

# SECOND LEGISLATIVE COUNCIL

(Constituted under the British Guiana (Constitution) (Temporary Provisions) Orders in Council, 1953 and 1956).

Thursday, 22nd December, 1960

The Council met at 2 p.m.

## PRESENT :

<b>Speaker, His Honour Sir Donald Jackson</b>	
<b>Chief Secretary, Hon. D. M. Hedges</b>	
<b>Attorney-General, Hon. A. M. I. Austin, Q.C.</b>	} <i>ex officio</i>
<b>Financial Secretary, Hon. W. P. D'Andrade.</b>	
<b>The Honourable Dr. C. B. Jagan</b>	—Member for Eastern Berbice (Minister of Trade and Industry)
„ „ <b>B. H. Benn</b>	—Member for Essequibo River (Minister of Natural Resources)
„ „ <b>Janet Jagan</b>	—Member for Western Essequibo (Minister of Labour, Health and Housing)
„ „ <b>Ram Karran</b>	—Member for Demerara-Essequibo (Minister of Communications and Works)
„ „ <b>B. S. Rai</b>	—Member for Central Demerara (Minister of Community Development and Education).
<b>Mr. R. B. Gajraj</b>	—Nominated Member
„ <b>W. O. R. Kendall</b>	—Member for New Amsterdam
„ <b>R. C. Tello</b>	—Nominated Member
„ <b>L. F. S. Burnham, Q.C.</b>	—Member for Georgetown Central
„ <b>S. Campbell</b>	—Member for North Western District
„ <b>A. L. Jackson</b>	—Member for Georgetown North
„ <b>S. M. Saffee</b>	—Member for Western Berbice
„ <b>Ajodha Singh</b>	—Member for Berbice River
„ <b>Jai Narine Singh</b>	—Member for Georgetown South
„ <b>R. E. Davis</b>	—Nominated Member
„ <b>A. M. Fredericks</b>	—Nominated Member
„ <b>H. J. M. Hubbard</b>	—Nominated Member.
<b>Mr. I. Crum Ewing</b>	—Clerk of the Legislature
<b>Mr. E. V. Viapree</b>	—Assistant Clerk of the Legislature.

## ABSENT :

**Mr. E. B. Beharry**—Member for Eastern Demerara  
**Mr. F. Bowman**—Member for Demerara River  
**Mr. A. G. Tasker, O.B.E.**, Nominated Member—on leave.

The Clerk read prayers.

## MINUTES

The Minutes of the meeting of the Council held on Wednesday, 21st December, 1960, as printed and circulated, were taken as read and confirmed.

## GOVERNMENT NOTICES

## MAINTENANCE OF EXISTING SERVICES

**The Financial Secretary (Mr. D'Andrade):** I beg to give notice of the following Motion:

"Be it resolved: That pending the passing of the 1961 Estimates, this Council approves of such expenditure for Recurrent and Development Expenditure in 1961 as may be required for the maintenance of existing services and the continuance of works in progress on the basis approved by this Council in the Annual and Supplementary Estimates for the year 1960".

## ORDER OF THE DAY

## ELECTRICITY (AMENDMENT) BILL

**Mr. Speaker:** Council will resume the debate on the Motion for the Second Reading of the Bill intituled:

"An Ordinance to amend the Electricity Ordinance".

At the adjournment yesterday the hon. Member for Georgetown South was speaking. He may now resume.

**Mr. Jai Narine Singh:** Yesterday afternoon I was making the point that the large sums of money paid by consumers to the Demerara Electric Company will remain in this country when Government takes over the undertaking. That fact alone, I feel, justified the Government in hastening to take-over the Company and not allowing it to remain in the air as it has been before and during the period of the Interim Government. I therefore feel that Government should be congratulated on having the courage to

enter into the agreement to purchase the Company's undertaking. But I am a little alarmed at the immunity which is sought for the Electricity Corporation in Clause 7 of the Bill, especially when it is realized that the management of the Corporation may very well be in the hands of persons who may not run the electricity undertaking in the best interests of the people of this country. I am merely sounding a note of warning in view of the fact that the Corporation is to consist of seven members, three of whom are to be approved by the vendor and the consortium, while the appointment of the Manager will be subject to the approval of the vendor.

Practically complete immunity is being given to the Corporation from liability of various kinds. Such immunity has not existed before. If the Government were to be in complete control of the Corporation it would be an entirely different matter.

I hope that, with the exception of industrial rates, the rates for the supply of electricity to private consumers will remain as at present when Government has taken over the undertaking. I think housewives would be glad to know that they would be the first to be considered in any reduction of the rates.

I am sorry that the hon. Members for Demerara River (Mr. Bowman) and Eastern Demerara (Mr. Beharry) are not here this afternoon. They have suggested that the taking over of the electricity service by Government is not in the best interests of this country.

Mr. Speaker, this is not an overnight matter. Statements which are made in this Council have a way of reaching overseas investors, and the reflection which is sought to be put on this take-over by the two Members referred to, is, as it were, the take-over of foreign or capital investment in this country. This is certainly not the case. It is the case

where our people had been subjected to a high degree of exploitation from which they had no redress. I think it is clear proof that any Government which seeks to work in the interest of people, seeks to protect the people of a country from all types of exploitation which are of undue nature. If capitalists from inside or outside this country seek to exploit, unduly the life of this community in any way, they must be subjected to some control by the Government. Such undue exploitation was taking place by the Demerara Electric Company and, therefore, not only this Government but the Government before this and the Georgetown Town Council, at one time, considered taking over the Demerara Electric Company and running it in the interest of this country. We hope that this take-over will bring cheap electricity to British Guiana—not only cheap electricity, but abundant electricity—so that there will be industrial development in the country.

I would like to know from the Minister whether he would tell us what is the amount of money now on deposit by the various consumers of electricity and the amount of interest which has been accumulated throughout the years from this source, and whether Government would seek a mandate from the consumers to use this money, probably, for the payment of part of this debt which has been incurred by the take-over of the Demerara Electric Company? It may well be that such a mandate from the people may be given to the Corporation as at present constituted, so that the Government could take the money and help pay the debt resulting from the take-over of the Company.

Of course, the Demerara Electric Company has not, during its long number of years, trained, very carefully, members of our community at the various levels to take over the responsibilities, technical and otherwise for the running of this Company; consequently, we may have to prepare ourselves. As the hon. Member for Georgetown Central has raised it, I might as well say this: The

Interim Government or the Governments before did not think of having men trained. We are thinking of having men trained, and nothing should be rushed. I think the stranglehold which the Demerara Electric Company exercised in this country will now remain here; and it is, indeed, a very good proposition which will be for the benefit of this community.

As I see it, in the onerous terms of the contract, the Government has been confronted with a very serious matter, and because of the onerous nature of the terms which the vendors sought to place upon the predecessors of this Government, it has led to the taking over by legislation as had happened in the Suez. But this Government has been careful because of the various occasions on which Members had accused it of taking other people's things. [*Laughter.*]

What the Demerara Electric Company has done has, indeed, been a source of dissatisfaction to the people who have lived in Georgetown and its environs. It has deliberately, time and again, thrown this City into darkness for long periods without any redress to the community. It has allowed its machinery to deteriorate in order to blackmail the Government into some arrangement with it. Fortunately, we hope this will come to an end and we will be having electricity in Georgetown and environs without the difficulty we have had in the past.

I wish to congratulate the present Financial Secretary, as well as Mr. Essex who is not here. I know he has done everything possible to bring about this position. The Government has been doing everything possible to bring about this contract; and I think the Minister of Trade and Industry and Mr. Essex, along with the present Financial Secretary, must be congratulated in their efforts to bring about this deal.

**Mr. Davis:** Mr. Speaker, I like to be consistent and I like people with whom I am associated to be also consist-

[MR. DAVIS]

ent. It was not so many months ago—I think it was on a Motion by the last speaker, the hon. Member for Georgetown South—that we debated this question of taking over the Electric Company by the Government and we urged Government to do something about it. This Council agreed to recommend the take-over. Now, Government has done just that. It has made, or tried to make arrangements to do so; and in spite of this, we hear criticisms — perhaps some of them justifiable, but others very much otherwise—about Government's taking over of the Electric Company's facilities at this period.

Besides this pressure and prodding by this Council, there is also, in my opinion, the question of the honesty of the Government. I am one of those who believe that there must be honesty even among thieves. Here is a Government, which has taken over a decision of a previous Government—and I refer particularly, now, to the Interim Government. It was decided then that the Government should take over the electricity works. In the meanwhile, we have had some very bad services from the people who undertook, not only by the written word but by statute, to give efficient services not only in Georgetown and its environs, but to extend these services, and at a prescribed rate. This the Company failed ignominiously to do.

Then came the offer by a certain industrialist to take over the facilities of the Company and run the undertaking as a public utility controlled by a private concern. The Government did not find favour with that, and it must have had good reasons for not accepting the offer. It is not now reasonable for us to discuss the whys and wherefores for not accepting this offer. What concerns me at the moment is that the Government has done something in the matter, and I thank it for doing so.

Having said that, just let me now throw the brick back at the Government. I have repeatedly accused the Government of not taking a firm decision until its back was to the wall, and in my view this is another clear example of this. Let me digress for one moment to remind the Government of a bit of legislation regarding the improvement of rice mills. It got into a muddle and eventually withdrew that Bill. I know that it will bring it back in a rush one of these days, and ask us to rush the Bill through because some crisis has arisen. I feel that when these decisions have to be made, and made with Government's back to the wall and in a hurry, one does not always get the best approach or results, and I venture to suggest that this is another instance of that policy.

The Government knew that negotiations had been made previously when the Interim Government attempted to take-over the Demerara Electric Company. What do we find the position to be today? Government is taking over the Company three or more years later at much the same price as was offered for the same machinery at the time. I seem to recall one hon. Member referring to the machinery as "junk", but we have now to purchase the same machinery three years older at practically the same price. I say that, because of the bad service of the Company and the hysteria thereby created, we have been practically stampeded into taking this decision, and we now have to rush this Bill through before the 31st December. Nevertheless, it is my intention to support the Bill, because I think it is a step in the right direction.

With reference to the Bill itself, I would like to refer to the Constitutional set-up of the Corporation and ask whether it is in the best interest of the country for the consortium to be allowed 3 members out of 7? I think we are allowing these people to have greater representation than is their due, having regard to

the fact that they have treated the users of electricity callously all through the years and given us, what has been in one's most charitable expression, damnably poor service. At the proper time I shall ask that the position be reviewed.

Another point is to be found on page 7 of the Bill, where it is agreed to pay the vendors. I quote: "Until such time as the purchase price and interest thereon under the agreement shall have been paid in full the vendor shall have a legal lien as security for any money outstanding from time to time by way of principal or interest that is payable to the vendor." It is my view that this is exorbitant—it is almost a rapacious demand. I say this for the reason that it is well-known in ordinary business circles that in the case of preferred liens, debentures and the like, people are secured and given priority in the case of bankruptcy and so on. I am not thinking that the Corporation is likely to go into bankruptcy, but it is expected that, in these peculiar and particular circumstances, these people would have readily agreed to accept a lower percentage of interest, because of the fact that their security is preferred. It is my view that 7 per cent. is exorbitant, and that efforts should be made to get the rate of interest very considerably reduced. Perhaps efforts have already been made, but may I suggest that they be pressed further.

When the Government takes over the employees of the organization, will they consider themselves to be Government servants? I do not say civil servants. That is something the Government will have to watch very carefully. That is why it will be necessary to have strong men on this Corporation who have clear-cut business acumen. I have in mind particularly what took place in the British Guiana Airways—we have been able to see that organization over the past few years open to public scrutiny. I remember that before the organization was taken over by the Government, there was

a very hard-working and industrious Manager in charge of things. I do not know if the hon. Nominated Member, Mr. Tello, would refer to him as a particularly good employer, but I would say that he seemed to be able to get out of the same men who were employed at the B.G. Airways more efficient work—and more work with less men. [Mr. Jackson: "You want slave-drivers again!"] I do not want that to happen, and that is why I say that Government must endeavour to see that we do not slip into some of the lapses of the past. I would ask that the Government endeavours to obtain the services of a humane, yet efficient Manager. [Interruption.]

**Mr. Speaker:** Please do not interrupt the hon. Member.

**Mr. Davis:** Another point I want to mention, specifically, is that I see neither in the Draft Agreement nor in the Draft Bill No. 33/1960 any indication by the Government as to what it proposes to do with the deposits that have been left with the Company for meters over the years. It has not said or written anything to indicate what is going to happen with that money, and I would urge that early consideration be given to this matter. I would hate to see these people who are "closing up shop" move out with this large sum of money.

Another criticism I would like to offer is in relation to page 9, Clause 2 (1) (a), which states:

"two months after the contract date the equivalent of the gross revenue of the undertaking of the Company for the month immediately following the contract date; and

(b) thereafter at monthly intervals until any remaining balance of the purchase price with interest thereon payable under the agreement has been fully paid, the equivalent of the gross revenue of the undertaking of the Company or the Corporation, as the case may be, for each succeeding month."

The Corporation shall pay to or to the order of the vendor in Canadian currency the money that is due.

The Minister said that one month's gross revenue would be used as working capital for the purpose of running the Company. I do not know whether I understood him correctly, but that is what I gathered from his remarks. I want to suggest that that would be insufficient for the efficient running of the organization, and it appears to me that a far better and more businesslike arrangement would be to start the payments to the Company three months after, so that this would allow at least two months' money to accumulate as working capital. I throw this suggestion to the Minister and the Government for further consideration, and I hope they will have further negotiations with the Company in connection with the matter.

I make no comment about the money that has to be borrowed from the Bank at a high rate of interest, except to say that Government has to accept it because it has its back to the wall. Time is short. I can see that Government will have to make strenuous efforts to raise some of this money from other sources at a lower rate of interest so as to relieve itself of this great burden. But I am inclined to think that this arrangement at 7 per cent. is less unpalatable than the 7 per cent. interest it has to pay to this foreign concern. Nevertheless, it is my intention to support the Government in this matter, but I ask that consideration be given to the points I have raised.

**The Minister of Trade and Industry** (Dr. Jagan): As I listened to the debate I became somewhat confused. All along we have been urged to endeavour to solve this very urgent and critical problem, but as I listened to the debate I got the impression that some people are sorry that we have now solved the

problem. It appears to me that no matter what this Government does it will be criticized. At one time it is told to buy and if it does not buy it is criticized, and when it buys it is told it should not buy. We have been told that the Government should have allowed private capitalists to take over and operate the electricity concern, or that it should have allowed the Demerara Electric Company to continue operations, but what some Members failed to realize was that tied to this electricity supply undertaking are other very important factors—the question of the development of hydro-electricity and rural electrification.

I will deal with those two items briefly so as to make a clear picture. For a long time we have been talking about hydro-electric development, but unless there is a large consumption of electricity it is impossible to embark on hydro-electric development, for although hydro-electric power may be cheaper it is essential that there should be immediately a large demand for the supply of energy. The Demerara Bauxite Company seems to have given up for the moment the idea of developing hydro-electricity. We have been told year after year that our electricity rates are excessive, and having taken over the Demerara Electric Company's undertaking this Government can certainly think in terms of the development of hydro-electricity which will later permit the supply of electricity to domestic consumers at lower rates.

On the question of rural electrification, when negotiations were held with the Demerara Electric Company it was found that in view of the charges demanded by the Company it was quite likely that Government would have to abandon the idea of rural electrification. Private enterprise is not concerned about the public interest; it is first and foremost concerned about private pocket books. Government is concerned about electrifying the entire countryside. The Georgetown electricity concern in the hands of

the Government will permit, as a first stage, the supply of electricity to the countryside and, secondly, the development of hydro-electricity which can supply cheaper electric power to the homes and industries of this country.

We were congratulated for going ahead with the purchase of the electricity concern, but even the last speaker gave us a little stone in the end. He said that Government took a long time to make up its mind, and did not do so until it had its back against the wall. I do not think that is a correct statement, because it will be remembered that before we arrived in London in 1958 the British Government issued a statement that it had no money for us to take over the Demerara Electric Company's undertaking. That was made clear from the beginning. Immediately after our talks in London we went scouring around the world, to Italy, West Germany and other places, and had talks with American concerns hoping to work out a package deal arrangement. We had talks with World Bank officials, and we were always told that they could give us money for equipment but they were sorry they could not provide money for the take-over.

Apparently, because of a basic conflict in ideology or policy, certain people do not want Governments to own anything. They do not mind selling equipment to them, but they do not want Governments to own anything at all, and therefore they are not prepared to lend any money for such a purpose. So it is not true to say that this Government waited until the last moment. Before we arrived in London in July or August, 1958, the British Government made it clear that it did not have any money for the take-over which it said would be a disinvestment. One Member asked why did Government not use development funds for the purpose? We asked the British Government whether it would permit us to do so, and the Government said that C.D.

& W. funds could not be used for that purpose, and that it was hardly likely that the Exchequer loans which we were getting could be used for that purpose. So that we were left, ultimately, in the hands of the people who owned the Company. We had talks with English companies who tried to raise money from Banks for the purpose of the take-over, but that did not prove possible. Eventually one of the companies approached the Demerara Electric Company and its parent company in Montreal, to see whether they could work out some arrangement between themselves so that Government could not only take over the Company's plant but purchase additional equipment from the manufacturers. So it was that we were able to arrive at this settlement.

Let me say right away that I am not very happy about the terms of this contract. It is true that, with a bit of very hard bargaining, the Financial Secretary and I were able to get a substantial reduction of the figure which was negotiated before we got to London, between the Colonial Office and the International Power Company, the parent company of the Demerara Electric Company, and the suppliers of electrical equipment. It is also true that we were able to break down some of these conditions. Much more was demanded, I can assure Members, before we got to London. I am not happy about these strings and conditions, but what alternative was left to the Government? Had we pushed the Company into the sea the same people who are now criticizing us about these strings would have been attacking the Government. Let us be consistent.

No doubt it is because of the basic fact that there is so much opposition to what this Government does that Government's hand is always weakened in bargaining with people from outside. For had the Company known that the people of this country would be prepared to throw it into the river it might have been a little bit more conciliatory.

[DR. JAGAN]

We were dealing with a company which has a history of rapacity and is only concerned about its pocket book. Members have asked: Why did not Government allow the Company to continue? They have not taken a long-term view of the situation. Let me remind them that, as the hon. Member for Georgetown North said a little while ago, the Company was making fantastic profits out of its small investment.

Our consultants in London did a projection of what is likely to happen in the future. They worked out the graph showing, year by year, what the profitability would be for the next 20 years. They pointed out to us that after paying for the Company, after putting in all the equipment, after putting in rural electrification which is not profitable, at the end of 20 years the Company was likely to make about \$60 million profit, net. Surely, let us ask the Company to continue? The 45 per cent. income tax they will pay Government is \$27 million. They will thus take out of the country another \$33 million in the next 20 years. This is the decision which the Government had to face. Do you forego something now for something bigger; or do you continue to allow the country to be drained of its wealth? The price was high. Certainly, it was high, but we had no alternative because the terms were laid down in the law that when the Company is taken over it must be paid for at a fair value.

What is fair value? Does fair value mean the historical cost—what they paid for it—or does it mean reproduction cost? In other words, what it cost to replace every nut and bolt, less depreciation. Real justice would have demanded that historical cost be paid. In other words, what they paid for it. That is justice, and then we would have got back, perhaps, to a figure of \$2 million or \$3 million. Do not forget that this Company had invested only \$½ million in British

Guiana. Let those who love private enterprise so much remember the classical example of this Company which has drained away wealth from British Guiana. If it is allowed to continue it would rob this country of a great deal of wealth which could be used either for further developing the electricity undertaking as a whole, for reducing the rates, or for the general development of British Guiana.

The law said that we had to pay a fair value. Members said: "But look at it; we have paid the same thing which the people demanded since 1957!" It is not quite true, because in 1957 the Company's valuation of its property amounted to something like \$7¾ million. The Government's valuation was in the vicinity of a little over \$5 million. There were many disputed items—such things as were regarded by the Company as going concerns—and other items which amounted to nearly \$1½ million.

Some Members said: "Why did we pay almost what the Company was valued for by our consultants, because deterioration has taken place from 1957 to the present time? This point we argued, too. We said: "What about a drop in price from 1957 to 1960 because, obviously, there has been some deterioration". But they came along and said that the costs of things have gone up. In other words, what they were dealing with all along was reproduction cost at the time of purchase; and they produced figures, indeed, to show that increased costs of equipment in the period from 1957 to 1960 amounted to 8 per cent. or 10 per cent. which was, more or less, the amount which the equipment would have depreciated in that time. All it means, therefore, is that one thing cancels the other.

Of course, we lost because we did not buy earlier. I admit this. We lost, but this Government does not produce money from straw, and our masters clearly said: "No, we will not provide the money"; and we could not have taken

over the Company nor were we prepared to let it continue.

I recall that when the Company came to us to continue at 8½ per cent. profit guarantee, after all expenses, we said this was against public interest. Therefore, considering all these factors; considering that we have now got the problem licked—a problem which had been a plague on the community for some years—I think, in the sum total, we have not done badly.

I detest these conditions—when we have companies dictating to us that we must appoint people subject to their approval and that we must put in other things—but this is a harsh world in which we are living. This is the world we are told we must deal in. This is the world in which we are told we have many friends. Well, there it is. Perhaps, one of these days when we have the right to deal with everywhere, we may be able to get better conditions. But, be that as it may, I think the country will be glad—the people will be glad — that we have solved this headache and that we are now on the highroad to bringing electricity to all the people of this country, not only to brighten their homes, but to produce it much more cheaply than we have been able to in the past.

**Mr. Tello:** Your Honour, when the hon. Minister rose to speak, he complained of being confused by the debate. Indeed, I must say I am extremely disappointed in his speech. He has not assisted the debate in any form. The most the hon. Minister has tried to do is to collect all the laurels for himself by saying that he has used every possible means to solve the problem. The question is: Is the problem solved? Already, we hear that the problem is solved, but the legislation is not even here yet.

The position is this old story of the Ministers of the Government: 'We accept all the popular things, but with the unpopular things we are only participating in the Government'. We have got

a slightly different use of words this time: "I am not happy about things. That is the position." This is what you are mandated to do! You cannot have the whole Legislative Council going up to negotiate; and the Government has selected a delegation to do the job. We have the report on it now. We have recognized its weaknesses and we have pointed them out. What have we now? "We have no alternative; if the British Government had done this and that we would have done better." The position in every bargain is that you never get all you want. It is not true to say there was no alternative. The hon. Minister, when he left here, knew that there was private enterprise competing with the Government; and if he were a good negotiator he would have used that to the advantage of the Government. I say, it was his own approach to private enterprise that caused this country to be saddled with this unfortunate, bad, weak negotiation.

I want to say this: If we are going to use Government's own record to make a success of solving the problem, it was only a couple of days ago we sat in Finance Committee and what have we discovered of the Government-administered departments? —rising deficits. And if we are going to pay all the gross earnings of the Electricity Corporation in liquidation of this debt, as I see it—judging the Government from its own behaviour — taxes will have to go up to make good these anticipated increased deficits that come to us from Government's own behaviour in matters industrial and commercial.

I am not like my hon. Nominated Friend who is feeling happy to have it on record that he is being consistent. I agree with that, but when the Interim Government thought of taking over the undertaking from the present owners they agreed with that. They agreed that the Company should be purchased. Quite recently another alternative has been given to us by a businessman in this

[MR. TELLO]

country. Hon. Members on the other side of the Table are trying to minimize what the hon. Member for Eastern Demerara has said. The fact remains that the investment we are putting into this Company is no consolation that we have solved our problems. The only reason I am supporting this Bill is that there is a possibility that in August there may be a different set of people running the Government. *[Laughter.]*

It is perfectly true that we have had bad service from the present Company, and it is correct that some change should be made. I believe that the Government would like to electrify the rural areas. I also believe that it has plans for hydro-electricity. But I wish to say that if money could have been found from other sources to relieve it of the responsibility of solving this problem, the money in hand could have been used for starting the rural electrification scheme. In the circumstances, Government would have been able to kill two birds with one stone. It could have done this and still have the money that is now tied up in the take-over of the Company to proceed with the hydro-electric programme. If it had attacked both problems at the same time it would have opened up new avenues of employment and revenue.

But what has Government done? It has come here rejoicing and apologizing at the same time. That is the true position of things, and there is really nothing to recommend it other than saying that the Government has fulfilled an honourable recommendation of this Council. I say that while electricity is an urgent need for the development of this country, proper ways and means of acquiring it are also essentially necessary. If this private Company had been given a chance to take over the Demerara Electric Company — we all

know about it; it was mentioned publicly and in the press—there would have been no need for a foreign Company to come to British Guiana to send the profits it makes out of the country. The private Company would have taken subscriptions from the public, and we would have retained the money from the profits in this country. We would have had a training scheme for Guianese at the highest level and so on.

I think the hon. Member for Georgetown South should refresh his memory. He said that the Interim Government did not train engineers, but I would remind him that the present Deputy Engineer was trained by way of a Government scholarship. I agree that the Company should have done something in connection with this matter.

The hon. Minister of Trade and Industry is always making references to private enterprise of a century ago as though there has been no change, or will never be any change. I told him in another debate, and I will repeat it again: This Government or any particular Government can pass legislation that can control the amount of profits that must be left in this country. It can pass legislation making it compulsory that at least 90 per cent. of our own people should be employed in any industry or project controlled by foreign capital.

This is a different era to the century ago when the Demerara Electric Company came here. At that time none of us was sufficiently familiar with the controls attached to similar undertakings elsewhere. Today we know that private enterprise can be controlled by way of legislation. There is no need trying to minimize the fact that we are desperately in need of money to develop this country, and that we will need the company's tax that we formerly collected from this Company.

If we had allowed the local company to come into the picture, we would have had a better bargain; a better Bill would have been placed before us today, and it would have been worthy of less criticism. The Government could have withdrawn, and the private Company could have taken over the Demerara Electric Company. I repeat that Government would have been free to use the money it has to embark on a rural electrification scheme.

Probably the Majority Party in power are very skilled politicians, but, as negotiators, I would like to put it on record that it is my view that they have failed miserably in dealing with this matter. [Mrs. Jagan: "Shame"]. To some people words carry a different meaning. I say it is a shameful thing that the Government did not interpret the principle the correct way. I am sure the Government is ashamed at some of the things in this Bill today.

We have heard it from the horse's mouth today that in negotiating to solve a problem we have created another problem, because there are many things Government is not too happy about. It is ashamed of them. I will support the Bill, probably, because we accepted the Motion some time ago, and because I believe that there was a sincere attempt to carry out the recommendations of this Council. Possibly, I will join with others in trying to amend a few of the Clauses at the right time.

However, I am satisfied that I have expressed myself and made my criticism from a sound conscience, regardless of how it was received. I have said everything in the interest of my fellow citizens.

**Mr. Campbell:** I am not sure at this moment whether I should support the Bill, or simply abstain from voting. I feel neither here nor there about the Bill. Like the last speaker, I feel that, if the offer of a private individual had

been accepted some months ago, the Demerara Electric Company would have been taken over quite easily. I think that would have been the best arrangement. I recall that almost every other night some part of Georgetown was in darkness. I was filled with glee when I found that the people in Georgetown were in darkness in the same way as my people in the bush. I used to tell the people to make firesides just like my people in the bush.

The Minister of Trade and Industry said that this Company is making fantastic profits, but he has just started to do something in the matter. Three and a half years ago he should have done what he is doing today and saved a lot of money in this country. The profits from that Company should have been circulated in this country. I believe that Government should have the right to run certain public utilities in this country. I concede that Government should run a few very potent public utilities, but I do not believe that Government should try to monopolize industries in general.

Private industries in the Western World have been very successful; they have provided jobs and built up the various countries. Allowing private enterprises and private individuals to run a business their own way, happens to be a good way to develop a country. I have heard and learnt that certain Governments run everything; own everything and so on. That kind of Government I do not believe in. I believe in honest-to-goodness competition, and when Government owns everything there is no competition.

Every year the deficit of the Transport and Harbours Department goes higher. It is true that when a private company carried on the transport services Government gave it a small subsidy, but the services were run efficiently and on time, and nobody complained. But at present the public is being asked to pay first class fares for third class facilities, especially in regard to the

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service to the North Western District. When a private company offered to take over the electricity undertaking it was not accepted by the Government. I accept the principle that public utility services should be run by Government, but this particular service should be run by a private company, thus relieving Government of a great deal of worry.

Government has promised to go ahead with rural electrification. I have asked in this Council how far do the rural areas extend. In view of the fact that wires would have to be run for 200 miles to serve the North Western District, I doubt whether rural electrification will ever reach that end of the country. However, I am very glad to hear that those people who live nearer the City will get electricity in the near future.

**The Minister of Communications and Works** (Mr. Ram Karran): We have listened to criticisms and a meagre word of praise from the other side of the Table, for which we are grateful, but there are a few points, aside from the irrelevancies to which we have been accustomed, to which I may reply. The first point was that made by the hon. Member for New Amsterdam (Mr. Kendall) about the difficult situation in which the Government found itself in negotiating the price for the take-over of the electricity undertaking. I wish to remind the hon. Member and this Council that part of that difficulty is due to the technique and tactics adopted by the then Government and the then Member for Communications and Works who, as we all remember, did not tell the Demerara Electric Company that Government desired to take over its undertaking, but adopted other techniques which are responsible for the problem with which this Government is faced today.

The Government of that day wanted the Company to put all its wires underground, which would have cost

\$11 million, but it would not have produced one extra kilowatt of electricity. Is there any doubt that the Company was suspicious of the Government, and that it probably came to the conclusion that these hon. Members who sat here in 1954 were likely to be returned? Of course, when it knows what the situation is even the mouthful uttered by the hon. Nominated Member, Mr. Tello, will be regarded as sheer wishful thinking. That is how the Members of the Interim Government did business. I would like to read an extract from the *Hansard* report of the debate on the Electricity Bill on the 13th June, 1957. Mr. L. A. Luckhoo, in supporting the Bill, said:

"I would like to say that we have had an opportunity of discussing it very fully in Finance Committee, and one wishes to compliment Government on having afforded us an opportunity to ask a number of questions in that respect. We have taken every advantage of the opportunity afforded and we have been able to get answers to satisfy ourselves on certain points. I think it is a very useful procedure because much of the time spent here in making long speeches has been saved."

All the negotiations and arrangements with the Demerara Electric Company were discussed in Finance Committee—in secret. So that when the hon. Member attempts to castigate and to criticize this Government over the very difficult negotiations it had to face, I must recall that it was due to the Interim Government's way of doing things. It should have gone to the Company and said "I want to buy you out", and the Company would have had no fear. But when it attempted to force the Company into selling its undertaking by asking it to put its wires underground, the Company was bound to have some suspicion which no doubt still lingers in its mind, even though it is dealing with straightforward people who have a knack of saying what they feel and what they propose to do.

I thought the hon. Member for Eastern Demerara (Mr. Beharry) would have indicated his position yesterday

when he spoke. He has a way of staying away when it is time for him to get his share. I thought he would have declared his interest in this electricity business, because hon. Members would recall that while he was in the Government he was closely connected with the Government's desire to purchase the electricity undertaking. Indeed, he brought down Mr. Sandu to sell us a nuclear power station, and had the Government not been thinking very carefully, and had it followed the free advice given by the various newspapers, particularly the "Daily Chronicle", we would have been saddled today with a nuclear power station. I do not know whom the hon. Member was thinking of destroying by nuclear fall-outs. If there was any destruction to be done it was probably in the Third Force.

Reference has been made to losses by organizations run by the Government. The Milk Pasteurization Plant has been referred to on more than one occasion. May I take this opportunity to remind hon. Members of the Interim Government's incompetence when it saddled the taxpayers with a Milk Pasteurization Plant far greater in capacity than the quantity of milk that could be produced. That is the reason why the plant is being run at a loss. But all of it is not lost, because it is the Government's policy to maintain a reasonable price to the farmers. The greater part of the money expended on the plant has been whittled down considerably, and what may be regarded by Members on the other side as loss is the price support for the farmers who have to produce milk to be sold in the City.

Reference has also been made to the deficit on the working of the Transport and Harbours Department, and to the possibility of the electricity service losing money. I wish to call Members' attention to what happened not very long ago in the United Kingdom when the Conservative Party, having won the election, retained the Labour Party's policy

of nationalization of industries, and continued to lose money on the coal industry and railway transport, but they denationalized the profitable road transport. I wish to assure Members that this Government is prepared to adopt a policy of nationalization in the case of public utilities. Government is accused of being communist, but nationalization of public utilities is the order of the day not only in communist countries but also in most of the countries which adopt the Western private capitalist system.

Capital has been made of the fact that Government is going to lose 45 per cent. income tax because of the take-over of the electricity undertaking. It is a bit amusing, and indeed very difficult for me to understand. If after Government has taken over the plant and is able to pay for it in 10 years, as provided for in the Bill, not only for the existing plant but for additional equipment, I would like to assure hon. Members that not only the 45 per cent. but the 55 per cent. which goes overseas every year will be coming back to the Government.

As I said in moving the Second Reading of the Bill, Government will guarantee the payment if there is a short-fall of revenue from the undertaking, but that does not necessarily mean that Government will have to pay any money.

The hon. Member for Demerara River was usually himself when he prophesied the possibility of losses from the undertaking—losses, in which case the non-consumers will have to contribute to the deficit. I want to assure the hon. Member that Government does not envisage losses by the Company. Indeed, it is arranged for the Company to be able to make enough profits to pay for itself over the period and, eventually, the rates to be reduced and, if possible, money coming from the Company to be used for the development of the country.

[MR. RAM KARRAN]

Capital has been made of the fact that the people who will provide the money are going to have a say in the appointment of the three members of the Corporation. As the Minister of Trade and Industry has pointed out, this Government certainly does not like the arrangement, but I think some of those hon. Members on the other side of the Table have experience of moneylending and realize that when you have borrowed money there are all sorts of conditions which moneylenders demand. And while I do not wish, and cannot afford, to defend the attitude of the people who have insisted on these conditions, the least I can say is that hon. Members on the other side are fully appreciative of these conditions and can appreciate how and why they were made.

We have been treated, as usual, by the hon. Member for Georgetown Central. I think his actions were described in this Council as a very good ballet dancer. I think he has shown us these qualities, once again, in this Council; for he has done something new — and he would always, with his ability — to show how wonderful a change he can think of when placed in difficulties of this kind. The hon. Member wishes to be consistent and, certainly, he is consistent. He can find nothing to criticize Government about because he is gone on record in this Council that he supports the purchase of the Demerara Electric Company. But what has he come out with? That Government should have asked private people to contribute so as to be able to continue to have shares. We all know of his stand on dual control. "I am opposed to dual control". What is he on now? — opposed to foreign loans. Yesterday he supported it. If you follow the debate you will find that absolutely no mention was made that Government has floated the loan. The hon. Member still has a belly ache. It is very difficult to reply to people who continue to remain childish.

Reference has been made to rates. I took pains, in introducing the Bill, to point out that the rates which have been agreed to, through an error in London, may provide for an increase. I said "an error" because it was felt that what the specialists had worked out would have given an increase of 8 per cent. When the papers reached us, when we had some time to work it out, we found that these rates: demand charge — \$5 per Kilovolt Ampere per month; energy charge — the first 150 Kilowatt hours per Kilovolt Ampere per month at four cents; the next 150 Kilowatt hours per Kilovolt Ampere per month at three-and-a-half cents; any excess thereafter of Kilowatt hours per Kilovolt Ampere at three cents, would work out to be about 8 per cent. on the average. Of course, some would be lower.

I indicated yesterday what the Chamber of Commerce had worked out. Their proposal to the Government was that there should be an installed K.V.A. charge of \$3 with a diversity factor. The number of K.W. hours concerned under the three brackets of the proposed energy charge should be reduced to more realistic figures to encourage consumers to make full use of their equipment. I pointed out to the Council that the proposals made by the Chamber of Commerce were even more than we had agreed to. The proposal we had agreed to was for the reduction of the rates as they are, plus a fuel surcharge. It would not create difficulty to anyone at all. I understand, but it is difficult for hon. Members to understand these technical terms. I excuse them for fearing that the amount which has been decided on will create a loss of revenue or will create difficulty to the consumer.

Finally, there is one point to which I wish to refer. Reference was made by some Members about the training of Guianese. It has gone down on record in this Council that the Government is very interested in doing all it can for the training of Guianese to replace ex-

patriate officers wherever necessary, but that does not mean that Government is going to "fire" expatriate officers if they are giving satisfaction in any jobs in this country, until their contracts are completed.

I say that because of the article which appeared in "The Daily Chronicle" and which had been responsible for a great deal of concern among those expatriate officers and technical people who are engaged at the Demerara Electric Company. The date of the newspaper to which I refer is December 17, and the sub-headline reads: "Guianese Staff to retain their jobs under Power Corp". I am not surprised to see anything misleading in the newspapers because, as one can see, they are out to create confusion regardless of whether it affects the Government or anyone. But, I think, it is shameful for those who create a fear in the minds of people who come here and do jobs which Guianese are not qualified to fill at present. [Mr. Hubbard: "Confusion which is harmful to the country."]

Full advantage is being taken of the training facilities at the Technical Institute, and Guianese staff will certainly be trained not only at the Technical Institute, but at the Universities abroad; for it is necessary for them to be trained not only for the work to be carried out at the Demerara Electric Company, but for the rural electrification scheme which I said, is just around the corner.

As I said, I had the engineers and technicians of the Company in and gave them the assurance that Government will permit them to continue so long as they desire to do so; and the Government is quite willing, in fact willing and happy, to continue the contracts of these gentlemen who are responsible for the running of the Company. The country is short of technical men, particularly engineers, and every effort is being made by this Government to secure them either from overseas or to train them itself.

Some reference has been made about consumers' meters. I wish to assure Members that this is not an arrangement that exists in British Guiana alone. With most electricity concerns you have to pay for the use of electricity and you would have to pay down for the meters. Hon. Members who are from the Georgetown Town Council know this point well, because similar arrangements are made for meters for water supply. People have either to pay completely for the meters, or pay a rental of so many dollars per year; and I wish to assure this Council that the arrangement of the Demerara Electric Company for the down payment on a meter will not change. In fact, the Corporation will take over the business as a running concern and all the business between the consumers and the Company will continue in force.

Coming back to the point of the three members who will have the blessing of the people who will provide the money, I wish to clear Members' minds. I see reference has been made that foreign people would be represented. One of these men would be an individual who has had some technical knowledge; another who has had accounting experience; and the third, one who has had local experience. Those are all the qualifications. We cannot put all of these things in the Bill; but that is all that is meant by the three men to be appointed by the Government with the approval of the International Power Company and the consortium I referred to. It has been rather amusing.

Very often the Members on the other side of the Table accuse the Government of being unable to get money from abroad. They say that this Government does not have the confidence of overseas industrialists and so on. In this instance the Government has been successful in bringing millions of dollars to British Guiana, and hon. Members on the other side are now saying that they do not want it.

[MR. RAM KARRAN]

The hon. Member for New Amsterdam who was a Minister in the Interim Government was unable to produce the capital for the take-over of the Demerara Electric Company. The difficulties we have had in negotiating for the take-over of the Company have already been mentioned by the Minister of Trade and Industry. Her Majesty's Government had told us that there was no money for this project.

In addition to this Bill there was \$5 million in the Development Programme for rural electrification, but we were prevented from using this sum for the take-over of the Company. We cannot start rural electrification until we have increased the power of the electric plant.

The Government, through the Minister of Trade and Industry, has been able to get the International Power Company, Electrical Industries Export Limited, and Taylor Woodrow (Overseas) Limited to come to the assistance of British Guiana in an effort to solve the problems that have been outstanding since 1954. I do not know what the hon. Member (Mr. Kendall) meant when he told the Company to put their wires underground. He was unable to solve the problems when he was in the Interim Government. Although this Government has been able to solve the problems, we are still hearing a lot of criticism from some hon. Members.

Even though I say it myself, I feel that the Government has done very well in solving the problems attached to the take-over of this Company. Parts for the additional plant are already arriving in this country. I indicated yesterday that two one-megawatt sets have been installed to produce electricity. With regard to the additional plant, work will start on two 10-megawatt sets as soon as the Agreements have been signed—the engineers are already here.

It has been wrongly reported in "the Daily Chronicle" that a certain officer has been here. I said that Mr. Snetledge, a United Nations' Consultant, has been here for a few months, and he will submit a report on the possibilities of hydro-electricity as well as things relating to the Demerara Electric Company when it is taken over by the Corporation. With good management the cost of the Company as well as the additional amount for the installation of machinery should be paid off in keeping with the Agreement. We hope that by that time we will be able to proceed with the hydro-electric programme, and brighten our countryside as well as the City of Georgetown.

I now, formally, beg to move the Second Reading of the Bill.

Question put, and agreed to.

Bill read a Second time.

Council resolved itself into Committee to consider the Bill clause by clause.

#### COUNCIL IN COMMITTEE

Clause 1.—*Short Title* — agreed to.

Clause 2.—*Amendment of section 2 of Ordinance No. 34 of 1957.*

**Mr. Burnham:** In Clause 2 (b), notice that a definition of "City" has been inserted. The terms of the Georgetown Town Council Ordinance did not anticipate what is going to happen shortly. I wonder whether the hon. the Attorney-General will consider the possibility of deleting the words "defined by the Georgetown Town Council Ordinance", and substituting therefor the words "may from time to time by Order be declared by the Minister". For one thing this will not be applicable only to the City of Georgetown. I would like

to draw the Attorney-General's attention to Cap. 152. Since the Minister, under the Local Authorities Ordinance, will be declaring the limits of the various Local Authorities, it will be best to leave with the Minister the same power with respect to this matter. There is precedent for this in Cap. 181, the Town and Country Planning Ordinance, under which the Governor in Council may declare local authorities for the purposes of that Ordinance only. In this case I feel that the Minister should be given such power.

**The Attorney-General** (Mr. Austin): I think it speaks very well if the hon. Member wishes to leave with the Minister the power to declare what should be the City of Georgetown and what should not be the City of Georgetown. The point is that this legislation has been copied very largely from legislation that governs the Demerara Electric Company, and most of these definitions come out of the Georgetown Electric Supply legislation. It is all very well to say what is likely to happen in the future, but we are legislating for what the position will be as from the 1st January. Whilst appreciating what the hon. Member says, I think it will be far safer to deal with actualities and not project our minds too far into the future.

I would suggest, as there is nothing wrong in the way the City is defined, we leave it until amendments are made at a later stage to the definition of the City.

**Mr. Burnham**: I was merely trying to be helpful, but it seems to me as though my desire is all in vain. There is nothing wrong in permitting the Minister to define the City of Georgetown by Order. I am sure the Minister of Community Development and Education will see my point. If the Local Authorities Ordinance is expected to come into force by the middle of next year, then next year the City of Georgetown as defined by Cap. 152 will be no longer in existence. Whereas if you

gave the Minister the power by Order to define "City" he can merely by Order change the definition without having to come back to this Council to amend the substantive Ordinance. You speak vaguely of actualities on most points, but it does not require any theorist to anticipate the Local Authorities Bill which is before the Council. I am sure the Minister of Community Development and Education sees and agrees with my point. Even the Minister of Communications and Works appreciates my point.

**The Chairman**: There is no Amendment.

**Mr. Burnham**: In Clause 2 (b), I beg to move the deletion of the words "defined by the Georgetown Town Council Ordinance" and the substitution therefor of the words "may from time to time by Order be declared by the Minister."

**The Minister of Community Development and Education** (Mr. Rai): I should like to point out by way of explanation that in the Local Authorities Ordinance, the Second Reading of which is indicated on the Order Paper today, neither the Minister nor the Governor will have the power to enlarge the boundaries of the City, because the City is a geographic and historic entity. While it is true that it is perhaps an enlarging Order in one Local Authority, the City of Georgetown will continue to remain the same entity. We do not have the power to enlarge the boundaries of the City. I understand that the City has a Charter. If that is so we have never been able to see the Charter, but it is to be assumed that the Charter would have the boundaries well defined. There is no legislation in connection with this matter, and there is no proposal in this Bill.

**Mr. Burnham**: There is no question of asking the Minister to enlarge the boundaries of the City, which he

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claims to be an historic entity, by an Order. It is merely a question of things being deemed to be what they are not in fact. Take, for instance, Cap. 181, and then look at Cap. 150 and you will find that the boundaries of Local Authorities are fixed and defined. For the purpose of Cap. 181 the Governor has power to declare what is a Local Authority for the purpose of the Town and Country Planning Ordinance. Wherever there is the question of boundaries arising, and in view of the fact that this electricity will not be distributed in Georgetown proper only, it would be best to give the Minister power to extend the limits.

**Mr. Rai :** That would cause very much confusion, and ought not to be allowed.

**Mr. Burnham :** Did I hear the Minister say he was not prepared to accept the suggestion? I thought his colleague, the Minister of Communications and Works, was piloting the Bill.

**The Chairman :** I do not think he said he was not prepared to accept it.

**Mr. Ram Karran :** The hon. Member's hearing is, as usual, inaccurate.

**Mr. Burnham :** I admit the inaccuracy in view of the fact that two gentlemen here say they did not hear what I heard. May I ask what the Minister did say after he remarked that it would cause confusion?

**The Attorney-General :** There is a point which my learned friend may have missed. The definition of the City is not related to the use or supply of electricity. It is purely for the purpose of dealing with the supply of electricity for the water supply and sewerage works of the City.

**Mr. Burnham :** That is excellent. My point becomes even stronger because it is intended under the Greater Georgetown Plan that the pure water supply will extend beyond the limits of the City of Georgetown. In fact it already so extends, and it is expected that when Greater Georgetown becomes an entity the sewerage scheme will be extended beyond the limits of the historical entity of the City of Georgetown. I am merely trying to save time, but it is a case of leading the horse to the brink of the stream.

**The Chairman :** I shall put the Amendment. The Question is, that Clause 2 (b) be amended by the deletion of the words "defined by the Georgetown Town Council Ordinance" and the substitution therefor of the words "may from time to time by Order be declared by the Minister".

Amendment negatived.

Clause 2 put, and agreed to.

Clause 3. — *Amendment of Section 9 of Ordinance No. 34 of 1957.*

**The Attorney-General :** I do not propose to proceed with the first two Amendments on the sheet.

**Mr. Burnham :** May I take the opportunity to make an observation that under Section 9 of the Principal Ordinance, which is being amended by Clause 3 of this Bill, the Minister is being given the power of approval of the appointment of the General Manager and his salary, but under Section 5 of the Principal Ordinance, which remains untouched, it is the Governor who appoints the members of the Corporation. I alluded to this apparent confusion of thought and inconsistency yesterday. I understand and appreciate the difficulties of the hon. the Attorney-General who has pointed out that the Bill was drafted in a hurry. I am wondering whether,

now that we are prepared to be sympathetic with him in the difficulties he had to face in drafting the Bill, the Attorney-General recognizes the inconsistency and proposes to substitute the word "Minister" for the word "Governor" wherever it appears, and more especially in Section 5 of the Ordinance. I feel that power should be placed indisputably in the hands of the Minister. I am ready to believe that this is an oversight, and I am not inclined to be hypercritical at this stage.

**The Attorney-General:** I can assure the hon. Member that it is not an oversight. I pointed out yesterday that the Government admits that this amending Bill is like putting new wine in old bottles. It may well have been that had a completely new Bill been presented to incorporate the existing provisions of the Electricity Ordinance, Members would have said that they had not time to consider it. That would not have been satisfactory. The reason is that when the time comes not only is the existing Electricity Ordinance of 1957 to be dovetailed into this Amendment, but the whole of the Electric Lighting Ordinance has to be integrated, and it is going to be a big job. It could not have been done in the time available, and it might have been undesirable, because it may well be that as a result of the experience of the Corporation, points will come up which would enable the legislation, when finally consolidated and re-enacted, to be streamlined to meet all the requirements of the Corporation.

There are various requirements which may find their places in the new legislation, and which we can get from the corresponding laws of other countries, but it is not true to say that because the members of the Corporation are appointed by the Governor, and the General Manager's appointment has to be approved by the Minister, there is any confusion — at least for anybody who reads the English language. Of

course everybody must understand that the Governor, in the context of the laws today, in effect is the Minister or the Ministers. So that when the Governor appoints the members of the Corporation it is not his own choice and his own act, it is the manifestation of the will of the Minister in charge of electricity and his colleagues. When the Minister approves of the appointment of the General Manager constitutional convention will apply, and he will in any case of real importance consult his colleagues, because the Minister really means all the Ministers, and also the Governor means all the Ministers. So I think there is no difficulty in the interpretation; the actual meaning is perfectly clear.

**Mr. Burnham:** I believe I read English with some facility; I believe I speak it with some facility, but at my age I find it difficult to equate the term Governor with the term Minister. We have had some sort of excuse from the Attorney-General as to why a new Ordinance was not drafted. I will concede that there seems to be some merit in his defence for not drafting a new Ordinance, but if an Ordinance says "the Governor" it means that by this Ordinance the Governor shall act. But if the Governor has to consult the Minister he can always, as it is alleged a previous Governor did, with respect to the Board of Governors of Queen's College, tell the Minister "The Ordinance says that the Governor shall". Let us avoid that. I see smiles on the other side of the Table, because what I am saying is true, and the Minister knows it. The Attorney-General knows of the incident.

The present Constitution gives the Governor certain reserve powers, and that is why we should give the Minister this power clearly. It is not only an insult to the democratic aspirations of the people but an excuse for incompetence, because when the worst happens the Minister can say "It is the Governor." Let us have the power clearly placed in

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somebody's hands. We are embarking on this experiment of taking over the undertaking and putting control in an Electricity Corporation. Let the Minister have power. Why are you afraid? What can future experience teach us? The Attorney-General talks about future experience. Will future experience teach us whether the Governor or the Minister should have the power?

I am sure that the Majority Party will not allow any experience to teach them that the Governor must make any appointments here; and if you will say that the Governor will accept the Minister's advice, let us hear it. It is pellucidly clear that it is the Minister's responsibility. I find it difficult, when I try to give assistance, that to everything I raise there is a kind of mulish opposition. If I make any suggestion which is not of political significance, there is still this mulish opposition.

**The Chairman:** There are no other contributions, then I shall put the Clause. The Question is, that Clause 3 shall stand part of the Bill.

Question put, and agreed to.

Clause 3 passed as printed.

Clause 4. — *Insertion of section 9A in Ordinance No. 34 of 1957.*

**The Attorney-General:** I beg to move that the new Clause 4 as printed on the List of Amendments be inserted in the place of Clause 4 in the Bill. The reason for this is that a new Section 9B should be inserted to make it clear (although I think it is a fact) that the Justices Protection Ordinance will apply to all those who have duties to perform under the Ordinance. That is the law which provides, in short, that anybody who performs any such act in the course of his office or duty under this Ordinance or, indeed, under any other Ordinance,

will have the protection of the Justices Protection Ordinance, and he cannot be sued for any loss arising out of his act unless it is proved that his action was not only malicious, but done without any reasonable or proper cause.

Also, there is a discrepancy between "electrical inspector" and "inspector" in other parts of the Ordinance. We have taken the opportunity of regularizing the position by calling all, just plain "inspectors". I beg to move that this new Clause be inserted.

**Mr. Burnham:** I have no criticism of subsection 9A as it is sought to be introduced at this stage but, certainly, of subsection 9B. The import of 9B is not only what the Attorney-General has pointed out but, also, that you cannot sue persons acting under this Ordinance unless you, first of all, give them one month's notice and you bring the action within six months. The Justices Protection Ordinance is backward and, certainly, not up-to-date. It has been on the Statute Book for over a century, and I do not think it is fair to have a Corporation like the Electricity Corporation, which deals with property and is likely to damage other people's property, to tie the people down by saying (1) you cannot sue unless you can prove malice; (2) the suit has to be brought within six months; and (3) you must give notice. I do not think it is fair. For the State to take over the running of a public utility and give that public utility the protection of the Justices Protection Ordinance is to be refusing, at the same time, the rights of the ordinary citizen with respect to his property or with respect to his person, and I see no justification whatever for the insertion of Clause 9B and, further, I desire to move its deletion.

**The Attorney-General:** I agree with my hon. and learned Friend that the Justices Protection Ordinance is very old and may well be out of date, but it does correspond to the law that all countries

have for the protection of their public authorities. In England it is the Public Protection Authorities Act and that was passed in 1898, which is some 60 years back; but the fact is that the Justices Protection Act is supposed to apply to any person who acts in his office under any Ordinance, and it is arguable that the protection would, in any event, be available to members of the Electricity Corporation. Its application has been made to members of the British Guiana Credit Corporation in the Credit Corporation's Ordinance and, therefore, it is appropriate in this Ordinance, which deals with a Corporation in the same way, that it should be specifically applied. But, I agree with my hon. Friend, that if the Justices Protection Ordinance is out of date then we should do something about bringing it up-to-date; and I will make a note of that. Until this is done, I think the law in the form which I have moved, to insert Section 9B, should stand.

**Mr. Burnham:** In view of the hon. Attorney-General's undertaking to make a note, I withdraw my Motion.

**The Chairman:** I will read the Clause as amended:

"Insertion of sections 9A and 9B in Ordinance 1957.

4. The Principal Ordinance is hereby amended by the insertion of the following sections after section 9 thereof—

**Inspectors.** 9A. (1) The Corporation may appoint such number of inspectors as may be necessary for the purpose of inspecting installations and electrical plant, apparatus and works and of performing such other duties as may be required by the Corporation.

(2) An inspector appointed under the preceding subsection shall have all the powers vested in an inspector by this Ordinance and any regulations made thereunder, together with the powers of the Government Electrical Inspector under the Electric Lighting Ordinance.

Cap. 237.

Protection of persons acting under this Ordinance. Cap. 18.

9B. The Justices Protection Ordinance shall apply to any person acting in the execution of his office or duty under the provisions of this Ordinance or any regulations made hereunder."

The Question is, that this new clause be substituted for Clause 4 as printed.

Agreed to.

Clause 5. *Insertion of sections 12A and 12B in Ordinance No. 34 of 1957.*

**The Attorney-General:** I will, first of all, move an Amendment to Clause 5 by inserting a comma after the word "Company" in the heading; secondly, by inserting a comma after the word "Company" in the definition of "Company" in the new section 12A(1); and thirdly, by inserting a new definition after the definition of "completion date":

" 'Contract period' means the period from the contract date until the date on which the purchase price and the interest thereon payable under the agreement shall have been paid in full;"

The reason for this insertion is that this particular period is referred to in several places in the Schedule, and it would facilitate brevity in drafting if we say it once.

[THE ATTORNEY-GENERAL]

There is also the mis-spelling of a word in subsection 4. At the top of page 3 in the Bill it says "prupose". The word should be "purpose".

Question put, and agreed to.

Clause 5 passed as amended.

Clause 6 passed as printed.

Clause 7.

**The Attorney-General:** I beg to move that Clause 7 be amended by the substitution of the following therefor:

<p>"Power to locate and work generating or power station outside areas of supply."</p>	<p>14F. The Corporation may, in the case of its undertaking, locate and work and have its generating or power station and all or any works which may be considered necessary in connection therewith, outside the areas of supply."</p>
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It is merely a question of making the Clause clear.

Question put, and agreed to.

Clause 7, as amended, ordered to stand part of the Bill.

Clauses 8 and 9 passed as printed.

Clause 10.—*Amendment of section 20 of Ordinance No. 34 of 1957.*

**The Attorney-General:** In Clause 10 (e), I beg to move the deletion of the word "electrical"; and in (j) the insertion of a semicolon after the word "supply".

Question put, and agreed to.

Clause 10, as amended, ordered to stand part of the Bill.

Clause 11 to 13 passed as printed.

Clause 14.

**The Attorney-General:** I beg to move that a new Clause be inserted after Clause 13 as follows:

<p>"Insertion of third and fourth schedules. Schedule."</p>	<p>14. The Principal Ordinance is hereby amended by the insertion of the third and fourth schedules set out in the schedule to this Ordinance."</p>
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Question put, and agreed to.

Clause 14, as amended, ordered to stand part of the Bill.

#### SCHEDULE

**The Attorney-General:** I beg to move that the word "Schedule" be inserted in the Bill opposite Section 14, and before the words "Third Schedule". The reason for this is that the Schedule of this Amending Bill contains the Third and Fourth Schedule of the old Ordinance. It is rather confusing and I inadvertently left it out when I was drafting the Bill.

Question put, and agreed to.

#### THIRD SCHEDULE

**The Attorney-General:** I beg to move the following Amendments to Part I — Paragraph 2:

"Substitute the words "During the contract period" for the words "Until such time as the purchase price payable under the agreement and interest thereon shall have been paid in full" at the commencement thereof;

Secondly, in paragraph 2(c), the substitution of the word "electrical" for the word "electric" in the second line of sub-paragraph (c). In paragraph 3(1) the substitution of the words "during the contract period" for the words "Until such time as the purchase price and interest thereon under the agreement shall have been paid in full. In paragraph 3(2) the insertion of a comma after the word "shall" in the first line, and the deletion of the comma after the

word "law" in the second line. In subparagraph (3) the insertion of commas after the bracket in the eighth line and after the word "sell" in the ninth line.

I move the deletion of paragraph 4 and the substitution therefor of the following new paragraph:

"4. Subject to the provisions of subparagraph (c) of paragraph 1 of Part 3 of this schedule, the following provisions shall have effect —

- (a) notwithstanding the provisions of the contracts made by the Company and subsisting on the contract date for the supply of energy for the purpose of power only (termed "Power Contracts"), the charges payable for energy consumed after the contract date under every such contract and every similar contract entered into by the Company or the Corporation shall, during the contract period, be increased by an amount calculated in accordance with the fuel surcharge applicable to the current contracts of the Company on the contract date for the supply of energy for lighting and appliances (termed "Commercial Contracts");
- (b) every tariff, rate of charge and surcharge in respect of the supply of energy by the Company which is current on the contract date shall remain in force during the contract period."

Amendments put, and agreed to.

Third Schedule — Part 1, as amended, put and agreed to.

Part 2.

**The Attorney-General:** I beg to move that a comma be inserted after the word "Company" in the heading of Part 2; and in the last line of the second paragraph delete the comma after the word "notice."

Question put, and agreed to.

Part 2 passed as amended.

Part 3.

**The Attorney-General:** In Part 3, there are a number of Amendments. First of all, a comma after the word "Company" in the heading; secondly, in paragraph 1(b) a comma after the word "works" and the substitution of a semicolon for the fullstop after the word "date" at the end of subparagraph (b); and there should be added a new subparagraph (c). I am afraid there is a slight Amendment to the drafting on the Amendment Sheet, but it is only to put what was in the plural in the singular, and it reads as follows:

- "(c) During the contract period, not prescribe or cause to be prescribed any tariff, rate of charge or surcharge for or in respect of the supply of energy which will produce respectively less revenue than any tariff, rate of charge or surcharge payable under the provisions of paragraph 4 of Part 1 of this schedule:

Provided that the Corporation may prescribe or cause to be prescribed a tariff, rate of charge or surcharge which will produce revenue in excess of that produced respectively by any tariff, rate of charge or surcharge payable under the said paragraph 4 of Part 1".

Then in paragraph 2 (1) (a) of part 3, there should be added after the word "Company" in brackets, "as defined in the agreement"; and then in 2 (1) (b) delete the words "until any remaining balance of the purchase price with interest thereon payable under the agreement has been fully paid" and insert the words "during the contract period"; and lastly, in paragraph 4, for the figure "7" there should be the figure "8".

Question put, and agreed to.

Part 3 passed as amended.

## FOURTH SCHEDULE

**The Attorney-General:** The Fourth Schedule is blank at the moment because it will, in due course, contain the Agreement when it is made. It will be inserted in the Bill by an Order in Council, but this is just making room for it and putting a heading. The heading should be "Management of Company". After the word "Company" in the last line, the correct title of the Company is "The Demerara Electric Company, Limited". I beg to move the insertion of a comma after the word "Company".

Question put, and agreed to.

Council resumed.

**Mr. Ram Karran:** I beg to report that the Bill has been considered in Committee and passed with several Amendments. I now beg to move that the Bill be read the Third time.

Question put, and agreed to.

Bill read the Third time and passed.

## ADJOURNMENT AND PENDING BUSINESS

**The Chief Secretary:** I should like to mention for the information of hon. Members that it is proposed to sit as follows next week:

Wednesday, 28th December: 2.00 p.m. to 5.00 p.m.; 8.30 p.m. to 10.00 p.m.

Thursday, 29th December, 2.00 p.m. to 5.00 p.m.; 8.30 p.m. to 10.00 p.m.

Friday, 30th December, 2.00 p.m. to 5.00 p.m.; 8.00 p.m. to 10.00 p.m.

It is further proposed that the Business of the Council next week should be the Budget.

**Mr. Jackson:** Is that a directive, or was the matter discussed with Members on this side of the Table? I will raise the point next week.

**Mr. Speaker:** Council is now adjourned until 2 p.m. on Friday, 23rd December, 1960.

*Council adjourned accordingly, at 5.20 p.m.*