

**THE  
PARLIAMENTARY DEBATES  
OFFICIAL REPORT**

**[VOLUME 7]**

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

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**55<sup>th</sup> Sitting**

**2 p.m.**

**Thursday, 27th December, 1974**

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**MEMBERS OF THE NATIONAL ASSEMBLY**

**Speaker**

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

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

**Prime Minister (1)**

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

**(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)**

**\*Non-elected Minister**

\*The Hon. H. Green,  
Minister of Co – operatives and National Mobilisation

\*The Hon. H. O. Jack,  
Minister of Energy and National Resources **(Absent)**

\*The Hon. F.E. Hope,  
Minister of Finance

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

\*The Hon. G. A. King,  
Minister of Trade and Consumer Protection

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

### **Ministers (5)**

The Hon. W.G. Carrington,  
Minister of Labour **(Absent)**

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

The Hon. B. Ramsaroop,  
Minister of Parliamentary Affairs  
and Leader of the House **(Absent – on leave)**

\*The Hon. Miss C.L. Baird,  
Minister of Education and Social Development

\*The Hon. O.M.R. Harper,  
Minister of Health **(Absent)**

### **Minister of State (10)**

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) **(Absent)**

### **\*Non-elected Ministers**

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

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

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

The Hon. K.B. Bancroft,  
Minister of State - Regional **(Absent)**  
(Mazaruni / Potaro)

\*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 **(Absent)**  
(East Demerara / West Coast Berbice)

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

### **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

Mr. E. L. Ambrose, **(Absent on leave)**  
Parliamentary Secretary,  
Ministry of Agriculture

### **\*Non-elected Ministers**

Mr. S. Prashad,  
Parliamentary Secretary, Ministry of  
Co – operative 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  
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  
Mr. J.G. Ramson  
Mrs. P. A. Rayman  
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

### **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.

27.12.74  
2.30 p.m.

National Assembly

2.30 – 2.40 p.m.

## **PRAYERS**

### **ANNOUNCEMENTS BY THE SPEAKER**

#### **Leave to Members**

**The Speaker:** Leave has been granted to the hon. Member Mr. Ramsaroop, the hon. Member Mr. Kasim and the hon. Member Mr. Ambrose for today's Sitting.

### **INTRODUCTION OF BILLS – FIRST READING**

The following Bills were introduced and read the first time:-

- (1) Property Tax (Amendment) Bill 1974 – Bill No. 44/1974.
- (11) Tax (Amendment) (No.3) Bill 1974 – Bill No. 45/1974.
- (111) Income Tax (Amendment) Bill 1974 – Bill No. 46/1974.

**[The Minister of Finance]**

## **PUBLIC BUSINESS**

### **MOTION**

#### **CONFIRMATION OF THE CONSUMPTION TAX AMENDMENT 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 (Amendment) order 1974 (No.142), which was made on the 31<sup>st</sup> of October,

1974 and published in the Gazette on the 9<sup>th</sup> of November, 1974.” [The Minister of Finance]

**The Minister of Finance** (Mr. Hope): Your Honour, I would like to move the Motion standing in my name which seek confirmation of the Consumption Tax Amendment (No. 142.)

This Motion is designed to correct a number of errors which occurred in the Consumption Tax Act passed earlier this year. That order was very extensive and in many respects, it was, item for item, similar to the Customs tariff in the process of printing that extensive order, a few errors have emerged which have been identified in the process of time and this order merely seeks to correct those specific errors.

*Question proposed.*

**Mr. M.F. Singh:** Sir, we have no objection to this Bill. It is pretty obvious that it is the Printers’ devil at work here in respect of these errors. We are perfectly happy to let the errors be corrected so that we can have a proper Schedule to the principal Order.

*Question put. and agreed to.*

*Motion carried.*

## CONFIRMATION OF THE CONSUMPTION TAX

### (AMENDMENT) (No.2) ORDER 1974 (No.151)

“Be it resolved that this National Assembly in terms of section 5 of the Consumption Tax Act , chapter 80:02, confirm the Consumption Tax (Amendment) (No. 2) order 1974 (No. 151) which was made on the 10<sup>th</sup> of December ,1974 and published in the Gazette on the 12<sup>th</sup> of December,1974. [The Minister of Finance]

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2.30 – 2.40 p.m.

**Mr. Hope:** Sir, I now ask to move the Motion seeking confirmation of the Tax Order (No.151). One of the manufacture of beverage propose – I think it has been done already- to manufacture a beverage which that manufacturer calls Consumption Malta. In order to enable the manufacturer of that particular beverage to take place and in order to put the manufacture in a position where he would not be at a disadvantage in competition with other CARIFTA territories, it was agreed that the basic ingredient of that particular beverage should enter the country free of duty.

As a compensation, it was also agreed that a corresponding consumption tax will be imposed on the Malta consumed locally. The purpose of this particular order , is to seek, therefore, confirmation of the Consumption Tax which has been imposed on the Malta at the rate of 32 cents.

2.40 p.m.

*Question proposed.*

**Mr. M.F. Singh:** The idea occurred to us that there might have been on error . I know Malta to be country. I think the Minister knew that Malts was a drink to be introduced shortly in Guyana. I had not heard of that before. Apparently the Minister of Information has information on this matter which I do not seem to have but I am very glad to hear it is a new product. I certainly have no objection to giving support to our own products. We are proud of our local expertise and local industry generally.

*Question put. and agreed to.*

*Motion carried.*

**COMFRIMATION OF THE CUSTOMS (EXEMPTION FROM DUTIES)**

**(NO. 2) ORDER 1974 (NO. 152)**



“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) (No.2) Order 1974 (No.152), which was made on the 10<sup>th</sup> of December,1974 , and published in the Gazette on the 12<sup>th</sup> of December,1974.” [The Minister of Finance]

**Mr. Hope:** I wish to move the Motion standing in my name, a Motion to amend the First Schedule of the Customs Act. seeking confirmation of the Customs (Exemption from Duties) (No.2) order 1974 (No.152). This Order is the other half of the presentation I made a moment ago and is intended to enable the ingredients to be used on in making Malta to be brought in free.

*Question proposed , put and agreed to.*

*Motion carried*

#### **CONFIRMATION OF THE CUSTOMS (EXEMPTION FROM DUTIES)**

##### **(No. 3) ORDER 1974 (No. 155)**

“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) (No.3) Order 1974 (No.155), which was made on the 10<sup>th</sup> of December,1974 , and published in the Gazette on the 14<sup>th</sup> of December,1974.” [The Minister of Finance]

**Mr. Hope:** I beg to move the Motion standing in my name seeking confirmation of the Customs (Exemption from Duties) (No.3) order 1974 (No.155). I think it was one or two years ago that the President, in presenting the speech from the Throne pointed out that the Government intends in the coming years to put substantial emphasis on sport – all kind of sport, athletics games of various kinds.

In honouring that policy statement, the Government has seen fit, as an expression of its policy to promote sports in this country, to enable sports gear to be brought into the country free of duty. Accordingly, this Order, confirmation of which is being sought, was made enabling sports gear on a wide range to enter the country free of duty.

Under this Order, the particular sports gear which will be entered free of duty would have to be certified by the Minister responsible for sport. Once the Minister certifies that a particular sports gear is of the kind to which this order should refer, that particular gear would enter the country free of duty.

We have also taken the opportunity to enable motor cars, motor cycles, and parts therefore, imported by motor – racing clubs approved by the Minister responsible for sport, to enter the country free of duty. It should be pointed out that this particular kind of import in the past enjoyed a very low concessionary rate of duty.

The purpose of this particular Order is to permit all sports gear, including motor cars and motor cycles, to be brought into the country free of duty. In all cases, the sports gear will have to be certified by the hon. Minister as well as by the racing club that is importing the sports gear. The racing club also has to be certified by the Minister. I therefore commend this Order to the House for its approval.

*Question proposed , put and agreed to.*

*Motion carried.*

## **BILLS – SECOND AND THIRD READINGS**

### **POST OFFICE SAVINGS BANK (DISSOLUTION) BILL**

**Mr. Hope:** Your Honour, in moving the Second Reading of the Post Office Saving Bank (Dissolution) Bill 1974, I should like to make a few remarks. First of all, the Post Office Savings Bank is an institution which is well known to all of us. It was established, so far as the records indicate, in 1889. The Saving Bank facilities were established through six post offices. Anna Regina , Buxton , Good Success, Fort Wellington, Leguan, and Mahaica. That institution as a savings institution enjoyed every success then. It was A BILL intituled:

“An Act to provide for the dissolution of the Post Office Savings Bank and for matter connected therewith.” [**The Minister of Finance**]

obviously a colonialist institution designed for the obviously good purpose of ensuring that there was a mechanism , albeit inadequate, for mobilising the people's savings or at least . providing a measure of safety for the savings of the people

It was inadequate because it stopped short at savings. It did not go forward and provide the mechanism for those same poor people who saved with the bank, to use that money through borrowing, to establish any kind of business or any kind of farming activity. It was in institution purely geared to saving. We are told that in 1900 there were a little more than 8,000 depositor with that bank and the amount of money saved by those people was just over \$22,000. In the 60 years that followed, the number of depositors grew: from just over 8,000 to some 36,000 in 1925; to some 60,000 in 1940 and nearly 100,000 in 1960. But what has been happening ever since the early 1960s was a clear decline in the number of depositors as well as in the amount of the deposits

In fact, at 1960 the records showed that the deposits in the Post Office Saving Bank amounted to just over \$21,000. By 1973, the deposits had fallen to just over \$11,000 million. The number of depositors has also substantially diminished. What really happen was that the inadequacy of the Post Office Saving Bank was becoming more and more apparent as people began to realised that banking should serve them a wider purpose than just a means of saving money, It was, therefore, not surprising that a number of depositor went over to commercial banks.

In addition to that, it was in the 1960s, substantially, that we saw a more rapid development of branch banking by the existing commercial banks. The Post Office Saving Bank, inadequate by commercial banks particularly when those commercial banks were offering branch banking in some rural districts. The situation was also worsened when the commercial banks began to pay rates of interest on saving accounts that were equivalent to that offered by the Post Office Saving Bank.

Most people who look at the Saving Bank, recognise that it has outlived its purpose and what we want is an indigenous bank that can provide all the facilities that a commercial banking institution can provide the poor people of this country. It was obviously in recognition of that

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**2.50 – 3.00 p.m.**

fact that the Guyana National Co-operative Bank established in 1970. The record of that indigenous bank was mentioned by me in presenting the Budget two weeks ago but I think the relevant point bears repetition. I pointed out then, that that bank, having been established in February of 1970, showed a total resource of \$9.2 million by the end of December, 1970, but by the end of June, 1974, just three and a half years later, the resources of that bank had grown from the \$9 million at the end of 1970 to \$70 million at June, 1974. This was a direct contrast to what was happening in the Post Office Savings Bank.

What, no doubt, was happening was that depositors, recognising that limited usefulness of the Post Office Saving Bank, were making fuller uses of the commercial banks. When the Guyana National Co-operative Bank came on the scene as a truly indigenous bank, the growth of resources in that bank came to reflect the preference of Guyanese for banking in commercial banks rather than the Post Office Savings Bank. It is for this reason that the Government thinks that the time has come when the Post Office Saving Bank should be wound up and its business taken over by co-op Bank.

The Bill before us seeks to do just that. In the process of the transition, the Post Office Saving Bank authorities did inform depositors, by letter, of the intended winding up of the Post Office Saving Bank and of the transfer of the Saving Accounts to the Guyana National Co-operative Bank. But apparently there has been some kind of misunderstanding of the terms of that letter. What the letter was, in fact, saying was that the Post Office Saving Bank was coming to an end soon and that the savings of the depositors of that Bank were being transferred to the Guyana National Co-operative Bank. Nowhere did that letter intend to imply that the bank was being closed and that persons should, therefore, seek to withdraw their funds because there was nowhere else to put the money. We have identified the only indigenous bank in this country as the institution to which savings of the depositors in the Post Office Saving Bank should be transferred

**3 p.m.**

I think where another misconception area was the indication which the letter gave that having transferred the money to the Guyana National Co-operative Bank, depositors were free, if

they so wished, to withdraw their money. That is the essence of banking, you put your money in a bank, you are free under the existing terms to withdraw your money. Transference of those funds to the Guyana National Co-operative Bank would in no way restrict the freedom of the individual to take his money if he wished and when he wished. Obviously we want to encourage Guyanese to save in an indigenous institution.

We also recognise the fact that many of the people at the moment who save with the Post Office Savings Bank are people at the moment who move with the Post Office Saving Bank are people who are not necessarily knowledgeable of the activities of a commercial bank, They know the Post Office Savings Bank. After all, it has been with us and with them for eighty – five years. They are accustomed to the bank, many of them are rural people and they are conservative in these matters, Therefore the Guyana National Co-operative Bank is something different in their view from the Post Office Savings Bank.

What I would wish to say, therefore, is that the Guyana National Co-operative Bank is different from the Post Office Saving Bank. It is different because it offers a wider range of service to depositors than the Post Office Saving Bank ever has done. The National Guyana Co-operative takes saving in small amounts in the same way as the Post Office Savings Bank. In addition to that the G.N.C.B. would offer and does offer loan facilities to these same individuals, facilities which would not have been available to the Post Office Savings Bank. We have sought not to remove the central attractiveness of the Post Office Savings Bank and thus its presence in practically every small rural community through the Post Office throughout the country. The Post Offices will continue to take deposits from people on behalf of the Guyana National CO-operative Bank. In fact we have gone further than that in the arrangements which we projected. Even passbooks will not be changed. So that the only difference in this changeover itself is that the banker will now be the Guyana Nation Co-operative Bank rather than the Post Office Administration. The will be improved because where an individual, even now, cannot on demand at the Post Office get more than \$75 withdrawn, when this transition come into effect that individual will be able to withdraw up to \$150 without reference to the Head Office.

This is what is proposed and we feel that we are taking a step in the right direction. We are changing from one indigenous bank which, because of the limited scope for its activities, has outgrown its usefulness and we are transferring depositors to another indigenous institution which has all the requirements of a full – fledged commercial bank. The rates of interest will remain as they are today, 3½ per cent on saving accounts which is payable in the Post Office Savings Bank. The same 3½ per cent will be available with the Guyana National Co-operative Bank. But for the benefit of the people who feel that for some particular reason the Post Office Saving Bank is a safer bank to bank with, let me say this, I am satisfied that the confidence they had with the Post Office Savings Bank we partly as a result of the eighty – five years of such operation, but substantially it was because it was a Government institution and, at least, people in this country, whether they would want to express it loudly or not have confidence that monies saved with the Government are safe and can be had on demand at maturity.

The Guyana National Co-operative Bank – and let me make this clear – is also substantially a public sector institution, is largely a Government institution even through admittedly , it represents a partnership between the Government, co-operative and trade unions,

The terms of the Ordinance from which the Co-op Bank gets its power and its obligations require that the Government stand fully behind the Co-operative Bank. In fact, the law states that losses of that bank – fortunately the Bank has made no losses – are charge on the Consolidated fund of Guyana. Therefore, in terms of safety, in terms of confidence, those who have confidence in the Post Office Saving Bank have no reason to have any less confidence in the Guyana National Co-operative Bank. The money in the Guyana National Co-operative Bank is as safe as money in the Post Office Saving Bank.

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

What is more, those who deposit monies can be assured that the money is used in this country to develop the resources of this country. After all, the Post Office Savings Bank Law once required all the assets of the Bank to be put in foreign securities. It was this Government, which, over a period of five or six years, has progressively reduced that percentage until today, I

think the position is that 100 per cent of the assets of the Post Office Savings Bank has to be invested in Guyana.

What we can be sure of is that the money in the Guyana National Co-operative Bank is, in fact, invested in Guyana for the use and for the development of the same people who deposit that money. We think that we have taken, in this regard, a step in the right direction, We have brought on opportunity to people who deposit in the Post Office Savings Bank to deposit and to be depositors of a growing commercial bank, owned and controlled by Guyanese. After all, I think it is no secret at all that Guyanese are expected to put their savings, not in foreign institutions operating in Guyana, but in the indigenous banking institutions owned by the people of this country.

I think, therefore, that the depositors who have found that their accounts are now with the Co-op Bank will find in the process of time that having been introduced to Co-op Bank it will be to their advantage. We have taken a step to remove a colonial institution that was inadequate in terms of our need of today and we have placed at the people's disposal, a bank that they can find useful, reliable and helpful.

With these words I would like to move the Second Reading of the Bill.

*Question proposed.*

**Mrs. DaSilva:** Mr. Speaker, this Bill before us now, intitled "An Act to provide for the dissolution of the Post Office Savings Bank and the matters connected therewith" meets with our approval. I found most interesting and I appreciated the introductory remarks given by the hon. Minister of Finance relating to the commencement of the Post Office Savings Bank.

I am always interested, and I think we all ought to be, in hearing about something that we have inherited. It forms part of our heritage whether it is a good thing or not. The Post Office Savings Bank gave all of us an opportunity to learn how to save our cents and pennies. I am sure, almost everybody here, started that way.

Now, the time has come that in this present day and age, the needs of people are more specific. It is quite true that the facilities offered by the Savings Bank could not come up to the facilities. So, the time has come for this changes to be made.

I am glad that the Minister referred to a letter because there have been many people who misunderstood what was happening and felt that it was a curtailment of their freedom of choice. I have heard people say: “We are having our freedom of choice out down. We are having very little freedom of choice now. We are being forced to bank with the Guyana National Co-operative Bank.” I am sure that the Minister’s explanation will meet with approval and be fully reported in the press and will give people the reassurance that they need because people want to feel as safe and secure as they did in the Post Office Savings Bank.

There are one or two question that I would like to ask the hon. Minister, for a little clarification on a few points. The Minister has said that in the rural areas, where there is no Guyana National Co- operative Bank Branch, the Savings Bank accounts will be operated by the Post Office: banking will be done there; the passbooks will still be Savings Bank passbooks. Will these Post Office people be in a position to offer the same banking facilities offered to depositors in Georgetown or in an area where there is a Branch of Guyana National Co- operative Bank?

The other question I would like to ask is: In an area like Georgetown where the Post Office would not be required to operate those accounts now, what would happen to the existing staff of the Post Office Accounts Department? Where will they go? Will they be assimilated and co-opted into the existing Guyana National Co- operative Bank benches? How would this operate? Another thing too, if these people from Post Office, for example, are transferred or assimilated into the existing branches of Guyana National Co- operative Bank, they will just have experience in dealing with depositors of Savings Banks accounts. We know the facilities offered by the Guyana National Co- operative Bank are saved so how will these people fit in? At what rates of pay will they go in? Will their salary scale be lower? They do not have the experience of the tellers of Guyana National Co- operative Bank and that may cause discontent amongst the staff who may feel that you are bringing in people who are not as experienced as they. Could the Minister tell us how this aspect of it will be handled?



I am surely very pleased to hear from the hon. Minister, and I think it is a very good point, that all the facilities offered by the Guyana National Co-operative Bank branches will be available to the new depositors who have gone across, as it were, from the Post Office: they will be able to avail themselves of all these facilities,

**3.20 p.m.**

I think re – assuring people, getting people to understand, will certainly help this scheme to go smoothly. We wish it every success.

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

**Mr. Hope** (replying): With respect to the point raised by the Hon. Member relating to staff, even now, before the takeover of the deposits, the Post Office does some amount of work on behalf of the Guyana National Co-op Bank. I would expect that in many areas, particularly in the rural post offices, the members of the staff who operate the Post Offices Savings Bank are no different from the staff who do the ordinary work in the post offices and I do not envisage that there will be any significant amount of surplus staff arising out of this transfer,

In any case, it has already been pointed out that the Post Office is due for some very substantial re- organisation and we are satisfied that no one will lose his job either in the re – organisation of the Post Offices Savings Bank or in the re- organisation of the Post Offices itself. People will be relocated into other job.

I do not think the question of the difference in rates of pay will arise because of any decision by the Guyana National Co-operative Bank to utilise its staff in the Post Office. Rather, I would envisage the Co-op Bank paying the Post Office an agency fee, it is doing right now, and not placing its own staff there.

With respect to facilities for borrowing, I do not envisage at this stage that the depositors will be able to barrow at post offices. Obviously, that sort of transaction takes on organisation of a different kind from the one relating to deposits and withdrawals which we would have in the areas. In any case. I suspect that persons desirous of borrowing will have to go to a G.N.C.B.

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3.20 – 3.30 p.m.

Branch. I think following these developments, one can reasonably expect, with the further expansion of the banking facilities of the G.N.C.B. in the many areas which are now covered by the Bank, that through them loan facilities will become available.

*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:** Will hon. Members please make a correction to subsection (4) of clause 2. Delete the letter “s” in the word “Banks” in the fourth line.

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

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

### **VALUATION FOR RATING PURPOSES (AMENDMENT) BILL**

A BILL intituled:

“An Act to amend the Valuation for Rating Purposes Act. [**The Minister of Co-operatives and National Mobilisation**]

**The Minister of Co-operatives and National Mobilisation** (Mr. Green): Your Honour, I beg to move the Second Reading of the Valuation for Rating Purposes Bill, No. 39 of 1974.

Your Honour, this is a fairly simple and, I hope, non-controversial Amendment. The local authority in terms of the Guyana situation is an essential part of the process of democracy and one principle which we need to adhere to is that we do not have legal provisions within our system which will prevent the local authority from functioning effectively or efficiently. One provision which can contribute towards efficiency is a system in local government which will

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3.20 – 3.30 p.m.

permit the appraisalment and rating to proceed space, however legion the encumbrances might be and some of which we seek to remove by this modification.

In fact, this Bill seeks to enable the local authorities to post up copies of an appraisalment, before , simultaneously with, or after the notice of completion of the appraisalment has been published in the Official Gazette. While ensuring that the findings of these appraisalment are available to the local authority, it does not preclude the proprietors from having access to the appraisalments before the commencements of the period prescribed for bringing appeals against their appraisalment. In other words, once the appraisalment is complete, the new system will permit the proprietors or persons living in the particular local authority to have access immediately to this list of appraisalments.

**3.30 p.m.**

The Bill also seeks to validate any pervious appraisalment in so far as publication in the Gazette of the notices of the completed appraisalment were posted up subject to the right appeal which is within 21 days after the coming into operation of the Act. The idea, as I said earlier, is that the Local Authorities cannot be stymied. With the new development thrust without concept of socialism, we cannot have powder of a country too narrowly centred. It is therefore important that the Local Authorities do things that will permit them to function effectively and in these days when money is still an important criterion, or element, the local Authorities ought to remain in position where they can collect the rates that are available to them, thus permitting them to execute the work in the manner that they should deem fit. As I said, this is a fairly simple amendment and I hope that it will have a swift, easy and pleasant passage.

*Question Proposed.*

**Mr. Singh:** For years now Local Authorities were expected to really get on with the job so that we can have the introduction of Marshall plan working smoothly, so that we can have a better system in respect of Local Authorities. One reason or another seems to be given at different times for these Authorities as excuses why they have not been able to get on with the

job. But I suspect that one of the main reasons is that there has been too much politics instead of getting the right people to do the job.

Frustration has set in particularly in respect of those Local Authorities where the P.N.C. enjoys a domination by virtue of their various manipulations. I agree that this Bill is necessary. It is necessary because there are many mistake that need to be corrected mistakes which were made because it was done contrary to the existing provisions of the law. One solution is that, at least, the taxpayers are given 21 days within which to appeal if they are affected as a result of any of the previous provisions which were broken and which are now being changed to fit the situation, to correct what was done wrong in the past, that these Local Authorities and Officers would really get down to the job of acting within the provisions of the law and bringing about improvement which are needed in so many institutions,

*Question put and agreed to.*

*Bill read a second time.*

*Assembly in committee.*

*Clause 1*

**Mr. M.F. Singh:** An I' should be inserted in 'appraisement' in clause 2(2). I like to see things done tidily.

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

*Clause 2*

**Mr. M.F. Singh:** I just noticed in Clause 3 the proviso which states "provided that in relation to any such appraisement subsection (2) (a) of section 101of the Local Government ordinance..." and there is an opening of a bracket. I do not see the closing anywhere.

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

*Clause 3 agreed to and ordered to stand part of the Bill.*

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National Assembly

3.30 – 3.40 p.m.

*Assembly resumed.*

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

### **MOTOR VEHICLES AND ROAD TRAFFIC (AMENDMENT) BILL 1974**

A Bill intituled:

“An Act to amend the rent control (special provisions) Act 1974.” [**The Minister of Finance**]

**Mr. Hope:** I beg to move the second reading of the Motor Vehicles and Road Traffic (Amendment) Bill 1974. The background to this Bill is quite simple. There are some people who are entitled to purchase motor vehicles, mainly motor cars, duty free. The Customs law places the obligation on those persons. should they sell or otherwise dispose of the vehicle to persons who are not entitled to this concession, before the expiry of five years- in the case of diplomats it is three years- then a portion of the duty would become payable. Since then, we have done a number of things to the customs law. We reduced the duty on motor cars and imposed a corresponding level of Consumption Taxes. In the cast of motor cars it is really a purchase tax under the Motor Vehicles and Road Traffic Act. What this Act is seeking to do is apply the same condition to the purchase tax as is applicable to the customs Duty, where the person disposes of the vehicle before the specified prised.

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3.40 - 3.50 p.m.

(Mr. Hope continued)

This is the purpose of this a Bill and I commend its passage.

*Bill read a second time.*

*Assembly in committee.*

*Bill considered and approved.*

*Assembly resumed.*

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

**The Speaker:** Hon. Minister of Works and Housing.

**RENT CONTROL (SPECIAL PROVISIONS (AMENDMENT) BILL 1974**

“A Bill intituled:

An Act to amend the Rent Control (special Provisions) Act 1974.” [The

**Minister of works and Housing]**

**The Minister of Works and Housing** (Mr. Naraine): Your honour, I beg to move that the Bill be read a Second time. This bill seeks to have in continuance the Rent control (special Provisions) Act, 1974. In that Act section 4 provided that the Act should expire on 31<sup>st</sup> December, 1974. This Amendment will allow the provisions of the Act to continue until 31<sup>st</sup> December, 1975, or such earlier date as the Minister may deem necessary.

When the Rent control (Special Provisions) Act, 1974, was debated in this House on 29th January a number of arguments made on that Bill were propounded and those arguments are as valid today as they were at that time. But in looking at the question of the extension of the period during which provisions of that Act would be enforced one has to look at this measure in the light of a series of economic measure which had been introduced by the Government and still additional reforms to be introduced to effect necessary changes, changes for the better in the life of our people. The world economic crisis is not over and Guyana must do everything possible

not to create internal inflation. For this reason, Government had introduced measure to keep the cost of living down. The hon. Prime minister has asked the nation to make sacrifices in order that the people of the country can withstand the inflation being imported into the country. It has become necessary to make minimal adjustments whenever they are required. This measure of a rent freeze is necessary while an in-depth study of certain areas of the economy is being undertaken. Therefore, Government has brought to this House this Bill.

It is not the opinion of the Government that undue hardship will be created for the landlords by extension that undue hardship will be created for the landlords by the extension of the period of the Rent Control (Special Provisions) Act, 1974. The Government accepts that prices have increased in many areas. The Government accepts that prices have increased in many areas. The Government has been giving relief in many ways and everyone, including landlords, has been benefiting from this. Subsidies have been given on basic foodstuffs such as rice, cooking oil and flour. Free exercise books have been given to school children and free education will be extended to many more. The increase in tax allowance can be a substantial saving to landlords who in most cases qualify for higher levels of taxation. Price control has been introduced on several building materials and these are to be extended to locally produced materials, for example, stone. The Government has decided not to increase drainage and irrigation rates in areas and to further subsidise these rates. Although the cost of fuel, machinery and spare parts has risen substantially, better services are provided in all these areas. Even electricity will be subsidised to the tune of \$3.5 million during 1975, so that the cost may neither increase further to the consumer nor be reflected in the cost of goods and services dependent on power.

All this illustrates that the Government has brought relief to all in many forms and has shown sympathy for the tenants when it required landlords not to increase rental on land and houses after 31<sup>st</sup> December, 1974.

[Mr. Naraine continued]

It is by this spirit of “give and take” that this country will save towards its socialist ideals.

**3.50 p.m.**

The re – appraisalment of properties has been based on rents presently collected as one of the criteria. In the heavily rental or tenant areas ,like Albouystown and Charlestown, increase in assessed values have been nominal, For example, in one case, the assessed value moved from \$1,000 to \$1,400.

Rates and taxes dropped from 36.5 per cent in 1974 and will be 21.5 per cent in 1975. In such cases, there will be a reduction of taxes and rates. It is not the case that, in every instance, taxes and rates will increase in terms of annual payment. In higher rental areas there may be increases, and I understand that in some cases there are substantial increase, nut these are in areas where properties have been under – valued in the past and where , in any case, the rentals have been relatively high and rates low and out of proportion to the rates and taxes levied in tenant areas.

It seems, therefore, that the new assessment will give relief in certain areas and, in others, make upward adjustments in keeping with the real values of property in terms of capital value and rental value and thus in terms of the landlord’s ability to pay out of what he gets from the society. This Government feels that such adjustments are necessary, desirable and fair in a socialist society. Government has embarked on a socialist approach to development and in order to expedite this process, it has taken steps to have studies undertaken in a number of matters affecting land and housing, both in the urban and rural areas.

A committee is presently working on land reform and it is hoped that this committee will submit a report very shortly. Other committees to be set up includes a drainage and irrigation committee and an urban development committee. The urban development committee will look into question of general organisation, minimum facilities to be provided in rental houses, unbeneficial use of land, dilapidated and condemned houses, landlord – tenant relationship and rent control,



It is not only important to keep land to a fair and reasonable level, but equally important to make sure that with whatever system exists for the housing of the nation, the people must be housed adequately in decent and healthy conditions. Ideally, this Government would like to see each family owning its roof over its head but it is realised that it may be many years before this can be accomplished. However, it is of paramount importance to see that everyone is adequately housed in clean and healthy surroundings and I wish to ask landlord to ponder on this and, if they wish, join the Government in meeting its objective of housing the nation by 1976.

Rent control will always be with us as long as this Government is in office. Rent freeze is a temporary but necessary measure. Its release and the manner in which it will be done will depend on the outcome of the various stages mentioned earlier. These measures are necessary if we are to have a more progressive, just and egalitarian society.

It is hoped that the wisdom of these measures will be seen by all; that we will get the necessary co-operations during this trying period of our existence, so that we – all the people – will emerge in strength and unity, a better nation with each one of us proud to say: “I have done my bit to make it so.”

Mr. Speaker, I recommend this Bill for the full support of this House.

*Question proposed*

**Mr. M.F. Singh:** Mr. Speaker, last year, we objected vigorously to the introduction of this discriminatory and iniquitous type of legislation. This year, again, we will object to the perpetuation of this discriminatory type of legislation. We object to the iniquity of it all. Why pick on landlords? Who are landlords? Are they some special kind of blood – suckers? How can they possibly be, when all rents are controlled? [**Mr. Naraine:** “They are exploiters”]

How can they be exploiters? Who are allowing them to be exploiters? We have Courts which now fix rentals, If there is that kind of irresponsible remark that landlords are exploiters, who are making them exploiters? Is the hon. Minister saying the Courts is allowing them to be exploiters when, in truth and in fact, rent control will always be with us? If rent control is always

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**National Assembly**

**4 - 4.10 p.m.**

with us, how can these people be exploiters? Why should we pick on them? Why are we penalising them?

There are many small people who are landlords. Guyanese have a tendency to try and save and buy property. Guyanese believe in owning something. The hon. Minister himself said that the aim of the Government is that every family should be the owner of the roof under which it lives, which is an acceptance of the principal that it is good thing for people to own property. The Government is trying but it admits that it has not been able to do enough: it will not be able to do enough in order to allow family to own its own home.

What are these landlords doing? Are they not providing a very useful, a very necessary service? Are we penalising them for being the kind of men who have save their money, who, I am sure, in some cases, must have had to tighten their belts, must have had to make sacrifices in order to acquire the property which they passed on to their children and their children's children? Some of them are renting to their own children. When they die, the property will pass on to those same children.

They are not some special breeds who are big capitalists – capitalism is such a dirty word for P.N.C. A lot of them are the P.N.C.'s own supporters. Their own people have come and complained about what the P.N.C. Government is doing in respect of these small landlords. Why pick on landlords alone?

The hon. Minister has outlined benefits but these benefits are enjoyed by everybody, by private owners also, by all of us. We enjoy the benefits of the tax relief, the case in personal allowances; we enjoy any benefit that there may be in respect of rates and taxes.

[Mr. Singh contd.]

4 p.m.

In respect of drainage and irrigation rates. Why then should the landlord be made to subsidise the tenant when, in fact – and I repeat this – his rent is controlled? Why do we have to call on the landlord to make the sacrifice? What is the position he has to face?

The energy crisis is affecting the landlord too. The landlord has to pay higher costs for materials, higher rates to artisans, such as carpenters, who repair his property. he has to meet the general rise in costs. He is doing a public service in providing the house. Is it not fair for the landlord to be permitted to recover these valid higher cost from the tenant who invariably will receive an increase in salary, who invariably will enjoy the benefits which the hon. Minister listed? He can use his union and secure a wage increase.

What is being given to landlord? We are asking him to subsidise the wages earner who will be receiving an increase in salary. Is this fair? Is a premium being put on anybody who has a property which he is renting? Is it a general trend against private ownership of property? Is that what the Government is saying? On the other hand, the Government is saying everybody must own his own property. Who will not invest their money in the improvement of properties that need repairs?

The Minister talked about the Government's objective for all the people to be adequately housed. I agreed. If there are repairs to be done in respect of people's premises, who in these days and in the light of this kind of legislation will do improvement to his premises? For what? They cannot recover the cost of improvement. How can we therefore appeal to landlords to make houses adequate? They will do the barest minimum – if they can construct a concrete bath and out in greenheart flooring. Is that the king of standard? If the tenant is prepared to pay a little extra to have better amenities, he should be given the opportunity to have the benefit of better quarters.

The back – benchers, who talk only on Church Bills, laugh. It is a joke. The Governments is not doing a quarter of what it should do. These landlords are the people who are providing the

houses for the individuals. What are we going to do to them? Will the back benchers build any more houses if they get the money? They will get the money and put in a fixed deposit in the; they will get a return for it. They will not get a return as a result of any building which they will do, because the Government is discouraging them from building houses.

What is even more disgusting is a claim that the landlords are making – if it is true and I cannot say whether it is true. Mr. Brotherson, Chairman of the property Owners' Association, spoke to me. He said he chaired a meeting at the Town Hall where the hon. Minister had given the assurance that this measure was only in respect of 1974 and would not be extended at all. Mr. Brotherson said that as chairman of the meeting he understood the Minister to say that it was a crisis measure, a temporary measure for 1974 alone, and was not to be extended further than 1974.

If this statement by Mr. Brotherson is true, and he assures me that it is true, it shows a breach of faith on the part of the Government, when it allows one of its Ministers to make such a statement and then allows another of its Ministers to come here to say something else that is contrary to the assurance given. How can we expect John Public to have any faith in the Government, when pronouncements by agents of the Government, as alleged to have been made, are broken with impunity? I say "alleged" because I want the Minister to say whether that claim is true. It is a serious state of affairs and something should be done to clarify the situation. I am glad that the Minister touched on rates and taxes have not been increased. I know of several cases where, even though rates and taxes have not gone up, the valuation by way of rental on properties have been increased by as much as 400 per cent. I have been told by a significant number of people that the valuations in more than 80 per cent of the cases have gone up very significantly. The cases where they might not have gone up are very rare indeed. It means that the landlord will have to pay more. Where does he recoup from? He has a controlled rental. Now where at all. He is stuck with this state of affairs and the Government says it is doing everything to encourage private investment. The facts are here. With this kind of legislation, the Government is definitely discriminating against people who invest their money in this country to provide a necessary service such as housing.

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**4 - 4.10 p.m.**

I know that the members of the Government intend to go ahead and pass this proposed legislation, but there is still a way out for them to take some of the shame out of their faces. I am glad that they put in the words, "or such earlier date as the Minister may, by order, appoint." The proposal now is that the rents will remain constant at the same 1974 figures, up to the end of 1975, but there can be some earlier date for putting an end to this by an order of the Minister. I appeal to the hon. Minister to take advantage of that clause and put an end to this discriminatory and iniquitous piece of legislation.

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4.10 - 4.20 p.m.

4.10 p.m.

**Mr. Naraine** (replying): Mr. Speaker, this legislation was not intended to be discriminatory to anyone. I tried to explain to the House that there are certain sacrifices necessary all around. I tried to point out that in areas where there are heavy tenanted premises like Albouystown and Charlestown, rates and taxes are likely to be reduced. I tried to point out that in areas where there are high rentals and prestige houses, the rates are likely to go up because the assessed annual value has gone up. I would like to point out to the hon. Leader of the Opposition that gone are the days of Percy Wight, C.V. Wight and Gonsalves, when people, over a drink of whisky at an bar or a club, could get their properties arbitrarily assessed at very low values.

This has been the first attempt made to make the necessary adjustment whereby fair play can now be introduced. The Bill provides for the Minister to cut short the period from the end of 1975, as mentioned in this House, and it has been reported in the Press in reply to Mr. Brotherson that I will due consideration to all the points they have raised. [**Mr. M.F. Singh:** "They do not want to meet you."] Neither do I want to meet them because they have made full representation to me during this year and I am glad to hear that they realise that any further meetings with me would be quite useless and unnecessary. I hope that they understand this.

The hon. Member can tell them that I am not Percy Wight or C.V. Wight, Therefore, comrades, they would say I fooled them but if I fooled them I fooled them in the interest of the poor tenants, the people who need help in this country. I am somewhat alarmed that the Leader of the Opposition should use this opportunity to chastise this Government and a Minister of this Government for not standing to his word without even having a private chat with me to find out whether what Brotherson said is right or wrong. Mr. Speaker, I would not like to reply to such remarks.

The intention which I expressed to the landlords at the time is expressed in this Bill, whereby we will examine the situation. A lot of things have happened. There has been a complete re-assessment of value of properties and therefore, we would have to look at the total picture and then decide what we will do in the interest of all the people of this country. They say they believe in this Government's policy of letting each man own the roof over his head. Why

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4.10 - 4.20 p.m.

don't they use the incentive given by Government for building houses, invest their money and let people own their houses. There is existing provision in the law for this. But they do not want this. They want to eat the cake and have it too. This is what they are doing.

We have to study the situation. There is no question of penalising anyone but I would invite the hon. leader of the Opposition to sit with me one day and I would let him know when I am going to meet the public. On the afternoon of January 8, he is invited to be in my office and to listen to the sufferings and hardships which tenants have to put up with at the hands of landlords, where people with children are not allowed to rent houses; where twenty people living in one yard have to share one toilet and one bath. This is not fit for human habitation. We have to remove these people from our society when we talk about landlords' treatment to tenants.

Mr. Speaker, I was very confident in presenting the merits of this Bill but I am afraid that the Leader of the Opposition aroused my anger when he took up a stand that is capitalist and which has no place in our modern society. If he really believed in the people of this country and if he really believes in what he says, that he and his Party are interested in the people of this country, and if he really believes that each man should really own the roof over his head, then he should assist this Government to make sure that this objective is reached in the least possible time and I would like to suggest that it cannot be reached with landlords and tenants.

*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.*

27.12.74  
4.20p.m.

National Assembly

4.20 - 4.30 p.m.

**GUYANA MISSIONARY BAPTIST CHURCH (INCORPORATION)**

**BILL 1974**

A Bill intituled:

“An Act to incorporate the Guyana Missionary Baptist Church and for purposes connected there wish.” [Mr. Aaron]

**Mr. Aaron:** Mr. Speaker, this Bill is a very simple Bill. On 9<sup>th</sup> January this year I presented to this honourable House a Petition from the Directors of the Guyana Missionary Baptist Church seeking to have introduced in the Assembly a Private Bill to incorporate the church in Guyana. The Assembly granted permission for the promoters to proceed and the Bill was published in the Gazette and in the Daily Chronicle newspaper of 23<sup>rd</sup> and 30<sup>th</sup> November and 7<sup>th</sup> December, 1974 and was introduced in the Assembly on 12<sup>th</sup> December, 1974.

The Guyana Missionary Baptist Church was established in Guyana twenty years ago and it has two places of worship and a membership of over 600 persons. The Bill merely seeks to incorporate certain persons as the Board of Trustees of the Guyana Missionary Baptist Church and to provide for matters connected therewith.

As a simple and straight forward measure, I move the second reading of the Guyana Missionary Baptist Church Bill and commend it to the Assembly.

*Miss Gill seconded.*

*Bill read a second time.*

*Assembly in committee.*

*Bill considered and approved.*

*Assembly resumed.*

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



**SUSPENSION of STANDING ORDER No. 46 (2) AND (3)**

**The Minister of Economic Development** (Mr. Hoyte): Your Honour, I respectfully seek your leave under Standing Order 80 of the Standing Orders for permission to move the suspension of paragraphs (2) and (3) of standing Order No. 46.

**The Speaker:** Permission is granted.

**Mr. Hoyte:** Your Honour the hon. Minister of Finance presented today the following Bills to Parliament:

- (i) Property Tax (Amendment) Bill
- (ii) Tax (Amendment) (No. 3) Bill
- (iii) Income Tax (Amendment) Bill.

These Bills all seek to make certain adjustments in our income tax legislation and are of a fairly urgent nature. The Property Tax (Amendment) Bill and the Income Tax (Amendment) Bill are both non – controversial in the sense that they do not seek to impose additional taxation generally but on the contrary, to grant relief to the taxpayer.

The Tax (Amendment) Bill, 1974 does seek to impose additional taxation. But all have common feature, their general provisions have been debated at length in this honourable House and Members are fully aware of their intent and purport.

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4.30 – 4.40 p.m.

[Mr. Hoyte continued]

4.30 p.m.

I have consulted with the hon. Leader of the Opposition and he has agreed that in all the circumstances, it would be convenient to have these Bills taken through all their stages today. It is in circumstances, it would be convenient to have these Bills taken through all their stages today. It is in these circumstances that I move that paragraphs (2) and (3) of Standing Order 46 be suspended to enable the three Bills aforementioned to be proceeded with through all their stages today.

*Question proposed.*

**Mr. M.F. Singh:** Sir, under the circumstances, we agree.

*Question put, and agreed to.*

*Motion carried.*

## **BILLS – SECOND READING**

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

A Bill intituled:

“An Act to amend the Property Tax Act.” [The Minister of Finance]

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

Your Honour, I beg to move the Second Reading of the Property Tax (Amendment) Bill, 1974. Hon. Members will recall that during the debate which followed the pains to remind the House that in the proposals which we had for the 1975 Budget. there was one property tax amendment approved last year had not been brought to the House. The Bill before us seeks to do just that.

In effect though, hon. Member will recall, that in 1970, the Property Tax Act was amended. The amendment referred to the definition of net property. Under the original legislation, among other things, debts were allowed to be deducted from assets to arrive at the net property. In the amendment of 1970, the law imposed a limitation on those debts limiting the debts which could so be taken into account in the definition of net property to 20 per cent of the assets of the individual or Company.

What this Amendment seeks to do is to remove that limitation so that what we then have is a definition of net property as was conceived in the original legislation. In the process, too, we had taken the opportunity to make certain matters clear which were not clear in the existing Acts; that is, deposits.

Deposits held by commercial banks are not to count as part of this assets. They are deductible in arriving at net property. Similarly, the long – term insurance fund which was established by the 1970 Insurance Act is now regarded as a debt. In other words, it is deducted from the assets of the company in arriving at net property.

We have also taken the opportunity, in conformity with what was projected in the Budget Speech for 1974, to change the level of tax on the property of companies and this affects all companies. Whereas the net property was taxable at a rate of  $\frac{1}{2}$  of 1 per cent flat, now it is to be  $\frac{1}{2}$  per cent on the first  $\$ \frac{1}{2}$  million. That sir, is the basis of the Bill before us and I therefore move the Second Reading of the Bill.

*Question proposed.*

**Mr. M.F. Singh:** Mr. Speaker, we are very happy that at long last this legislation has been brought before the honourable House. We certainly welcome the proposed legislation. It is, I am sure, a recognition of the various complaints and representations that were made to the Government after it passed the 1970 Amendment which, as has surely been realised by the Government, was most unfair. It caused Companies, Corporations and individuals to pay tax on property that they did not, in fact, own. The limitations did have this effect in quite a few cases

so that we commend the Government that it has acted on the representation that has been made to it.

It is a pity that the legislation was not passed before. I want to say, here and now, as I have said so often before, that I do recognise the very sterling work they are doing. Perhaps the people who decide on priorities should let some of the unnecessary bits of legislation coming before the House be given lower priority and legislation such as this, whereby an allowance could be collected and taxpayers could, have a fair deal, could be given priority in future. But, we are thankful for the fact that it has come before this honourable House.

One small point though, the allowance was inadequate as compared with what was anticipated by taxpayers. I will not bother to read from the 1974 Budget Speech read on the 10<sup>th</sup> December, 1973, but it did state on page 40 that the limitations of debts will be removed and that companies will, however, pay property tax on the given scale. It went on to state that the expected yield is \$ 0.2 million.

This was interpreted by some of the accountants and experts to mean that the Government was, in fact, going to give this concession to make this correction in respect of year of income 1973, year of assessment 1974. They argued that if the yield for 1974 would be \$0.2 million then since any yield for 1974 would necessarily be referable on year of income 1973 because property tax is paid the following year on the previous year's property holdings, any properties collected during 1974 would be on property held in 1973. Therefore, they argued that a yield of \$0.2 million would be referable to 1973 properties.

It means that they are claiming that where the Bill states:

“ . . . and shall come into operation with respect to and from the year of assessment commencing 1<sup>st</sup> January, 1975.”

They expected that it would have been 1<sup>st</sup> January, 1974, because 1<sup>st</sup> January, 1974 would be in respect of property held during 1973 which would have been the one yielding the \$0.2 million

[Mr. Singh contd.]

property tax. Therefore, the argument is that there should be a change from the "1<sup>st</sup> January, 1975" to "1<sup>st</sup> January.

I wonder whether the hon. Minister would agree to comment on that because, as I said, this is what was accepted by the people who read the Budget speech.

**4.40 p.m.**

One other point is in respect of the amount which shareholders and companies would now be able to claim. I was looking at it here, my attention being adverted to it. It seems as though, from what I had told, under section 13 of Chapter 81:21, the individual shareholders and companies are entitled to claim a set-off, and they were allowed by section 13 to claim a set-off of  $\frac{1}{2}$  per cent. The property tax up to now is  $\frac{1}{2}$  per cent. They were entitled under section 13 to claim up to  $\frac{1}{2}$  per cent on value up to \$  $\frac{1}{2}$  million, and above that  $\frac{3}{4}$  per cent. Should the individual shareholders and companies, when they make their individual declarations about their shareholdings in companies – for example, someone may have \$10,000 in shares in Banks Breweries Ltd., when he makes his personal property tax declaration, does he have to declare that?

The company would be paying a property tax on that, and a company obviously would be paying in the higher bracket –  $\frac{3}{4}$  per cent. Now that we have two scales, what is the position? Would the individual shareholder be able to claim more than  $\frac{1}{2}$  per cent since the company is paying at a higher rate? It seems equitable that the shareholders would be entitled to claim up to  $\frac{3}{4}$  per cent.

If one were to look at it, it would be to say  $\frac{1}{2}$  per cent is .5, and  $\frac{3}{4}$  per cent is .75. If the two were added, the sum would be 1.25. Take the mean, and half of that would be .625, so perhaps there should be some sort of consequential change whereby the individual shareholder would be able to claim something perhaps in the nature of .625 per cent rather than his having to stay at the  $\frac{1}{2}$  per cent as at the present time.

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4.40-4.50 p.m.

Perhaps the time was too short for me. I am no expert in this field. I am not sure what the maximum would be, but I would like to advert the attention of the Minister, and I wonder whether there can be something in respect of allowing the individual shareholder to claim in the vicinity of what the company would be playing. I wonder whether this can be given some thought. The government has experts in all different fields and I would not dare to think that I could compete with the twenty-four ministers in this Government. The line-up is too formidable.

I do not want to prolong this but we want the experts to look at this and/see what can be done. Apart from that, we heartily support the provisions of this Bill.

**The Speaker:** Hon. Members, I wish to draw your attention to certain Amendment proposed by the hon. Minister of Finance in order to clarify the position as it appears in the Bill. Clause 1 will now be divided into three parts and will read thus:

Subsection (1): "This Act, which amends the Property Tax Act, may be cited as the Property Tax (Amendment) Act 1974."

Subsection (2): "Section 2 shall be deemed to have come into operation with respect to .... . and from the year of assessment commencing on 1<sup>st</sup> January, 1970."

Subsection(3): "Section 3 shall come into operation with respect to and from the year of assessment commencing on 1<sup>st</sup> January, 1975."

*Question put , and agreed to.*

*Bill read a Second time.*

*Assembly in Committee.*

*Clause 1*

**Mr. Hope :** Mr. Chairman, I beg to move the Amendment standing in my name.

*Amendment put, and agreed to.*

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

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4.40 - 4.50 p.m.

[Mr. Singh contd.]

*Clauses 2 and 3 agreed to and ordered to stand part of the Bill.*

*Bill reported with an Amendment: as amended, considered: read the Third time and passed.*

4.50 p.m.

**TAX (AMENDMENT) (NO.3) BILL 1974**

A Bill intituled:

“An Act to amend the Tax Act.” [The Minister of Finance]

**Mr. Hope:** Your Honour, I beg to move the second reading of the tax (amendment) bill 1974. The simple purpose of this Bill is to bring into effect what was projected in the Budget Speech I read ago in so far as the proposal affects the betting shops. The Act before us seeks to increase the licences payable by betting shops from \$15,000 per annum to \$250,000 per annum as was projected in the Budget Speech. There is not much that I would wish to repeat. I have, in fact, give the background to the reasons why the Government is proposing this amendment and I now commend the Bill for a Second Reading.

*Question proposed.*

**Mr. M.F Singh:** Mr. Speaker, I had hoped that the Government might have reconsidered the position in the light of having been told that these businesses, if they have to find a quarter million dollars for each set of premises to pay to the Government, would be forced to close down. My information is that they have all stated that they have to close down because they cannot see the possibility at all of making or raising anything in the region of \$250,000. The result is that all their staff would be out of work and their services would be affected too. The printing of books and the like, stationery generally, would also cease to be necessary and there would consequently be reduction in staff in respect of printing establishments.

I am very sorry for these people at this festive season. They will all be without work in the New Year. I do hope that at least the Government would be giving some breathing space to these

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people. Out of the blues they were told to pay a quarter million dollars. There is no point saying “We will give them a chance to operate. What the Government has done is to close them down. It is a Great pity that they could not have been given some breathing space, an extension of time for them to use up their stationery and to make arrangements for their staff to go off to other jobs. I am very sorry and I cannot support this Bill.

*Question put 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.*

### **INCOME TAX (AMENDMENT) BILL 1974**

A Bill intituled:

“An Act to amend the Income Tax act.” [**The Minister of Finance**]

**Mr. Hope:** Your Honour, in accordance with Article 80 (2) of the constitution I signify that the Cabinet has recommended this Bill for consideration by the National Assembly.

Here again in this Bill which is before the House an attempt is being made to bring into effect the proposals for relief which we had indicated in the Budget presentation for 1975. It will be recalled that certain increases to the personal allowances attributable to individuals were proposed on this basis, a male taxpayer who normally would have \$800 for his personal allowance would now be allowed \$1,000. Similarly, a female taxpayer, whether that female taxpayer is single or married, will receive a personal allowance of \$1,000. Each child under 16 years will receive a personal allowance of \$400 rather than \$300.

This is one indication of the Government’s desire to bring some measure of relief to



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taxpayers in what is admittedly a difficult period in terms of inflation and price rises and the cost of living. We have also taken the opportunity to introduce a measure of self – assessment for companies. It will be recalled that individuals at present time have the choice of self – assessment under the present existing Income Tax Laws. It will be known also that companies at the moment have to pay taxes quarterly in advance. What the Bill is now proposing is that where a company at the end of the year assessed its own operations and is satisfied what tax is due to the Commissioner in excess of what has already been paid on a quarterly basis, that Company is now required by law to pay to the Commissioner that extra tax based on what the Company itself has assessed as tax liability rather than waiting for the assessment to received some time later. It is, in effect, a form of self – assessment so that there is self – assessment in individuals as well as companies. I, therefore, commend the Bill for approval by the House.

5 p.m.

**Mr. M.F. Singh:** Mr. Speaker, this is in keeping with the proposals outlined in the Budget Speech which has been the subject of debate in this honourable House. We had hoped that we could have persuaded the Hon. Minister and we would have liked to see included in the legislation a provision for working wives to be taxed separately. But I suppose one has to be thankful for small mercies and we have to live in hope with the hon. Minister Hope.

*Assembly in Committee.*

*Clauses 1 to 5, agreed to and ordered to stand part of the Bill.*

*Clause 6*

**The Chairman:** Hon. Members, please note that in subsection (a) commencing on the fourth line “balance shown” should be placed further in the corner so that it would apply to (a) and (b) of Clause 6.

*Clause 6, agreed to an ordered to stand part of the Bill*

*Assembly resumed.*

**NEW YEAR WISHES**

**The Speaker:** Hon. Member, this brings us to the end of the year, the last session on which Parliament would be meeting. I take the opportunity to thank all of you for the co-operation which you have given me throughout the year. I look forward to the same co-operation in the coming year.

I wish to thank the staff for their co-operation, for their hard work. I also wish to thank the Members for their co-operation. I wish you all a happy and prosperous 1975 [**Applause**]

**Mr. Hoyte:** Your Honour, may I, on behalf of the Government Benches, extend to you and your family our best wishes for a very happy 1975. We did have a very full and hectic year of parliamentary activities and I think it has been fruitful. Much credit for work which we have done in Parliament is due to the way in which you guided the debates and superintended the business of this House. Credit must also accrue to the staff, our colleagues on the full reports of the activities of this House which have kept the public informed of what we have been doing and saying in the interest of the nation. I take this opportunity of wishing you, the staff colleagues on the other side a very happy 1975.

**Mr. M.F. Singh:** Mr. Speaker, as you rightly pointed out we have come to the end of a Parliamentary year, also the calendar year, which has been a year of very exacting parliamentary activity, at least for us on this side of the House. Certainly we recognise that in the interest of having full and comprehensive debates, in the interest of keeping the nation informed we must do our homework and we must keep the institution going. If we were to fall down on that we would be subscribing to the further decay of democracy in Guyana.

It has been a very fruitful year. We thank you for your tolerance, for the way in which you have conducted the proceedings of this House. We thank the hon. Members of the Government for being so tolerant. By and large, we have done a lot of hard work and I should like to wish all those who have been in this hard work, to you, the staff of Parliament, the charming Official Reporters, law officers, the representative of the Press, they have done hard work, the very best

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for 1975. I do hope that we have a very successful year next year and I certainly wish every Guyanese God's choicest blessings during 1975.

**ADJOURNMENT**

**Mr. Hoyte:** I move the Adjournment of this House to Thursday, 2<sup>nd</sup> January, 1975 at 2 p.m.

**Adjourned accordingly at 5.10 p.m.**

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