

National Assembly Debates

PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF THE FIRST SESSION (2006-2008) OF THE NINTH PARLIAMENT OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN Part I

60TH Sitting

14:00h

Thursday 31 July 2008

MEMBERS OF THE NATIONAL ASSEMBLY (70)

Speaker (1)

The Hon Hari N Ramkarran SC, MP

Speaker of the National Assembly

Members of the Government (41)

People's Progressive Party/Civic (40)

The United Force (1)

The Hon Samuel A A Hinds MP

(R# 10 - U Demerara/U Berbice)

Prime Minister and Minister of

Public Works and Communications

The Hon Clement J Rohee MP

Minister of Home Affairs

The Hon Shaik K Z Baksh MP

Minister of Education

The Hon Dr Henry B Jeffrey MP - *(Absent)*

Minister of Foreign Trade and International

Cooperation

The Hon Dr Leslie S Ramsammy MP - *(AOL)*

(R# 6 - E Berbice/Corentyne)

Minister of Health

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The Hon Carolyn Rodrigues-Birkett MP

(R# 9 - U Takutu/U Essequibo)

Minister of Foreign Affairs

*The Hon Dr Ashni Singh MP

Minister of Finance

The Hon Harry Narine Nawbatt MP

Minister of Housing and Water

The Hon Robert M Persaud MP

(R# 6 - E Berbice/Corentyne)

Minister of Agriculture

The Hon Dr Jennifer R A Westford MP

(R#7 - Cuyuni/Mazaruni)

Minister of the Public Service

The Hon Kellawan Lall MP - (Absent)

*Minister of Local Government and Regional
Development*

*The Hon Doodnauth Singh SC, MP

Attorney General and Minister of Legal Affairs

The Hon Dr Frank C S Anthony MP

Minister of Culture, Youth and Sport

The Hon B H Robeson Benn MP

Minister of Transport and Hydraulics

**The Hon Manzoor Nadir MP

Minister of Labour

The Hon Priya D Manickchand MP

(R# 5 - Mahaica/Berbice)

Minister of Human Services and Social Security

The Hon Dr Desrey Fox MP

Minister in the Ministry of Education

The Hon Bheri S Ramsaran MD, MP

Minister in the Ministry of Health

*Non-elected Minister **Elected Member from TUF

NATIONAL ASSEMBLY DEBATES 31 JULY 2008

The Hon Jennifer I Webster MP

Minister in the Ministry of Finance

The Hon Manniram Prasad MP

Minister of Tourism, Industry and Commerce

*The Hon Pauline R Sukhai MP

Minister of Amerindian Affairs

Mr Donald Ramotar MP

Ms Gail Teixeira MP

Mr Harripersaud Nokta MP

Mrs Indranie Chandarpal MP, Chief Whip

Ms Bibi S Shadick MP

(R# 3 – Essequibo Is/W Demerara)

Mr Mohamed Irfaan Ali MP

Mr Albert Atkinson JP, MP

(R# 8 - Potaro/Siparuni)

Mr Komal Chand CCH, JP, MP

(R# 3 - Essequibo Is/W Demerara)

Mr Bernard C DeSantos SC, MP

(R# 4 - Demerara/Mahaica)

Mrs Shirley V Edwards JP, MP

(R# 4 - Demerara/Mahaica)

Mr Mohamed F Khan JP, MP

- (Absent)

(R# 2 - Pomeroon/Supenaam)

Mr Odinga N Lumumba MP

- (AOL)

Mr Moses V Nagamootoo JP, MP

Mr Mohabir A Nandlall MP

Mr Neendkumar JP, MP

(R# 4 - Demerara/Mahaica)

*** Mr Steve P Ninvalle MP

*Parliamentary Secretary in the Ministry of Culture,
Youth and Sport*

Mr Parmanand P Persaud JP, MP

- (Absent)

(R# 2 - Pomeroon/Supenaam)

NATIONAL ASSEMBLY DEBATES 31 JULY 2008

Mrs Philomena Sahoye-Shury CCH, JP, MP

Parliamentary Secretary in the Ministry of Housing and Water

***Non-elected Member

Mr Dharamkumar Seeraj MP

Mr Norman A Whittaker MP

(R# 1 - Barima/Waini)

Members of the Opposition (28)

(i) People's National Congress Reform 1-Guyana (22)

Mr Robert HO Corbin

Leader of the Opposition

Mr Winston S Murray CCH, MP

Mrs Clarissa S Riehl MP

Deputy Speaker of the National Assembly

Mr E Lance Carberry MP

Chief Whip

Mrs. Deborah J. Backer MP

Mr Anthony Vieira

Mr Basil Williams MP - *(Absent)*

Dr George A Norton MP

Mrs Volda A Lawrence MP - *(Absent)*

Mr Keith Scott MP

Miss Amna Ally MP - *(AOL)*

Mr Dave Danny MP

(R# 4 - Demerara/Mahaica)

Mr Aubrey C Norton MP - *(Absent)*

(R# 4 - Demerara/Mahaica)

Mr Ernest B Elliot MP - *(Absent)*

(R# 4 - Demerara/Mahaica)

Miss Judith David-Blair MP

(R# 7 - Cuyuni/Mazaruni)

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Mr Mervyn Williams MP

(Re# 3 - Essequibo Is/W Demerara)

Ms Africo Selman MP

Dr John Austin MP

(R# 6 - East Berbice/Corentyne)

Ms Jennifer Wade MP

(R# 5 - Mahaica/Berbice)

Ms Vanessa Kissoon MP

(R# 10 - U Demerara/U Berbice)

Mr Desmond Fernandes MP

(Region No 1 – Barima/Waini)

Mr James K McAllister MP

- *(Absent)*

(ii) Alliance For Change (5)

Mr Raphael G Trotman MP

Mr Khemraj Ramjattan MP

Mrs Sheila VA Holder MP

Ms Latchmin B Punalall, MP

(R# 4 - Demerara/Mahaica)

Mr David Patterson MP

(iii) Guyana Action Party/Rise Organise and Rebuild

(1)

Mr Overall N Franklin MP

- *(AOL)*

OFFICERS

Mr Sherlock E Isaacs

Clerk of the National Assembly

Mrs Lilawatie Coonjah

Deputy Clerk of the National Assembly

PRAYERS

The Clerk reads the **Prayers**

The Speaker: Thank you

The Clerk:

ORAL QUESTIONS WITHOUT NOTICE

Mr Raphael GC Trotman: Mr Speaker, if it pleases you I wish to invoke Standing Orders 13:No. 18, rather...

The Speaker: You may proceed with it, Honourable Member.

Mr Raphael GC Trotman: ... to ask some questions of the Minister of Home Affairs regarding the deaths of prisoners, in the prisons of Guyana.

The Speaker: Proceed with the questions.

Mr Raphael GC Trotman: I am grateful to you, Sir.

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INVESTIGATIONS INTO THE DEATH OF TWO
PRISONERS

The **first question** I wish to ask is:

Can the Honourable Minister of Home Affairs state, what progress is being made into the investigations surrounding the death of convicted prisoner Edwin Niles, who died on 11 July 2008?

Oral reply:

The Speaker: The Honourable Minister of Home Affairs

Hon Clement J Rohee: Mr Speaker, in respect of this particular question, on the progress that is being made into the investigations, into the death of convicted prisoner Niles;

I understand that a post mortem has been conducted. The file is with the Director of Public Prosecutions. The police are still questioning a number of people and requesting statements from them. That is the most I can say.

The Speaker: Thank you Honourable Member

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Hon Rapheal GC Trotman: Mr Speaker, I believe the Standing Orders says I am allowed two supplementary questions to that.

The Speaker: Yes, proceed Honourable Member

1st Supplementary Question:

Mr Rapheal GC Trotman: What then is before the Director of Public Prosecutions if investigations are still ongoing, and when will these investigations come to an end?

Oral Reply:

Hon Clement J Rohee: Mr Speaker, I am advised that it is not unusual for the file to be sent to the DPP; but subsequently, the police would return once again to some of the persons who they would like to ask further questions, probably on the instructions of the DPP, to clarify certain questions that she may wish to have clarified.

2nd Supplementary Question:

Mr Raphael GC Trotman: Thank you. The second supplementary to that: Is the Honourable Minister himself satisfied with the progress of these investigations?

Oral Reply:

Hon Clement J Rohee: Mr Speaker, my satisfaction would be tempered by the pace with which the investigations are proceeding. I am not dissatisfied with the pace with which the police are pursuing the matter. The DPP is a constitutional office; I cannot ask the DPP to speed up her determination as to what charges or not should be made. But in so far as the police side is concerned, yes I am satisfied with that.

Mr Raphael GC Trotman: The second question please.

The Speaker: Yes.

Mr Raphael GC Trotman: Can the Honourable Minister of Home Affairs say to this Assembly, what were the circumstances which led to the death of the second prisoner for the month, Nolan Noble, who died on 26 July 2008, also apparently by violent means?

The Speaker: Honourable Minister

Oral reply:

Hon Clement J Rohee: Mr Speaker, this prisoner was in a cell all by himself, for quite some time. It is not known whether the blow that was found, was self-inflicted or otherwise. I was made to understand that the prisoner was of unsound mind, and more questions are being asked about the circumstances under which the prisoner died. But I understand a post mortem had been conducted, and the post mortem has determined that the prisoner died from blunt trauma. The question is, if the prisoner was alone in a cell, how did that happen?

Mr Raphael GC Trotman: Thank you. Mr Speaker, even people of unsound minds know how to preserve their lives.

But I will move to the **third question**.

What measures, if any, can the Honourable Minister say, have been put in place, to prevent violent deaths occurring; whether by self inflicted wounds at the hands of prisoners or at the hands of the authorities themselves?

What measures have been put in place since the 11 July, to prevent the re-occurrence of these situations in the prisons of Guyana?

The Speaker: Honourable Minister

Oral reply:

Hon Clement J Rohee: Mr Speaker, I have spoken to the management of the Guyana Prisons Service from the Director of Prisons right down about this matter or about these occurrences. I have conveyed to them my position on the matter. So the first intervention came from the Minister of Home Affairs to the Prison Management itself. The Prison Management is therefore tasked with the responsibility to ensure, that at no time Prison Officers inflict blows on prisoners.

The second thing is that, where prisoners are known to be violent, they must be separated from other prisoners, who do not have that predisposition.

The third is that, in conditions where they are incarcerated, all possibilities or all instruments, which could be used, to either inflicted blows on themselves or hang themselves or otherwise, that those should be removed from within the cells.

So, it is a complex issue that requires a very important intervention, in terms of the human factor; prisoners being isolated from other prisoners; ensuring that in the cells there is no possibility of them inflicting blows on themselves; and at the highest level - the political level - that the directorate understands what is the position of the administration.

Mr Raphael GC Trtoman: Thank you. The **final question:**

In view of those directives issued at the highest level, political and otherwise, would the Hon. Minister be prepared to ensure that, if those directives are breached and the laws of Guyana are broken, that criminal charges be laid against anyone found in violation of the directives and/or the laws?

The Speaker: Well the Minister may choose to answer you, but I do not know if the Minister is responsible for the charges.

Mr Raphael GC Trotman: No, is he prepared to recommend? Thank you for that. I will rephrase my question.

The Speaker: I do not know if he can recommend. Anyway, it is a matter for him.

Mr Raphael GC Trotman: He just has to say no, he has no power.

Would he like to see charges laid against persons who break those directives or the laws of Guyana? Would you like to see charges, Sir.

The Speaker: Honourable Minister.

Oral Reply:

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Hon Clement J Rohee: When I request the reports from the Prison Directorate and I read them, and I am convinced that the reports that I read require a severe penalty; I will keep that to myself and wait until the DPP has given instructions, and then we will hope that there will be a happy coincidence of views on the matter.

Mr Raphael GC Trotman: Thank you.

QUESTIONS ON NOTICE

The Speaker: Honourable Members, there are two questions on the Order Paper for Oral Replies. Mr Mervyn Williams

1. TRUANCY

Mr Mervyn Williams: Thanks Mr Speaker.

To the Hon Minister of Education.

- (a) Could the Honourable Minister tell this National Assembly, how many persons have been charged and successfully prosecuted, for failing to send

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their children to school, for the period 1993 to 2007?

- (b) Could the Honourable Minister share with this National Assembly, how his Ministry proposes to deal with the issue of non-attendance or low attendance of children at Government Schools?

- (c) Is the Honourable Minister aware, that several school children in Orealla, Corentyne River, often work on their family farms instead of attending school?

- (d) Could the Honourable Minister tell this National Assembly, how his Ministry proposed to address the issue of children who have attained the compulsory age of school enrolment but have been precluded from so enrolling, as a result of not having birth certificates?

- (e) Could the Honourable Minister share with this National Assembly:
 - (i) What system(s) his Ministry has/have in place, identifying children who are within

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the compulsory age and are not attending school?

- (ii) What mechanism(s) is/are in place to ensure that these children enter or re-enter the school system?

The Speaker: The Honourable Minister of Education

Oral Reply:

Hon Shaik KZ Baksh: The Schools' Welfare Service was re-integrated into the Ministry of Education in 2000. In 2007, Schools' Welfare Service was reorganised and strengthened. The total number of persons charged and successfully prosecuted was six, for the period 2000 to 2008; and I do have a reasonable breakdown for that, if the Honourable Member wants that. You could also have a breakdown for two.

The Ministry of Education proposes to deal with the issue of non-attendance or low attendance of children in Government schools through the programmes of the

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Schools' Welfare Unit. This Unit has put in place the following activities to address this issue:

- Monthly reports of absences of students from schools, are sent to the Schools Welfare Officers by Head teachers;
- Schools' Welfare Officers visit schools regularly to check the attendance registers, to ascertain attendances of less than seventy-five percent;
- Schools' Welfare Officers conduct the necessary home visits and follow-up visits;
- Make telephone calls and send out warning letters to defaulting parents and guardians;
- Operation CARE that is; Care Assessment Respect Educate campaigns are carried out in different communities in order to investigate truancy, and counsel or prosecute defaulting parents;
- Fan-out exercises are carried out regularly, to inform and educate the public about the need to send their children to school and the importance of a good education;
- Seminars on relevant topics such as parental education, building a good self-esteem, are regularly conducted to encourage attendance at school;

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- National School Attendance Programmes would be reactivated, avoiding ... in schools annually, for best attendance;
- Encouragement to schools through the PTAs, to give incentives for best improved attendance, would be put in place;
- Counselling sessions for negligent parents and regular absentees, will also be accelerating;
- Letters would be sent out before examinations' period to Regional Examination Officers and Principal Education Officers, to ensure that planned and supervised activities are promoted in schools, to alleviate low attendance;
- We have reorganised and strengthened the Schools' Welfare Department and shortly, twenty-six new School Welfare Officers will be appointed through the Public Service Commission;
- We have already designed a special training programme - A Two year Part-time In-Service Training Program- for these new recruits to make them more efficient and effective in their performance in the school system.

The Regional Education Department of Region 5 has reported that no case of school children working on

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farms, instead of attending school, was reported or observed. Moreover, a community outreach was recently conducted at Orealla by the Regional Administration, on 21 July 2008. One of the activities associated with the exercise was *issues and concerns by the residents*. In the presence of the Village Captain two issues were raised namely:

- The need for CSEC text books and some science equipment for the new school year. These have since been despatched to the schools.
- No concern was raised on the allegation of children not attending school, due to them working on family farms. The Regional Education Department would be requested to monitor the situation on a regular basis and to report any case or cases, where children are engaged in labour activities on farms..

On The next part of the question - The policy of the Ministry of Education is that, no school age child must be denied admission to a school, due to non-submission of birth certificates. This policy was clearly communicated to schools; the latest being on 9 August 2007. The Ministry of Education provides support services, to help parents to obtain birth certificates, with assistance of head-teachers, teachers, Regional Educational Officers and the Schools' Welfare Service..

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On the question of identifying children who are within the compulsory age and are not attending school; at the primary and the secondary levels, the schools and the Regional Education Departments are responsible for getting children into schools. The schools will check on the attendance rate and may visit homes. Reports are sent to the Regional Education Departments through the School Welfare Unit, for appropriate interventions.

Reports received from the PTAs and the Community Groups, including NGOs, are acted upon. There is a close collaboration with the Ministry of Labour and Human Services, in programmes and campaigns against child labour. In all cases, where the Ministry has identified children not attending school; the Ministry will take steps necessary to enable the children to re-enter the school system. In this regard, the Ministry will work closely with parents, guardians, other Ministries, NGOs and teachers. It should be noted that there is a special project for the re-integration of teenaged mothers into the Secondary School System, and this project is in collaboration with UNICEF. [Clapping]

Supplementary Questions:

Mr Mervyn Willaims: Supplementing questions please, Sir. In view of the Honourable Minister's response to part

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(b) of the question, about the Schools' Welfare Officers and their activities, et cetera; how does the Honourable Minister explain his own representation to the media, that there is a significant rise in the level of illiteracy in Guyana, especially in the school system?

In view of his report on the question of Orealla; how does the Honourable Minister explain his own report to the Kaieteur News that fifty percent of the children in Orealla, work in the farms instead of going to school?

Oral reply:

Hon Shaik KZ Baksh: Mr Speaker, I wish to categorically deny that I ever made a statement to the media, that fifty percent of the children at the Orealla Primary School have not been attending school. I categorically deny ever having made such a statement.

On the question of the illiteracy, I have never made such a statement. I said that literacy is a problem and there are several interventions by the Ministry to deal with the question of illiteracy in the school system.

Supplementary question:

Mr Mervyn Willaims: Could the Honourable Minister explain; for the benefit of the House, say what measures

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are in place to accommodate children ... there are children, Mr Minister, who are below the compulsory age for attending school, but who have never been enrolled or never attended schools. Some of those children attended vocational type training programmes, run by NGOs. Is there a special arrangement to provide for those children, who are not in school because they have never been there, but are below the compulsory age for attending school and;

Secondly, is there a policy to address children of that age group who have never attended school as well?

The Speaker: I do not know about the first part of the question. The Minister is free to answer what he wishes, but the question presumes that the Minister knows all of these things or he is willing to accept all of these things.

Oral Reply:

Hon Shaik KZ Baksh: Mr Speaker, there is a compulsory age laid down by the Education Act for the attendance of children in primary schools; and we adhere rigidly to that age requirement. I know of no cases or they were not drawn to my attention or the Ministry's attention whereby, children of compulsory school age are not attending school; and we will take the measures as outlined. But for children below the compulsory age -

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they are below - that is the law. The law stipulates a certain age which is five years nine months to attend primary school and you could be prosecuted in the courts for not sending your children to school; but below that age, it is not the responsibility. But I want to go further and state that the new Education Legislation will be addressing some of these issues and will be revising the age for attendance at schools.

The Speaker: Thank you Honourable Member.

There is a question by the Honourable Member Ms Amna Ally; is there anybody authorised to ask it. Quickly Honourable Members we are running out of time.

Follow up to Supplementary question

Mr Mervyn Williams: Yes Sir ... follow-up.

Again to the Minister of Education:

Could the Honourable Minister of Education share with this National Assembly, the status of the distribution of exercise books to all schools by the Book Distribution Unit?

Oral Reply:

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Hon Shaik KZ Baksh: Mr Speaker, I have been faced with a lot of ambiguous questions here. What time period are we talking about? Do I go back from the year 2000? Do I go back to the last school year 2007/2008? Do I project for the new school year, 2008/2009? If you are saying for the new school year 2008/2009; the Ministry has already procured adequate numbers of exercise books for the school system in each Region.

- Region 1 - 52,915;
- Region 2 - 76, 994 exercise books;
- Region 3 - 140,954;
- Region 4 - 480,711 exercise books;
- Region 5 - 91,640;
- Region 6 - 184,167;
- Region 7 - 29,065;
- Region 8 - 14,576;
- Region 9 - 43,157;
- Region 10 - 74,264.

Already, we have despatched exercise books to Region 8, which is one of the most difficult Regions to gain access to.

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Region 7 is on its way; and for the other Regions, the exercise books (single lined/double lined/chequered line, plain) will reach the schools by the end of August.

The Speaker: Thank you Hon Member.

INTRODUCTION OF BILLS

Presentation and First Reading

**SUMMARY JURISDICTION (OFFENCES)
(AMENDMENT) Bill 2008 - Bill No. 17/2008**

By the *Minister of Home Affairs*

PUBLIC BUSINESS

(i) **GOVERNMENT BUSINESS**

MOTIONS

(1) **CONSIDERATION OF FINANCIAL
PAPER NO.02-021 1/2008**

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BE IT RESOLVED:

That this Assembly approves of the proposals set out in Financial Paper No. 1/2008 - Supplementary Estimates (Current and Capital) totalling \$731,373,614 for the period 2008-04-04 to 2008-07-22.

ASSEMBLY IN COMMITTEE

The Speaker: The Honourable Minister of Finance

Hon Dr Ashni K Singh: Mr Chairman, in accordance with Article 171 (2) of the Constitution, I signify that the Cabinet has recommended for consideration by the Assembly the motion of the approval of the proposals set out in Financial Paper No. 1/2008, Supplementary Estimates (Current and Capital) for the period 2008-04-03 to 2008-07-22 totalling \$ 731,373,614 and I now move the motion.

Motion proposed.

The Chairman: We will consider the Paper as usual that is, the Items will be taken from both the capital and the

Current Estimates, in the order for which the Minister is responsible.

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SECTION 'A' - CURRENT ESTIMATES

**ITEM 1 - AGENCY 02 - OFFICE OF THE
PRIME MINISTER, PROGRAMME
021 - PRIME MINISTER'S
SECRETARIAT - Chart of Account 6321**

Question is proposed that the sum of \$200,000,000 for Agency 02 - Programme 021 - Office of the Prime Minister, Prime Minister's Secretariat - Chart of Account 6321 - Subsidies and Contributions to Local Organisations - stands part of the Estimates.

Mr Winston S Murray: My apology, Sir, are you taking these items one by one or are you taking them altogether.

The Chairman: I can take them altogether, we will finish quicker.

Mr Winston S Murray: I just was not sure; because I heard you call the first one.

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The Chairman: I am required to take them one by one.

Mr Winston S Murray: Oh, I see.

[The question was put and carried]

The Chairman: Do you want to ask a question?

Mr Winston S Murray: Yes Sir.

The Chairman: Go ahead, Mr Murray

Mr Winston S Murray: Mr Prime Minister, could you kindly inform this National Assembly, whether all of this sum of \$200,000,000 is required to subsidize the electricity system at Lethem, and if it is not, could you say specifically what this is related to?

Hon Samuel AA Hinds: Mr Chairman, Hon. Members, this sum of money relates to GPL, to the meeting of the increased fuel prices of Guyana Power and Light and if we look to the next Paper No.2, we can see that there is an additional supplementary request for some \$3.5 billion. I do not know if the Honourable Member would want me to make one presentation here or hold for when we get to Paper No. 2

The Chairman: Just answer the question on the item, Hon. Member.

Hon Samuel AA Hinds: This is for GPL.

The Chairman: Is here any further question?

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Mr Winston S Murray: Mr Prime Minister, would you agree that, this sum of money of \$67,000,000, which is the original sum voted under Chart of Account 6321; according to the details of these subsidies contained at Page 414, the only entity listed there is the Lethem Power Company to receive a subsidy of \$67,000,000; and since is the same sub head/ item, *Prime Minister's Secretariat* under which there is a single entity, Lethem Power Company; how do you square the answer you are giving me, that this \$200,000,000 are intended for the Guyana Power and Light, when the Appendix which contains the details, has nothing to do with Guyana Power and Light and only talks about the Lethem Power, Company, Sir?

Hon Samuel AA Hinds: Mr Chairman, I have to look more closely at that particular question. I had been under the impression that it included GPL, but I will have to check on that, but as far as I know and as far as it was intended, this was for assistance to Guyana Power and Light. This figure of \$200,000,000 is assistance to Guyana Power and Light.

The Chairman: You wish to give a statement Dr Singh?

Dr Ashni K Singh: Mr Speaker, if I may; to clarify and perhaps to elaborate on the Prime Minister's answer: When the Budget was presented in the National Assembly, the entire sum of \$67,000,000 that was provided under that line item, was in fact, intended for Lethem Power Company, hence the Appendix indeed

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indicates only Lethem Power Company. At the time, it was not anticipated that financial support would be required to be provided to GPL, so an amount was not budgeted under the line item for GPL and so GPL did not appear in the Appendix. With the passage of time and the unfolding of events, it has now become necessary for financial support to be provided to GPL; and so the amount that is provided under the Line Item, the voted provision that is indicated in the Financial Paper, is the voted provision for that line item; which at the time that the original Budget came to Parliament, was only in relation to Lethem Power Company. But this additional sum that is now being provided is being provided under that Line Item, but for an entity that was not previously anticipated to receive financial support from Government, that is GPL.

Mr Winston S Murray: Mr Chairman, I have heard the Honourable Minister of Finance, but that, in fact, raises questions. Should it not have been the case then, that we should have been given the necessary information in the Legend? Because, left on its own with anyone reading this, would the Minister not agree that, given your explanation, it is misleading, if you were to look at what is strictly in the Estimates? I have no problem with your explanation except, I am saying, they ought to have made it... in the interest of transparency, and then I would have understood.

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Dr Ashni K Singh: Mr Chairman, I agree indeed, that perhaps it would have aided the cause of clarity if the name of the entity, GPL, had been indicated in the Legend. I have no difficulty at all with that. I am glad to hear that Mr Murray is satisfied with the clarification that has been offered.

The Chairman: Yes

Mr Mervyn Williams: Thank you Sir. Honourable Prime Minister, would it be true to say that, the generating set supplying electricity in Lethem is being leased, and if that is correct, could the Hon Prime Minister supply to the National Assembly, the name of the leaser of the equipment please?

Hon Samuel AA Hinds: Mr Speaker, I do not think that that is a relevant question, but I can say, without any doubt, that there is no leasing of equipment at Lethem. There has been no leasing of equipment at Lethem.

Agency 02 - Office of the Prime Minister, Programme 021 -Prime Minister's Secretariat

Chart of Account 6321 - Subsidies and Contributions to Local Organisations - \$200,000,000 - agreed to and ordered to stand part of the Estimates

**ITEM 2 - AGENCY 21 - MINISTRY OF
AGRICULTURE, PROGRAMME 212 -
CROPS AND LIVESTOCK SERVICES
- Chart of Account 6321**

Question is proposed that the sum of \$31,500,000 for Agency21 - Ministry of Agriculture, Programme 212 - Crops and Livestock Services - Chart of Account 6321 – Subsidies and Contributions to Local Organisations - stands part of the Estimates.

The Chairman: The Honourable Member Mr Murray

Mr Winston S Murray: Mr Chairman, could the Honourable Minister of Agriculture confirm whether, this sum of money is going through the New Guyana Marketing Corporation, to help in the subsidisation of flour, because there is no specificity. There is a number of organisations listed to benefit from subsidies and contributions and one has to make an assumption, since it is the entity that has the nearest association with, probably, distribution. And again, would the Minister not agree that, if the Legend had been a little clearer then maybe the question would have been necessary.

Hon Robert M Persaud: Your assumption is absolutely correct, Hon Member.

Mrs Sheila VA Holder: May I ask a supplementary question, Mr Chairman?

The Chairman: Yes, Honourable Member.

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Mrs Sheila VA Holder: Chart of Account 6321 - Supplementary to the same question - Could the Minister indicate, whether or not flour is being purchased from one vendor-the flour mill or from more than one?

Hon Robert M Persaud: The flour is being purchased from the National Flour Milling Company.

The Chairman: The Honourable Member Mr Murray

Mr Winston S Murray: Mr Chairman, could the Honourable Minister say whether all subsidy on flour goes through the New Guyana Marketing Corporation, and therefore, wherever flour is sold at a subsidised price, it is through the Guyana Marketing Corporation that the subsidy is delivered?

Hon Robert M Persaud: Mr Chairman, perhaps I should just explain the process or the mechanism by which this assistance is being provided to the Guyanese people. The New Guyana Marketing Corporation would purchase the flour from the National Milling Company, at a particular price and then have this sold to consumers at a reduced a price. In fact, it is a subsidy and it works out (if you do for a family of four) for every purchase close to \$1,000: The market price for a kilogram of flour is somewhere in the region of \$250 and this is being sold by the New GMC for as little as about \$150 per kilogram.

Agency 21 - Ministry of Agriculture, Programme 212 - Crops and Livestock Services - Chart of Account 6321 - Subsidies and Contributions to Local Organisations – \$31,500,000 - agreed to and ordered to stand part of the Estimates

ITEM 3 - AGENCY 23 - MINISTRY OF TOURISM, INDUSTRY AND COMMERCE, PROGRAMME 231 - MAIN OFFICE - Chart of Account 6321

Question is proposed that the sum of \$126,577,500 for Agency 23 - Ministry of Tourism, Industry and Commerce, Programme 231 - Main Office - Chart of Account 6321 - Subsidies and Contributions to Local Organisations - stand part of the Estimates

The Chairman: The Honourable Member Mr Murray

Mr Winston S Murray: Mr Chairman, could the Honourable Minister of Tourism, Industry and Commerce kindly inform the National Assembly, as to which of the five organisations listed under this Programme 23- for subsidies and contributions, is the one or are the ones, through which these transferred costs, associated with paying bakeries and biscuits manufacturers is...?

The Chairman: The Honourable Minister

Hon Manniram Prashad: This amount of \$126,000,000 is subsidy for flour, and in May the price for a bag of

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flour was \$6,000; and with the increase it would have been \$7,500, and of course, the price of bread would have gone up significantly. So in order to stabilise the price, all the bakers continued to buy the flour at \$6,000 per bag and we subsidised the difference- \$1,500 to NAMILCO. This represents that amount which will expire; this is catered for until the first week in September.

Mr Winston S Murray: With great respect and I do understand the Minister does not have to answer my question; and it is clear that he made no effort to do so in all that he said. My question is, if I may repeat, which of these organisations listed under Agency Code 23, his Ministry, is the one or are the ones, through which he will be making the payments of these subsidized sums? That is the specific question.

Hon Dr Ashni K Singh: Mr Chairman, if I may, as perhaps is the case or perhaps it was the case of GPL; the current additional allocation is not being processed through any of the entities being listed in the Appendix of the Estimates, because of course at the time, once again, we had not anticipated that this eventuality would emerge. The five entities listed clearly have nothing to do with this kind of transaction, and so, as the Honourable Minister explained, the payments are, in fact, being made to NAMILCO under an arrangement that we have agreed, whereby, flour that is intended for bakers and for the manufacture, of biscuits is subject to this support. So the

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short answer to the question is that, it is not being processed through the five entities listed in the Appendix.

Mr Winston S Murray: Mr Chairman, again I would like to thank the Honourable Minister of Finance, but I ask the question; whether it would not have been helpful, again, in the interest of transparency and better understanding as to what these figures mean, to have so stated in the Legend so that the need for the question would have been obviated?

Hon Dr Ashni K Singh: Mr Chairman, the answer is yes.

The Chairman: Mrs Holder

Mrs Sheila VA Holder: A supplementary question, Sir. Through the Honourable Minister of Tourism, Industry and Commerce, Item 6321 - Can you give us a sense of who the beneficiaries are?

Hon Manniram Prashad: Ninety-five percent of the bakeries in Guyana are covered.

The Chairman: The Honourable Member Mr Khemraj Ramjattan

Mr Khemraj Ramjattan: Which bakeries?

Hon Manniram Prashad: If you want some names, I can start with some names and maybe you can stop me if I continue too long:

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- Bakewell;
- Boodram Singh's Bakery,
- Humphrey's Bakery;
- Pearl's Bakery;
- Our Daily Bread Bakery;
- Yhip's Bakery;
- Beharry's Bakery;
- Ali's Bakery;
- Ramlochan's Bakery;
- Spready's Bakery, that is in Berbice;
- Yong's Bakery;
- Denise Bakery;
- Cross Bakery;
- Kinshas Bakery;

The Chairman: ... and others.

Hon Manniram Prashad: And others.

Agency 23 - Ministry of Tourism, Industry and Commerce, Programme 231 - Main Office - Chart of Account 6321 - Subsidies and Contributions to Local Organisations - \$ 126,577,500 - agreed to and ordered to stand part of the Estimates

ITEM 4 - AGENCY 41 - MINISTRY OF EDUCATION, PROGRAMME 413 - MINISTRY ADMINISTRATION - Chart of Account 6224

Question is proposed that the sum of \$3,000,000 for Agency 41 - Ministry of Education, Programme 413 - Ministry Administration - Chart of Account 6224 - Print and Non-Print Materials - stands part of the Estimates.

Agency 41 - Ministry of Education, Programme 413 - Ministry Administration - Chart of Account 6224 - Print and Non-Print Materials \$3,000,000 - agreed to and ordered to stand part of the Estimates.

ITEM 5 - AGENCY 53 - GUYANA DEFENCE FORCE, PROGRAMME 531 - DEFENCE HEADQUARTERS, Chart of Account 6222

Question is proposed that the sum of \$67,000,000 for Agency 53 - Guyana Defence Force, Programme 531 - Defence Headquarters, Chart of Account 6222 - Field Materials and Supplies

**Agency 53 - Guyana Defence Force, Programme 531 -
Defence Headquarters, Chart of Account 6222 -
\$67,000,000 - Field Materials and Supplies**

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SECTION 'B' - CAPITAL ESTIMATES

ITEM 1 - AGENCY 44 - MINISTRY OF CULTURE, YOUTH AND SPORT – Chart of Account 1205600

Question is proposed that the sum of \$11,707,785 for Agency 44 - Ministry of Culture, Youth and Sport - Chart of Account 1205600 - Building - Cultural Centre - stands part of the Estimates

**Agency 44 - Ministry of Culture, Youth and Sport -
Chart of Account 1205600 - Building - Cultural
Centre - \$11,707,785 - agreed to and ordered to stand
part of the Estimates**

ITEM 2 - AGENCY 53 - GUYANA DEFENCE FORCE - Chart of Account 1200100

Question is proposed that the sum of \$35,657,962 for Agency 53 - Guyana Defence Force - Chart of Account

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1200100 - Buildings - Guyana Defence Force - stands part of the Estimates.

The Chairman: The Honourable Member Mr Murray

Mr Winston S Murray: Mr Chairman, could the Honourable Minister inform the National Assembly, as to when it was that the decision was taken, to construct a training school at Camp Stephenson, for which this supplementary provision is being sought?

The Chairman: The Honourable Member Ms Webster

Hon Jennifer I Webster: Mr Chairman, in response to the Honourable Member's question, I would want to say that the Defence Board took that decision; it was really the CUPOC –The Ulric Pilgrim Training School, and this is due to the fact that, now there are a number of cadets being trained there. In fact, there are fifty-seven Joint Services Cadets being trained from all the agencies, within the military and paramilitary.

Mr Winston S Murray: Mr Chairman, with great respect, I did not hear the Minister answer the question as to the date: She told us a lot about what the institution intended to do or does, but I asked: At what time did they take the decision to construct this Training School?

Hon Jennifer I Webster: Mr Chairman, I would want to say that, when the Budget was done and passed in this House, no decision was taken at that point in time; but

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the Defence Board, since the passage of the Budget, had to approve of the Training School being done.

Mr Winston S Murray: Sir, if that is the case ... let me put it differently. Would the Minister then say whether, in the original sum of \$85,000,000 voted for buildings, for the Guyana Defence Force in the Budget; whether that sum therefore, does not include any sum for the construction of the Training School?

Hon Jennifer I Webster: Mr Chairman, the answer is no. That sum voted in the Budget does not include that.

Mr Winston S Murray: Well Mr Chairman, could the Honourable Minister say whether this sum of \$35,657,962 is the full sum required for the construction of this school?

Hon Jennifer I Webster: Yes

Mr Winston S Murray: Mr Chairman, since that is the case, would the Minister not agree that, given this as an independent complete budget standing on its own, that it should, at the minimum, have a project profile describing it, so that we can have transparency of what is being done: Because one interpretation, Mde. Minister; you may or may not agree, but I put it to you; could be that you avoided putting it in the Budget, because you did not want it to be known. [*Interruption: 'You are preaching.'*] It is a question Sir, and if you have impatience with long questions it is too bad for you. So I would like to know

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Mde. Minister, whether you agree with me that a project profile for a total independent, complete, stand-alone project, does not require a project profile on its own?

Hon Jennifer I Webster: Mr Speaker, I would like to say that I agree with the Honourable Member's comments.

Agency 53 - Guyana Defence Force - Chart of Account 1200100 - Buildings - Guyana Defence Force - \$35,657,962 - agreed to and ordered to stand part of the Estimates.

ITEM 2 - AGENCY 53 - GUYANA DEFENCE FORCE - Chart of Account 3400500

Question is proposed that the sum of \$618,000 for Agency 53 - Guyana Defence Force - Chart of Account 3400500 - Infrastructure - stands part of the Estimates.

Agency 53 - Guyana Defence Force - Chart of Account 3400500 - Infrastructure - \$618,000 - agreed to and ordered to stand part of the Estimates

ITEM 2 - AGENCY 53 - GUYANA DEFENCE FORCE - Chart of Account 5100200

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Question is proposed that the sum of \$255,312,329 for Agency 53 - Guyana Defence Force - Chart of Account 5100200 - Equipment - stands part of the Estimates.

Agency 53 - Guyana Defence Force - Chart of Account 5100200 - Equipment - \$255,312,329 - agreed to and ordered to stand part of the Estimates

The Chairman: Honourable Members, we can now move on to the next Financial Paper No.2

(2) CONSIDERATION OF FINANCIAL PAPER NO. 2/2008

BE IT RESOLVED:

That this National Assembly approves of the proposals set out in Financial Paper No. 2/2008 - Supplementary Estimates (Current and Capital) totalling \$4,109,239,962 for the period ended 2008-12-31.

The Honourable Minister of Finance

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Hon. Dr. Ashni K Singh: Mr Chairman, in accordance with Article 171 (2) of the Constitution, I signify that the Cabinet has recommended for consideration by the Assembly the motion of the approval of the proposals set out in Financial Paper No. 2/2008, Supplementary Estimates (Current and Capital) for the period ended 2008-12-31 totalling \$4,109,239,962 and I now move the motion.

Motion proposed.

The Chairman: We will consider the Paper as usual that is, the Items will be taken from both the capital and the Current Estimates, in the order for which the Minister is responsible.

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SECTION 'A' - CURRENT ESTIMATES

ITEM 1 - AGENCY 01 - OFFICE OF THE PRIME MINISTER, PROGRAMME 011 - PRIME MINISTER'S SECRETARIAT - Chart of Account 6321

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Question is proposed is the sum of \$3,500,000,000 for Agency 01 - Office of the Prime Minister - Chart of Account 6321 - Subsidies and Contributions to Local Organisations - stands part of the Estimates.

Is this the same one we just did? Did we just approve that? Anyway this is stated- Financial Paper No. 2

Mr. Winston S Murray: Did we finish with the Guyana Defence Force?

The Chairman: Yes

Mr. Winston S Murray: I will pass it, Sir, because I did not realise; I am just inquiring

The Chairman: I propose the question that Item I stands part of the Estimates

Ms. Bibi S Shadick: Mr Chairman, I am on my feet for a question, please.

The Chairman: Yes.

Ms. Bibi S Shadick: I would like to ask the Honourable Prime Minister, in view of the fact that, we just approved \$200,000,000 as supplementary, we are now ask to approve \$3.5 billion in supplementary for basically the same; could he elaborate on the reason for this?

Hon. Samuel AA Hinds: Mr Chairman, Hon. Members, I think it is a good opportunity to bring to this House and to the citizens out there ... [*Interruption: ... 'and to the nation at large.'*] ... and to the nation as a whole, the

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effect of the rising prices of the operations of GPL and indeed on all operations in Guyana. But the facts are, when the Budget was prepared for GPL at the end of 2007, they projected a total oil Bill of some \$17.5 billion; but already, from about April of this year, it began to appear that the actual expenditure would have been much greater, and so we had the first intervention of some \$200,000,000; and now we come with an intervention of \$3.5 billion because at this time it is projected that the oil Bill could be increased above budget by some \$4.7 billion. As it is now today, we have approved a further \$200,000,000 and now \$3.5 billion. So there is still a potential shortfall of another \$800,000,000 to \$1 billion.

I would like us all to realise, as one of the earlier CEOs used to make known to me that, the subsidies to GPL are not subsidies to GPL; is that, it is not the organisation per se or the employees that enjoy that money, but it is a subsidy to all of the customers of GPL. And indeed, if we did not take this step of providing this money to GPL-GPL, really, with its only means of income coming from tariffs - we would have had to contemplate tariff increases of some 18.5 percent. So that, our people, everyone, should see this provision to GPL as a subsidy of some 15/18 percent, on their monthly electricity Bill. Mr Chairman, Hon Members, I thought that it is good for this to be brought to the attention of this House and to all of us in the nation.

The Chairman: The Honourable Member Mr Murray

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Mr Winston S Murray: Honourable Prime Minister, would you agree that the supplementary provision being requested is headed to 31 December 2008; so would you agree that this is a projection that you are making to the end of the year? Because I heard you say in your answer just now, that this has a shortfall, inherent in it, of over a billion odd dollars, but you say to 31 December; so this is not quite accurate. That is the first question. Would it be right to say that therefore this is not quite accurate? That is the first question.

The second question Mr Prime Minister is this: Could you tell the National Assembly, on what basis you predicate this level of subsidy as necessary? Is it on the existing price of oil; is it on a projected increase beyond the existing price of oil; or are you anticipating some reduction? I want to know the basis on which you project this level of money being required; whether it is assuming the same price or a higher price or what? We need to understand, and then I have a further question.

Hon Samuel AA Hinds: Mr Chairman, Hon Members, this is a projection based largely on the current prices being maintained. You asked about the shortfall going forward; yes, we are aware that there may be need for additional sums. The total here is \$3.7; the projection that GPL has put forward now could be as much as \$4.5. But then again, we have seen recently some fall in the price of oil and so we are waiting too to see, how it plays out.

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Mr. Winston S Murray: I think that is a reasonable answer, but my follow-up question is this: Should the price of oil continue to rise, thereby, if you go this route of subsidy, you will have to find an additional sum; is there a point, Mr Prime Minister, at which the Government will have to make a decision that it will increase electricity prices to consumers?

Hon. Samuel AA Hinds: Mr Chairman, no doubt that is a question that we always have to weigh, and lest we deceive ourselves, this subsidy comes out of the taxes that have been paid. This is not freeness in that sense. It is being paid for by the people; it is coming out of the taxes that we pay and it is a significant amount of money; it is a significant percentage of all the taxes that we pay.

Looking forward, and if I might say what we do look forward; we have a programme in place to replace much of the diesel generation with heavy fuel oil. One of the hope is that next year, we may be able to contain the total fuel bill if prices remain the same, if they continue rising,(sorry) by making a switch from diesel - higher priced diesel - to more lower priced heavy fuel oil, we are hoping that we will be able to contain any further price increases. But the situation is still fluid; it is still moving about, so I think the judgement is that, we wait and see. If we make this provision now and maybe by November, we may have to firm up; we would have had more experiences and we would firm up what we would do,

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going forward about price increases, about additional sums of money to support the GPL.

Mr. Winston S Murray: Mr Chairman-Mr Prime Minister, would you agree that, in addition to contemplating higher levels of subsidy, that one way of coping with the difficult situation would, in fact, be to look about to see how you will bring about greater efficiencies within the organisation itself; and in that regard, could the Prime Minister say what is the contemplation, in a timeframe set, for reducing significantly if not eliminating the line losses, which currently occur in the distribution system? I know there are of two types, Mr Prime Minister. I am more interested in the technical one. The one where people are stealing, you will take the necessary action; I have not doubt and you ought to; but could you tell me within what timeframe, because significant losses are occurring by buying costly fuel generating power and not getting it to consumers, because of technical problems.

Hon. Samuel AA Hinds: Mr Chairman, Hon Members, I did speak to this issue not so long ago; but the answer to that is yes, we have a system of distributing electricity that is still somewhat elementary and where much of the system is overloaded, because there has nearly always been a situation of shortage of capital for the electricity utility.

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At this time, in addition to having the new heavy fuel oil generation installed, of some US \$30 million, GPL is also looking at the programme of some \$40 million to improve transmission and distribution; and when this is done, there would be a significant reduction in line losses. I can say that the other type of loss that you spoke about there - the commercial losses - we have programmes working on that; new types of meters particularly for large customers and also trial of pre-paid electricity meters. But I must say, regretfully, that in this tight-cash situation, those programmes have been delayed because of the lack of availability of cash to proceed with them; but this is something that the management is steadily looking at; how to distribute the income that it has money that it has.

Mr. Winston S Murray: Mr Chairman, just a last question here. I specifically asked, because I think consumers would like to know what timeframe; within what timeframe you anticipate you could make a significant impact in the reduction of technical losses? They are significant and it would be helpful for us to be informed.

Hon. Samuel AA Hinds: Mr Chairman, Hon Members, I did not walk with the answer to that question, but I would imagine that by the end of next year, when we hope that the improvements on transmission and distribution would have been in place; and I must say at this time, we are still in the stage of seeking concessionary financing to effect these improvements;

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but hopefully, if we have this concluded by the end of this year, maybe by the middle of next year, we should have much of the transmission and distribution improvements in place. And so I would say by the end of next year, we should see some significant reduction in line losses.

Agency 01 - Office of the Prime Minister, Programme 011 - Prime Minister's Secretariat - Chart of Account 6321 - Subsidies and Contributions to Local Organisations - \$3,500,000,000 - agreed to and ordered to stand part of the Estimates.

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SECTION 'B' - CAPITAL ESTIMATES

ITEM 1 - AGENCY 03 - MINISTRY OF FINANCE, Chart of Account 4401502

Question is proposed that the sum of \$528,955,280 for Agency 03 - Ministry of Finance - Chart of Account 4401502 - Fiscal and Financial Management Programme - stands part of the Estimates.

The Chairman: The Honourable Member Mr Ramjattan

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Mr. Khemraj Ramjattan: Is this the \$528 million you are talking about there?

The Chairman: Yes, Honourable Member

Mr. Khemraj Ramjattan: My question to the Minister is; what aspect of this is for institutional strengthening and what aspect is for the purchase of equipment?

Hon. Dr Ashni K Singh: Mr Chairman, as the Honourable Member quite clearly anticipates some elements are for institutional strengthening and some elements are for equipment. I have to say that I do not have them enumerated in that way so it is not easy for me to.... My mental arithmetic is not as good as it used to be, but I would say that the provision - the \$528 million - is distributed across essentially the three components of the FFMP Programme that is:

- The Guyana Revenue Authority;
- The Ministry of Finance; and
- The Parliament Office

And like I say, some elements involve additional equipment; some part of the resources being sought would be used to pay for software and some will be for institution strengthening from the perspective of administrative support, recommendations for strengthening of systems, et cetera.

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Mr. Khemraj Ramjattan: Just a follow-up in relation to the purchase of equipment. I really wanted to know that figure. In view of the fact, that a portion of it would go there; are tenders out for the purchase of equipment, or we are going to have a negotiated favourite contractor?

Hon. Dr. Ashni K Singh: Mr Chairman, the Honourable Member might be aware that this project is in fact an IDB supported project and so, the procurement will be done, as is the case indeed, with all other Government procurements; It will be done in accordance with applicable standards and in compliance with the law.

Agency 03 - Ministry of Finance - Chart of Account 4401502 - Fiscal and Financial Management Programme - \$528,955,280 - agreed to and ordered to stand part of the Estimates.

ITEM 2 - AGENCY 31 - MINISTRY OF PUBLIC WORKS AND COMMUNICATIONS - Chart of Account 1207100

Question is proposed that the sum of \$36,500,000 for Agency 31 - Ministry of Public Works and

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Communications - Chart of Account 1207100 - Mahaica - Rosignol Road/Studies - stands part of the Estimates.

The Chairman: The Honourable Member Mr Patterson.

Mr. David Patterson: Mr Chairman, could the Honourable Minister provide some clarification for the amounts being sought here; noting that in the Estimates it is listed *underweight control programme*? Could the Honourable Minister provide some clarification please?

Hon. BH Robeson Benn: Mr Chairman, the request relates to the purchase and I could itemise them:

- Tools and electrical instruments largely for the servicing of traffic lights;
- Software for road safety and lighting designs; this is street lighting designs - G\$3.63 million;
- Computers and accessories - G \$2.27 million;
- Radio communication equipment - G\$2.42 million;
- Traffic counters - G \$3.38;
- Miscellaneous tools, instruments, laboratory and ... equipment - G \$20.9 million;

Agency 31 - Ministry of Public Works and Communications - Chart of Account 1207100 –

**Mahaica - Rosignol Road/Studies - \$36,500,000 -
agreed to and ordered to stand part of the Estimates**

**ITEM 3 - AGENCY 41 - MINISTRY
EDUCATION - Chart of Account 1206600**

Question is proposed that the sum of \$43,784,682 for Agency 41 - Ministry of Education - Chart of Account 1206600 - University of Guyana, Turkeyen - stands part of the Estimates.

Agency 41 - Ministry of Education - Chart of Account 1206600 - University of Guyana, Turkeyen - \$43,784,682 - agreed to and ordered to stand part of the Estimates.

The Chairman: Hon Members that completes the consideration of all the Items.

Questions -

- (i) That the Committee of Supply approves the proposals set out in Financial Paper

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- (ii) No. 1 of /2008 - Supplementary Estimates (Current and Capital) totalling \$731,373,614 for the period 2008-04-03 to 2008 -07-22.

and

- (iii) The Committee of Supply approves the proposals set out in Financial Paper No. 2 of 2008 - Supplementary Estimates (Current and Capital) totalling \$4,109,239,962 for the period ended 2008-12-31.

Put and agreed to.

ASSEMBLY RESUMED

The Speaker: The Honourable Minister of Finance

Hon. Dr. Ashni K Singh: Mr Speaker, I rise to report to the Assembly that the Committee of Supply has considered Financial Papers Nos. 1 and 2 of 2008 and passed it without amendment. I now move that this Assembly doth agree with the Committee's Resolution.

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Mr Speaker, is it possible for me to do both at the same time?

The Speaker: Well, we are doing both at the same time.

- Papers Nos. 1 and 2.

Hon. Dr. Ashni K Singh: Okay, thank you.

Question put and agreed to

Motion carried

The Speaker: We will now move to the Appropriation Bill.

The Honourable Prime Minister

SUSPENSION OF STANDING ORDERS NOS. 13(a) and 54

Hon. Samuel AA Hinds: Mr Speaker with your leave, I move that Standing Orders Nos.13 (a) and 54 be suspended to enable the Supplementary Appropriation (No. 1 for 2008) Bill No. 16/2008 and also Appropriation

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(No. 2 for 2008) Bill No. 17/2008 to be introduced at this stage and taken through all three stages at this Sitting.

The Speaker: Honourable Prime Minister, there is only one Bill; No. 16

Question put and agreed to.

Motion carried.

BILL

First, Second and Third Readings

2. SUPPLEMENTARY APPROPRIATION (NO. 1 FOR 2008) bill 2008 - Bill No. 16/2008 published on 23 July 2008

A Bill intituled, an Act to provide for the issue from the Consolidated Fund of the sums necessary to meet the expenditure (not otherwise lawfully charged on the

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Consolidated Fund) of Guyana for the fiscal year ending 31st December, 2008, estimates whereof have been approved by the National Assembly, and for the appropriation of those sums for the specified purposed, in conformity with the Constitution.

The Speaker: The Honourable Minister of Finance

Hon. Dr. Ashni Kumar Singh: Mr Speaker, in accordance with Paragraph 2 of Article 171 of the Constitution, I signify that Cabinet has recommended the Supplementary Appropriation (No. 1 for 2008) Bill - Bill No. 16/2008 for consideration by the National Assembly and I now present the Bill to the Assembly and move that it be read the First Time.

Question put and agreed to.

Bill read the First time

The Speaker: The Honourable Minister of Finance

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Hon Dr Ashni K Singh: Mr Speaker, I move that the Supplementary Appropriation (No. 1 for 2008) Bill - Bill No. 16/2008 be read a Second time.

Question put and agreed to.

Bill read the Second time.

The Speaker: The Honourable Minister of Finance

Hon. Dr. Ashni K Singh: Mr Speaker, I move that the Supplementary Appropriation (No. 1 for 2008) Bill - Bill No. 16/2008 be read a Third time.

The Speaker: You know, the House should really collapse all these hearings into one and one Motion is moved that the Bill be read the First, Second and Third times and then we say one motion and then the Clerk gets up and reads it.

Question put and agreed to

Bill read the Third time and passed as printed.

The Speaker: Honourable Members, can we now proceed to the next item on the Order Paper.

BILLS

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Second readings

**4. FISCAL ENACTMENTS
(AMENDMENT) BILL 2008 - Bill No. 14
of 2008 published on 2008-07-23**

*A Bill intituled, an Act to amend the
Income Tax Act and the Income Tax
(In aid of Industry) Act*

The Honourable Minister of Finance

Hon. Dr. Ashni K Singh: Mr Speaker...
[Interruption]

Mrs Sheila VA Holder: On a point of order,
Sir.

The Speaker: Yes Madame

Mrs. Sheila VA Holder: I would like to refer you to Standing Order 55 (3) and to point out that this is not a published copy of the Bill and attempts made to access such a copy, today, failed - a Gazetted copy, failed -.

The Speaker: What is the number of the Standing Order?

Mrs. Sheila VA Holder: Standing Order 55 (3) - I do not have a copy of the Gazetted copy and we sent a

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messenger to purchase one today from the Office of the President and we have not been able to do so.

The Speaker: Just hold on for one second. *[Pause]* I have in my hand, Hon. Member, a published copy of the Bill which is dated 23 July and which we received on 23 July. *[Pause]* I will pass a copy.

These copies are not normally sent out, Honourable Member.

Mrs. Sheila VA Holder: Yes, they are.

The Speaker: A copy of the Gazette is not normally sent out. We do not have that facility; we do not circulate it. Honourable Members know that.

Mrs. Sheila VA Holder: Mr Speaker, the other Bills are indeed gazetted copies

The Speaker: Honourable Member, the Parliament Office does not circulate the Official Gazette.

Mrs. Sheila VA Holder: No, that is not what I mean, a printed copy. What we have is obviously something done - photo copied. This is not the Bill; look at the difference.

The Speaker: I am advised that at the first reading of a Bill, a copy is circulated to MPs - a printed copy, not necessarily a gazetted copy, of the Bill. For the second reading of the Bill, we have to have a gazetted copy. We do have a gazetted copy which was published on 23rd July.

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Mr. Winston S Murray: May I Sir, simply point out that, no Member on this side (certainly I can speak for the PNCR-1G front bench) has that gazetted copy and the others may speak for themselves.

The Speaker: Well I have to overrule the submission, Honourable Members. It says that the Clerk shall be responsible for the printing of Bills and so on and (3) says that the Clerk should, as soon as possible, cause every Bill to be published in the Gazette. The Bill was published in the Gazette.

Mrs. Sheila VA Holder: Mr Speaker, I recalled in the last Parliament you had ruled the interpretation of that very section of the Standing Orders, meaning that, it must be accessible to the public. We tried to access it and we were unable to do so. Most of these Bills will say and do say; *the following Bill which will be introduced into the National Assembly is published for general information.* The public was unable to get access to it. We were unable to get access to a copy today, and you had ruled in the last Parliament that, that constituted publication.

The Speaker: Well Honourable Member, the rule is that the Clerk shall, as soon as possible, cause every Bill to be published in the Gazette; the Bill was published in the Gazette as soon as possible, I am advised. So, on that basis, I do not see how I can uphold your submission.

Mrs Sheila VA Holder: So Mr Speaker, we therefore will be obliged to utilise a photocopy and approve a

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photocopy, because we do not have the privilege on that; and if there are errors, we will be none the wiser; and we will be approving legislation that we have not seen. If there is a devil's error in the printing of the Bill, we will be unable to identify them, because we have not seen the copies.

The Speaker: Honourable Member, since this is a short Bill, I am prepared to suspend the National Assembly for fifteen minutes to give you an opportunity to compare the original gazetted copy with the copy that you have before you.

Mr. Winston S Murray: Sir, from a practical point of view, we would like to have that gazetted copy, so that we can compare it with what we were given originally to see if there are any changes. So while you are technically correct, I think from a practical and realistic point of view that would be a helpful thing. We do not have it, Sir. I say that definitely, one of the officers of the National Assembly went through Mr Corbin's own; to which he has not come so his papers have not been tampered with. It is not there, so even if you say that I tampered with my papers and misplaced it; it is not there. So we do not have it; we can say that definitively. Sir, I agree with your suspension. Thank you very much, Sir.

The Speaker: Honourable Members, we will suspend for fifteen minutes.

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15:38H - SUSPENSION OF SITTING

15:49H - RESUMPTION OF SITTING

Honourable Members, I have to take responsibility for the gazetted copy of the Bill not being circulated to Members of the Opposition. It was the fault of the Parliament Office, the Bills were placed for distribution on the desk and they were not distributed. That is responsible for it.

Mrs. Sheila VA Holder: Thank you, Mr Speaker. I would just like to point out that we are still in jeopardy if we were to look at Standing Order 54 (2); and based on the fact that you had made the ruling at the Parliamentary Management Committee, what publication constituted, we were not able to get a copy. It means the public is unable to access copies of legislation that will affect them in various ways. If it has indeed been published in the Official Gazette, it therefore ought to be available to the public, and it has not been available to the public. We checked today.

The Speaker: Well Honourable Member, I have been advised that the Bills were available to the public. There was one time, a jeopardy in past years, that Bills were published, let us say on the 31 December and back-dated to the 24th. That was the complaint that occurred regularly in the past, and that position was taken by me to ensure that that did not happen, that the gazetted Bills were printed on a certain day and back-dated. This did not occur on this occasion or on any recent occasion of

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which I am aware, and therefore, the Bill was, in fact, printed on the date on which it was recorded that it was printed, and it was received by this Office immediately after. We do not normally distribute gazetted copies until the day of the Hearing of an Argument; and that is why the Government got its gazetted copy today and unfortunately the Opposition ... I do not know why it is not the other way around, I hope that it would have been the other way around, then it would not look so suspicious. But the staff put the copies for the Opposition on the Press benches to circulate and have forgotten to circulate them and that is why.

Yes, Honourable Member, we can now proceed with the Bill.

The Honourable Minister of Finance

Hon. Dr. Ashni K Singh: Mr Speaker, I rise to commend the *Fiscal Enactment (Amendment) Bill 2008 - Bill No. 14 of 2008* to this Honourable House and in so doing, I would say that I am sure that all Members of this House would recall a succession of legislation over the years, particularly over recent years, introducing changes, both to our tax system and indeed to the arrangements for tax administration. Perhaps, most immediately and most vividly, we would recall, of course, the introduction of the Value-Added Tax and the Excise Tax and the elimination of the Consumption Tax and a number of other taxes, which came into operation with effect from 1

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January, last year. That perhaps is the most important and prominent change that was made to our tax system in recent years.

Certainly, Mr Speaker, in relation to Tax Administration, there has been a number of initiatives that have been implemented over the years, seeking to strengthen in various ways, our arrangement for administering the Tax Laws. For example, we would recall the 1996 Revenue Authority Act, which saw the removal of (what was then known as) the Inland Revenue Department and the Customs and Excise Department, from their previous status as Departments under the Ministry of Finance, and placing them under a single integrated authority - The Guyana Revenue Authority; which in consequence of that Act, came into existence in 2000. Mr Speaker, since the establishment of the Authority, one would have witnessed a number of the benefits that we would have anticipated to be generated from the integration: Sharing of information; integration of functions. Indeed, some of this work is ongoing - integration of functions such as audit, investigation, enforcement et cetera; all aimed at increasing efficiency in tax administration. I believe Mr Speaker, that we are already seeing significant advantages and synergies, arising from the integration of the tax administration functions, into this single Revenue Authority; and as a result of the significant investments made by Government in strengthening the Authority, including very significantly, the introduction of a new

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integrated Information Technology System and significant organisational strengthening initiatives, that in fact, are not unrelated to one of the items that we were discussing earlier this afternoon in the financial paper - the Fiscal and Financial Management Programme.

Mr Speaker, clearly associated with the initiatives we have implemented to strengthen the GRA, has been, of course, the vesting in that Authority of greater responsibility for administering our tax laws including, indeed, an expanded role in the administration of fiscal concessions. What do I mean by this?

Mr Speaker, prior to 2003, specifically prior to the enactment of the Fiscal Enactments (Amendment) (No. 2) Act of 2003, the authority to grant tax exemptions was completely vested in the Minister of Finance, in the case of Section 6 of the Financial Administration and Audit Act; and in the case of Section 105 of the Income Tax Act, resided entirely within the purview of the President.

Secondly, Mr Speaker, in addition to the complete vesting of the authority, to grant tax exemptions in these persons or authorities, specifically the President and the Minister; this authority was completely unfettered. There were no stipulations of priority sectors, priority regions, conditions applicable to ascertain eligibility for exemptions, et cetera. There was, prior to these enactments, completely unfettered authority to exempt taxes.

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Mr Speaker, in 2003, this Government came to the House and introduced the Fiscal Enactments (Amendment) (No. 2) Bill of 2003, which had a number of Provisions. I do not believe that it is necessary for me to go through all of these Provisions; two of them are pertinent:

- Firstly, it repealed completely, Section 105 of the Income Tax Act, removing the authority to remit income taxes; like I say, completely
- Secondly, it effected certain Amendments to Section 2 of the Income Tax In Aid of Industry Act, to remove the previous unlimited scope for tax holidays and introduced specified regions and sectors. The relevant sections in the Fiscal Enactments (Amendment) (No. 2) Act of 2003 would of course be Section 21.

Mr Speaker, the passage of time has always informed us of how well our legislation is working, and we have demonstrated, I believe, our willingness on all occasions, to come back to Parliament to remedy issues that we might have ascertained, have emerged or issues that might have arisen over time, that require us to return to the House.

For example, it has been necessary for us to come back to this House, to effect certain Amendments or to seek

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approval for certain Amendments to the Value-Added Tax Act the Excise Tax Act.

For example, you will recall, coming back to this Honourable House, to expand the list of zero rated items for the purposes of Value Added Tax. We would recall, very recently, certain changes that were effected to the Excise Tax Regulations; we came back to the House and remedy the Provisions that require change.

Mr Speaker, in like manner with the passage of time, in implementing the Provisions of the Fiscal Enactments (Amendment) (No. 2) Act of 2003, the various laws that it sought to amend, there are a couple of particular issues that have emerged; that have been brought to our attention that have, in fact, caused us to conclude that it is necessary to come back to the House to address these.

- Firstly, in relation to the Income Tax Act; as I indicated earlier, the 2003 Act completely repealed Section 105 and left absolutely no latitude to remit income taxes. That Section was completely removed. With the benefit of experience, Mr Speaker, we have ascertained that there are particular circumstances - peculiar circumstances or sets of circumstances - that might occasionally require action to be taken by Government, to specify that certain categories of income or income received by certain categories of persons will not be applicable to taxes. An example that comes to

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mind, that has presented us with some challenges in recent times, is of course the case of persons employed by and paid from projects funded by foreign loans and grants many of which, in fact the overwhelming majority of which, specify in the agreements, *the proceeds of these loans and grants shall not be utilised for the purposes of paying national taxes*, to give a particularly important example in administering challenges that we have been encountering.

- Secondly, Mr Speaker, in relation to the Income Tax In Aid of Industry Act, if one peruses the Amendments made in 2003, it would be reasonably obvious that a number of errors were made in the Bill.

Firstly, in the definitions of the Regions; and I am looking now, specifically at Section 21 of the Fiscal Enactments (Amendment) (No.2) Act of 2003; if one were to look at Section 21, and in particular the paragraphs that deal with the Amendments Subsection (2) (1) of the Income Tax in Aid of Industry Act one would see, for example, that first of all, in the numerical description for Region 8 is juxtaposed the geographical description of Region 7. So whereas, in fact, the Bill should have perhaps had Region 7 numerically and geographically described, that and Region 8 numerically and geographically described would appear not to be the case.

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Secondly, is the numbering of the paragraph and the sub-paragraphs (i) (c) (i), (ii), (iii) and then the omission of (iv), (v) and (vi), and (vii), which of course is Region 10 as listed in the Act. Mr Speaker, The same would appear to be the case in Subparagraph (b), where again, one would identify immediately an omission between Subparagraphs (iv) and (viii). Sub-paragraphs or bullets (1) to (4) are listed clearly as they are and then between (4) and (8) there is a gap. Those items are not listed.

Mr. Speaker, it is perhaps regrettably ... In fact I would not say it is perhaps regrettable; it is regrettable, that these issues were not identified in time that the Bill was being considered in the House. Suffice it to say that, the Bill was passed and gazetted and would appear to be the law as it is written. It is necessary, however, for us to remedy what evidently is an error. In the Bill currently before us seeks to remedy this error.

Mr. Speaker, in addition, with the passage of time, clearly circumstances would have evolved; we would have ascertained, particularly through the technical work that we would have been doing with investors and potential investors in Guyana; we would have identified a number of new and emerging sectors, some of which might coincide with those listed in the Act and some of which might not. We seek, in the current Amendment, to remedy this also, by expanding and articulating more clearly, the Regions and the Sectors that are currently

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regarded as priorities, and therefore should be listed as eligible, for the purposes of the Income Tax In Aid of Industry Act and for the purposes of granting tax holidays.

Mr Speaker, we recognise also that it would be difficult ...we do not have perfect foresight of course and it would be difficult for us to anticipate all of the possibilities, all of the Regions and all of the sectors that potentially, for whatever reason, might emerge in the future, the appropriate for consideration for tax holidays. So we have included in the Bill, a mechanism for expanding the list of Regions and the list of eligible Sectors. That mechanism will include the making of an Order which will be required, of course, obviously to be gazetted and to be brought back to this National Assembly, so there will be full disclosure.

Mr Speaker, I believe that ultimately, the Amendments that we seek to effect to the Income Tax In Aid of Industry Bill must be evaluated in the context of emerging against, like I say, the tremendous prospects that are showed by a number of emerging sectors; and must be evaluated in the context, and must be seen in the context, of the great and strong emphasis placed by Government, on encouraging private investors in these Sectors, with a view to seeing these investments manifested in real economic activities; to see jobs created and to promote growth in the economy, creation of wealth and the reduction of poverty

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It is in that context, Mr Speaker that I bring this Bill to the Honourable House. I urge my colleagues on both sides of the House to support the Bill and both elements of the Bill; both Clauses 2 and 3- the ones that deal with the Amendments to the Income Tax Act, I believe I have explained why it is necessary; and the Clause which 3 addresses the Income Tax In Aid of Industry Act.

Mr Speaker, I believe that both of these amendments are absolutely necessary, they are critical; they would contribute greatly to the process that we started, with respect to introducing clarity and predictability in relation to our fiscal incentive regime.

Once again, Mr Speaker, I urge all Members of this House to support this Bill and I commend the Bill for passage. Thank you very much. *[Applause]*

The Speaker: Thank you Honourable Member.

Honourable Members, I think this is an appropriate time to take the suspension for a brief period to leave early so that we can enjoy and prepare for the holiday tomorrow.

16:08H - SUSPENSION OF SITTING

16:56 H - RESUMPTION OF SITTING

Mr Murray, are you next?

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Mr. Winston S Murray: Thank you Mr Speaker, I listened very attentively to the Honourable Minister of Finance ... *[Interruption]*

The Speaker: And he was very brief, you might notice.

Mr. Winston S Murray: Sorry Sir.

The Speaker: And he was brief, you might notice.

Mr. Winston S Murray: Well, I think he has good reason to be brief on this occasion. *[Laughter]* I may not have the same reason.

I must say, in all honesty, that it is one of the few, if not very rare occasion, in which I discern a lack of conviction in his presentation, and that is not normal for the Minister. I must say, he lacked persuasion in much of what he said, also. And I want to say that, if my assessment is wrong, it is my assessment. So Mr Minister do not hold me accountable for differing with you. I will endeavour to show, in part, why I believe he spoke with such lack of conviction.

I want to begin, by saying that I noted the Minister identifying what one might call printer's devil or other typographical or superficial type errors ... other devils *[Interruption: 'Like you']* in this Bill No.15 of 2003. What I would like to draw to the Minister's attention is that, these errors have remained embedded in this legislation for almost five years, and he never sought between then and now, to have corrected them; but on

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this occasion, makes this one of his major arguments for bringing this legislation. Clearly, and I say this in all honesty, that does wash very seriously; but we are glad that he took the opportunity, on this occasion, to renumber adequately and to adequately describe Regions. That is good as far as it goes, Sir.

I also want to say that it is my honest and distinct impression that this Fiscal Enactments (Amendment) Bill has come to this National Assembly, in the wake of strident and sustained criticisms about the legal basis for the grant of certain concessions recently to certain companies undertaking investments in Guyana. Any doubts I may have had about this link, between the grant of those concessions and the bringing of this Bill have been dissipated fully by two headlines:

- (i) In the Kaieteur News of Wednesday 30 July 2008, which reads: *WE MADE A MISTAKE*; quote *...we thought it was covered in law*.
- (iv) In the Stabroek News of the same date, the headline reads on Page 3: *GO- INVEST ADMITS MISTAKE IN ...*

Sir, confession is good for the soul. I want to congratulate the Officer who had the courage to so express, and I hope he does not suffer any adverse consequences as a result ... [*Interruption: 'Why do you*

think so? “Because experience tells me so, Mr Prime Minister”]

Sir, but while I noted that open and very brave confession, I want to make some observations on the acts that was done, and I hope that that Officer did not offer up himself as the lamb to the proverbial slaughter; since, the agreements that I have seen, Sir, have been signed by no other person than the Honourable Minister of Finance himself. So if there has been a breach of the law, a signing of agreements awarding concessions outside of the law, which we are now trying to give cover to, by amending the law; then it is my respectful submission, that the person who has to be held accountable for the grant of these concessions outside of the framework of the law, is none other than the Honourable Minister of Finance.

I wish to go on to say also quite candidly, Sir, that in any well-functioning system that prides itself on good governance, this would have resulted in some very obvious actions. But further I say not, and I draw no conclusion; I leave the general public and the Honourable Members of this House, to draw their own conclusions. What I would say, Sir, is that perhaps, we are not in that category of countries, where we can really say that, good governance is a true and full corner stone of the functioning of our system.

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I looked in the Chronicle, because I am often told ... *Why don't you refer to the Chronicle?* In describing this same seminar at which this open acknowledgement was made, this is what I saw in their headline:

*GOVERNMENT COMMITTED TO
TRANSPARENCY AND
ACCOUNTABILITY ...*

Minister of Finance Dr Ashni Singh said that Government is strongly committed to the strictest standards of transparency and accountability ...

I venture to say, Sir, that that is honoured in the breach in this particular case, because there has been no transparency whatever, in the conclusion of this particular issue...[Applause]. But we sought transparency; we pleaded for transparency, we make public calls for these agreements to be laid; and even if, in normal circumstances one would not lay them- because I would be the first to agree that not every agreement necessarily has to be laid- but there has been so much condemnation or criticism at the minimum, surrounding this particular deal, that I felt it was incumbent on the Government, in response to those criticisms, if only to quell them or to answer them, that they would have brought those agreements to this National Assembly. I think it is rather unfortunate that as we speak here today, this continues to be the case, that it has not been brought.

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As to the Minister's firm commitment to the strictest standards of transparency and accountability, I want to read what is a definition provided us in no other document than the National Development Strategy, as to what is understood to be meant by transparency; perhaps we need to remind ourselves: It reads as follows:

Transparency may be described as the absence of secrecy in all transactions and activities of the Government except those specifically excluded by law. Transparent systems of governance permit a wide range of information to be accessible as of right; are characterised by clear procedures for decision making and have open channels of communication between stakeholders and officials.

I dare say we consider ourselves, I believe rightly as stakeholders in this system

Such systems enable citizens to scrutinise and assess all aspects of a government's business to uncover wrong doing and to protect their rights.

I hope that as the Minister moves forward to provide us with an environment of strict compliance with transparency and accountability, that he bears that definition in mind.

Sir, let me say this also before I move on. I read in the said Chronicle of 30 July, another story in which the

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President was meeting with the Forest Products Association and a certain Forester's business came up for discussion, in the context of an alleged breach of guidelines for the use of his concession; and this is what the President said: *He warned that if companies were found breaching the forestry regulations, they have to face the consequences.* I think the logic of that extends to this, Sir: If a Minister breaches the laws of the country, then they must be some price to be paid. That would be what this should be likened unto...[Applause] So we cannot have double standards by which we govern; that in the area of private enterprise, we come down rightly, on those who breach regulations or the regulatory framework within which they are to function; and treat differently with government officialdom that breach the laws of the country. I ask that we do not apply double standards in these matters.

I want to move on to say this, before I go any further, that we of the PNCR-1G welcome all investors to Guyana; private foreign investors, in particular, in partnership if that is possible, with local investors, because we believe that it is the private investors and private entrepreneur, who can, by their ventureship, and by their boldness and innovation, bring growth to economy so that we can - the government and the rest of us all - help to contribute to creating a better life for all our people. And I understand and accept, that any investor who comes to Guyana, ought to seek the best possible terms for his investment.

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So I hold nothing against an investor who is able to attract the most favourable conditions for making his investment in our country. But while I have no problem with him doing that, I, as a representative of at least some of the people in this country, believe that we in the National Assembly have a bounded duty to ensure that the Government is transparent in the way in which it arrives at those investment decisions; and we will hold the government accountable. So I want the investors to understand, that nothing here this afternoon, is intended to detract from his efforts, his initiatives and his rights to try to get the best for his business: and I separate that and make it distinct from the Government's responsibility to us here in the National Assembly and to the nation at large.

Sir, what then is the status of these concessions that have been granted outside of the framework of the law? Clearly, as we stand here speaking this afternoon they are illegal; they have no legal place in our system. The Bill we have here this afternoon seeks to introduce certain elements that will make provision to cover, some aspects of what was done outside of the framework of the law. But I have a problem with how that is going to be achieved, because the Bill before us, in the National Assembly this afternoon, has not provision for retroactivity and I think that is a good thing and that is a healthy principle, on which laws should be passed. So

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when the President assents to this Bill after it shall have gone through its three stages here, it becomes law. It becomes law at the time he assents to it unless there is some special provision that provides for the Minister or some other personality, by order or some other mechanism, to bring it into force at some future date; or the Act itself makes provision for retrospective application, which is not the case here.

So Sir, we are going to have a problem. I just want to alert this National Assembly and the nation, to a very real problem that we face. We have a set of concessions having been granted, we have a law that is coming to us that is going to take effect from the date of assent by the President; what therefore is the state of these concessions? I want to say very clearly, that we, of the PNCR-IG, are of the view that they will remain outside of the framework of the law; because whereas the law, with effect from a certain date is making provision that; did they come at that date or subsequent to that date, they will have been covered; the fact is, they came prior to the date of this law coming into force and therefore it does not apply to them. In that case, I believe the process may have to begin all over again.

I simply flag it and say that I hope a mechanism can be found, but in the mean time, I say that we are in the horns of a dilemma and I say no more, Sir: Because, we want to see our country move forward and I really do not want anybody to misunderstand the thrust of what we are

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saying here this afternoon. We are here; while we point out these things that are inadequate or wrong; we are here to try to work together to fix them and make them right, so that our country can be the beneficiary and our people, ultimately, can get the benefit of these investments.

Sir, what else? Apart from trying to give cover for some of the things that would not have been covered by law, as it exists up to now; what else does this Bill before us seek to do? The Honourable Minister in his presentation pointed to the fact, and he was pointing to these things in the context of improvements the government was making in the administration of the tax system and in the administration of fiscal concessions. That is the context, I believe, in which he was making some of these points. And he pointed us to the fact that in Act No. 15 of 2003, Fiscal Enactments (Amendment) Act No. 2 of 2003, that in Section 19 of that Act, Section 105 of the Income Tax Act was repealed, and indeed, I say that was a good thing; that was an excellent thing. Section 105 of the Income Tax Act really makes a provision for the President to remit, wholly or in part, tax payable by any person, in respect of any year. So that was a huge step forward, because it removed this discretion that did not have any defined framework, absolute in its application, from our laws; and so I share the Minister's view that, that was a very important and far-reaching forward step. But what do we have here today? We have here, a reintroduction of a Section 105 in the Income Tax Act, in place of what

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we had then, because what that did was to remove this discretion in its totality. We now have this discretion being restored and being vested, instead of in the President, being vested in the Minister of Finance. Of course, let me add to the Minister's credit and to the law's credit, it defines a framework; but I want to argue and I will present to you the basis for this argument shortly, that it creates enough flexibility within it, such that, we are back, if not quite to that point of absolute discretion, to a point of significant discretion, which I believe to be not in the national interest. I will show you that in fact, this Government in other agreement it has made, undertook to reduce the discretion that public officials, including Ministers have, but I will come to that in a while.

Now what does this new Section 105, which is now being re-inserted into the Income Tax Act say? It says, instead of that the President having the absolute discretion, *the Minister may make regulations to provide*. So we can say, ah, he has to make regulations, so he does not have this absolute discretion to remit in whole or in part the tax payable, et cetera...and *in accordance with such conditions as may be specified in the regulations*. Two points I want to posit

The first is that the regulations that are being made or will be made or may be made, because they may be made, are going to be subject to negative resolution in this House. Now, that is a very significant matter; that is no small

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matter. There are two kinds of ways in which you can have resolutions for regulations. Everybody knows that you can have them by affirmative resolution or by negative resolution. There is a clear and fundamental difference between these two types of resolutions. An affirmative resolution requires the Government to bring the measure that it intends to implement, into the National Assembly, and for there to be a full debate on this measure and for the Assembly, if needs be, vote on this measure, before it is given the effect of law. In that process, Sir, I submit that Members of the Assembly will have an opportunity to propose amendments and changes, either to delete things or to add things or to modify what is here.

Sir, but when you have a Negative Resolution, this is what happens. In the case of a Negative Resolution, once the Minister signs the Order or makes the regulation, it takes immediate effect. So that, from the moment it comes out from under his hand, it is law. Of course, he is required to lay it in the National Assembly. That may be done at the next Sitting, maybe a week away, maybe two weeks away; I do not know. Let us assume it is even the next day; it is then up to any Member, within, I believe a period of forty days, to bring a Motion to annul the Regulation. It is very clear, to annual. It is a fundamental distinction; it is not only that it comes post facto, after it is law and you have an opportunity, if you want, to bring a Motion; but your Motion can only annul; you do not

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have an option of bringing a Motion to amend, proposed changes to this legislation. It is a simple matter of annulment of this Act.

What inhibitions does the Government face if it has to go by way of Affirmative Resolution? Because I know, I heard them argue this, but I think un-meritoriously, that it requires Notice; that you cannot get it done quickly. Well, the Standing Order and the Interpretation and General Clauses Act are very clear on the matter. In talking about Motions; and since this is Government Motion, the Opposition does not have the same leeway, mind you Sir; the Government can, with your leave, get this matter put on the Order Paper for the next day, once they want to call a Sitting for that day. So, they can within twenty-four hours, within forty-eight hours; the choice is theirs. Bring the measure to the National Assembly, have a debate on that measure, have it voted upon and then have it become law. I say Sir, with great respect to my friend the Honourable Minister of Finance and with great respect to the Government; I can see no impediment as to why the route of affirmative resolution is not adopted where regulations are going to be made under this law.

Sir, it goes on to say that in accordance with conditions as may be specified in the regulations. Now we do not have these regulations and I am willing to accept that; though I think that some regulations could have been made as of now and we could have had the benefit of them as we sit

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here in the House; but I am willing to accept that it may time to prepare these regulations. But when you say as maybe specified, you may make regulations, I am assuming that you are going to make, so that the transparency would be enhanced. But is it that there may be cases where you may not specify important things if you have a particular investment or investor in mind. I do not know, but I have to act on a basis of wanting greater transparency and not assuming that all is well. Sir, I say to the Honourable Minister that I appreciate the movement that was made by the repeal of Section 105 in the 2003 Act. I, however, do not believe and I see in your re-creation of a 105, a partial return, not the whole way, to an area of discretion, which I thought we had left behind.

Under Section 37 of the Investment Act, the Minister is required to publish in the Official Gazette, the concessions granted in any one year – Section 37- Publications of Incentives Granted - We know that concessions have been granted, and I am not talking here about a particular investment; I am talking generally about investments, but there is no evidence of the gazetting of these concessions as required under the Investment Act, and I would like to hear from the Minister about his commitment to do so and how soon we may expect the first such publication.

Now, Sir, I turn to Section 3 of this law. *[Interruption]*

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The Speaker: Your time is up Mr Murray, before you move on.

Mrs. Deborah J Backer: Mr Speaker, I rise to move that the Honourable Member be given fifteen minutes to continue his presentation.

Question put and agreed to.

The Speaker: Proceed Honourable Member

Mr. Winston S Murray: Thank you, Mr Speaker. I now turn to Clause 3 of this Act, Sir, where

the Minister may grant an exemption from Corporation Tax, with respect to income from new economic activity of a development and risk bearing nature and qualifying under the following circumstances.

I want to give the Minister credit for the fact that, this is an improvement and an advance (call it what you will) on what existed in Act No. 15 of 2003, because it did not have this requirement of developmental and risk bearing. So if you read this on the surface, it gives one, at first blush, the impression that it sets a tighter framework. The problem that arises, is that, nowhere in this law, is the word *developmental* or the term *risk bearing* defined. So who exercises the discretion, who determines what is developmental and what is risk bearing. Clearly, it is again within the discretion of the Minister. So while these words connote a tighter framework, a lack of

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definition of them in the law itself, leaves it open to a discretion that wholly resides; or leaves it to a determination that wholly resides in the discretion of the Minister. I think that, that is a weakness in this law, if we are looking for greater transparency in what goes on.

And then, Sir, while the Regions are identified, it says *activity that demonstrably creates new employment*. Now the word *demonstrably* (I know it was used in the 2003 Act) and is used here again. I was not here and I do not recall debating it; but the word demonstrably; again, who decides that something demonstrably creates new employment - the Minister; there is no framework here. And while the word demonstrably again gives the impression of precision, or gives the impression of clarification or amplification or a tighter framework, because of the lack of definitional precision, it is the Minister who will exercise his judgement, as to whether the activity demonstrably creates new employment.

Then at Section 4 Sir, having identified the specific Regions 1, 7, 8, 9 and 10, there is a catch-all. The Minister then puts in a catch-all - *such other Regions as the Minister may by order, subject again only to negative resolution*, not affirmative. I say bring it here and let us debate it; if this is a word this region ... Tell us why this Region deserves it and let us debate it and approve it. Do not make it into law and then give us forty days, where we may simply annul it. We may not want to annul it; we may simply want to hear the basis on which you are doing

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it. But it says again; *as the Minister may by order subject to negative resolution*. So although they list regions 1, 7, 8, 9 and 10, they did not list Region 6, but the Minister may do it by Order; nothing on Region 3, he might do it by Order and determine. He did not list Region 2, but he might do it by Order and proceed. So the point I am making here, for practical purposes, every Region, he can determine the Region, five of which are specific, the others are in his discretion.

Sir, we then move on to 3 (a) (i) (b), where again demonstrably another aspect, because it has two faucets:

- Creation of employment in the Regions; and then
- Creation of employment in certain specific areas of economic activity - non traditional agricultural and so on, fine; and then tourist facility

Well, I do not know what those are, but I will come to something just now, but we see the inclusion of *textile production*. We think we know what that is intended to cover. We see the inclusion of *development and manufacturing of new pharmaceutical products*. Somebody raised the point, new in a scientific sense or new to Guyana. I would not quibble once we can define it and we have a common understanding; I do not mind if

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it is either or both. I think that is okay. But then you have this thing *infrastructural development*; where is this defined? What do we mean by infrastructural development? We know in the normal course of speaking, we mean things like schools, sea defences, health facilities, roads and bridges. *Including the production of electricity using renewable sources*; Well I understand that may be hydropower; I have no problem with that being something that benefits from this. So, I believe infrastructural development Mr Minister, needs some general definition, if not you decide. And my aim here is not to say that these things are not relevant, but to ensure that we have a framework of transparency that we can understand and the nation can understand, the basis on which these things are being identified for such concessions.

Then we have; *for anything not listed here in the above 1 to 10, such other fields as the Minister may by order, again, subject to negative resolution, specify*. So this is intended not to get caught like we got caught this time a round, so I put in something here that says such other fields that I might prefer. So now I cover myself upfront; I am not waiting to get caught after the Act, but you put in this thing of negative resolution. I say;

... change all of these negative resolutions, Sir. If you are truly interested in transparency; change all these things where you have negative resolution

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and put affirmative resolution and we will be one step nearer to supporting you in this Act.

Then Sir, he introduces something here that really, I do not know why we need to give the Minister this power. There is a 1 (a) in this same Fiscal Act No.15 of 2003 and a 1 (b). The 1 (a) is being replaced by a new 1 (a).; the 1 (a) that was there says that:

... an exemption from tax granted under this section, shall not exceed five years except that in the case of new economic activity the Minister may grant an exemption of up to ten years.

Here it says: *an exemption from tax granted under this section*, because he is deleting that one and he is putting this in *shall be for a period not exceeding five years except that in the case of new economic activity specified in Section 1 (b)*, which is for the types of activities not region activity, but for the type of activity *may grant exemption for up to ten years*. That is fine, more or less what is here already; but then this is the part; *provided that in the case of new economic activity identified in 1 (b) (x)* which is, such other fields as he has identified, *the Minister may grant an exemption for a period longer than ten years*. You hear that. Now how much longer Members of this National Assembly? Is it another five years; is it another ten years? I say we need to have a defined limit. We need to have an upper limit; we could not give any Minister discretion to give unlimited tax

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holiday. That Sir, I say, smacks of disrespect for transparency and not for a close application of the principle of transparency. And the Minister deletes 1 (b) which I have no problem with, because he covers it elsewhere, deletes the definition for tourist hotel.

Sir, so, as you can see, I have gone through this Bill in some degree of detail, and we have serious concerns about it. Our concerns have a context. I want to tell you Sir, that way back in 1992 when Dr Jagan addressed this Honourable Assembly, what he said ... this is his inaugural speech in 1992 to this National Assembly; *some of our major thrusts will be and one of them is* (he listed a number of them but I am taking the relevant one) *ensuring good governance, a clean and lean government, efficient management and strict accountability*. That is our starting point when this Government came into office in 1992.

And then Sir, not so long ago, His Excellency Hon. Bharrat Jagdeo came to this National Assembly and he told us what the thought about those matters. I ask you to please bear with me. This is what he said:

My Government is committed to entrenching the integrity of our public institutions. This will involve continuing the relentless fight against corruption and an unequivocal subscription to transparency and accountability in affairs of Government.

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Then Sir, he goes on to say at another place: *Mr Speaker, (addressing you Sir, he spoke) on governance, my Government will pursue approaches that are predicated on a number of things and accountability and transparency.*

Sir, a quotation, in expressing his hope for the Ninth Parliament this is what he said: *You have an important role to play in ensuring scrutiny of my government.* But we cannot scrutiny what you keep away from us, Sir. *[Applause]* But he tells us; *we have an important role to play in ensuring scrutiny of my Government. I see such a role as integral to promoting a vibrant democracy and to ensuring transparency and accountability.* We back you Mr President one hundred percent; we also want a vibrant democracy, transparency and accountability.

But, Sir, it is not only in the words of our former and current Presidents that commitments were made. I am in a position to say to you that the Government itself, in agreements with the World Bank and indeed both of these projects were with the World Bank, the Public Sector Technical Assistance Credit Programme. And, let me tell you what they said in the monitoring matrix. It can be found on Page 50, so it is not something that I have created: Fiduciary Oversight CFAA; which is an acronym for Country Financial Accountability Assessment, it is an assessment done; and the CFAA and IMF Study stated that *the Executive Branch employed excessive discretion. Analysis also showed that Guyana's limited checks and*

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balances provided inadequate safeguards. One of the commitments for implementation was *reducing public officials' discretionary powers.* That is the commitment, Sir.

At another place, the same Country Financial Accountability Assessment says; *they determine inter alia that, strengthened fiduciary oversight was essential, especially reduced discretionary authority and Parliamentary oversight. Discretionary authority reforms must be addressed by the Government of Guyana.* This is written on 12 July 2007.

And in the World Bank Report, on a project called Poverty Reduction and Public Management Operation, done on 27 September 2007, in the area of fiduciary oversight, this is what it says, among what the reformed agenda supported by this project included. One of the things listed there and I can list them all, but they are not relevant, I mean they indicate our falling down short in a number of areas, but the one I am interested in here is relevant for this discussion; curtailing, that is part of the reformed agenda supported by them - *curtailing discretionary powers of public officials.*

Sir, I want to say what they said elsewhere too, which I think is helpful: *The Government exerted committed efforts to implement the reforms supported by the PRPMO* - committed efforts. Sir, what we are seeing here today is an untangling, unwinding of those

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commitments; a reversal of those commitments; a step in the wrong direction; a step that reopens the area of discretion to a Minister, which I believe is inimical to the tenets of transparency and accountability.

Sir, it will be clear, that against this background and in these circumstances, the People's National Congress Reform-One Guyana cannot support this Bill in its current form. Thank you very much Mr Speaker.
[Applause]

The Speaker: Thank you Honourable Member

Hon Member Minister Nadir

The Honourable Minister of Labour

Hon. Manzoor Nadir: Thank you. Mr Speaker, first let me pay due admiration to those Members of the National Assembly, who are well adorned with our African dresses.

Mr Speaker, as Mr Murray listened attentively to the Honourable Minister of Finance, so too I am sure, most Members of the National Assembly and I, would have paid rapt attention to his arguments; and as usual we can say that, he has once again laid a very coherent case. It may not be too factual, but certainly coherent and so you were able succinctly follow the arguments he was making and they are basically two:

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- (i) That this Government lacks transparency; and
- (ii) That this Government lacks accountability.

And what we have before us, is a Bill that demonstrates that this Government pays little heed to those glowing principles that were set out in all of the State papers when it comes to transparency, accountability, good governance and a vibrant democracy.

But Mr Speaker, when the Privatisation Unit had their seminar on Tuesday, the Chairman of the Private Sector Commission made the observation and he said: *It is sad that today many persons stand on the issues from where they sit*; and he was referring and that allows them to flip-flop. And I want to agree with him, we should stand on the issues, based on our principles. And what we can say here; and when I stood speaking sitting over there on this same issue, and I remember no lesser person than His Excellency the President who was then the Minister of Finance, he and I traded the issue over concessions and the granting of more concessions and how these concessions should be granted. Again, only last week there was a case that Mr Ramjattan feels that we are not doing enough for. Sir, but for me, what we have seen happening, was the dismantling of the unfettered discretion that was exercised, prior to 1992. That the Government has dismantled that unfettered discretion that was exercised by the previous regime and has put institutions, mechanisms, laws and rules in place so that,

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you can follow the decisions of government - follow the decisions, being involved in the decisions, question those decisions. And that is what we are amply seeing there today. What Mr Murray just demonstrated is how vibrant those mechanisms are working, so that we can question.

Mr Speaker, when we talk about the Auditor General's Report and we are beating this thing like a dead horse over and over again; only yesterday Sir, you received the Auditor General's Report for 2006; what an achievement especially in these short seventeen years. [*Interruption: 'In this instance a red herring.'*] Red herring, white herring, pink herring that is part of the new structures that have been created, to ensure that there are checks and balances. Mr Speaker, if we could live on that report ... remember that report used to be handed in the past to the Minister of Finance. The Auditor General's Report in the past, used to be handed to the Minister of Finance; that was dismantled under this administration and said that it must go to a body outside of the Government; and no lesser person than the Speaker of the National Assembly now receives that report. That is significant.

Mr Speaker, we talked about this unfettered discretion that was had prior to 1992 - no oversight. Today, our National Assembly could boast of being one of the most progressive in our Commonwealth. Let us find the Standing Committees as, we have those four Sectoral Committees, that can peep, seek and call anyone to the National Assembly, so that, the elected representatives of

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the people, can have oversight into the affairs of the nation. That still exists and those four Committees have tremendous powers. Those of us who have been sitting on the committee to look at the *manualising* of the Standing Orders for Committees, have been reinforced in our views, that these Committees have so much power, unfettered, that can be exercised to bring anyone of us; and I myself Sir, in the former position, and in this position have appeared no less than half- a-dozen times with the staff of the Ministry of Tourism, Industry and Commerce and the Ministry of Labour, before these Committees.

Mr Speaker, that is another institution that has been created, albeit yes, with the support of all of the parties in the National Assembly when the Constitution was changed. And I want to talk about constitutional changes too; because constitutional changes did not start in 1997. I remember sitting on a Committee that the Honourable Member from the Government side Mr Bernard De Santos Chaired, just after the 1992 elections, to start looking at changes in the Constitution, so that we can make our Constitution give more power for good governance, for scrutiny. Mr Speaker, while those discussions failed ... [*Interruption: 'When are you going to talk on the Bill.'*] I am talking to the Bill; we are talking to the issue of good governance; the issue of building mechanisms for transparency and we are also talking to the issue of allowing an elected government the

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mandate, to govern within the rules, the Constitution and the laws of Guyana. We are also talking about that.

Mr Speaker, I want to touch on one other issue, with respect to this whole matter of mechanisms that have been set in place, to provide for more checks and balances in our system: The changes in the judiciary, the free Press that we have; the ability today, of citizens to find their tongues and speak up, even if they are speaking up for a cause that may not be justified in fact, those conditions exist now and that is why today, we can boast that Guyana has one of the more progressive Parliamentary democracies in our Commonwealth. We can boast of that.

Mr Speaker, a lot has been made by the Honourable Member from the Opposition, Mr Murray, about the issue of using Negative Resolutions in the National Assembly. There are two tools that law makers have at their disposal:

- The Affirmative, and;
- The Negative Resolutions.

And I want to say, in this particular case, the tool of a negative resolution is necessary. It is necessary, because when I peruse some of the laws, the rules of operations of investment promotion agencies around the world; and Mr Speaker I can point you to two of them in particular, done by the Multilateral Investment Guarantee Agency of the

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World Bank and the Finance Investment Advisory Services, they speak to the issue of flexibility. You have to be flexible; and those of us who are very familiar with how INTEL went to Costa Rica, the issue there was the capacity of the then Government to bend to meet accommodating US\$300 million to US\$500 million in investment that reshaped the economy of Costa Rica. Had they not had the tool, the flexibility, the capacity to be flexible, those investment promotion agencies would have been ineffective.

Mr Speaker, I want to go back to this whole issue of the flexibility of investment agencies. I want to look at the story of how the Japanese Automotive Giant Toyota Motor Corporation and Pouget came together and invested \$1.5 billion in Czechoslovakia and the Czech Investment Agency. They won the best investment promotion agency title in Europe for a number of years in succession.

Mr Speaker, I am quoting from a document that we can find on the internet, and it is entitled, *COMPETING FOR FDI's*; if you check that, you can get quite clearly the entire report. Mr Speaker, it says, out of fifty countries, these two auto makers look at the Czech Republic, because of three things: -Because of a centralised system of dealing with investment; that is what we have with GO-INVEST;- because of flexibility, and they also mentioned;- transparency. In the issue of transparency, what has been created in 2003 when we passed Act 15 of

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2003 - Income Tax In Aid of Industry Bill – Mr Speaker, what we created there, was taking away this unfettered power of the President. The Honourable Member from the Opposition, Mr Murray read the particular Article Section 105; and if I can just, for the benefit of the Members of the National Assembly, go back to the Principal Act Chapter 81:01 Page 74 - Laws of Guyana - and Section 105 reads:

The President may remit wholly or in part the tax payable by any person in respect of any year of assessment if he is satisfied that it will be just and equitable so to do.

Unfettered - the President had that power. You can walk into the President and make a case and he could, without rules or anything ... we took that out.

Mr Speaker, in 2003, a system was set up so that we can have rules and we can have a clear procedure. Prior to 2003 with the Fiscal (Amendment) Act, the Minister of Finance could have designated anyone in the Ministry of Finance to exercise the powers to grant concessions. And that is why the World Bank gave due credit to the Government, for what it is has done. And that is why the International Financial Institutions continue to support the economic programmes of the country, because we are doing it in a transparent, accountable, law-based manner. Over and over again, we have heard the CEO of GO-INVEST said that we have made a mistake. The Minister

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of Finance rushes to correct a problem that we have, because we want to be accountable and we want to exercise the concessions that we are giving, based on rules and laws.

In 2003, the powers were removed from the Minister of Finance and were removed from the President and it was put in the hands of those who administer our tax system, the Commissioner of GRA. Mr Speaker, he has a set of rules to govern by and those rules are set out and they are published in our websites. There is something called an Investment Agreement- if you are a new investor and have one of these, it is there. The Public Accounts Committee, the Economic Services Committee, the Auditor General, anyone can call to see and audit any one of these agreements. They are there, there is a paper trail and there is an audit trail for anyone. I want us to go and find the audit trail prior to 1992 ... [*Interruption: 'I got it.'*] You got it, good.

Mr Speaker, if you are an existing company that had concessions, there was a requirement for those concessions to be renewed annually; and for the Minister of Tourism Industry and Commerce - that Ministry - to make recommendations. But the ultimate decider in these concessions was the Commissioner of the Guyana Revenue Authority.

Mr Speaker, we do have a need to be a bit flexible and what we have done is reintroduce the Minister of Finance

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having the capacity to make regulations; and it is not an unfettered discretion which he has. Mr Speaker, he has to make those regulations that will set out, wholly or in part, what will be done and how it will be done, so rules will exist on paper. You just cannot walk into the Minister of Finance and use different kinds of suasions and get him to do things. He has to do it based on rules and regulations which he has to make; and so anyone later on could come in; anyone could follow the audit trail and ensure that what he is saying that he is doing, will apply to everyone that falls within the same category.

Mr Speaker, I was expecting a very short debate today, because I remember quite distinctly in 2003, when we were looking at these amendments, and what the Member from the Oppositions - People's National Congress Reform then - called for, was an even wider basis. If I can quote Mr Speaker from the verbatim records 15 August 2003. ...[Interruption: I was the Minister, Mr Speaker of Tourism Industry and Commerce, but I supported his view too Sir] ...With respect to Clause 21 that is going to be in the Principal Act; this is what a certain gentleman said and I am quoting from the verbatim records:

Government would have sought to have more clauses like Clause 21 which really is designed to stimulate the economy and create conditions for growth and development ...

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[*Interruption: 'That sounds like Murray.'*] [He was in law school]

... so that we can have employment, because as you would know, as the Minister of Finance, there is no better way to increase taxes than to stimulate the economy and increase income. So it is really a little troublesome that what we have here is a Bill that penalises even those who are earning minimal incomes at a time when, really, what you should be doing is trying to stimulate and increase incomes.

And he said;

I just thought I would make this general observation, because to us it is a very unfortunate situation that this is happening.[end quote]

Mr Speaker, and here, the speaker was no other than E Lance Carberry and what he was calling for, Sir, at that time, was even more concessions in the list under Article 21. What he was calling for was to expanding. And so when I read these records, I thought that what we would have had here today, was a very short debate, because what the Bill has in it, is the conditions to allow us to even engage in more stimulation of the economy, by introducing the capacity of the Government at short

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notice to make for favourable conditions to attract certain types of investments.

Mr Speaker, if I go back to the issue of the INTEL - investment in Costa Rica. Mike Edwards from INTEL who was part of the start-up team in 1996 in Costa Rica, he was interviewed by the Journal, Foreign Direct Investment (FDI) - there is a Journal called FDI - and they were asking him, why out of the blues INTEL went to Costa Rica with this significant investment. He said there were two tiers of considerations.

The first that he had to look at was the area of infrastructure, airlift, surface transportation between their locations and the airport; and I want to say that we have all of those present in Guyana today.

The second he said was that; the operating environment, what are the permitting requirements; are they able to fast-track permitting? And so INTEL was able to get their investment decisions fast- tracked. And the story actually goes, when the President then of Costa Rica heard about INTEL wanting to do the significant investment, he did not know where. The story is told that he found himself with his key government officials in the Boardroom of INTEL and he sat and waited on the Chairman of INTEL and said, *come to Costa Rica and we will do whatever it takes that you want to bring this investment and plant it here.* Mr Speaker, Mike Edwards said, in terms of these long term investments, we were

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looking for long term concessions; and someone criticised the Minister of Finance for a special investment wanting to give more than ten years. Well, Mr Speaker, I am going to say here, if we are going to go on a half billion dollars investment here in hydro and if we will get a \$1 billion aluminium smelter plant here, we are going to have to give concessions that are going to be longer than ten years. And many times, we may not have the luxury of running between the investor, the drafters, so what we have to do is to make a decision. We trust that those who the people have elected and who have so far been exercising good judgement in the affairs of State will continue to so do.

We trust the judgement of the past Minister of Finance in the deals that he has made, the changes in the laws that he has made and what we have done to attract investment? GO-INVEST will tell you that almost US \$1 billion of investment in six years; and that is why, in spite of the high price of fuel and what is happening in the global economy and the concessions that we are giving in Guyana with respect to fuel and electricity, our people are not on the road fighting for even more bread on their tables, because the conditions that have been set in place a decade and a half ago, has been giving us very good economic growth, as measured last year; in spite of our inflation rate, the Minister of Finance was able to produce a 4.7 percent real growth - a phenomenal achievement.
[Applause]

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Mr Speaker, this Bill deals and introduces a number of new areas and it did not fall out of the sky. I happened to have been part of the discussions that dealt with how we are going to make for a competitive economy in Guyana. The IDB \$27 million Competitiveness Programme did not fall into the laps of the people of Guyana, because somebody likes somebody. It happened because the Government demonstrated its capacity to have rule-based concessions. The Government demonstrated the capacity to rationalise how; it is going to put investments. We did that in 2004 in our Investment Act; we set out clearly what we are going to do in the Investment Act. So people no longer have to dream of what GO-INVEST may put on the website, there is an Investment Act 2004 that was passed, and people can read and say, this is part of the laws of Guyana? If you invest here, you can take your money out; if you invest here you are going to be able to accommodate it just as the other investor without fear or favour. The Investment Promotion Council under that Act was established in 2005. Again there is another mechanism, to ensure that there is some nexus between the investor, the private sector and the policies being made by Government. Because one of the primary purposes of that Act, is the establishment of the Investment Promotion Council, which has one of its major tasks, to make recommendations to Government on what their priorities sectors are. And so regardless of what we do, we can construct a palace and present it to them with all the fineries of living in this world, but it is

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never going to be enough, because as Captain Gouveia said, they are taking positions from where they sit and not from strong convictions of principles.

I want to submit that if we follow the Honourable Member from the Opposition, Mr. E Lance Carberry (he walks in on his name); If we follow what he said in 2003, this Bill would have been one of the shortest Bill ever debated in this National Assembly, because these conditions that are presented in this amended Clause 21, goes a very far way.

The Honourable Member Mr Murray even tried ... he said that he was going to come back and talk about tourism facilities and he forgot; but I figured I knew where it was going to come from, because the previous Act speak about hotels and eco-lodges. Tourism facilities are not only about accommodation; they are about a Disney World, they are about water parks, they are about entertainment - new areas - they are tourism facilities; they are not accommodation facilities, so we have to make the appropriate definition. I want to commend those who had a hand in drafting this particular inclusion here, to allow for tourism facilities rather than for eco-lodges and hotels, because tourism is not just about where you sleep, it is about building the experience of the person that is moving from point A to point B to spend money.

Mr Speaker, we have before us an Amendment that will go a long way to attract more investment in Guyana. We

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have before us, an amendments to the Fiscal (Amendment) Act, that will allow us and will give GO-Invest even more powerful tools, in their quest to ensure that we are going to attract even bigger and better investments. Because in the end, it is about creating decent work for our people and if we talk about the decent work agenda of the ILO; we talk about good paying jobs with employers who are going to respect the rights of individuals that will promote social dialogue; those are some of the issues. And what we have, Mr Speaker, I will say is an agenda that will enhance the workforce of Guyana - creating better jobs.

Mr Speaker, I have great honour in lending support to the Honourable Minister of Finance. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Member Mr Ramjattan

Mr. Khemraj Ramjattan: Thank you Mr Speaker. Mr Speaker, having heard my good friend Mr Nadir, I must say indeed there is some self contradiction in what he said. With the existing regime as it is, he proudly boasts that GO-INVEST has brought in a US \$1 billion in investment under that regime, that stood since 2003. Moreover, we do not know this time, how many investments were blocked, as a result of this fetter that he talks about, that has to be gotten rid of now. There is absolutely nothing that has been brought, to show statistically, that the need for this fetter now is no longer

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there. What we do have, however, is the congruence with wanting the fettered to go to give a certain favoured investor called Queens Atlantic, that which they were supposed to think they would have gotten, but the legality of which and the sub-stratum of which has gone, because indeed there is no such statute that provides for it. And that is why there is so much self-contradiction in what Mr Manzoor Nadir speaks about.

This PPP/C Administration in 2003 and I was sitting with them there, indicated that the divestment of discretion from public officials is necessary, because such discretion has, what is called, a corrupting influence. That is what it was called - a corrupting influence - and the fact now that they want to get rid of this fetter that they are talking plenty about now; has these words about a corrupting influence gone out of the window? Mr Manzoor Nadir, you must appreciate what you say in context like these and on that score, Mr Speaker, I want to deal with some of the points that caused the realisation now of this discretion being so needed.

When Mr. Yesu Persaud a leading personality of our business sector and an elder who must rank amongst the best, the most decent and astute patriotic in our community, has the temerity to point out at the launch of the Guyana Times (I cannot remember the date) that there must be a broader distribution of the grant of concessions and tax incentives to companies and businesses, it was treated with a tirade of vitriolic abuse by (I must describe

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him as) a very belligerent Mr Jagdeo, on that occasion.

[Interruption]

The Speaker: Honourable Member, I cannot allow you to talk about the President of the land in that way, please.

Mr. Khemraj Ramjattan: Well if belligerent is bad, I withdraw it, Sir.

The Speaker: I would not even allow you to talk about Mr Corbin in that way.

Mr. Khemraj Ramjattan: I withdraw it; I am sorry. I thought that is a true description on that Le' Meridien Day Mr. Persaud's request, if I may say Mr Speaker, was perfectly balanced, measured; it was justified call for a levelling of the playing field. And if indeed it was consistent with what Mr Nadir was saying, the President's unprovoked reaction would not have been the way it was. He should have then stated quite clearly, oh yes, why not, but what did he do? I do not need to tell you, because I might be asked to withdraw it again. *[Laughter]*

Mr Speaker, it does appear that again, and I will state this, that the Government does not want an iota of challenge of any of its decision or action. The perfectly balanced call by Mr. Yesu Persaud, on that occasion, was a call for such a challenging – open it up for other companies too. What is wanted, however, was total submissiveness ... *[Interruption: 'Speak to the Bill.']* I am coming to the Bill, because this is what caused this Bill. I want you to

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understand that it is what happened at Le' Meridien Pegasus that caught the eyes of all, and has now realised this Bill here. You always talk about dialectics and that is where you will come to realise that it started at Pegasus, when Mr Yesu Persaud made the call. Do you realise that? - the concatenation of events They feel they know best and everybody else is an ignoramus who must attend some seminar which will be arranged and held by the Government at its auspices, for their education and edification. That is what they feel and so we have respect being quickly eroded and replaced here, by a certain arrogance when people questioned, when people want to scrutinise. That is it Mr Nadir.

Mr. Yesu Persaud's call must be taken as an element of scrutiny; he is not as boisterous as (let us say) Ramjattan or as fiery as some others; so he made a call and what was the response; you be submissive, do not ask for scrutiny. That was it. I want to say that this incident there, at this launch, is what has caused us now to be here, to deliberate on this Fiscal Enactment Bill, Mr Speaker. I feel that it is as a result of this Company - this special investor's benefaction that this Bill has been brought here; and the circumstances, if I may say so and I want to strongly state it, stink to high heavens; it is not as Mr Manzoor Nadir is saying, that we have to open up like INTEL did in Costa Rica.

Today's Debate will have to rightly centre the events leading up to the Bill and the Privatisation Unit's dealings

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with this investor; and not only the Privatisation Unit, the Guyana Revenue Authority and GO-INVEST. We have now learnt that after there was no suitable response from investors to take Sanata Textile's Complex after the Chinese left, this investor was approached by the Government to formulate a proposal. Why was it, this special investor; was it because this investor is a true friend of someone high in our society? Why does the Government not go to some other company?

And this is where I want to draw Mr Manzoor Nadir's attention to the real motive; or at least the motive that the ordinary Guyanese jury or the ordinary Guyanese electorate, would want to infer. Because since 2003 you did not see problems with your fettered discretion, but now you come here when they start a proposal with this investor.

In February 2007 to May 2007, we had this business proposal of the magnitude that we have, all now being known, approved by Cabinet; and of course, as we now know, the President recues himself; how laughable this recusal..

We now know too, Mr Speaker, that there was a variation between that which was advertised to the intended investors - all of them, and also what was in my opinion, secretly negotiated with that investor; so much for their scrutiny and so much for their transparency. We are now told that there was an appealing part to this investment

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proposal. The officials from GO-INVEST and Privatization Unit would have us believe, that it was the bio-technology and the textile aspect which were very appealing to them. I just hope so, and hope it is not any other attractions which had to do with *clientelism*, a word I learnt from Dr Jagan.

I say so, Mr Speaker, because there could have been other negative aspects to it, far more serious that I am not going to come to: Because what we already know from studies conducted here in Guyana, the results of which were quoted by me in my last budget presentation, and which Mr Irfaan Ali had said is on-line; that is the Guyana Investment Climate At a Glance. I want us to understand the link that could be drawn, because this coming, as it is, so close to this investor, is specially favoured investor, can also infer negatives that could be very serious. I want to quote some again to corroborate my suspicions, that this deal stinks to high heaven and it is this now, that is trying to legalize and legitimize it. And what was found by the World Bank - bribes and governments-15.3 percent; and in its more expansive formulation in its Executive Summary- Summary of Main Finds and Recommendations, I have it here: *while corruption in this country is not perceived as a major problem, bribes paid out by firms to secure contracts are very high at fifteen percent of contract value.* That is what the World Bank reporters found about Guyana in their study. So when the Government went forward to deal with the investor, I

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hope and pray, Mr Speaker, it was the appeal of the bio-technology and textile aspects of the proposed investment and nothing else.

This bio-technology and textile aspect caused these senior officials - of all them - and all other too, including the one who is ministerially responsible in Parliament, the Honourable Minister of Finance, to lose track of the legality of what was going to be granted as concessions and incentives. Was it carelessness or was it more? When the eagle eyed accountant and so to be lawyer Mr *Christopher* Ram, however, commences inquiries as to the scope and legality of this transaction which our President had (I must say) as the Stabroak Editorial chides-, *was so incautious stating his creditability*, the entire nation was aghast that no law provided for the grant of concessions and (ii) of the so-called pioneering industries. *Big officials*: Mr Brassington, Mr Da Silva, Mr Ashni Singh all of them; they lost track of the legality of what they were doing, in their haste probably, to these appealing aspects, bio-technology and of course textiles.

I wonder now, how embarrassing this is to all, but I do not know if it is really embarrassing to them; because what I am coming around to see is that, they are not saying, that literally, they were wrong. One person came out closely to say it was a mistake. They are saying that the law was wrong and so we are here to remedy the Law
[Applause]

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Mr Speaker, this fiasco, this debacle, ought to have seen officials who we tax-payers pay huge salaries, mind you, should all of them be fired, and I mean the whole lot. Such a huge *faux pas* as this, in this new alleged dispensation of Guyana's politics of accountability, transparency and ministerial responsibility and all of that, ought to at least realize the take down of someone who is the prime mover. I do not even know, there should be an investigation as to who was the prime mover here, but it would not happen in this crumbling democracy, Mr Speaker. This is what I have now coined, because I have learnt that term from Lord Hillshone in a book that he wrote *The Flight of a Sparrow -Elected Dictatorship*. And it is not only for the reason, that these officials that I have just mentioned and more coming from the Cabinet, have scant regard for transparency, accountability and the rule of law; but because from all inquires, it would appear that some people feel that nobody can do them anything. [Interruption: "Full bitterness"] ...Oh my goodness, that is all you would re-butt me with, I am full of bitterness, but you do not see in this here *clientellism* and corruption. [Laughter]

But Mr Speaker, this is not the first time this Government affixed themselves with this enormous embarrassment on an economic issue. I remember only too recently, when His Excellency, in company with the Minister of Finance, on TV, was chastising Justice Jainarine Singh, that the \$200 million for the PPP and PNC scrutinisers, was at the

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benevolence of the Government, and his Honour had on right to rule that there should be a propionate allocation. The President, if I may say so, even went on to state that the monies did not have to be Parliamentary approved. Of course, Dr Roger Luncheon corrected him immediately after. But more than that, we have gotten it from the Court of Appeal now, to affirm that monies from the public purse had to be fairly, justly and proportionately be distributed. Benevolence of the State or Government has no place when it concerns public monies, so they were wrong; and these are the wizards we have controlling our coffers.

So we pass Acts, Mr Speaker, all kinds of Acts:

- Tax Act;
- Income Tax Act 2003;
- Fiscal Management and Accountability Act 2003;
- Investment Act 2004;
- Tender Board Regulation Act; and
- Procurement Act;

and none seems to be adhered to.

The adherence to the rule of law has not been a hallmark of this administration; you want to know what it is? - Control-freakism. [Laughter] That is what we have here within the provisions of this Bill, No. 14

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of 2008. The whole hog of powers is sought by the Minister, in view of him having found out that he was bereft of any, under the 2003 amendments, to make his grant to his beneficiary- Queens Atlantic and its subsidiaries. I want to quote from Mr Christopher Ram, because he points out so succinctly what it is about this Bill that is frightening, and at Page 19 of 27 July Sunday Stabroek, he makes an extremely good point, and I think it is obviously for his tremendously good accounting background and the fact now that he is also doing Law. This is his critique, which I concur with and I adopt:

It is a complete reversal of the 2003 repeal of the 1970 Provision in the Income Act.

Something that Mr. Murray has expanded on here; which allowed the President to remit taxes where he had felt it just and equitable to do so. The 2003 repeal was explained as:

the elimination of broad discretionary powers to concede amounts of income tax payable and under some extremely narrowly defined conditions such as natural disaster, disability and mental incapacity or death, and only if it was expressly provided in a tax Act. Five years later Bill No. 14 of 2008 now comes: empowering the Minister of Finance to make regulations for remission of all, or part of the tax payable by any person or category of persons

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subject only to negative resolution of the National Assembly.

Well I wanted to expand on that, but I think Mr. Murray did a fantastic job and I need not do so. This, subject to negative resolution is one way of avoiding up-front scrutiny. I have said so in a previous debate; everything now coming in Bills to this Parliament; negative, negative, negative, why not affirmative? Well Mr. Murray dealt with that.

If passed in its present form, this Bill could render meaningless, critical sections of the financial Administration and Audit Act, even as it fails to legitimized all those concessions given since 2003, based on a wrong interpretation and application of the Income Tax Act, including tax holidays granted to non-companies. It is possible that since the Minister and those under his control are the only persons with access to that information; and further since it appears to be no intention on their part to comply with Section 37 of the Investment Act, there is nothing to correct.

In my judgment and experience Mr. Christopher Ram still continues:

.. this borders on the reckless and if that is the Government's considered view, then it may well abolish all Corporation Taxes a together.

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This is one of the foremost Authorities in the land, in relation to taxing matters; in relation to investment incentives. So we in 2003 came here and proudly pronounce that we must divest discretion; and now we could proudly come here to want that discretion to be restored in a manner that is even wider and more sweeping than it ever existed.

Mr Speaker, only yesterday a client came to me; he deals in stationery, printing is his business. His Broker for some unknown reason, in filling up the Customs Entry Clearance Form put mistakenly some rates that were obviously not supposed to be put. I think he switched around twenty percent duty, when it should have been, I think, twenty-five percent and sixteen percent VAT. It was so obvious a mistake, because this Broker always have the thing correct - hundred of times, thousand of times - he told me; but no said the Officials at Customs, you want to defraud the State of taxes and they said to him, pay \$25,000. He had to go to Customs House and paid that fine. These brilliant officials, however, whose mistake here will cause billions of loses; they, having no authority to do what they did, will go un-penalized, however. Is this justice? I searched hard for the penalty section of various Acts passed, which they use to proudly announced and say that it will apply, just like Mr. Murray indicated about Mr. Jadgeo here stating that they must be strictly adhered to; and recently in relation to the Toolise Persaud concession, you must face the consequences. And what did I find: the Fiscal Management

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and Accountability Act No 20 of 2003, Section 85, and this comes closest to capturing such a wrong doing that should be penalized:

Any official

and it means Minister,

who concludes with any other person to defraud the State or to make opportunity for any person to defraud the State is guilty of an indictable offence and liable on conviction to a fine of \$2 million and imprisonment for three years.

I have worked in the DPP's Chambers for sometime, and it is my legal opinion, that these officials involved in this embarrassing episode, should all be charged under the section, placed on no-bail and if the jury acquits them in accordance with the Court of Appeal Amendment Bill that we passed the other day, the DPP should file appeals right up to the CCJ [*Applause*] So that their failings...continue for some years. Law must not only be for he who is so low; the application of the law must be also for he that is so high. Imagine these officials have not even spared a thought to apologize. I must say that one of them went that far to acknowledge, 'I make a mistake', but they have not apologized for the mistake, not one of them; and they have never seen it fit to proceed to apologize. I feel, because of this embarrassing episode, even His Excellency ought to apologize to Mr. Yesu Persaud. In any decent democracy, we would have seen resignations of some officers, probably

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the Minister but not here, decency does not exist here Ms Gail - it does not exist here. Mr Speaker, This Bill is brought here so as to legitimise and legalize what I want to regard as a wholly tarnish and what a whole lot of Guyanese believe, that probably, is more than a corrupt deal; this bodies bad for our democracy.

I want to close with a passage from a recent book that I read - by the way, it is not Paul Collier, it is Larry Diamond; *The Struggles to Build Free Societies Throughout the World - The Spirit of Democracy*. It is a 2008 bestseller. He is a famous academic and Senior Fellow at the Hoover Institute; he was talking about democratic roll back. Indeed we have seen Guyana since 1992 emerge into what you call the landscape of democracy, but indeed as he said, as with some very many countries that did so in the 1980s and 1990s, there is a democratic roll-back; a resurgence of the predatory state. This is what he said and I will quote two or three passages and then close:

Emerging democracies must demonstrate that they can solve there governance problems and meet their citizens expectations for freedom, justice, a better life and fair society. If democracies do not, more effectually, contain crime and corruption; generate economic growth, relief economic inequality and secure freedom and the rule of law, people will

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eventually lose faith and turn to an authoritarian alternatives.

And then he goes on and it is wonderful what he wrote here:

Talking about these roll-back democracies in such States, the behaviour of elites is cynical and opportunistic. Ordinary people are not truly citizens but clients of powerful local bosses who are themselves the clients of still more powerful patrons. Officials feed on the State and the powerful prey on the weak. The purpose of government is not to generate public goods, such as roads, schools, clinics and sewage systems; instead it is to produce private goods for officials, their families and their cronies.

Corruption is widely regarded as the norm. People do not get rich through productive activity and honest risk taking; they get rich by manipulating power and privilege, by stealing from the State, extracting from the weak and shirking the law. Political actors, in predatory societies then go on to use any means necessary and break any rules possible, in their quest for wealth.

Politicians bribe elections official, attack opposition campaigners, Presidents silence dissent with treats and detentions and Government Ministers worry first...[Interruption]

Ms. Gail Teixeira: Mr. Speaker, can I have your attention please? Under Standing Order No. 41 (1) I think whilst I enjoy Mr. Ramjattan's reading from his book, I really think it is not relevant to the Bill under discussion today and I seek your guidance on this point. Thank you.

The Speaker: Yes, Honourable Member; how is your speech relevant?

Mr. Khemraj Ramjattan: It is relevant Sir, because as I am indicating, the discretionary powers that create a corrupting influence can be used for corrupt purposes; and I am simply stating what an academic is saying; about the roll-back of democracies with these discretionary powers being given. *[Applause]* It might be very relevant the sentence I am to quote:

Government Ministers worry first about the money that they can collect and only second about whether government contracts serve the public good... [Applause].

And then it goes on to say a whole lot of other things about Ministers, but I will spare the Honourable friend Gail what is said here, it is shocking what the roll-back democracies ... I want you to know; Mr Speaker, I think that Mr Larry Diamond had Guyana in mind when he was writing those words. *[Interruption]*

The Speaker: Your time is up Honourable Member.

Mrs. Sheila VA Holder: Mr Speaker, I move that my colleague be given two minutes to conclude his presentation.

Motion put and agreed to.

Mr. Khemraj Ramjattan: Thanks very much. Mr Speaker, our Honourable President His Excellency, has asked before he signs on to the EPA with the European Union, he wants to consult his people first. Similarly there should be consultations with people here, especially business people, before the provisions of this Bill be proved by for this House. Just like how Mr Brassington commenced the negotiation, to work out the best deal with Queen's Atlantic, so now, must the Honourable Minister, Mr Ashni Singh, commences a negotiation with business people and the larger electorate out there, that the best Bill be brought for this Parliament. The AFC will not support it unless this pre-requirement is met and the sweeping powers of the Minister curtailed. Thank you very much Mr Speaker. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Member Mr Mohamed Irfaan Ali

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Mr. Mohamed Irfaan Ali: Mr. Speaker, after listening to the lengthy harangue of the Honourable Member, Mr Khemraj Ramjattan, I hope that the borders of his conscience are not sliced by his own propaganda.

I wish to respond firstly, to some inaccuracies. Let us just deal with the issue of the signing of the Agreement. The Honourable Member Mr Murray said that the Honourable Minister of Finance signed an Agreement with a named investor. However, I wish to bring to the attention of this House that the Honourable Minister never signed the MOU; what he did was to act in accordance with the law on the advice of the Commissioner General in signing the investment proposal - the investment guide - and he did not do this for a company. This is a norm for over two hundred and eight-five companies that investment agreements have been signed with; and this has been signed with the Minister of Finance. So at no time we should question the creditability of the Honourable Minister of Finance in signing of any MOU. This agreement is above board. Mr Speaker, when we talk about agreements that cannot stand scrutiny; we must look at Demerara Woods Limited Agreement; that was a privatization agreement that we should look at, where there were indeed some controversial privatization deals. The one that received the most publicity was the sale of Demerara Woods Limited, where Lord Beaverbrook a former Treasurer of British Conservative Party, bought the entity in February 1991 for £9.7 million. He also

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negotiated and obtained a fifty-year lease for 1.1 million acres of rainforest; just two months later in 1991, he sold his interest to the United Dutch Company for £61 million worth of equity.

The new contract was renamed Demerara Timbers Limited, even though Beaverbrook had up to mid 1992 not to finish paying the government for Demerara Woods, he merged the enterprise into Giant United Dutch Company, which took control of Demerara Timbers, of which he remained a major stakeholder. In 1992, United Dutch valued Demerara Timbers at £75 million. The rain forest concession alone was estimated between US \$160 million to US \$206 million. This is what was sold for £9.7 million; and you stand here speaking about transparency, accountability and deal.

Mr Speaker, let us also look at Mr Murray's presentation, when he said that, the Minister has an extraordinary discretionary power and he cited the provision in Section (2) of the Income Tax In Aid of Industry Act - the new Amendments - states that: *provided in the case of new economic activity, specified in Paragraph 1(b) (ix)*. This discretionary power that he is speaking about is specified, but the Honourable Member Mr Murray did not go to Paragraph (b) (ix) which specifies that power that the Minister would utilized. Instead he tried to lead us in a direction, that the Minister would exercise extraordinary powers at his whims and fancies. Mr Speaker, but this

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power is described in Section (b) (ix) and this is what it says:

The Power shall be in terms of infrastructure development including the production of electricity using renewable sources of energy.

This is what the Amendment points us to, yet we are led into direction here that the Minister of Finance would have this extraordinary power, and he would, at his wills and fancies, grant concession. That is not the case.

Let us also look at the Honourable Member Mr Khemraj Ramjattan; he spoke as if tax holiday has been granted to this company - this investor that he is speaking about - but Mr Speaker, no tax holiday was granted. I want to make it clear, that the process has begun; no granting of tax holidays took place as yet. In terms of the concession; the exemption of duties, taxes and so on that were granted, they were granted in accordance with the existing law, there was nothing illegitimate about that, and therefore, there is no need to have this law retroactive, because what we have done, is to ensure that all our dealings in this Government is above board. That is why we are not afraid to have the Auditor General audit our accounts, audit our agreements; we are not afraid of that. So this is another correction I would like to make.

Mr Speaker, one of the persons incidentally who was granted this big tax holiday, is the Honourable Member Mr. Ramjattan's Guru; because he spoke glowingly about

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this person, but he never came to this House and address the issue that, when that tax holiday concession was granted it was outside of the parameter of the law. No, but here we have ... This is the double standard that we are speaking about: We all remember the Decipher deal, the concessions on that deal; we all remember the incentives given on that deal, but when the music suits the Honourable Member then he goes to the dancing floor; but when the music is not right, he sits back and make all kinds of objections to the DJ...*[Interruption]*

Mr. Khemraj Ramjattan: Mr Speaker, could he tell me what the name of the Guru? This is an allegation. I mean this is hopeless... *[Interruption: 'You cannot force the member.']* You cannot force a Member, well that is slight of hand.

The Speaker: I am not too sure that I am interested in hearing the name. The Honourable Member is making allegations...

Mr. Khemraj Ramjattan: Yes, but that is unjustified allegation

The Speaker: The Honourable Member is making an allegation of illegality against somebody. I am very hesitant to have such a person named unless that person is a Member of the Parliament ...

Mr. Khemraj Ramjattan: He is fabricating it.

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The Speaker: ... who would have no ability to respond and I have repeatedly said Members

Mr. Mohamed Irfaan Ali: Mr Speaker, I wish...
[Interruption]

The Speaker: Honourable Member, you have to be careful as not to make allegations of illegality against people in the House. In the last Parliament I had severe problems with some Members of the Opposition in relation to that. Please, if you make allegations of dishonesty and illegality against people, you must produce the evidence and they must have an opportunity to response; so please...

Mr. Mohamed Irfaan Ali: Mr Speaker, thank you and I am guided as usual by your ruling.

I wish to continue on an issue that was raised; and we have to understand the context in which our investment laws are framed. Our investment laws must not be cast in stone; they must be flexible to the market conditions; they must be flexible to the competitive environment in which they operate; and there must be a clear linkage and an alignment between our development strategy and investment criteria that we use, to ensure our investment strategies are materialized. Mr Speaker, if we look at the National Development Strategy and if we look in the Poverty Reduction Strategy Paper, and as recent as the Address of his Excellency President Bharat Jadgeo to the Ninth Parliament of Guyana, we would see that the issue

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of textile, the issue of information technology, the issue of agro-processing, the issue of pharmaceutical, and biochemical are all spoken about. There is a clear direction of the government that investments are needed in these sectors; these are the sectors in which we are going to encourage investment; these are the sectors in which incentives will be given to stimulate the economy.

Mr Speaker, when this Bill came in 2003, it was sent to a Special Select Committee and in that Select Committee, this is what the Honourable Member Mr. Lance Carberry said and I am reading from the Hansard:

But one would have expected that in the context of what is happening in our economy at the moment that the government would have sought to have more Clauses,

(like Clause No. 21)

which really is designed to stimulate the economy and create conditions for growth and development so that we can help employment.

Mr Speaker, here is it that we are given meat to the suggestion of the Honourable Member Mr. Carberry, when we are creating the framework for the expansion and diversification of the economy to stimulate industry, to stimulate employment and to create a healthily growing economy.

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The Honourable Member Mr Nadir enlightened this House on modern concepts of development, when he spoke about the flexibility of investment law and it is an important issue. Here is it and I congratulate the Minister for including textile as one of those industries; because for those of us who follow international development, we would know about the Multi-Fibre Agreement has been replaced by the International Trade, Textile and Clothing Agreement. This Agreement now regulate the textile and clothing industry and in this Agreement, the preferential access and quota system is removed, therefore creating greater access to big markets in Europe, North America and further afield. What we have today; we have foreign investors fighting to strategically take the resources to Bangladesh, Korea and Indonesia, where market conditions are favourable to establish manufacturing sector in textiles; and they are re-exporting these products to these large markets.

What we have to do in Guyana is to create an incentive framework that would have a pull factor for these investors. If we are going to have the large manufactures in textiles coming in Guyana, we would have to create that framework by harmonising and modernising our laws, to fulfil the requirement of these investors.

Mr Speaker, you will notice that we are not speaking an investor; the opposition missed the bus. We are speaking

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at a macro-level, about an Investment Bill that would encourage investors to come in Guyana; but it seems as if the opposition has lost it's way in the fancy, that there is some favourable deal to one single person and this Amendment addresses that favourable person, but this Bill address a more macro-issue. We invite the Opposition to come on board with us in showing the nation that you generally care about the creation of employment; in showing the nation that they generally care about the development of industries; the expansion of the economy and the diversification of the economy that we all speak so glowingly about when we have budget debates. When we have budget debate, the Honourable Member Mr Ramjattan would stand up and say we need to do more for the private sector; we need to give more; we need to encourage investment in these sectors; and here is it, that the framework is being created for that investment, for that Full factor and Mr Ramjattan is saying, he would not support such a initiative.

Mr Speaker, there are a number of countries that have gone our way and we must also understand an important development concept and that came out of the iron experience. In the iron experience, they negotiate with investors on a project by project basis in that, investment incentives are developed, based on the projects that are presented, and this is how it works:

In Ireland, and Ireland has similar market conditions like Guyana, which is a small size market. They depend

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heavily on industries to produce for export purposes. In that market, the government would invite... they would not wait for an investor; they would invite potential investors and they would negotiate for those investors on a project by project basis and offer out incentives schemes that would encourage the investors to bring his resources to Ireland.

In Singapore, they have a targeted incentive scheme to encourage investment in expansion of high technology industry, by offering a ten-year tax holiday to pioneer firms producing goods and services, not currently produced in Singapore, while expanding companies may get up to twenty-years tax holidays.

So while we are debating on new and emerging companies and industries, Singapore has gone ahead; they are already thinking about companies that are re-investing, companies that are expanding and in those cases where a company is re-investing and expanding; in economy, they are given a longer tax holiday of twenty years.

So, Mr Speaker, we have to catch up, we have to make our laws modern so that we can be able to compete against these framework that are set, that governs international trade, that governs investment, that governs the flow of foreign investors.

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In Malaysia, companies that meet pioneer status employ a full tax holiday for five years. Similar conditions apply in *Coast Rica, China*.

In Bangladesh, export orientated projects in the garment and agro-based industries are given preferential interest rates. They are not only given tax holidays, they are given preferential interest rates in addition to tax holidays for up to seven years, and also an accelerated depreciation allowance.

Mr Speaker, when we speak about the flexibility that is needed in today's world, Members of the PNCR-1G should understand what we are talking about, because they were faced with conditions under...When they started the IMF - they were faced with conditionalities on the rain-forest concession and in that era, there was a race to divest State resources before the October 1992 elections.

The Hoyte's administration began to grant forest concession to a number of foreign firms. Guyana was actively encouraged by the IMF to exploit its forestry resources and encourage investment in the sector. Companies were offered incentives such as tax holidays, export allowances and accelerated depreciation. Large foreign investors almost exclusively benefited from these concessions. The sale of Demerara Woods exemplified the case of IMF corporate welfare. The IMF cited Demerara Woods as a priority item for the State to sell,

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despite the fact, that bilateral donors and the World Bank had poured a huge amount of financial aid into this company. So despite a huge amount of financial aid that was poured into the company, the Government at that day was forced to sell, because of the IMF conditionality that was placed at that time. We have to appreciate this, and that is how you have to be flexible, you have to response to these changes; all of us, the government has to response; we cannot be static.

So, Mr Speaker, I conclude by saying that I support the Amendment that is presented by the Minister and I am convinced that this would stimulate investment from investors all over the world; and to complement this we have the Strategic Plan for the Agriculture Sector; the Mining Sector, that would further enhance our competitiveness. I wish to congratulate the Minister on taking these proactive measures, in making our investment climate modern, relevant and encouraging for investors. Thank you. *[Applause]*

The Speaker: Thank you Honourable Member

Hon Member Dr. Ashni Singh

The Honourable Minister of Finance

Hon. Dr. Ashni K Singh: Mr. Speaker, I rise to conclude the debate on this piece of legislation that I would have thought, at the start; and certainly I did think

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at the start of the debate, it is relatively simple and straightforward. In my own estimation on its merit, it should not have generated the kind of debate that it did.

Mr Speaker, I do so with much regret at the webs of fancy that I heard being woven from time to time. I do not know if it was for a dramatic effect or otherwise, the webs of fancy being woven; particularly on the part of the two speakers on the other side, in relation to this matter. We heard dramatic statements about a complete repeal of the 2003 Amendment - dramatic statements. The Honourable Mr Ramjattan said, 'this constitutes a complete repeal of the 2003 Amendment.' Mr Speaker, I have to say that it is extremely difficult; no, it is impossible for me to see how the Honourable Member could seriously stand in this House and say that this constitutes a repeal of the 2003 Enactment.

Mr Speaker, the 2003 Enactment or the pre-2003 position represented, as I had indicated or as the Honourable Minister Manzoor Nadir indicated, a complete, unlimited, unfettered right, to grant exemptions from tax. What we have articulated in this Bill Mr Speaker, is crystal clear, it is English language: All exemptions that will be granted, will be granted in accordance with the regulations that will be brought to the Parliament. So, it is more than just a fantasy;, it is a fair accompli, a complete fiction and fabrication, to seek to suggest, that a provision such as the one in the current Bill, constitutes a repeal or a complete reversal as the

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Member sought to suggest. One can only wonder as to the motive of creating this obvious misunderstanding; that anyone objectively reading the Bill, would see it is a total misrepresentation of what is in the Bill.

Likewise Mr Speaker, we heard much ado about Negative Resolution. This is a tune that we heard before. On a previous occasion, when we introduced an enactment, much speculation was engaged in; indeed from the same Honourable Member, about Negative Resolution and the Government's intentions with respect to Negative Resolutions. Mr Speaker, as everybody knows, one cannot issue an Order that is subject to Negative Resolutions, in secret and hide it. It is gazetted; it comes to the Parliament; there are procedures that are applicable to Negative Resolutions that are articulated in the Standing Orders. So this great ado about Negative Resolution again, is an attempt to create a mistaken impression about what is a very simple piece of legislation.

Likewise Mr Speaker, in relation to the amendments to the Income Tax in Aid of Industry Act, those amendments are quite clear; they do not constitute a reversal of anything. The Government continues to be firmly committed as is reflected in the legislation to a rule-based system that clearly indentifies; which are the sectors that are the priority sectors; which are the Regions that are eligible, and exemptions will be granted

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in accordance with those criteria that articulated in the law.

And so, Mr. Speaker, it is with regret, that I sat in this House and heard Members of this House, who I would have hoped would have spoken objectively about the Provisions in this law, without introducing (like I say) arguments that are clearly based on either gross misinterpretations of what is provided in the Bill or distortions of what the Bill seeks to do.

The Honourable Member, Mr. Winston Murray spoke about the issue of unlimited tax exemptions to give an example, and then went on to suggest that the right to grant unlimited tax exemptions was attached to that other category - those other sectors - that the Minister could introduce by way of Order. Mr Speaker, The Bill is clear; the tax exemptions of unlimited duration are clearly attached to Paragraph (x), I seem to recall, which is the paragraph that deals with the Infrastructure Projects, and not the other category that the Honourable Member sought to suggest. The unlimited exemptions clearly attach to the infrastructure projects, which are by their very nature - very long term projects; and it is most unfortunate that this Provision that we have inserted in the Bill, to ensure that we are able to facilitate these critical investments; these critical large infrastructural projects that are required to catalyzed major developments in this country: It is regrettable that that provision aroused the kind of arguments that it did.

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Mr Speaker, The Honourable Member Mr Winston Murray sought to subject this House to a lecture on accountability, transparency; and he sought to define accountability and he spoke about secrecy. He spoke about accountability, transparency and secrecy. The lecture that the Honourable Member sought to give to this Honourable House took me back ... [*Interpretation: 'Pre-1992.'*] No, in fact it took me back to 11 November, 1993 to be specific; and for me, it was an important day. In fact, I will confess that it was actually the first day that I came into this Parliament Chamber, and I came in on that day, 11 November, 1993, as a staff member of the Office of the Auditor General. The reason I came into this House (of course, it was in the visitors' bench), It was not the submission of the Auditor General's Report after ten years, but I will get back to that if you wish, Mr Murray. The reason I came to this Honourable House, was at the time, to observe the Debate on a very...perhaps at the time I did not appreciate the importance of the legislation- I believe that I did, but its importance have taken on an even greater significance. But that day proved to be historical in more than one respect, because it was also the day that a new Member ...I had the great privilege of witnessing the taking of oath of a new Member in this House, on the 11 November 1993 and that new Member was a young Bharrat Jagdeo, then appointed Minister in the Ministry of Finance. As the Speaker informed, that Mr Bharrat

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Jagdeo had been appointed Minister and he was sworn in on that day as a Member of this House..

Mr Speaker, on that day – on his first day in this House as a Member, speaking as the Minister in the Ministry of Finance; then Minister Bharrat Jagdeo piloted The Financial Administration and Audit (Amendment) Act 1993; and you might ask that this Member, who perhaps is too young to recall these matters; and the significance of that Bill was as follows:

That Bill sought to do two simple things:

- (i) To give the Auditor General the right to audit Public Corporations for the first time; and [*Applause*]
- (ii) To give the Auditor General the right to contract private auditors to support the work of his Office and to conduct audits.

You might ask further why I raised this matter. The Legislation had its genesis in the matter of privatization and the audit of privatization. That is where the legislation had its genesis, Mr. Speaker, this specific context was that the then Auditor General, had for years (well maybe for two or three years) been seeking to conduct audits of privatization, and his every attempt to obtain documents and to obtain information was rebuffed.

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- He was told, you not have the authority to ask these questions.
- He was told, you do have the authority to see this information.
- He was told, you do not have the authority to speak publicly about these matters.

And I would read what the then Auditor General was told in 1992. He was told by the then Minister of Finance, the Honourable Mr. Carl Greenidge, and this is on the matter of audit of privatization: I quote:

I have been advised by the Attorney General's Department, in view of the fact that the advice supports the foregoing interpretation of the legislation, you should refrain from communicating on this issue...(the matter of privatization of public corporations.) You should refrain from communicating on this issue with either the individual corporation or Public Corporations or the COFA Secretariat

And it goes further:

No press releases are to be made by you on your behalf or by your department on the subject of audit of privatizations.

I will read it again:

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No press releases are to be made by you on your behalf or by your department on the subject of audit of privatizations or on any policy matter, or on any policy area for which I have been assigned responsibility, without my written permission.

So Mr. Speaker,

The Honourable Member Mr Winston Murray, who sat as a Senior Minister no less, I wonder whether he was aware that this was going on that the Audit General was being denied information and he was being muzzled. The Honourable Member Mr Winston Murray sought to suggest that I spoke without conviction, and I will say that when we are reminded of these attempts at secrecy, at concealing information and at muzzling the Auditor General, it is no wonder, that when the Honourable Mr Winston Murray sought to lecture me about secrecy and accountability, he lacked conviction in what he was saying. *[Applause]*

If we wish to speak about accountability, transparency, openness and lack of secrecy, what have we done? We have documented every privatization transaction; we have documented it, we have provided it. We hosted a seminar only this week and provided this information to everyone attending that seminar. And if the Honourable Member would like a copy, I am sure we could make one available to him. So when the Honourable Member seeks to lecture

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us about secrecy; this is open government; this is transparency; this is accountability and any Member who wishes a copy our government will be pleased to provide them with a copy.

And so I will say that the facts speak for themselves.

I will tell you what some might want to believe and I can understand why they would want to believe it, and that might be the problem. While some Members like the Honourable Member Mr Khemraj Ramjattan wants to paint a picture of Guyana that none of us really honestly or objectively could recognize, the reality is quite different. While he wants to paint a dismal picture of Guyana, businesses out there are busy investing and the economy is growing. The Honourable Member quoted from a World Bank Report selectively. He quoted from one paragraph. I will quote from the same Report, the same World Bank Investment Climate Assessment - I Report from Page IX:

Over the past year Guyana has witness some remarkable achievements in the economic arena. The strong growth performance of 2006 reflects a recovery in private sector credit, et cetera

New investor's confidence is found.

The same Report ... so you cannot want to choose selectively. Let us quote from the

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International Monetary Fund: This is the Public Information Notice dated 3 April, 2008.

In 2007, economic performance was strong for a second consecutive year, although inflation increased. Real GDP growth is estimated to about 5½ percent, a record for the last decade. [Applause]

So these half truths that are from selected packages, do not paint a realistic picture; and sometimes one gets the impression that that is the problem; because whiles the Honourable Member Mr. Ramjattan...I was glad to hear the Honourable Member Mr. Winston Murray reiterate his Party's support for investments in Guyana. When the Honourable Member Mr. Khemraj Ramjattan painted this picture of Guyana, one wonders because if you peruse the news, just a selection - Let us see:

- Stabroek News 20 June - DDL uncorks \$4.5 billion expansion;
- Stabroek News 14 July - Barrow to invest \$160 million in Linden Plaza;
- Stabroek News 20 February 2007 - Republic Bank turns sod for \$1.3 billion bank;
- Stabroek News 11 March 2007 - GBTI to build headquarters at High and Young Streets;

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- Stabroek News 1 January 01 2007 - RUSAL Subsidiary awaiting approval for new Berbice Bauxite Mines;
- Stabroek News 1 November 2007 - Digicel has spent over US \$60 million says Mark Lindhand;
- 14 February 2007 - Linden Bauxite Deal blessed;
- 25 February 2008 - BOSAI commissions new fleet of equipment;
- 14 March 2008 - Outcome of BOSAI Aluminium feasibility study due early next year;
- 19 July 2008 - BOSAI enrolls first batch of apprentices;
- 25 March 2008 - Gold sector lifted by booming prices;
- 2 March 2007 - Guyana well poised to capitalize on strong regional and international markets to process wood products.

And the list goes on and that is just a selection. *[Applause]*
And so, Mr Speaker, it distresses me and I will say it in this House.

It distresses me, when Members of the Legislature will seek to disparage the hard work that is being done by people in agencies like the Privatisation Unit and the Guyana Revenue Authority. It distresses me, because

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these are hard working professionals, who are bold enough to come out and say in a particular instance, perhaps this thing might not have been done the way that we would have liked or the way it should have been done, but we will correct it.

It distresses me when Members of the Legislature would disparage and I say it again disparage the hard work that is being done by these agencies and the staff of these agencies.

And I say to them the Government of Guyana appreciates the hard work they are doing. I am saying it in this House for public record.

Mr. Speaker, one cannot help wondering, like I said at the inception, this was a simple piece of legislation and I will say as I said before the misrepresentations that were raised in relation to this Bill, I believe they have been dealt with. My colleagues who spoke before me the Honourable Minister Manzoor Nadir and the Honourable Mr. Irfaan Ali have already addressed the inaccuracies and the misrepresentations that were made. I do not need to repeat those; but I will say this, this Government will continue to work to create an environment that is conducive to the attracting of private investment; we will continue to do that Sir. *[Applause]* This Government will continue to work with private investors to see the realization of their investments and we will continue to work to create jobs

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and to improve the lives of the people of this country.

[Applause]

This is a commitment that this Government has given before and it is a commitment that is repeated tonight.

Mr. Speaker, with those words; as I did before, I commend this Bill to this House and I Move that the Bill be read a Second time. *[Applause]*

The Speaker: Thank you Honourable Member

Question put and agreed to

Bill read a Second time.

IN COMMITTEE

Clause 1 to 3

Put and agreed to

Clause 1 to 3, as printed, agreed to and ordered to stand part of the Bill.

ASSEMBLY RESUMED

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

The Speaker: I understand that you have something to say, Honourable Prime Minister?

**ITEM 5 - MONEY TRANSFER AGENCEIS
(LICENSING) BILL 2008 - Bill No. 15 of 2008
published on 2008-07-03**

A Bill intituled, an Act to provide for the licensing of persons carrying on the business of money transfer agencies; to make provision for the registering of money transfer agents and for connected purposes.

Hon. Samuel AA Hinds: Yes Sir, I think we have an agreement to defer the Second and Third Readings of the next Bill for next Thursday.

[Deferred]

**ITEM 6 - SUMMARY JURISDICTION (OFFENCES)
(AMENDMENT) BILL 2008 - Bill No. 11/2008
published on 2008-07-11**

*A Bill intituled, an Act to amend the Summary
Jurisdiction (Offences) Act*

The Speaker: Honourable Prime Minister, there is a Bill to be withdrawn by the Minister of Home Affairs. Could we do that and tidy up our procedure? The Honourable Minister has not been advised, Honourable Member. Could somebody do it on his behalf?

Hon. Clement J Rohee: Mr. Speaker, I do not know what was happening, I was waiting to stand up to withdraw the Bill,

The Speaker: I am sorry, yes I jumped...

Hon. Clement J Rohee: ... but after I saw how events were moving at a rapid pace...I would like to take this opportunity to withdraw Bill No 11/2008 - Summary Jurisdiction (Offences) (Amendment) Bill 2008.

Question -

That the Bill be withdrawn

Put and agreed to.

[Bill Withdrawn]

EMANCIPATION GREETINGS

Hon. Samuel AA Hinds: Let me before we go, extend on behalf of myself and the administration, a happy Emancipation Day to all Guyanese and I want to commend the four ladies here, who are dressed and adorned in African clothing; and Mr Murray joined me in saying how we men feel discriminated against that we have no opportunity to don our African robes also. Thank you very much.

The Speaker: Honourable Members, let me take this opportunity to wish Members of the House Happy Emancipation Day tomorrow. I would like to join the Prime Minister in commending those Members who saw it fit to give grand colour to our occasion today and say that those Members look extremely attractive and add some joy to our proceedings today. Honourable Member, Mr Corbin.

Mr. Robert H O Corbin: On this one-hundred and seventh anniversary of Emancipation of slaves, I also convey my sincere wishes to all Guyanese and more particularly African Guyanese on this significant occasion and let us hope that they use this opportunity to reflect on

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the struggles of their ancestors to work in building such great infrastructure for Guyana and acquiring villages and developing the country and making the land productive during this period that they strive to emulate that example in working in the villages to develop them.

Emancipation greetings to all [*Applause*]

The Speaker: Thank you Honourable Members

The Honourable Prime Minister

Hon. Samuel AA Hinds: I would like to take this opportunity to move that the House will stand adjourn until next Thursday, 7 August 2008.

The Speaker: The House will stand adjourned until next Thursday

Adjourned Accordingly At 19:25H