit of the House and of the general public, to answer some very pertinent questions, for the purpose of clarification. The legislation states:

[Mr. Singh contd.]

“Motor Vehicles for the transportation of goods being vehicles of the type commonly known as jeeps or land rovers or land cruisers or being those vehicles as are classified under Tariff Heading No. 87.02. Statistical Classification No. 732.311 in Part 1”

that is the classification dealing with trucks, lorries and vans –

“of this Schedule and which are certified by the Chief Agricultural Officer as being for use on, or for the transportation of produce from, agricultural farms.”

That shall be exempted from duty and, then, the second one is:

“Equipment and materials which the comptroller is satisfied are for use in bee-keeping.”

We must ask the question: What is meant by agricultural farms? What does the term really include? Does it include a poultry farm? I feel it should, and it probably does. Does it include a coconut estate? I understand that it does. Does it include a sugar estate farm?

Because the firm of Jessel Investments has been in the recently, let us take, for example, Jessel's farm, Demerara Co. Ltd., on the East Bank. Does it include a cane farm, Diamond Estate, owned by Jessel Investments ultimately, because it is owned by Demerara co. immediately? Does it include a vehicle plying on those farms? I understand it does not, so there seems to be some confusion as to what is meant by “agricultural farm.”

In one case, and the hon. Minister will correct me if I am wrong, it seems to include poultry farms, coconut farms, pig farms, but it does not include a cane farm run by Diamond Estate Ltd., or some such cane-farming project. Perhaps the hon. Minister will tell us the rationale, why some are included and some are excluded. I certainly am not able to appreciate it until an explanation is forthcoming from the hon. Minister.

The second point of clarification is the phrase, “for use on.” What do these words mean, “are certified by the Chief Agricultural Officer as being for use on, or for the transportation of produce from, agricultural farms?” Do they mean that that vehicle must be exclusively used on the farm and must not at all go on the public roads? It is mainly used on the farm but let us tell John Public if he is liable to be prosecuted if he take that vehicle, which predominantly he uses on the farm, on the public road and takes a trip to Georgetown. He uses it by and large predominantly on his farm. Can he for an occasional trip take it to Georgetown to collect fertilizers?

And I am coming to another point. What is meant by, “for use on, or for the transportation of produce from agricultural farms?” If we interpret this very literally, it would mean that a man with a cabbage farm can use his truck to transport the ripe cabbage to market, because it is for use on or for the transportation of produce from agricultural farms. He is using the vehicle for the transportation of his cabbage from the agricultural farm. But what happens if he has fertilizers to transport to the agricultural farm? He is not using it on the farm. He is using it to transport fertilizers to the agricultural farm. It is for use in connection with the farm. Does this mean that the farmer must buy one truck to transport his produce to the market and another truck to transport his inputs in the farm to the farm itself?

As the legislation stands, this will create doubts in the minds of the farmers. What I want to do is give the hon. Minister the opportunity to answer here, so that the Press can publish it, so that the farmer can know whether or not he can use that same vehicle to transport his produce to the market and also to transport his fertilizers to the farm. That is a point that needs clarification.

Perhaps to make it abundantly clear the hon. Minister might consider amending 2 (4) under paragraph 2 to add after the words, “agricultural farms”, the words, “or goods and materials in connection with such agricultural farms.” It would then read: “and which are certified by the Chief Agricultural Officer as being for use on, or for the transportation of produce from, agricultural farms or goods and materials in connection with such agricultural

farms.” Anything that is used in connection with the agricultural farms will in fact be covered by this proposed legislation.

That is what I suggest might make the situation abundantly clear so that the farmers would know exactly what they can do and what they cannot do. Otherwise, we may find police officers moving in and charging farmers, because when they look at the legislation they may feel that it does not cover a farmer using the vehicle – for which he has been granted permission to transport produce from the agricultural farm – to take fertilizers to the agricultural farm. That does seem to be in need of some clarification.

It is not only fertilizers. My hon. Friend being a farmer with a coconut estate, as referred to by Jane Kramer, would know what is meant here; he would have a vested interest in this. Fertilizers, stock feed, barbed wire for fences, all those would be included in what I am talking about.

We move on to the second part of the legislation. “Equipment and materials which the Comptroller is satisfied are for use in bee-keeping.” Note the difference between items (4) and (5). This is much wider. It does not confine it to produce from bee-keeping stations or anything like that. There is reservation except that it must be used for bee-keeping.

3.05 p.m.

One thought struck me when I read this. Why have we chosen the Comptroller in respect of (5) and in respect of (4) we talk about being certified by the Chief Agricultural Officer. Surely, in respect of (5) the Chief Agricultural Officer again would have been the more competent person to deal with this. Yet it is put as the comptroller, presumably the Comptroller of Customs and Excise. Surely, the man more knowledgeable with equipment and materials for use in bee-keeping would be the Chief Agricultural Officer. Why make a distinction? Why say

(Mr. Singh continued)

chief Agricultural Officer for Agricultural farms and the Comptroller of Customs for bee-keeping?

If there are, for example, boards or other materials to be used for bee-keeping, is not the Chief Agricultural Officer a more knowledgeable person in this respect? Should we not then make it similar to (4) and say “Which is certified by the Chief Agricultural Officer for use in bee-keeping.” Is that not the more rational thing to do and leave the Comptroller of Customs completely out of it?

The Chief Agricultural Officer has the specialized knowledge and, therefore, I would recommend for the consideration of the hon. Minister that he changes this Comptroller of Customs in (5) to the Chief Agricultural Officer so that we can streamline this legislation. I also invite him to give consideration to the other recommendations which I have made.

The Speaker: Hon. Minister of Finance

Mr. Hope (replying): Sir, I should like first of all to thank the hon. Leader of the Opposition for giving me the opportunity to make the situation quite clear, if he thought that in fact it was not clear to other people.

In fact, I should like first of all to deal with motor vehicles for agricultural farms. I do not think I need to define “agricultural farms.” The hon. Member knows and it is a phrase of common knowledge and connotation. But let me say, sir, that it is very significant that in this paragraph the vehicle has to be certified by the Chief Agricultural Officer which means that the concession is not automatic. The Chief Agricultural Officer would implement Government’s policy from time to time by virtue of his decisions when an application is made to him.

When an application is made to him for the duty-free entry of any of these vehicles, the Chief Agricultural Officer will have to bring to bear on that application Government's policy with regard to agricultural developments and incentives, always within the ambit of the legislation, of course. Therefore, if the Chief Agricultural Officer receives an application from a sugar estate he will know that it is not Government's policy to grant this kind of incentive to long established industries like sugar operated by the traditional sugar estates.

No doubt he does, and I am sure he would, give this kind of concession to small farmers in sugar, but he knows it is not Government's policy and the sugar estates know it is not government's policy that they should get this kind of concession. Therefore, within the ambit of this paragraph, the chief Agricultural Officer will certify according to Government's policy. That is the real significance of putting the matter into the hands of the Chief Agricultural Officer.

His function is not really to dilate on the nature of the equipment. It is really to exercise a judgement on its use and its purpose within the context of Government's policy. Therefore, he will give it, as he has been giving it to practically all kinds of activity which are normally classified as agricultural.

The next point that I should like to clarify is this. This is not a licence. I think the hon. Member was confusing this with a licence. It is a duty-free entry and if the Chief Agricultural Officer is satisfied that the purposes for which the person wants a vehicle to come in duty free falls within the ambit of this legislation, he gives a certificate and the person buys the vehicle duty free.

It is expected that having bought the equipment for agricultural purposes it would be used for that purpose in all the operations associated with his farm. Therefore, no purpose is excluded whether it is on the farm or off the farm. Once it is connected with the farm and the Chief Agricultural Officer is satisfied as to that, he gives a certificate on the basis of which the man gets the thing at the duty-free price. So there is no omission, there is no uncertainty as to how

the men can use it and obviously he could not get into any kind of trouble because it is not a licence.

The second point relates to paragraph 2 dealing with equipment and materials which the Comptroller is satisfied are for use in bee-keeping and the question is raised: Why not the Chief Agricultural Officer? I think the hon. Member should appreciate that bee-keeping equipment is rather specific equipment. It does not take the Chief Agricultural Officer to say “that is a bee-keeping equipment”. It is known at the time of importation, and the Comptroller of Customs, because he deals with the importation of all kinds of things, has a greater amount of expertise than the hon. Member would seem to believe.

The Comptroller of Customs could make a judgment as to whether a particular piece of equipment is a bee-keeping equipment which, in itself, is a specific piece of equipment. Therefore, it was not thought necessary to put the farmer into that difficulty of going to the Chief Agricultural Officer for a certificate and then taking it to the Customs. Rather, we thought the situation was right here in which the procedures can be simplified in order to facilitate the farmer that all he had to do was to satisfy the Comptroller.

Mr. M.F. Singh: Mr. Speaker, the hon. Minister has agreed that the Chief Agricultural Officer can act only within the ambit of this legislation. It is quite clear in this legislation that it can be certified - -

The Speaker: Hon. Leader of the Opposition, I take it you know very well that you cannot reply. I thought there was some other point you were about to raise. We are not in Committee. This is a Motion.

Mr. M.F. Singh: I am asking for further clarification on a point which is of vital importance to the inhabitants of this country particularly in the context of our feeding, housing and clothing the nation by 1976.

The Speaker: I think the Standing Orders do not provide for that.

Mr. M.F. Singh: it is not that I am asking for a right of reply. I am inviting the hon. Minister to clarify a point which he made in his statement.

The Speaker: Could you invite my attention to the Standing Order that will permit you to do that?

Mr. M.F. Singh: We have to be pragmatic in this House. We cannot afford, as the hon. Prime Minister has so often said and as the Ombudsman has said to stick rigidly to the rules to such an extent that justice is denied or that the interest of the public is not served.

3.15 p.m.

The Speaker: Certainly you are not denied and I am certainly bound by the rules. I have always tried to accommodate the Opposition members more than the Government members.

Mr. M.F. Singh: I am sure that hon. Minister will not object to my asking for clarification - -

The Speaker: It is not the hon. Minister, it is I.

Mr. M.F. Singh: Well, Mr. Speaker, if you want to deny John Public from having clarification on a point of vital - -

The Speaker: I think that is an unfair statement. I think that is very unfair and unbecoming of you. I am not denying John Public any right to ask questions.

Mr. M.F. Singh: Mr. Speaker, as you have rules.

Question put, and agreed to.

Motion carried.

CONFIRMATION OF THE PURCHASE TAX (MOTOR CARS) ORDER 1974

“Be it resolved that this National Assembly in terms of section 5A of the Motor Vehicles and Road Traffic Act, Chapter 51:02, confirm the Purchase Tax (Motor Cars) Order (No. 125), which was made on the 21st of September, 1974, and published in the Gazette on the 3rd of October, 1974. [**The Minister of Finance**]

Mr. Speaker: Hon. Minister of Finance

Mr. Hope: Mr. Speaker, I beg to move the Motion standing in my name, that is, to seek confirmation of the Purchase Tax (Motor Cars) Order 1974.

The purpose of this Motion is really to enable the consolidation of a number of Orders which have been issued over the last 18 months or so, and to bring them into one Order, essentially for the purpose of simple reference. It does not do anything more than reiterate the rates of purchase tax that are already current on a number of vehicles. I therefore move that the Order be confirmed.

Question proposed.

The Speaker: Hon. Leader of the Opposition

Mr. M.F. Singh: Mr. Speaker, what the hon. Minister did not say was that this Order was really to put right anomalies which I had pointed out when we were discussing in this Parliament, Orders Nos. 89 of 1973, 96 of 1973 and 151 of 1973, which are all now repealed by

paragraph 5(2) of this Order. But, as I have said, we have never sought to claim credit in this House for anything. All we would like to do is to see that things are properly done and that anomalies are corrected. Let the Government take all the credit. We do not want any credit for anything at all. Our function here is to perform in the interest of the people and we will continue to do that, regardless.

The Government has, in fact, taken several bits of legislation and put them together in one comprehensive whole so that I do commend it for this. It has done an excellent job in putting together bits and pieces which John Public had to wade through to try and find out what exactly was the position.

But, to my mind, there are still some slight problems and I should like to take this opportunity to point out these problems to the hon. Minister. I commend the hon. Minister for having so comprehensively brought this bit of legislation to the House. I would hope that he would make a note of my observations and that if they are worthy of his consideration, he would bring them, at a later date, for ratification by the House.

For example, item, under the Schedule deals with “a motor vehicle of the type commonly known as jeep or a land rover or a land cruiser, ...” the hon. Minister and this House will remember that I had previously said that these types of vehicle were caught twice – by consumption tax and by purchase tax. Now this situation has been corrected but there are certain types of vehicle that have been left out in this Schedule, for example, the vehicle which is known as the Volkswagen Kombi. The Schedule includes vehicles commonly known as jeeps, land rovers or land cruisers but none of these definitions would cover that peculiar type of vehicle known as a Volkswagen Kombi. Indeed, none of these definitions would cover what is known commonly as a mini bus. The Austin Company makes a mini bus; the Morris Company makes a mini bus; the Vauxhaull Company makes a mini bus. None of these definitions would cover the mini bus or Volkswagen Kombi.

One would think that this definition could be extended to cover the type of vehicle commonly known as jeep, or land rover or land cruiser or Kombi or mini bus or mini coach, for that matter. If we are going to cover what is commonly known as these, let us cover the whole lot of vehicles that we know are used in Guyana. These additions would cover the whole ambit of the vehicles being imported in to Guyana.

Now, we go to item 2 of the Schedule Mini Moke. There is no problem in that. There is no other vehicle known as a “Mini Moke” so that is exhaustively covered. Item 3 covers “motor car referred to an item 11 of List A of Part III” of the First Schedule of the Customs Act. There is no objection to this.

There is one observation in item 4 – “motor vehicles when registered as a motor car for use by missionaries in the interior.” – and we want a careful note made of this part: “... not being a vehicle of the type commonly known as a jeep or land rover or land cruiser or mini moke or mini bus.” Now, the word “mini bus” is used there for the first time. The Schedule does not state what rate of duty the jeeps, land rovers or land cruisers or mini moke or mini bus for use in the interior by missionaries will carry. **[Interruption]**

3.25 p.m.

The hon. Minister says that that is the subject of the next one. I am looking at Order No. 125. The next one would be No. 126. The hon. Minister did say from his seat that that is dealt with by Order No. 126. I respectfully submit that that is not so. We are dealing here with purchase tax. My humble submission is that No. 126 does not answer that question, because that deals with consumption tax. We are dealing with purchase tax and it states here: “motor vehicles when registered as a motor car for use by missionaries in the interior, not being a motor vehicle of the type commonly known as a jeep or land rover or land cruiser or mini-moke or mini-bus – 9½ per cent.”

[Mr. Singh contd.]

If it is not a jeep, land rover, land cruiser, mini-moke, or mini-bus, if it is a motor car, it is 9½ per cent. What is it in respect of purchase tax if it is a jeep, a land rover, a land cruiser, a mini-moke, or a mini-bus? My humble submission is that, in the absence of any clear statement, no duty should be paid, it will fall under schedule 1 (b), which means a person will have to pay if it is 1800 c.c. or above, 27 per cent, and for a vehicle less than 1000 c.c., 15 per cent.

I understand that the pragmatic approach taken by the licensing department is that these vehicles are not in fact charged purchase tax at all, but when one looks at the legislation, one can well argue that they are liable to be charged under 1 (b) of the Schedule. In the absence of anything to the contrary, maybe what we need to do is to put under item 4, after the word, “mini-bus”, the words and brackets, “(on which no purchase duty should be paid)”, or something to that effect. Let it be abundantly clear that these vehicles will carry no purchase tax, because if something is not put, somebody may be caught under 1 (b) which is a motor car of 1800 c.c. or above, which is normally registered as a private vehicle. That is what I feel needs some clarification and, indeed, some amendment to the legislation.

In respect of item 5 in the Schedule, public service type passenger motor vehicle when registered as a motor bus – 7½ per cent, motor car with engine capacity of 1800 c.c. and above – 27 per cent, and less than 1800 c.c. – 15 per cent. On this category of vehicle, under the law, a consumption tax of 10 per cent will have to be paid. It seems as though legislation is necessary to remove that consumption tax of 10 per cent from these vehicles. That is one category of vehicle under the existing law on which a consumption tax of 10 per cent has to be paid. I invite the hon. Minister to look at this very carefully. He will find this is so and I expect he will introduce in this honourable House very shortly legislation to preclude this type of vehicle from paying this 10 per cent consumption tax. That is what persons have to pay legally.

Another comment about item 5. On a motor bus, a public service type passenger motor vehicle, 7½ per cent is paid, but I have been making enquiries and I have found out that there are buses that are being used by companies on the East Coast and East Bank, to take children to school. This a free service operated by companies for their employees who are living on the East Coast and East Bank. They are caught under item 1 (b). Since the vehicles are over 1800 c.c., they are registered as private vehicles and the companies have to pay 27 per cent. Thus, on the private bus which is carrying school children as a free service, the companies will pay 27 per cent on registration, but on the commercial vehicle, that operates for profit, the companies will pay only 7½ per cent under item 5 of the Schedule.

I recommend for the consideration of the hon. Minister that he should make an exception of these school buses, seeing that they perform a free service to the school children of this country. The 27 per cent tax should not be required not should the commercial buses have to pay a 7½ per cent tax paid. They should be registered and admitted free of any purchase tax in view of the special circumstances under which they operate.

I have other observation. It has been brought to my attention that the Licence Revenue Department has been registering cars for hire with seating capacity of over eight persons. This is in fact illegal because no hire car can carry over eight persons including the driver. Under the Motor Vehicle and Road Traffic Act, any vehicle taking over eight persons including the driver must be a bus.

I should like to ask the hon. Minister if he is aware of vehicles being licensed for over eight persons without conforming to the Motor Vehicle and Road Traffic Act, which states that any vehicle taking over eight persons must have a regular franchise, must have a schedule of fares, must have regular stops, etc. I am told that this has been done by P.N.C. activists. I am told that a service was being operated in Ruimveldt and a very conscientious policeman, who stopped a vehicle and initiated proceedings, was very shortly thereafter transferred to the Rupununi. It is wrong if it is true. The law of this country must be complied with and not even

the P.N.C. hierarchy can change the laws of this country. The laws can be changed only in this Parliament.

I invite the Minister to give us an assurance that there will be no disregard for the law in this respect. Any vehicle carrying over eight persons must be registered as a bus and must conform to the Motor Vehicle and Road Traffic Act.

3.35 p.m.

Item 6 deals with private vehicles and this is in agreement with what at present operates so that that is quite in order but I certainly invite the hon. Minister to correct the anomalies.

I would have been happy if he could have deferred the passing of this Order and put everything straight because I am very forcibly reminded of the last occasion when I spoke about the Order before this House. It is true that the Minister promised to investigate; it is true that he did investigate but we would have been much better off if we had come to the House at that time with one all embracing legislation rather than having it done piecemeal, as has happened. Even this, as I said, is not covering all the anomalies that do in fact exist.

The Speaker: Hon. Minister of Finance

Mr. Hope (replying): Mr. Speaker, I would be the last person to deny the hon. Member any kudos which he thinks should come his way with respect to any observation he might have made in drawing my attention to any anomalies which might have existed in any of the laws under my control.

I remember, and the record will bear me out, Mr. Speaker, that when the hon. Member brought the matter of jeeps to my attention I did indicate that I was going to investigate the matter and at a subsequent meeting, as the records would show, I did in fact say to this House

that the hon. Member was correct and that legislation was going to be introduced to remedy what obviously was an anomaly. I did not suspect the hon. Member wanted me to repeat myself in that regard.

On the question of the jeeps, sir, the hon. Member has, in fact, misled himself and this probably explains why I did not raise the issue again with regard to associating him with the anomaly or its rectification.

This order does not in fact, *per se*, exempt jeeps and land rovers and so on from the consumption tax. The problem really was a tentative uncertainty as to the classification of some of these items within the new BTN system. Since then land rovers, jeeps and land cruisers, have been classified under the BTN system, under the same item number as motor-cars so they automatically escape the consumption tax that the hon. Member has brought to the attention of this House. They do not pay a consumption tax, not by any exemption but by virtue of the fact that they have now been properly classified as motor-cars under the relevant BTN item.

The question of vehicles for Missionaries was also raised. These vehicles do not pay a consumption tax. They pay a small duty which, in fact, even now, is still lower than the C.E.T. I cannot recall the rate at this point in time but they pay a low rate. They have always been paying a low rate and it is so low that it is still below the relevant C.E.T. rate so they do not pay a consumption tax. They pay only a small duty and will be required, under this law, to pay a 9½ per cent purchase tax. **[Interruption]**

I thought I was saying when the hon. Member was talking that jeeps, land rovers and land cruisers are now classified under the BTN system as motor-cars and therefore do not attract the consumption tax. That is covered under item 1.

In the case of motor-buses, mini-buses, Kombis and vehicles of that kind, it is true that those vehicles still pay two taxes. The consumption tax has not been removed and the purchase

tax has been retained but both have been retained not due to an oversight but by a deliberate decision so they remain paying a consumption tax as well as a purchase tax for the time being.

I am advised that once a vehicle is registered as a motor-bus it pays the lower rate of purchase tax 7½ per cent, and therefore a motor-bus would never – once it is registered at the Licence Revenue Department as a motor-bus – attract the level of purchase tax at 5(b)(ii). The important thing is they are registered as motor-buses and once they are registered as such 7½ per cent is payable.

The problem with the hon. Member is that he is dabbling in a matter of which he has limited knowledge. It is a question not of the nature of the vehicle but of its former registration and if the vehicle is registered as a motor-bus, it so pays a tax. If it is not registered even though it resembles a motor-bus, if it is registered as another vehicle then it pays a purchase tax. It is a question of how it is registered.

The hon. Member raised a question about the Licence Revenue Department registering, I am told, a motor-car to carry more than eight people and asked that the matter be looked into. I am not at all sure of the validity or accuracy of the allegation. To date it is purely an allegation the accuracy of which is in the knowledge only of the hon. Member.

The hon. Member wants me to look at the matter it is obviously improper for him to proceed to charge a party with knowledge of this particular matter and not only knowledge of the matter but the more serious charge of impliedly punishing an officer who identified a problem and proceeded to take the relevant section. I think it is completely improper and it ought not to have been put in that context. It certainly does not befit the Member who, I assume when he started, was raising what he thought was a valid point. It is a matter of public presentation and public relations and nothing more and I doubt whether it is something now which I should really look into. It is purely propaganda I agree.

Those are the issues raised by the hon. Member. I will now ask the House to confirm the Order.

Question put, and agreed to.

Motion carried.

**CONFIRMATION OF THE CONSUMPTION TAX (MOTOR VEHICLES)
(EXEMPTION) ORDER 1974**

“Be it resolved that this National Assembly in terms of section 5 of the Consumption Tax Act, Chapter 80:02, confirm the Consumption Tax (Motor Vehicles) (Exemption) Order, 1974 (No. 126), which was made on the 21st of September, 1974 and published in the Gazette on the 3rd of October, 1974.” [The Minister of Finance]

Mr. Hope: Your Honour, I beg to move the confirmation of the Order standing in my name. This sir, is the Consumption Tax (Motor Vehicles) (Exemption) Order, 1974. The purpose of this Order is simply to remove the consumption tax which was wrongly put on vehicles used by missionaries in the interior. These vehicles have now been put in the Exemption from the Consumption Tax Schedule. As things stand now by virtue of this Order, a consumption tax will no longer be paid on these vehicles, but just the lower rate of duty and the purchase tax.

Mr. M.F. Singh: Mr. Speaker, I just want to say that I commend the hon. Minister for putting matters right.

Question put, and agreed to.

Motion carried.

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

“Be it resolved that paragraphs (2) and (3) of Standing Order No. 46 be suspended to enable the Assembly to proceed at its Sitting on Wednesday, the 23rd of October, 1974, with the Second Reading and the remaining stages of the State Enterprise (Guarantee) Bill, 1974 (Bill No. 35/1974 published 17th October, 1974. [**The Minister of Parliamentary Affairs and Leader of the House**]

The Minister of Parliamentary Affairs and Leader of the House (Mr. Ramsaroop): Your Honour, this Motion in my name seeks the suspension of paragraphs (2) and (3) of Standing Order No. 46 to enable this Sitting to proceed with the Second Reading and remaining stages of the State Enterprises (Guarantee) Bill, 1974. Members will recall, that this Bill was introduced earlier this afternoon and therefore will not satisfy the provision with respect to introduction which ordains that three days must elapse between the introduction of a Bill and its Second Reading.

It will not, also, have complied with the other requirement for the legitimate presentation of the Second Reading of a Bill in this House, that is, with respect to publication. But there is the saving grace on this score: the Bill was published on the 17th October and five clear days will therefore have elapsed between publication and Second Reading. It will not have complied strictly with one of the requirements for Second Reading, that is for seven clear days to elapse.

Your Honour, you are aware that this Government is loath to depart from the established rules and norms of this House and it is only in circumstances where the exigencies of the situation warrant such departures that we do so. There is the virtue that commends itself to this House with respect to this Bill that the successful passage of this measure today will enable GUYBAU, through a loan from the Canadian Export Development Corporation, to finance part of the purchase of equipment required for the expansion of GUYBAU and particularly for the expansion of its programme for the further production of alumina and bauxite.

I think Members of this House will agree that for the promotion of developmental purposes, one ought not to look with the gilded eye on the Rules of this House since this development project will ensure to the advantage of this economy both in terms of creating employment for people and also expanding our revenue from the firm. I think that on the basis of that consideration this measure ought to be viewed not as strictly doing violence to the Rules of this House, but as possessing certain merits that would make somewhat extenuating the circumstances for the infraction of the Rules of this Rules.

In these circumstances, therefore, it is my privilege to move that the Motion standing in my name be accepted and I respectfully ask that this measure receive the full commendation of this House.

Mr. M.F. Singh: Mr. Speaker, under the circumstances, we on this side of the House, would have no objection to supporting this Motion.

Question put, and agreed to.

Motion carried.

BILL – SECOND READING

STATE ENTERPRISES (GUARANTEE) BILL

“An Act to impose a charge on the consolidated fund for the repayment of monies by the Government pursuant to agreements entered into with financial and other institutions under the authority of the resolutions of the National Assembly and to amend the Guarantee of Loans (Public Corporations and Companies) Act 1971.

Mr. Hope: Mr. Speaker, in accordance with Article 80(2) of the Constitution, I hereby signify that the Cabinet has given its consent to the introduction of the State Enterprises (Guarantee) Bill, 1974 in the National Assembly.

I beg to move the Seconding Reading of the State Enterprises (Guarantee) Bill, 1974. Perhaps I should spend a few moments in explaining the reason for bringing forward this Bill today. When Government corporations, and companies in which Government has a majority of shares, borrow it is usual for the lenders to require the Government to guarantee the borrowing. In order to enable such guarantees, we have at our disposal two procedures. One, we can come to the House with a Motion seeking a Resolution to approve of the guarantee. The second procedure as an alternative, is to use the Guarantee of Loans (Public Corporations and Companies) Act which gives the Minister of Finance authority to sign guarantees on the part of the Government without the benefit of a Resolution, provided, of course, that the Minister periodically reports to Parliament the guarantees he has given.

In addition to that, the Legislature has put an over-all limit on the aggregate sum which the Minister of Finance can guarantee in this way from time to time, and that aggregate amount is \$50 million.

Now, sir, the Guarantee of Loans (Public Corporations and Companies) Act, 1971, has a provision which says specifically that where the Minister guarantees such borrowing, payments which the Government may be called to make in pursuance of that guarantee are chargeable on the Consolidated Fund, and that makes the problem.

We, in the Ministry of Finance, as laymen in this matter, were satisfied that where the borrowing was guaranteed on the basis of a Resolution of this House and payments had to be made in pursuance of that guarantee, that there was no doubt at all the payments in pursuance of that Resolution were chargeable on the Consolidated Fund – that it was a legal provision. However, the lawyers are satisfied and have so advised us, that there could be an element of

uncertainty in that, and in those circumstances, it has become desirable that the matter should be put beyond doubt. The way of putting it beyond doubt is by virtue of the legislation which is now before the House and on which I am speaking.

3.55 p.m.

The thrust of this piece of legislation, therefore, is to enable payments that are made in pursuance of a Resolution by this House, to be chargeable on the Consolidated Fund. That is the legal and immediate provision.

Opportunity was taken to provide a means by which the Government can also facilitate the operations of the corporations and companies which, in this age, are becoming more and more complicated. Accordingly, we seek in this Bill to enable the Minister to sign a guarantee which puts the Government in the nature of an obligor to guarantee a payment made by a third party on its behalf or on behalf of a corporation or company over which the Government has majority control.

For that reason, one of the provisions of this Bill is to amend the Guarantee of Loans (Public Corporations and Companies) Act and to enable the Minister not only to guarantee a borrowing, which the Minister already has the power to do, but also to enter as an obligor to guarantee a payment which is to be made by a third party on behalf of the Government or on behalf of a public corporation.

In addition to that, the Act also seeks to require that where a payment is made under those circumstances, that that payment is chargeable on the Consolidated Fund just like a guarantee.

Finally, the Bill also seeks to amend the Guarantee of Loans (Public Corporations and Companies) Act to enable the Minister, under the aegis of that particular Act, to guarantee the borrowing of registered co-operative societies. I think it is unnecessary, but from the point of

[Mr. Hope contd.]

emphasis and clarification, I should say this that it is common knowledge, and we know it, that the Government's policy with respect to the promotion of co-operative societies – the Government has said it from time to time – is that it intends to use its influence and its power to ensure that the co-operative sector becomes the dominant sector within our economy, because it is by virtue of co-operatives that the small man is going to be given adequate command over the productive resources in this country. Therefore, it is in accordance with the Government's policy on co-operatives that the Government should seek to facilitate the borrowing of co-operatives in the same way as it has and does facilitate the borrowing of public corporations and companies over which the Government has the majority control.

That, sir, is the simple purpose of this Bill: first, to make it absolutely clear, where the Government has to make payments in pursuance of a Resolution to guarantee a loan, that those payments are chargeable on the Consolidated Fund; secondly, where the Government enters as an obligor and has to pay accordingly, that those payments are chargeable on the Consolidated Fund and that the Minister the power within the limits of \$50 million to enter as an obligor under the Guarantee of Loans (Public Corporations and Companies) Act; and, thirdly, to extend the coverage of that Act of 1971 to enable the Minister to guarantee the borrowing of registered co-operative societies in the same way as it guarantees the borrowing of public corporations and companies.

I therefore move the Second Reading of the Bill.

The Speaker: Hon. Members, I understand that it is agreed that we shall proceed with this Bill to its final stage.

Question proposed.

Mr. M.F. Singh: I certainly do appreciate the explanation given by the hon. Leader of the House. In fact, I had discussed it with him and the dependence of Guybau on the passing of this Bill in order to draw down on loans which are vitally needed. We have always said that we will support to the fullest every measure to enable GUYBAU's operations to be successful. But we are not dealing merely with Guybau here. We are dealing with an all-embracing in respect of guarantees for, as it says in the definition, "state enterprise means any public corporation as may be designated for the purpose of this Act by order of the Minister or any company incorporated in Guyana in which the State through any of its agencies holds at least fifty-one per cent of the ordinary share capital thereof." We are also dealing with "registered society", meaning "co-operative society registered under the Co-operative Societies Act." That is a new one.

4.05 p.m.

There are aspects of this bill which, when applied to certain situations, we in the United Force could never agree. The two areas I want to deal with specifically are first, Government Guarantees for State Enterprises such as, for example, Guyana Gajraj or Wrefords which should operate and, in fact, it has been so said as commercial organisations just like any other private sector organisation. Secondly, I want to deal with this new move to guarantee loans to co-operative societies including, presumably, co-operative societies like Greenland Co-operative.

Mr. Speaker, you will remember that when I was speaking in Parliament recently on the timber deal guarantee with the Iraqi Ports Authority, said that no one can have any serious objections to guarantee in such cases because, for example, in that case the Timber Export Board was acting merely as the agent for the timber producers in this country and the profits from the contract would have come back to the timber producers.

Not will we object to guarantee for, say, the Electricity Corporation or the Guyana Telecommunication Corporation when they embark on expansion schemes. But we certainly

(Mr. Singh continued)

will and must object to the guaranteeing of loans, for example to Guyana Gajraj or Wrefords which are state trading enterprises and which should stand on their own feet and not be propped up by Government and given unfair advantages over similar private sector organisations.

I submit, that this would be grossly unfair to the private sector since before the private sector organisation can get a loan it would normally have to prove its credit-worthiness, whereas if one of these organisations I have mentioned, merely can call on Government to guarantee its borrowing where there would be no proof of credit-worthiness, it would, in fact, be getting a clearly unfair and grossly discriminatory advantage over private sector organisations.

What aggravates the situation, is that the private sector has to suffer silently because it is so scared to be vocal. It is scared, particularly when the P.N.C. adherents are in control of the executive of such organisations as the Chamber of Commerce. Everyone knows this, we do not need an investigation to prove it. People have come out openly at the last elections and said: “I support the P.N.C. because ...”

The private sector has been maligned; businessmen in the private sector are called “capitalist sharks” they are called “a bunch of shopkeepers; they are called “racketeers” and they are told to go into the manufacturing field.

What is Guyana Gajraj? What is Wrefords? Are they not also a bunch of shopkeepers? But it is all right for them because they are Government sponsored; they are Government owned; they can survive. What conclusions must the private sector draw from this kind of attitude? The question businessmen in the private sector are asking is: “Will we be allowed to survive or is it the intention of the Government to force them all out of business eventually; to lock up all the small shopkeepers in the country for profiteering and to set up Government agencies, throughout the country, to act as shopkeepers?” Is that the intention?

Can anyone expect the private enterprise to move with any confidence in the manufacturing field in view of this Government's *de facto* attitude to the private sector?

Compare the incentives given to the private sector with what is offered by the other countries in the Caribbean and you will see. Ask Jane Kramer and you will see what their position is like as compared with other countries in the Caribbean.

In Guyana today, there are pressures against the businessmen. These pressures are built up principally because of the emergence of extremist ideology. Ask the Minister who negotiated the contract? [Interruption] I can produce receipts for my car. Mr. Speaker, I am sorry. There are certain people whom one should ignore but there are times when it is necessary to make a remark. I hope you will forgive me because those people sometimes need to put in their places.

The problem is that the business community is facing these pressures because of the extremist ideology of the P.M.C., an ideology which is obviously repugnant even to some of its own people and to some of the people in the Government, an ideology which can be likened to a warmed-up Marxist Leninist ideology; the kind of ideology, which equates private investment and the ownership of private property with exploitation. That is what the proponents such as the hon. Member on the other side, Mr. Kit Nascimento, now familiarly known as Miss Jane Kramer's companion, says that is what I have been told. They are arguing that all economic enterprise ought to be conducted by Government.

Admittedly, there are certain undertakings such as essential service which the Government should handle in which it should be involved and quite rightly so. But on the other hand, there is a vast amount of economic activity which can be carried out much more efficiently and more cheaply by the private sector. What are we doing to the private sector by legislation such as this? One of the chief reasons is that the private sector is by nature competitive and that is why private enterprise can always run a business more efficiently than Government.

P.N.C. Ministers have lambasted the private sector for not going into manufacturing field but it is not true that the P.N.C. in permitting its new Leninists to spout its philosophy, has created a climate which is cold, if not even hostile, to private capital investment? This is a fact. Is it any surprise, therefore, that local businessmen are afraid to invest their hard earned cash on a new plant, a new factory, which presumably can be nationalized by a stroke of the pen according to the philosophy being spouted by these warmed-up Marxist-Leninist protagonists of the P.N.C.?

4.15 p.m.

What is vital indeed for the Government is an honest and sincere statement by the Government in non-polemical language, defining the role of the businessman. Ministers and Permanent Secretaries who in the past have used what can only be termed “abusive jargon” castigating businessmen for their failure to invest more money and more energy in capital development, must, in future, exercise better judgment in the interest of the national economy.

The natural result of such attacks is to make businessmen even more suspicious of the ultimate aims of the P.N.C. administration. As it is, with blackmarketing being used as the excuse to advocate the setting up of Government-sponsored shop-keeping enterprises all over the country, businessmen are very suspicious indeed – and very rightly so.

In the opinion of the United Force, it is therefore, at the present time, absolutely necessary for the Government to define in very clear and unambiguous terms, the respective roles of the public and private sector and not merely to make life difficult for the private sector and to push it slowly out of existence while spouting in rhetorical language its belief in the co-existence of the two sectors.

[Mr. Singh continued]

Let us cut out the nonsense and get down to “brass-tacks.” Tell the people what the Government ultimately envisages for them. Let them know where they stand instead of telling them all this nonsense which we have been having.

Now to deal with my second point, as I mentioned at the beginning, the proposal to guarantee loans to co-operative societies: We all know that co-operative societies, unlike companies, do not pay income tax. The profits go straight to the members, and the members individually pay their personal income tax.

We all know that Co-operative societies have a dismal record of failure in this country despite all the propaganda that Ministers of the Government might be spouting here, there and everywhere. The facts are there.

We in the United Force believe in co-operative societies. We believe in the co-operative philosophy. What we believe in is genuine co-operatives. Co-operatives such as those for the development of land, for the marketing of produce, and such like.

What we object to, most strenuously, are co-operatives like Greenland Co-operative where the members are “big boys” in the P.N.C. It gets lucrative contracts; it makes fancy profits for a few and hides under the umbrella of the co-operative movement. It pays no income tax. Such as these are not genuine co-operatives. We do not believe in such co-operatives. They are capitalist companies and should be registered and recorded as such and compete with the capitalist companies in the private sector.

The question we want to ask is this: Will the hon. Minister tell us whether the Government will extend these guaranteed provisions to such co-operatives as Greenland Co-operative? Will it do that? I do hope that it will not. What we urge the hon. Minister is that any decision to guarantee a loan to a co-operative should be very critically examined indeed.

We do not say that there cannot be a co-operative that is worthy of consideration, a co-operative that should, in fact, get a loan. There may well be co-operatives that the Government can quite rightly extend this facility to, but what I urge the hon. Minister to do is to examine these co-operatives very carefully and very critically indeed. They should be genuine co-operatives. The members and officers should be carefully vetted and indeed, exhaustively examined. Otherwise, we may well have a repetition of such fiascos as the Tucville Housing Scheme which failed and landed the Government with responsibilities such as those as it has to carry out at the present moment.

The United Force believes in the Co-operative philosophy, but let it be genuine co-operatives and not P.N.C., money-making, racketeer co-operatives.

The Speaker: Does the hon. Minister wish to reply?

Mr. Hope (replying): The hon. Member, the Leader of the Opposition, in his characteristic way of championing what he thinks is the cause of those members of the private sector who seem to take umbrage against any form of control or any form of organisation of business which, inevitably, must lead to the betterment of the oppressed classes, the people who do not own things.

What does the private sector want for expansion? The private sector, to expand needs in our context, - in the context of the Caribbean, incentives. The Government has incentive schemes similar to those in other parts of the Caribbean. As a matter of fact, the hon. Member ought to know that under the CARICOM arrangement, there is a common incentive scheme applicable to all the countries that are called the more developed countries of CARICOM, Guyana, Barbados, Trinidad and Tobago and Jamaica.

These incentives, sir, go into several years of income tax holidays, nine years, in fact, where those companies qualify by showing that they use local material and local labour to the

extent of only 50 per cent, at the maximum, of the total cost of the product. If they can show this for any line that is developmental, they will get up to nine years free of tax. Up to the time this Government took office, five years tax holiday was offered, this Government has made it nine years.

When we took office, the duty on machinery was as high in some cases, as 10 per cent. Today, it is no more than 2 or 3 per cent. As a matter of fact, invariably, any business firm coming up to purchase machines for extension or new installation can, and do in fact, import its machines free of duty.

4.25 p.m.

Then look at the number of restrictions which have been placed against imports, because there are two things which I think the private sector or producer wants. He would like, of course, to have the highest rate of return that is possible, and that is why he wants a tax holiday. He would like to be assured of a market, and today there have been substantial restrictions against imports of a number of goods, which are produced locally, from outside the Caribbean. Most competition today is between the companies resident in Guyana and companies resident in other parts of the Caribbean. We have banned a number of articles. That in itself, apart from the qualitative restrictions, creates a market for producers.

I have seen letters in our files which go back to the 50s and the early 60s where manufacturers have been saying that what they want is not so much a tax holiday as a protected market. Today they have both – an extended tax holiday system as well as a protected market.

Let us look at other aspects. Let us look at the rate of interest which companies which want to produce are required to pay. In Guyana, the rate of interest is the lowest in any part of the world. Certainly, if one looks at the Caribbean, the rate of interest applicable to borrowing in this country is less than half of that for relevant borrowings in other parts of the Caribbean. All

[Mr. Hope contd.]

of these things go to make the right climate for production, all of these go to make the right encouragement for the private sector.

Then there are the other forms of infrastructural development. Government has spent millions of dollars in facilitating transportation through good roads, longer roads, roads in areas which were nonexistent until this Government took office.

Then there is electricity. We know that few factories can be set up unless there is adequate supply of electricity. The Government programme of electrification throughout the country is an essential basic infrastructure for the development of manufacturing industries and the Government has laid it down as part of its policy to encourage the setting up of industries not just in Georgetown but also in the rural areas. This was only possible because of electrification and running pure water in the rural areas.

What we have is a situation where all the infrastructure, financial and physical, that is necessary for business expansion and manufacturing enterprises has been created, but the hon. Member would wish us to believe that if the private sector seems to feel, as it probably does feel, that manufacturing is not for it, that it must remain in distribution, this is attributable to Government's policy. This is not the case.

Part of the real problem, and the hon. Member knows it, is the fundamental and very basic opposition of a number of people, who call themselves the private sector, to the growth and establishment of the co-operative sector. This is a fundamental opposition and this is the reason why they seek to keep out of production even when the Government has gone to great lengths in creating the right climate and the right infrastructure for expansion in manufacturing enterprises.

And certainly, having done that, it is not to be expected that the Government will smile upon the private sector when it continues to show preference for marketing the products of the

factories of other countries, even in the Caribbean, rather than setting up those same enterprises in this country.

Having provided the infrastructure, the Government will want to see, and the Government has said that it wants to see, the private sector expand. But if the private sector does not want to expand through various forms of pressures, if it shows opposition to the co-operative sector, then certainly, it seems to me that the Government owes it to itself and owes it to the people to ensure that productive enterprises are set up in this country, whether they are owned by co-operatives or whether in given circumstances they have to be owned by the Government because in the final analysis, the people benefit, both in the co-operative organisation as well as in Government ownership.

Policies as pursued, have the people's interest paramount and, therefore, I think it is high time that the hon. Member recognizes the fact and understands that shouting cannot replace facts. The facts of Government's encouragement are there to be seen. They are financial, they are physical, and no amount of shouting can dull the fact of the existence of these various forms of incentives and encouragement.

We know, as I said before, that the Government has put as one of its fundamental policies the development of co-operatives. It is not entirely true to say that the co-operatives distribute their extra earnings to the members, the member have to pay taxation. It is only what is retained within the organisation that escapes taxation. That is also the fact in a private company. A private company pays a different and a lower level of taxation if it retains its profits, as distinct from if it distributes its profits in the form of dividends. It is obviously wrong to give the impression that in this particular regard the Government is treating co-operatives in a more favoured position than it is treating private companies. The profits of a private company, if distributed, are at a lower level than when they are not distributed.

We have said that the Government makes no apology that, in this period of infancy of the co-operative sector, it will give all its support and help to the co-operatives to ensure that they become, through growth and expansion, the dominant sector of the economy. It is time the private sector comes to grips with that situation and recognizes that even in that situation there is a part within the economy of Guyana for the private sector. That is the only explanation why the Government has gone to lengths in expanding infrastructure, keeping interest rates low, and so on. These facts ought to be borne in mind and remembered in future when the hon. Member is talking about the private sector and its obvious reluctance to get into the really competitive and producing sector of manufacturing as distinct from the easier and perhaps equally profitable, but not economically more advantageous, sector of distribution.

Question put, and agreed to.

Bill read a Second time.

Assembly in Committee.

Bill considered and approved.

Assembly resumed.

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

ADJOURNMENT

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

Adjourned accordingly at 4.40 p.m.
