

**THE**  
**PARLIAMENTARY DEBATES**  
**OFFICIAL REPORT**  
**[VOLUME 5]**  
**PROCEEDINGS AND DEBATES OF THE THIRD SESSION OF THE NATIONAL**  
**ASSEMBLY OF THE SECOND PARLIAMENT OF GUYANA UNDER THE**  
**CONSTITUTION OF GUYANA**

**23<sup>rd</sup> Sitting**

**2.00 p.m.**

**Thursday, 19<sup>th</sup> August, 1971**

**MEMBERS OF THE NATIONAL ASSEMBLY**

**Speaker**

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

**Members of the Government**

**People's National Congress**

**Elected Ministers**

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

**(Absent)**

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

The Hon. M. Kasim, A.A.,  
Minister of Communications

The Hon. H.D. Hoyte, S.C.,  
Minister of Finance

The Hon. W.G. Carrington,  
Minister of Labour and Social Security

The Hon. Miss S.M. Field-Ridley,  
Minister of Education

The Hon. B. Ramsaroop,  
Minister of Housing and Reconstruction (Leader of the House)

The Hon. D.A. Singh,  
Minister of Trade

The Hon. O.E. Clarke,  
Minister of Home Affairs (Absent – on leave)

The Hon. C.V. Mingo,  
Minister of Local Government

The Hon. W. Haynes,  
Minister of State for Co-operatives and Community Development

#### **Appointed Ministers**

The Hon. S.S. Ramphal, S.C.,  
Attorney-General and Minister of State (Absent)

The Hon. H Green,  
Minister of Works, Hydraulics and Supply (Absent)

The Hon. H.O. Jack,  
Minister of Mines and Forests (Absent)

The Hon. E.B. McDavid,  
Minister of Information and Culture (Absent)

#### **Parliamentary Secretaries**

Mr. J.G. Joaquin, J.P.,  
Parliamentary Secretary, Ministry of Finance

Mr. P. Duncan, J.P.,  
Parliamentary Secretary, Ministry of Agriculture

Mr. A. Salim,  
Parliamentary Secretary, Ministry of Agriculture

Mr. J.R. Thomas,  
Parliamentary Secretary, Office of the Prime Minister

Mr. C.E. Wrights, J.P.,  
Parliamentary Secretary, Minister of Works,  
Hydraulics and Supply (Absent)

### **Other Members**

Mr. J.N. Aaron  
Miss M.M. Ackman, Government Whip  
Mr. K. Bancroft  
Mr. N.J. Bissember  
Mr. J. Budhoo, J.P.  
Mr. L.I. Chan-A-Sue  
Mr. E.F. Correia  
Mr. M. Corrica  
Mr. E.H.A. Fowler  
Mr. R.J. Jordon  
Mr. S.M. Saffee  
Mr. R.C. Van Sluytman (Absent)  
Mr. M. Zaheeruddeen, J.P.  
Mrs. L.E. Willems

### **Members of the Opposition**

#### **People's Progressive Party**

Dr. C.B. Jagan, Leader of the Opposition (Absent – on leave)  
Mr. Ram Karran  
Mr. R. Chandisingh  
Dr. F.H.W. Ramsahoye, S.C. (Absent – on leave)  
Mr. D.C. Jagan, J.P., Deputy Speaker  
Mr. E.M.G. Wilson  
Mr. A.M. Hamid, J.P. Opposition Whip  
Mr. G.H. Lall  
Mr. M.Y. Ally  
Mr. Reepu Daman Persaud, J.P.  
Mr. E.M. Stoby, J.P. (Absent)  
Mr. R. Ally  
Mr. E.L. Ambrose

Mrs. L.M. Branco  
Mr. Balchand Persaud  
Mr. Bholu Persaud  
Mr. I.R. Remington, J.P.  
Mrs. R.P. Sahoye  
Mr. V. Teekah

(Absent – on leave)

**United Force**

Mrs. E. DaSilva  
Mr. M.F. Singh  
Mr. J.A. Sutton

(Absent – on leave)

(Absent – on leave)

**Independent**

Mr. R.E. Cheeks

**OFFICERS**

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

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

**The National Assembly met at 2 p.m.**

*[Mr. Speaker in the Chair.]*

**Prayers**

**ANNOUNCEMENTS BY THE SPEAKER****Leave to Member**

**Mr. Speaker:** Leave has been granted to the hon. Minister of Home Affairs for today's sitting.

**PRESENTATION OF PAPERS AND REPORTS**

The following Paper was laid:

Annual Report of the Guyana Police Force by the Commissioner of Police for the year 1970. [*The Minister of Housing and Reconstruction (Leader of the House), on behalf of the Minister of Home Affairs.*]

**PUBLIC BUSINESS****BILLS – SECOND AND THIRD READINGS****LIVESTOCK (LOANS FOR DEVELOPMENT) BILL**

**The Deputy Prime Minister and Minister of Agriculture (Dr. Reid):** Mr. Speaker, today we have before the House a Bill that is not very long but one that is of extreme importance. I am certain that, if from reading the Bill we have not been able to penetrate the importance of what we are doing, we will be able to do so from this debate.

When the Guyana Government planned its first Development Programme, 1966 to 1972, livestock development took a very important place, but development can never happen overnight. It takes careful and tedious planning if we are to proceed with certainty in these economic ventures.

The aim of the diversification of agriculture has always been to have import substitution by producing more of some of the things we produce now in order to reduce our imports, to increase the standard of living of the farmers, and to make use of all of our resource – natural, human and financial. At the same time the development of people will proceed as we acquire new techniques and greater know-how.

For these reasons large sums of money have been spent year by year on research. As a matter of fact, if we wish to improve the nutritional standard of our people, then this area of development of the livestock industry, beef and cattle production in particular, must stand out as being very important.

In these areas around the Caribbean, Guyana, of course, is relatively a large State with plenty of land. Of course, land is different from soil and even though on some of these lands crop-farming may not be economic, livestock development may very well be. As a matter of fact, we know that we get the greater portion of our beef supply from the Rupununi Savannahs. It is also common knowledge that, in these vast areas, it takes an unusually large number of acres to produce an individual animal. In some parts 20 acres are required – in some parts even double that – to raise one beef animal over a very long period stretching from anything like four years to six years.

Research has gone on in some other areas, for example, at Ebini, and it has been found that it is possible to raise an animal on far less acreage. A lot of thought has gone into the livestock development project and it was seen that, all things taken into consideration, this can be a viable industry in this country of ours.

### **2.15 p.m.**

Therefore, plans were set afoot, which I will explain in more detail later, to establish the livestock industry. There will be, of course, a breeding unit and the place proposed at this stage of the project is Mara, as well as one in the Rupununi Savannahs.

May I say that the Rupununi Savannahs District is very important in what we want to do because it is in this area, near the Brazilian Border, that we are sometimes plagued with the

outbreak of Foot and Mouth Disease; and even though this thought of the disease was an issue that created much debate whether we should carry this type of project into the Rupununi or not, the Government of Guyana has seen the good sense and insisted that the Rupununi Savannahs should not be left out of this project. If we are to impose better management in the livestock industry an area that has the peculiar problem like the Rupununi cannot be sensibly left out, and so the Rupununi has been included. We hope that with better management and supervision the Foot and Mouth outbreak on the Brazilian side will be better controlled and there will be no chance of us having the outbreak on our borders. The twenty-five co-operative ranches that we hope to establish, as you heard yesterday, at least two of them will be in the Rupununi and will be owned and managed in part by our Amerindians. It is hoped that in these co-operative ranches the small livestock farmers will certainly find a place. The idea in the first stage of the project is to mobilise some fifty thousand animals indigenous to this country because of reasons that I will explain later and it is hoped that within six years this number will double. Whatever is our cattle production now, within six years from this project it is hoped that another fifty thousand animals will be added, taking out from the total number those that might be slaughtered or those that might die from other causes.

We have waited only now to explain in greater detail what we are doing because we had to make sure that the funds were available. At recent sittings of this House the authority has been given to secure the funds through the International Development Association, an arm of the International Bank for Reconstruction and Development. The sum is \$4.4 million. This is one of the loans described as soft loans and it is the type of loan that takes greater effort to negotiate and to obtain. Guyana has been able to secure this type of loan where you pay a service charge of no more than  $\frac{3}{4}$  per cent as interest. Added to that there are a moratorium of some ten years and a repayment period of some forty years. I doubt whether anyone in this House will have any argument against that type of credit – a loan of \$4.4 million, a service charge of  $\frac{3}{4}$  per cent, a moratorium of some ten years and a period of some forty years within which to repay this loan.

This loan, however, will be serviced by the Bank of Guyana. The plan is that the Bank of Guyana will lend to the local commercial banks at the rate of 6 per cent. We will talk about the reason for this a little later.

Cattle, however, will constitute an important element as security for the loans. It is sometimes difficult, especially in farming, to get banks to accept this kind of security; you are asked for collateral and all kinds of things. But in this case, the cattle, the machinery, the lease land, all these will be taken as part of the security. We have, however, to bring this Bill before the House to ensure that we have the authority to proceed as this to facilitate this new way of raising loans by persons engaged in the rearing of livestock. Therefore, the cattle, the machinery involved in the farm and the lease land will all be taken into consideration as security for the loan.

Mr. Speaker, the history of all this is very interesting. Sometime in May 1969 when Government had the first indication that it will be possible to have this type of loan a little Action Group was established so as to get it moving fast; and between that time and now to qualify for a loan of this type is, in all circumstances, looked upon as a very short period. We have involved not only the Government officers, but people from the private sectors as well, and the work is progressing apace. Then soon after we established the pre-project preparation group, our legal minds were involved, our economists, our livestock advisers, and our agricultural officers who got together in this pre-project preparation group and worked out all the difficult issues so that the project could go forward.

### 2.25 p.m.

After careful study and analysis, it was agreed that this was a viable proposal and so our project preparation group was now established.

I go through these details so that Members of the House will be able to more fully appreciate the various stages that had to be gone through so carefully to bring this project to this stage. Later, to ensure that we got the type of advice that is needed from people with practical knowledge in this type of organisation, we had to bring people even from overseas. We brought a gentleman of wide experience from the United Nations, not an American this time, Mr. Cameron Chisholm, who put his wide experience at our disposal and was able to prepare a project. Then this was forwarded to the World Bank. They in turn analysed it and subsequently sent a mission. That mission spent some 24 days in February, 1970, so as to appraise the loan application. When

all this was done, then both sides, the World Bank and the Government of Guyana. Indicated they were ready to negotiate the loan.

This is always a long drawn-out exercise. It went on with our legal officers, officers from the Bank of Guyana, the Ministry of Finance, the Ministry of Economic Development, our veterinary officers. All got together and did much work beyond the regular working hours to ensure that we did this planning properly. This, on the 27<sup>th</sup> November, 1970, Guyana's Ambassador to the United States of America, namely Mr. R.B. Gajraj, was in a position to sign this loan agreement and so we were able to move on with this most important project.

It would be, however, unfair if I should rest at that point without looking at some of the details in the Bill that is now before the House and some of the sections are very important. I would wish to draw attention to the most important one and that is, clause 3. Clause 3 indicates that the lending is restricted to certain agencies, namely, commercial banks, and if there is any person who is qualified, who applies to the Minister of Agriculture and after proper examination is found suitable, such a person can also participate as a lending agent. This is done so as to prevent anyone using the provisions of this Bill to exploit the farmer.

Clause 4 prescribes the manner in which the charge should be created and as I mentioned before, the various forms of property are therein listed, whether it is freehold or leasehold. Sometimes it is difficult to get loans using leasehold, but in this case, it is specifically stated that leasehold land will be included. Some of this property is organised as coming under a fixed charge and some under a floating charge because here we are dealing with living things that can move with easy mobility, cattle, and so one must be able to identify these animals any place. That is the floating charge. They are alive and they have the ability to move.

Whenever loans are given, there is always this problem of ensuring that the loans are used for the purpose for which the request is made. One gets into all sorts of difficulties in this area and so very close supervision has to be exercised to ensure that these loans, granted for livestock development, are used for that purpose. We have to make examinations from time to time to ensure that the land is here properly fenced, because this is one of those things, the facilities for water are laid down, and all the purposes for which the loan has been granted are

observed. Even the books would be open for examination and scrutiny. Any document connected with the project will be open for scrutiny and these things cannot go on without any penalty.

Rewards and penalties have their places in schemes like this and if it is found after very careful and objective examination that a farmer has misappropriated the loan, then, of course, as one will expect, he will be called upon to repay that portion of the loan, or the entire loan.

### 2.35 p.m.

Section 6: We recognise that some livestock owners do not only rear livestock, but are sometimes engaged in livestock trading, that is, they buy and sell. This must be allowed to continue but if a farmer has sold any of the animals that were identified as a charge for this loan, then he is given an opportunity to replace them within three months. He might wish to sell and buy again. We think this is fair enough. Whatever he has given as security for the loan, whether land, livestock or machinery, must not be used as security for another loan outside of this exercise.

In section 8, the lender has the right to enter the land at any reasonable time to do the inspection. Before he can take possession of anything when there has been an irregularity, he has to consult and to get the consent of the Chief Agricultural Officer. If the farmer attempts to obstruct this examination, then there must be a small penalty, namely, \$240.

Section 10 deals with persons who want to be unscrupulous in this deal so that there must be summary conviction, if necessary. There can be a fine of \$1,000 and imprisonment for 12 months for certain offences. Some of these offences become very obvious, for instance, obtaining a loan by false representation, using a loan for any other purpose than that for which it was made, wilfully destroying the security once the loan is obtained.

Some people like to make false documents. If a farmer makes a false certificate, then that is illegal. If he sells the animal and does not use the money for repaying the loan, then that too is an irregularity.

In this country we have been plagued with cattle rustling and so notice is taken of that. The monetary penalty has been increased and if butchers are found in possession of meat or hides for which they cannot give any lawful account they will be prosecuted and, of course, there is a severe penalty for that.

I think that those points which I have raised in these sections have brought out very clearly some of the details in the Bill. I now want to give some other necessary information on this livestock development project. I do this in great detail so that my hon. Friends will be in a position not to misunderstand any of the details.

We have been talking for a long time about our potential for livestock development, but because of certain fundamental factors which have not been properly dealt with, success has been very limited. First, we recognise that to be able to have a project like this we must have the land, we must have the cattle and we must have a very important factor, the management services.

We have not been able to broaden the base to allow more people to participate in this programme. A private individual can participate, a co-operative group can participate, a company can participate, even a partnership can participate. Nobody is left out. Anybody can share in this development of the livestock industry.

Guyana has some 260,000 head of cattle or thereabout, and we want to use these indigenous cattle. It is hoped that we will be able to mobilise, as I said a while ago, some 50,000 head of these but we have very few real ranches. We find ourselves with several limitations to the development of the cattle industry. Some people just destroy the breeding stock by selling out, by using up the capital investment. In the cattle industry it is easy to believe that you are doing well when you are selling out your capital or part of it by selling young animals, by selling your female stock which should be kept for breeding. You think you are doing well year by year, because you are making some money; you think you are making a profit, not recognising that you are really selling out your capital investment. It is hoped that with better management this practice will cease.

Some of our animals have poor genetic potential for rapid growth. Some people, no matter how much food you pump into them, because of certain genetic factors, can only grow so much and no more. Of course, with people, that is not a serious matter because sometimes the taller you grow the weaker you are as happens with some of the better breeds of plants. A person might grow tall and weak and might not produce, but in the livestock project we want the animals to grow fast, to put on weight quickly so that we can get surplus from them. We therefore want the right genetic potential. The half-breeds, the crosses sometimes do quite well, but we are not talking about that.

There must be a good reproductive efficiency. That is why we need proper management. Those with lower reproductive ability are taken out from the herd. As a matter of fact, we try to promote that type of human being nowadays to keep production low, but in the livestock project we need production so that if the cow does not produce a calf in a year, it will have to give an account of its stewardship. If this goes on for another half year, then that type of animal will be no asset to this type of project.

We need proper conformation. I told hon. Members just now that in the case of people any type will do, but when you come to livestock you need the right conformation; you need beef animals, stocky and short so that when you get cuts of meat you get something and not just heavy bones and no meat at all. The time may come when we may have to sell de-boned meat.

#### 2.45 p.m.

There are some of those butchers who put a lot of bone and a little bit of meat and sell it to the people for money and say, "If you do not want it you can leave it", you know that kind of thing. But the bones should not really be sold to people like that.

Also, if the animal cannot respond to the feed then that animal is not really good just like crops. If you put inputs into the crop and you do not get the response in production, then that is not the type of variety to use. These days we have gone quite a long way where we have got varieties of rice like Blue Belle and Star Bonnet; the more inputs you put in the more you get out of the crop. The same thing we want to do with the animals; the more you put into them in feed,

the more you will get out of them in meat. We know that these are some of our failings and limitations and we are now on the road to correct them; we will have to get the right tactics.

But there is one thing we have to keep in mind all the time and that is that our indigenous animals have acquired over the years certain special characteristics useful for our position and circumstances, and so we do not want to get rid of all of them and introduce new animals. This, as a matter of fact, would be too expensive an exercise to even think about. We will use our basic animals that we have here; we will bring in some of the better breeds of bulls and then we do cross-breeding and grade up what we have so that these basic local characteristics like disease prevention and resistance to disease, resistance to some of our varied external parasites will be taken advantage of. But at the same time we will keep small herds of pure bred animals so that we will always have pure bred stock. For the females in that 50,000 we will bring in worthy males – strong which can produce. There should be no difficulty in ability to produce and to service the female animals. They will be specially selected for these good qualities and they will put in those herds.

I said a while ago that for us to do this we must have land. We have the land and the land will be made available at a very low cost, to the persons who are participating in this project. As usual we never lease these lands for very much. The State lands that will be used for this purpose will be leased for twenty-five years. You cannot give yearly leased for twenty-five years. You cannot give yearly lease on this exercise; it has to be long lease because the investment will be substantial; the returns might not come after the first year, it might take 3-4 years before people begin to get returns and so a long lease is given of 25 years. But still the fee is very low, just 25cents per acre. We do not want you to start applying for this type of land and want to get it at 25 cents per acre. In the first 5 years that is what it will be, and after that it will just be 50 cents. In the Rupununi Savannahs, of course, it takes some 20 to 40 acres to grow one animal so the lease has to be far less and it is peppercorn, just one percent for the first 5 years and then later on just two cents per acre. In the Rupununi you talk of a ranch as 50 square miles- large areas- 40 square miles, sometimes 60 square miles, but when you add it all up it is a tidy sum. Of course as we said in this House some time ago that the rent for land cannot be across the board, it has to differ according to the region and according to the facilities that are available then.

Now we come to management, because sometimes schemes well planned fail because of the type of management. From what I have said we recognise that livestock management is a skill and an art, and people must have the know-how. Nowadays in this country people just grow some animals, however they can grow, they grow. When you are ready to sell you catch the wild beast and you sell, and no real effort is directed to improve. We want to impose the type of management that people who are participating will learn how to manage as well as other people will see what it really means to manage a herd of cattle.

Sometimes some people spend all day with the animals but that does not mean anything and we must be always very weary of believing that because people spend long periods with something that it is being done well. You might see the man looking at the flock or the herd all day, from morning to night, but still nothing really is happening because he might not have the know-how to appreciate that something is wrong. This happens with crops. You see people spending a lot of time in the field, looking at the field and still they do not know when the field is properly ploughed. People stand looking at the animals not knowing whether they are getting the correct feed or good water or not, not knowing whether they are ill or well.

We need the type of management that will have technicians attached to it that will be able to observe some of the difficulties and will be able to take prompt action to overcome them. Management, therefore, is very important. We need to know when to have the correct inputs, whether it is the pasture or the animal itself. You need to have better control of disease; you need even to know how to handle the animals better for when some people are taking them to market, they keep on beating and bruising the animals and when you are finished you get the same type of meat that my friend on the Opposition Bench knows well.

**2.55 p.m.**

If they are to do this work well, then, people with the knowledge must be near enough to the animal, not the kind of livestock man who spends all week in the city and then probably on Sunday he takes a drive out to have a look at the animals about half a mile away. So we have to provide facilities on the ranch itself. Manager's house and so on. Ranch hands, technicians, they must all live on the ranch and since I talked of rustling, one must have watch stations to keep

watch on these animals, a place to hold and store supplies and equipment, so that this ranch can be self-contained and integrated as far as possible.

People try to raise cattle without any fences. They try to grow rice and cattle on the same piece of land at the same time and none can prosper because the cattle will destroy the rice, the owner of the rice will destroy the cattle, and sometimes you find a cow without an ear or a tail, or with a long wound to the side. To overcome this, we need to put fences.

The next problem is, after putting the fences, people cut the fences. That is why there is need for a watch station so that enemies of the ranch, human and others, would not get the better of what the farmer is trying to do. The land itself has to be better drained. Proper water holes or wells must be there to provide wholesome supplies of water. In some areas, there is a shortage of minerals and so we must provide mineral licks also called salt licks. All these things will help us to grow an animal quickly and properly, and make the project economic.

Then one thinks of the manager. Do not put a man to manage cattle if he knows nothing about cattle, if he does not know which is the hind side and which is the fore side, if he will stand on the wrong side of the animal. He must have a sound knowledge of ranching and livestock husbandry. He must know about the feeding of the cattle, how to improve pastures. He must have some knowledge of the common diseases so he can identify these diseases promptly and take prompt action. He must also be able to measure the performance of animals. He must be able to identify that that animal did not “settle”, as it were, was not proven even though serviced by the bull for a year or more. One must be able to keep records. This is one of the major failings. People do farming but they have no records.

In view of this, special care was taken to select a man with vast knowledge and he is already in this country as the first manager of that ranch. He has got years and years of experience. He has already settled in on the job but as you know, we in Guyana want to own, manage, and control the exploitation of our resources and we will have no justification for having a manager from abroad if we do not have own people understudying this man. We have two well-qualified persons understudying this manager so that before long they will be able to take over and carry on successfully.

I said a while ago there must be a programme to control diseases. There must be a programme to control malnutrition. These we can talk about in detail but we need not go through these in detail now. Marketing will be done through a central marketing organisation where, especially the co-operative farmers, will not only be producing and selling cattle but they will have a share in the surpluses from the marketing side. They will do the whole job and get as much benefit from it as possible.

A little more detail about how the farmers will get the loans and where the money really comes from. Sixty per cent of this money comes from the World Bank, the soft window. Several of the commercial banks in this country are participating. Twenty per cent of the loan that the farmer needs will come from his bank and 20 per cent will come from the ranchers themselves. This will be put in through his land, or through his cattle, or through his labour, or his cash, or anything that he has to make up his 20 per cent.

I said that I.D.A. is lending at  $\frac{3}{4}$  per cent for servicing. Then we lend to the farmers through the commercial banks who will get their sums from the Bank of Guyana. In the long term exercise, they will have one to four years, and then five to twelve years to repay interest and capital. If it is a short term loan, they will pay interest and capital annually. If it is medium term, we might think, one to five years, interest and capital paid annually.

I talked about the security of the loan. When all this is done, by the time the money reaches the farmer, interest on the loan will be  $9\frac{1}{2}$  per cent. Lest my friends speak out of turn, one must remember that in this the farmer is receiving management services which are so important, an expensive service known as management service. We are certain with this information, this entire House will welcome this proposed development and will give this Bill its full support.

*Question proposed.*

3.05 p.m.

**Mr. Speaker:** The hon. Member Mr. Reepu Daman Persaud.

**Mr. Reepu Daman Persaud:** Mr. Speaker, the hon. Minister of Agriculture said during the course of his contribution to this debate that he went into a great detail of details. If he is not detailed in a Bill that deals with cattle, then in what other issue will he be detailed?

The Opposition is in the spirit of welcoming and what we welcome is his explanation of the Bill. There is room for an increase in production, particularly in livestock, because of the high rate of importation of produce in which we can be self-sufficient. The only way we can reach the desired goal of self-sufficiency is by Government embarking on a sound agricultural programme based on diversification.

The hon. Minister referred to the Development Programme in the period 1966 to 1972. When one reads that aspect of the Development Programme which deals with livestock development one sees that the Government is behind its own schedule. What comes to my mind, as I make this point, is the statement by a former Minister of the P.N.C. Government, Mr. Thomas. "The Government's attitude towards the Development Programme," said Mr. Thomas "reminds me of the musician who plays the organ. While the book showing the notes is placed on the organ, the eyes of the musician are on the ceiling." The result is that the musician goes out of tune as often as this Government has been going out of tune in its agricultural programme.

This country has a large acreage and from the various surveys available to the Government there are great areas of land available for livestock development on the coastal belts as well as on the river banks. The Government has failed over the period of years has been in office to take advantage of these various reports and to implement programmes that will encourage dairy farming on the coastal belt.

On the coastal belt there are various types of facilities which are not available in the hinterland or in the interior. I am at a loss to know the reasons why the Government has completely ignored and neglected the coastal belt so far so far as livestock development is concerned. Import of dairy products is increasing every year and at the moment the price is milk has reached the stage where people pay over 30 cents per tin for milk.

The hon. Minister this afternoon outlined a programme which will lead some to believe that the Government is very sympathetic, yet in its programme and policies towards the cattle industry the Government has been discouraging farmers, those who have actually been engaged in this particular industry for years and those who have given tremendous service in this industry.

The prices paid to these people for milk are ridiculous. The recent decision of the Mayor and Town Council to prevent farmers from coming within the city to sell their milk will discourage farmers further and will result in what no one wants – higher importation of dairy products. The Milk Pasteurisation Plant publishes that it is paying “X” amount for a gallon of milk but in reality the man who is actively engaged in dairy farming never gets the price that the milk plant pays because there is a system of collectors.

These collectors go and purchase the milk; they pay smaller prices to the farmers and the result is that what the farmers receive from the particular industry is not adequate for them to expand.

The aim of the Government, if it is working on the right course, must be to move towards reducing our rate of importation, but the figures are against the Government so far as importation is concerned. Nearly 80 per cent of the feed is imported. What has the Government done to obtain alternative feed because feed for animals as well as for poultry is important. The Minister, in his contribution this afternoon, did not indicate what Government has in mind so far as alternatives are concerned. It is our view, on examining all the available reports, that we have certain by-products that can be converted into feed and so reduce the importation of feed for animals as well as for poultry.

### 3.15 p.m.

We are aware that research and investigations are going on for some time now in this particular area of agriculture as can be seen in the development programme both at Ebini and Mon Repos.

If the livestock industry is to make a success the Government must find adequate breeding stock, not only breeding stock but the Government move to have processing facilities. The Minister has not indicated – I was trying to follow him – anything along these lines so far as

processing is concerned. Then the sore point. The question of storage must also be taken into consideration. I need not make the point of marketing because this is also essential for the success of this industry. The Government's own writing has projected that in a short time after this Development Programme was issued in 1966 there would have been an increase in agricultural production at the rate of three to four per cent and this programme projected that by 1972 the output would be in the vicinity of 30 per cent.

Mr. Speaker, referring to milk I have got available the figures for 1968 to 1969. It shows that 4,560,900 gallons of milk were produced in 1968. In 1969 there was a decrease – 4,275,300 gallons. The figure available to us shows a decrease in the production of milk. It appears to us that during the course of this year production will drop further. If production drops then we are going to face the continued undesirable situation of increasing our importation which will result in the increase in the already high cost of living. The consumers are crying out that they have to pay too much for milk. There can be no doubt that many people in the country today take their tea or coffee without milk because they are unable to find money to purchase milk.

Mr. Speaker, for the industry to be successful adequate facilities will have to be provided. The Government cannot deny that farmers who are engaged in the cattle industry have been finding great difficulties over the period of years to graze their cattle and to find area where the feed available will help in the development and growth of the animals. The animals can go and graze, grass will be found, the animals will eat the grass, but it might not have the necessary protein to really develop the animal so that production of milk can increase.

These are some of the things that have been affecting farmers in the cattle industry for a number of years. The point I wish to make is that the Government has to show greater interest in the coastal area because the Government has got available to it the Dumont Report. While the Government regularly quotes certain things which suits it and which criticises the past Government, it is not referring to the recommendations of this expert which can help in production. Mr. Dumont recommended that the Coastal Belt offers the best opportunity for livestock development. We are not objecting to the Rupununi area; we are not objecting to Government going into the areas for experiment, but the Government can be properly indicted

this afternoon for neglecting the farmers at Mara Settlement, causing them to leave the Mara area which was earmarked and developed for agriculture – crops and so on. The Government is now converting the area into a cattle industry – an area for development of livestock. The Government knows that of the many families who were living at Mara only six or seven families have now remained there; the rest were forced to leave the area, like Brandwagt Sari.

We say, therefore that we support the Government in any move for the development of livestock industry because it is so vital to the economy. But we say that the approach of the Government to the industry is not right, the approach of the Government to the industry has many weaknesses and it is to those weaknesses that we point during the debate of this Bill.

Mr. Speaker, this Bill that has been proposed by the hon. Minister can only be described as a lenders Bill and not a Bill that would bring benefit to the farmers as such.

**3.25 p.m.**

One wonders how the Government could make provisions in this Livestock (Loans for Development) Bill, to offer protection to those who are supposed to lend, without making any provision whatsoever which will help the farmer. As I look at this Bill and examine its provisions, I am reminded of the famous Agricultural Loans Bill. The gentleman who moved that Bill no longer sits in the House. We offered criticism to that Bill, as we do now, because similar provisions are enshrined in this Bill.

The answer to agricultural loans is only one. All the experts, local and foreign, have advised the Government in their reports that if this country is to move forward progressively in the agricultural sector, the Government must establish an agricultural loans bank. Even recently, following press reports of a seminar, one read in the newspapers of many Guyanese who are associated with the Ministry of Agriculture and other Government Departments making the same point.

Why is it, when we are supposed to be moving towards a system, away from capitalism, that the Government is bringing measures before the House that will support and nourish the capitalist system? As I examine the Explanatory Note of the Bill, I see in the first paragraph:

“This Bill seeks to make provision for facilitating the raising of loans by persons engaged in the rearing of livestock upon the security of their title to land, livestock and crops. The Bill is intended to assist in the successful implementation of the Government’s plan for livestock development.”

In the Agricultural Loans Bill, which was passed a few years ago, provision was made for the Minister of Agriculture to approve lenders to make loans to the farmers. As far as my information goes, not one lender was approved and not one farmer benefited from the Agricultural Loans Bill. This is another move by the Government to again lull the farmers into a false sense of security so far as the cattle industry is concerned. When one examines the Bill, one finds that every provision puts the farmers at a disadvantage.

The commercial banks are listed as institutions to lend and under clause 3 subclause (b), the Minister may approve of any other person as a lender. Are we opening the farmers again to mercenary lenders who will not fail to invoke the provisions of this Bill when it becomes the law of this land, to deprive them of their movable and immovable property, machinery, livestock, and crops because there is no provision which says that if the farmer fails in the particular project that some consideration would be given so far as the loan is concerned? What clause 4 (3) states is.

“The property affected by a fixed charge shall be such immovable property (together with the crops, if any, growing therein), livestock and other movable property belonging to the farmer at the date of the charge as may be specified in the charge, including in the case of agricultural plant, any plant which may whilst the charge is in force be substituted for the plant specified in the charge.”

So that when the farmer applies for a loan, everything he has in the project is mortgaged to the lender. Further, if the farmer fails in any of his instalments, or if the farmer commits any breach of the agreement so far as the loan is concerned, the lender sends a notice and after that notice, the lender proceeds to, which I would term foreclose and to take the farmer’s property. This is a serious Bill in that one was expecting the Government to move the farmers away from private

lenders, or even the banks, and to create institutions managed and run by the State to help the farmers financially. I quote from the Bill clause 5 (2) (a):

“(2) Where a lender has made a loan in accordance with this Act, the lender may –

- (a) From time to time, make or cause to be made such examination as may be necessary to ensure that the money is being applied to the purpose for which it was advanced;”

The lender will decide whether the money is being spent for the purpose for which it was lent. He is put in the position of a judge and so he decides, “I have given you the money for this, and it is being used for another purpose.” The Minister does not come in yet. This poor farmer, under the provisions of this Bill, has a further requirement to fulfil. Under clause 5 (2) (b), the lender may:

“require financial statements in such detail as it may determine to be submitted by the farmer quarterly or in shorter intervals at the discretion of the lender and the farmer shall comply with such request.”

The poor farmer has to give to the lender a quarterly financial report of all his transactions and the lender sits and decides if there is a breach in any way, and if there has been a breach, he moves into the farmer and he forecloses. Not only the lender has the right to enter upon the land of the farmer, but he has the power under the Bill to authorise anyone else to enter on the land of the farmer.

**2.35 p.m.**

We are not without experience, so far as the activities of “seize men” for the commercial firms are concerned and if the lender wants to be difficult he can retain the services of someone who can be described as a bully to go and bully the farmer and frighten him. The poor farmer is exposed to all these disadvantages under this Agricultural Loans Bill.

As the hon. Minister said, if the farmer has taken one mortgage he cannot have a second mortgage on the land, the crop, the livestock nor the machinery. Cattle take a minimum of three years to mature. The hon. Minister was explaining the terms of the loan which the Government will have and the facilities the Government will have under the agreement for the loan but the Bill makes no provision for any facility for the farmer.

**Mr. Speaker:** Time!

**Mr. M.Y. Ally:** I move that the hon. Member be given fifteen minutes to continue his speech.

**Mr. Hamid** *seconded.*

**Mr. Reepu Daman Persaud:** There is nothing stated in the Bill as to what will happen in the case of State land. I have not heard the hon. Minister state specifically what will be the position so far as State land is concerned. I make this point because, if I may cite from Black Bush Polder, section 14 of the lease states:

“During the continuance of this lease the lessee shall not be entitled to acquire by purchase or otherwise or to retain whether jointly or through anyone or his behalf, any interest as owner, lessee, licensee, permittee or otherwise in any agricultural land other than the land held under this lease.”

This provision has only one interpretation. When a farmer is given a plot of land he is expected to devote his entire energy and skill to that plot. The provision was put into the agreement to prevent the farmer from operating in more than one area, to restrict him to one area where he can give of his best so as to ensure maximum productivity.

In the proviso to section 14, this is stated:

“Provided that if the lessee owns or acquires ownership of any land outside the Black Bush Polder through inheritance or by way of gift, or in any other way, he shall not be entitled to cultivate either by himself or by any other person on his behalf such land, but shall forthwith lease such land to another person approved by the Commissioner.”

In other words, the lessee at Black Bush Polider cannot transfer his right to a lease to any other person without the permission of the Commissioner. I take it that the Commissioner referred to is the Commissioner of Lands and Mines.

What will happen so far as this Livestock (Loans for Development) Bill is concerned? If a farmer in one of the Government Land Settlement areas, or a farmer who has a lease from the Government, takes a loan under this Act and fails to repay his loan and the lender forecloses, the position is that the lender, whether it is a bank or private lender, has the right at his own discretion to dispose of the land, the crop, the machinery and all those items that were put on the charge for the loan. Therefore land which was given out to farmers, land which was meant for the landless, for the unemployed, can find itself in the hands of the lenders and merciless lenders at that.

These are great weaknesses in the Bill and it is our view that the Government must not do anything whereby the rich and wealthy who have money and are in a position to lend will eventually deprive the poor farmers who are struggling and making every effort merely to earn a decent livelihood. This Bill, I am afraid, can bring about such a situation because, I repeat, there is no provision in this Bill which offers protection to the farmer. Clause 5 seeks to prohibit a person who receives a loan from applying it otherwise than for the purpose for which it was obtained.

Provision is also made to allow for examination to be made by a lender for the purpose of ensuring the proper application of money lent and for remedial action to be taken by a lender where, as a result of this exercise, it appears to him that a loan has not been applied for the purposes for which it was made.

Every clause is in favour of the lender and, as I said earlier, so far as State land is concerned the lender, after he forecloses and takes the farmer's land, will decide who will be the next owner of that land, unless the hon. Minister can point to some other provision which I have not seen.

The Government must tell us this afternoon because many people have made pronouncements with respect to agricultural loans. Why that is the Government is not establishing an Agricultural Loans Bank? Is it because the Co-operative Bank is losing money? Agricultural loans will help to increase the economy of this country but the loans given for projects that are non-productive will undoubtedly cause the Government to lose money and, worst of all, if the Government has a bank that only concerns itself with the lending of money for the purchasing of motor cars and things of that nature, ignoring genuine agricultural claims, that bank must lose money. An agricultural loans bank can be important servicing centre to the agricultural sector of this country.

If an Agricultural Loans Bank is set up the Government can scrap many corporations. The Rice Corporation can go because it is the function of that corporation to lend money to the farmers through its Action Committees. The Cane Farmers Corporation can go because its function is to lend money to cane farmers. Many other little bodies and committees set up by the Government can be scrapped and finances can be properly managed and given out to people who can use those finances for the building of the economy of this country.

**3.45 p.m.**

Mr. Speaker, the Bill speaks for itself. I need not refer to all the clauses which I feel are not in favour of the farmer, but wholly in favour of the lender, because every hon. Member is in possession of a copy of the Bill.

With respect to clause 12 which seeks to amend Chapter 81 of the Cattle Stealing Prevention Ordinance let me say that the Opposition favours measures or legislations by the Government to give protection to owners of cattle. Every day we read in the Press of strong comments and sometimes severe sentences against persons who steal cattle and the time is long overdue for stiffer penalties for such offences. We welcome some of the Amendments to Chapter 81 of the Cattle Stealing Prevention Ordinance.

But Mr. Speaker, there are some Amendments which I am told are not practical. I think the one which deals with the branding of cattle. The Amendment reduces the period, and some

people who are more expert than I am feel that the cattle branded and some people who are more expert can cause suffering to the animal. I want to concede that the hon. Minister is qualified in this particular field. The Government should seek advice so far as this particular Amendment is concerned. As I said before I am in favour of the provision, that greater and stiffer penalties should be given to persons who steal farmers' cattle, but what I am saying if the age for branding the cattle is too young then it must be amended.

Mr. Speaker, with those comments I wish to say finally that the Opposition cannot support this Bill because, I repeat, the Bill is framed to create circumstances where the farmers can be put at a great disadvantage. The Bill is framed to help the lenders; the Bill is so framed that the farmer can be deprived of his hard-earned possession. [*Interruption by the Minister of Trade.*]

The hon. Minister of Trade says he does not have to borrow. He does not understand this area. If a farmer operates with his restricted finance and he does not expand, the country will lose economically. It is therefore in the interest of the Government to help the farmers to expand. I hope the hon. Minister does not carry that principle to trade and industry.

**Mr. Speaker:** The hon. Member Mr. Jagan.

**Mr. Jagan:** Your Honour, I only wish to make a few short observations on this Bill. Under the Money Lenders Ordinance a money lender could charge no greater than 12 per cent where the loan involves a moveable property and 30 per cent in respect of immovable property. Under this Bill, I heard the hon. Minister say that the lender would be limited to charging 9 ½ per cent interest but I could find nothing in the Bill which says so and as Your Honour is aware it does not matter what the Minister says here it is what is contained in the Bill. [*Interruption by the Minister of Finance.*]

Your Honour, my learned and hon. Friend is speaking about Agreement. The Bill does not say anything here about the interest the lender would be limited to charge. Apart from that, in clause 4 (6) the borrower would be liable to pay all legal expenses in respect of a loan. Normally, if a person takes a mortgage the Government has a tariff as to what price a borrower would have

to pay. But it would seem, sir, the way clause 4 (6) is drafted a lender could charge a borrower any amount of money as legal expenses. [*Interruption.*] What I am saying – my learned and hon. Friend the Minister of Trade should know as a barrister – that the law makes provision where a person takes a mortgage what should be the amount that should be charged, but under this Bill it is not quite clear whether a lender would be limited to charge the same amount of money. My contention is the way the clause is drafted there is no protection to the borrower.

As I understand the Minister in moving the Bill, this Bill here is for the protection of the farmers who may wish to increase their livestock. Normally, if a person borrows money and he has a mortgage – because the charge in this case is a mortgage either it is a fixed or a floating charge – the question here is that although a person may have a certain number of properties in the charge if someone has a judgment against that borrower and move in execution on those other properties which are not included in the charge of the lender could still move in and take possession of the borrower's properties. I cannot see how the Government could give the lender such wide powers. I can understand if a person moves to levy on the properties that are included in the charge. If my learned and hon. Friend the Minister of Trade looks at the First Schedule he would see what I am saying is correct.

**3.55 p.m.**

Under the Schedule, Part I, clause I states:

“A fixed charge shall, so long as it continues in force, confer the following rights lender that is to say,”

and then we come to paragraph (a) (iv),

“if any distress or execution be issued or levied against or upon any of the property of the farmer;”

it means that although the property is not included in the charge and someone tried to levy on that property, the lender can take possession of the property.

The Minister is saying that the lender would take the property subject to the charge, but what I am saying, although the property may not be included in the charge and someone tried to move on that property, the lender could come and take possession of the property. Look at the power that the lender has when he takes possession of the property. When one looks at paragraph (b), once the lender takes possession of the property he could sell it privately to anyone. One would expect that at least the borrower, whom the Minister is concerned about, should have the same right as a person taking a mortgage from someone. Here, as soon as there is a default of four days in payment of the instalment, the lender can move into the property and take it over and sell it at whatever price he wants. Surely the Government could not intend something like that.

The lender also has powers to take the property according to what is stated in this Schedule, if the person's building, erection, plant, machinery or other property is in a state of disrepair. Let us take a case where a person has a property, building and so on. Most of these lenders, when they lend money, they like to take as much property as possible to cover the loan, even far in excess of the loan, but even if the worth of the property which is included in the charge is far in excess of the loan, if the property, building or machinery is in a state of disrepair, the lender can move in right away and take over the whole property that is included in the charge and sell it to anyone by private treaty and at whatever price he wants to sell it. The property may be worth \$10,000. Maybe he did not pay the instalment within four days when it became due, or he allowed the property to fall into disrepair, his \$10,000 property could be sold the next day for \$5.

The Minister should know that once the lender has the power to include that in his charge, it would be included, because our experience with money-lenders and mortgagors is that they would include as much property in the charge as they are permitted to do under the Bill and, therefore, once the Bill permits them to include this in the charge, one will find it in the charge. Therefore, the Government should try to protect the farmers. It is not use the Minister saying if they do not want to borrow the money they need not borrow. The question is, one wants to encourage the farmers maybe to borrow money and to have better livestock and use it properly, but at the same time one has to protect the farmer against his property being taken away for the

least breach that he may commit. One has only to read the Schedules, Part I of the First Schedule, to see the sweeping power that the lender possesses, and I would ask the Government to reconsider some of these powers that are given to the lender when a person's property, which is worth so much, could be taken away from him just because he commits a very minor breach.

There are very minor breaches which can be committed and which would enable the lender to take a man's property, and it could be sold the very next day for little or nothing.

**Mr. Speaker:** Perhaps it is a convenient time to take the suspension.

*Sitting suspended at 4 p.m.*

**4.30 p.m.**

*On resumption -*

**Mr. Speaker:** The hon. Member Mr. Roshan Ally.

**Mr. Roshan Ally:** Sir, I agree with the statement made by my colleague, the hon. Member Mr. Reepu Daman Persaud, that this Bill is nothing else but a Bill for lenders.

If we make a check we will find that the present Government is not interested in giving Guyanese cattle owners land for pasture. At the moment there is a pasture at the rear of the Block No. 3 area between No. 52 and No. 66. The colonial Government had two trenches dug there and the land was prepared for a cattle pasture.

Not too long ago, the Chief Engineer from the Drainage and Irrigation Department went up to the No. 52 area, when there was a shortage of irrigation water for the rice lands. He went with the intention of setting up small pumps because the main pump at Manibisi had broken down. The pump was to take water from the cattle pasture into the Seaforth trench and the coastal trench.

The Chief Engineer told us that he was very surprised to see that the main drainage trenches on the cattle pasture were blocked with grass. They were so blocked that if someone were to try to cross the trench he could cross it without getting his feet wet. The main trench from

Seaforth right down to Sukram's Cross and the cross trench from No. 52 to No. 66 are silted up with grass at the moment. A piece of savannah land surrounded by wire is what this Government calls a cattle pasture.

When the P.P.P Government was in office Mr. Angoy was District Commissioner there. Mr. Angoy formed an Advisory Committee and this Committee advised the then Government to prepare the place as a pasture so that the local authority could make proper use of it. The Committee advised that the piece of land should be prepared into paddocks and mounds should be built on the land.

The P.P.P Government had a trench dug at No. 59 from Seaforth right down to Sukram's Cross with the intention of starting to prepare the paddocks but the P.N.C Government came into office through fraud, as everybody knows, and from then to this day the Government has done nothing whatsoever. It did not even arrange to have the trench cleaned, as I said before. Nothing at all been done to help the people there.

A few weeks ago, the Permanent Secretary from the Ministry of Local Government went up to that area and was asking the P.N.C councillors of the Local Authority to pay up the amount of \$78,000 for the lease of that pasture. I asked the Chairman of the Local Authority whether the Local Authority holds a lease for that pasture. He said that there was no record in the office. Yet this Government is asking the people to pay \$78,000 for a lease which they do not have. This is the pressure that this Government is putting on the people in that area.

If we refer to the Report of the Ministry of Agriculture for the year 1969 we will find on page 33, Chapter 2, the reason why the Government is now thinking of doing something like this. The Government is not helping the farmers but the money lenders. In 1968, according to the Report, we had 250,000 head of cattle. In 1969 we had 256,800 head of cattle, which is an increase of 2.7 per cent. In other words, it was just an increase of 6,800 heads.

The hon. Deputy Prime Minister and Minister of Agriculture told us just now that every cow should have a calf every year. Can this pay the cattle owners? It cannot by any means be profitable.

When we take note of the interest rate that cattle owners will have to pay to the money lenders we will see that this increase cannot pay. It means that we are trying to make business for the money lenders. We had 97,700 head of sheep in 1968 and 98,500 in 1969, an increase of 800. In 1968 we had 37,700 head of goats; in 1969 the figure was 38,900, an increase of 1,200.

What is responsible for this? In the very cattle pasture at No. 52 to No. 66, over 20 head of cattle lay down in savannahs and tigers destroyed them. As soon as a cow gives birth, dogs are on the spot destroying the calf. In this House we asked the then Minister of Agriculture, Mr. Jordan, to do something about it and he said we should use sling shots. Are people going to face tigers and stray dogs with sling shots? When we laughed, the hon. Deputy Prime Minister, who was at the time Minister of Finance, said we should use carbon cans. I doubt whether these people have seen a living tiger. If they had seen the damage done to the engineer's car on the Linden Road by a jaguar, they would be able to understand whether the sling shot would have the necessary force.

#### 4.40 p.m.

Mr. Speaker, the hon. Minister of Agriculture realises that this industry is going down the drain everyday; instead of making progress it is deteriorating every day. The time will come when the people cannot find meat. He said that the butchers are giving people more bones than meat; the time will come when they would not even get the carcass.

Poultry: in 1968 we had 5,923,000 birds; in 1969 we had 6,450,00 birds – an increase of just 427,000. What is responsible for this? Mongoose, accouri, crab dogs, tiger cats! Could the people fight all of these things with sling shots and carbon cans? It is rather impossible. If the present Government had any interest whatsoever in this field, at least, it could have given the farmers guns so as to defend their crops against these wild animals and birds.

Mr. Speaker, when we check our milk production, it will be seen that in 1968 we produced 4,500,900 gallons of milk; in 1969 we produced just 4,275,300 gallons of milk, we produced 285,600 gallons less in 1969. Why? How will we be able to feed this nation? It is becoming impossible and this Government has no interest; it does nothing to remedy the

situation. Now today it is bringing the big shots from abroad to milk the poor people of the country with interest and what have you. It would not give the ordinary farmers here the necessary land and necessary assistance and say go-ahead we give you everything that you need, work the land, improve the industry. No. It would not do this because it just simply does not want to help Guyanese.

The hon. Minister told us a few minutes ago that many people want to rear cattle and plant rice on a little piece of land. What the hon. Minister was saying is exactly what is going on at the moment at Black Bush Polder. There are some cattle farmers just at the back of Black Bush Polder who destroyed the wire fence of the Drainage and Irrigation Board; they have built a little mound just at the back of the fence, cut the fence and they have put their cattle into the people's field. At Black Bush Polder sections 1, 2, 3 all the settlers had to abandon the land. They were compelled to and the cattle are moving into section 4. Not too long ago, few days ago, a farmer was beaten up and he received a number of cuts while shielding from a cutlass.

**Mr. Reepu Daman Persaud:** Mr. Speaker, to a point of order. There is no quorum in the House.

*[Members were summoned and a quorum was formed.]*

**Mr. Speaker:** Hon. Member Mr. Ally, you may proceed.

**Mr. R. Ally:** Mr. Speaker, I was saying that at Black Bush Polder the farmers had to abandon three sections of land – sections 1, 2, 3 – throughout the Polder, that is from Yakasari to Lesbeholden and the cattle are now going into section 4. A farmer a few days ago went there to protect his crop and was beaten up and he received a number of cuts on this hands shielding from the cutlass.

The Administrator of the Black Bush Polder sent the stray catcher along with other workmen. In fact, the morning before they left, the stray catcher appealed for police protection. The Administrator asked for police protection, and they gave him a security officer. The security officer was there when the cattle owner threatened this farmer. Two days later, this man was beaten and chopped up and had to be hospitalised. Another ranger of the Drainage and Irrigation

Board lost one of his hands; this cattle owner chopped off the man's hand. Today, there is no fence at the back there. The police arrested this man and took him to the station and he was placed on station bail. The Administrator asked the corporal in my presence. "What? On a station bail?" The corporal said, "Well I have received instructions to do so and I had to do it." This is the way this Government is operating. There are certain people who could do things as they care to, and there is another section which cannot; once you are towing the line well then you are okay.

Mr. Speaker, I should like to say that these people who are destroying Black Bush Polder with their cattle at the moment do not have a lease for that land; they are not the holder of a lease for that land. What the Government should have done was to remove the cattle owners from there and give them land for pasture at the back of the Cororite. But it would not do this because this man perhaps has some political strings attached to the Government.

Mr. Speaker, I should like to ask this Government to do justice, help the farmers, and help them as farmers should be helped. No one man should be entitled to something and another man to something else. One man will enjoy the rights of something and the other man cannot enjoy the same rights.

#### 4.50 p.m.

I notice in this Bill that the Government is trying to increase the penalty for cattle stealing. I am in agreement with it. But what I want to draw to the Government's attention is that cattle owners today would see someone going with a cow, a donkey, a horse, a sheep, or a goat which belongs to him but he would prefer the man to go with it rather than report the matter to the police, because the police will have to take the man and the animal to the station.

When the police take this animal to the station, the owner will have to find grass and water every day for this animal, and if he fails, the police will turn around and charge that owner for cruelty because the animal is starving. This is exactly what happens. While this animal is at the pound, the owner will have to do this for six or seven months, perhaps a whole year. The labour which this farmer puts in there is enough for him to buy another animal or two if he is

working outside earning something. Before the case is finished, the animal is dead and the police then skins the animal and produces the carcass in court. The farmer loses the animal, his labour, and everything else.

What I should like to ask the Government to do is to see that in cases where there is the stealing of animals or there is a dispute between two farmers over an animal, in cases before the court, the Government should see to it that these cases are not pending for such a long time, but they are concluded within six weeks. If this is done, we would do away with most of these animal thieves because the farmers would be encouraged. They will understand that the matter will not be kept pending and they will be in a semi-imprisonment behind this animal.

I hope the hon. Minister will see that this is done to help the cattle owners. Thank you.

**Mr. Wilson:** Assuming that the Government is really interested in helping livestock farmers, I should like to take this opportunity to make an appeal which is pertinent to such sincerity. What is the use of assisting the farmer with loans to have all the facilities and leaving them at the mercy of bandits, people will go on, steal the cattle, and if they say anything, chop them up, especially if they are far way from police stations.

I take the opportunity to make an appeal, that firearms be returned to the farmers. Not only cattle farmers but coconut farmers. The Government should know that lots of the people's water coconuts are being stolen before their very eyes and they can do nothing. No wonder there is such a reduction in copra production. If the Government is sincere in assisting farmers, especially those who have to operate far from centres of population, it should decide as a matter of policy to return the firearms to the farmers to protect themselves and also to protect their properties.

Except in the case of the hon. Member Mr. Roshan Ally, everybody in referring to livestock took it for granted that livestock meant only cattle, but I should like the hon. Minister to say whether it means cattle only. If that is the meaning of livestock in this Bill, there should be a need for definition of livestock somewhere in the clause for definitions. Thank you.

**Mr. M.Y. Ally:** We are here discussing the Livestock (Loans for Development) Bill. We have been hearing a lot about Co-operative Republic, about loans to help the Co-operative Republic. I should like to remind this Government that it has the power to acquire all the technical aid and the know-how especially in the cattle industry and in the various industries where Government is embarking upon and where it is contemplating having control of the commanding heights of our economy. It has taken over Demba. We now call it Guybau. We are hearing about the fishing industry. Government is embarking on this also. We hear also about the diamond industry and I think this is a good opportunity for Government, instead of allowing the miners to experiment, to take the risk and at least set an example which other people can follow.

As I said before, Government has an ample opportunity to launch out on ranches, owned and managed by the people, or ranches for the benefit of the people. From surveys, Government can locate areas suitable for cattle farming. There are several areas not only in the Rupununi but there are beautiful areas in the North West District where cattle can thrive profitably, where there are well-watered lands, well-drained lands, well-pastured areas, and above all, there should be good paddocks.

**5 p.m.**

I may quote an incident. In years gone by when our people used to experiment with the chicken industry, they used to rear chickens in small pens, open the pens in the morning, throw some feed and expect the chickens to thrive. But today the poultry industry has advanced so scientifically that it has become a profitable venture.

Similarly, if Government intends to make the cattle industry profitable with the assistance we are getting from experts from foreign countries, it should try to do something to set an example. We have the land; we have the material; we have the know-how and now we are getting the money. But what do we find? In cattle ranching Government is trying to pass the risk on to the farmers. The farmer who has some land or some machinery is given a small cash advance, but he is not allowed to divert and rear even a few head of sheep, which is also very vital to the country's meat industry.

Any sensible cattle farmer or person connected with the industry would tell you that the rearing of cattle and sheep go together. Apart from this, poultry should be raised to take some of the expenses off the shoulders of the farmers. As the previous speaker said, farmers have to wait three or four years before they can get results from this cattle industry. But Government is not prepared to back these people up. It has tied their hands. There is to be no diversion; these farmers must deal in livestock and livestock alone. Where else are these people to get money to maintain themselves and family?

A delegation from the Department of Agriculture in Trinidad went over to Cuba and did some research into the cattle industry. They found from experience that Cuba has achieved more in ten years than Trinidad has done in fifty years. This is an example that our Government can follow and learn.

There is another point I should like to raise, namely the prevention of cattle stealing. I support the Government in full on this. I intend to move an Amendment to clause 12 which deals with every butcher who is found in possession of meat or hide of any cattle for which he cannot give a reasonable account. I would like to amend it to read that "every person" who is found with a carcass or a skin for which he cannot account should be brought to justice. This does not concern the butcher alone. Too often we find that any individual can steal cattle and get away with it.

Again, I mention that the Police should be far more vigilant than they are now. Notice of the intention to slaughter cattle is sent to the police and they show no interest. I think that they should be more interested in the job. They must make a note of the type of cattle, the sex, the age, the weight of the animal so that after it is slaughtered they may go and check the meat. Notice may be sent that a cow is to be slaughtered whereas a bull was slaughtered. If the Police were diligent they could easily check and find that something was wrong.

To prevent cattle stealing I think that the Police should be knowledgeable to differentiate between the carcass of a cow, a bull or an ox. This is very important. Instead we find a little rum, a little bribe and corruption and sometimes a few pounds of beef subverts the offence and find the Police in collusion with some of these offenders.

I urge the Government to take into consideration that whatever it is going to do it should be done for the benefit of cattle farmers because these farmers have been suffering for far too long. If the Government is to do something it must surely do something tangible to help.

**Mr. Speaker:** The hon. Member Mr. Ram Karran.

**Mr. Ram Karran:** First of all, I wish briefly to compliment the hon. Minister of Agriculture if only for his presentation of the measure before the House.

There seems to be a little different history of the cattle industry which the hon. Minister failed to tell us. Perhaps it was not his business to do so. I recall that nearly 25 years ago there was a great effort on the part of the powers in this country to rehabilitate the cattle industry. It started out with the increase of agistment fees in the company in which the hon. Minister used to be a Director, Bookers. The increased was allegedly to develop the industry. Agistment fees were raised from between 4 cents and 12 cents to \$1 a head.

The contention then was that people would dispose of their scrub animals and bring in the zebu and Holstein types. We have seen, however, that the sugar belt in particular and even the other areas of the country have been denuded of cattle first of all because of the steep increases in the agistment fees and secondly because of the vandals in the era in which we now live. Cows are actually taken away from inside people's houses. Not far up the East Coast a man stole a cow and had it for three years in his house before the Police traced it. The hon. Minister of Communications knows what I am talking about.

The hon. Minister during the course of his long discourse today told us that the Government is late and one does not blame the Government for this. It is better to be late than never. The Government Programme, which commenced in 1966, is nearing its end. It is going to die next year but just before its death, perhaps with its gasping breath, it is trying to resuscitate the programme or rehabilitate the cattle industry. This is all pious gaff as far as I can see.

The first serious point I wish to make is that the Government, not unlike its activities in other fields, is not going to rehabilitate the cattle industry. The pious discourse it has had on the rice industry is an example.

The hon. Minister said that we should use existing stocks which we have developed as the base for the new development. He said they are immune from pests; they are accustomed to the climate of this territory and therefore we should use local stocks. But the hon. Minister went to the Wild West to bring his cattle.

My hon. Friend, Mr. Yacoob Ally, referred to the situation in the Caribbean. The Government of Trinidad and Tobago saw it fit to go to the Republic of Cuba, a sub-tropical country within this region, which has developed the cattle industry tremendously, but our friends over here go, not into the Caribbean, not into a tropical country, but into the Wild West of the United States of America to bring cattle accustomed to snow and ice and so on. How can the members of the Government be sincere when the very illustration on that is given to us of using cattle from this area can be said of the rice industry?

I do not want to project an argument into the rice industry, but the Government is not taking D 110, it is not taking strains that are available to us here in Guyana. It went first to bring Blue Belle and having failed with Blue Belle it has now come up with Star Bonnet.

### 5.10 p.m.

The hon. Minister is a scientist and he ought to as he tried to do, approach the subject of cattle on a scientific basis. He did not seem to have known that lesson when he, as Minister responsible for rice, treated us with the importation of these foreign strains. He said also in his gaff that hybrids in cattle are suitable and today we see that the hybrids in the rice industry have been thrown aside. I understand one man has had his head rolled. A circular has been issued warning the Agricultural Officers against the introduction of hybrids. That is not the way in which things can be done.

We wish to support the contention of the hon. Minister, we wish to support the contention of the Government that there is need for the development of the cattle industry. But it should be done in the proper way. Could this Government go to Cuba? It did not go there to sell rice. Could this Government go to Cuba and ask for assistance for the development of cattle? I say the Government dare not go there, not because the Cubans are going to eat them up, but because this

Government is wedded to the Wild West. The hon. Minister told us in plain language about this question of borrowing money and he used very colourful words - "aid and raid" - has he forgotten? Where has he gone? He has gone to the same "aiders and raiders" the United States of America, World Bank, I.D.A et cetera but he calls it now by a new name, "soft loans". It does not matter what he calls it. What are we going to get from this?

The hon. Minister tells us - and I am glad that he said this - that we are going to borrow and the charges are going to be three-quarter per cent service charge and the Bank of Guyana is going to take it and give it to the banks which incidentally are going to be miniaturised according to the hon. Prime Minister. Then in forty years this loan is to be repaid. One wonders if these banks are going to be in existence if they are going to be gradually miniaturised. The point made by my hon. Friend across here is a valid point; what is the object of the Government setting up its own Co-operative Bank which is going to do the bulk of Government's business and which is going to miniaturise the other commercial banks? The Government is steering clear of the Co-operative Bank. The Government is borrowing money and will pay a three-quarter per cent service charge. What are the farmers going to pay? They are going to pay 9 ½ per cent. These Shylocks!

Sir, I am particularly concerned about the policy of this Government. Any cattle farmer will tell you, whether he lives in the Berbice River or on the East Coast Demerara, that the policy was adopted by the P.P.P. - and I should like to commend some of these policies to this Government - was one of assisting the farmers. Anti-rabies vaccinations were supplied free of charge. In the Islands of Wakenaam, Leguan, Hog Island and these places where rabies is a perpetual problem farmers got free vaccinations. The same applied to the Berbice River. But what has this Government done since it came into office? Anti-rabies injections are sold the farmers at 50 cents each. We know this Government's policy. It talks about helping the farmers but it is really opposed to the assistance to farmers. That is why it has imposed this charge. Not only anti-rabies injections, but other drugs which were sold to farmers at subsidised prices, are not only higher in prices, in many cases they are unavailable.

I have a Motion here before the House with respect to the Berbice River and I do not want to anticipate it. But drugs are unavailable for human being. I should like to ask the hon. Deputy Prime Minister and Minister of Agriculture to tell us if drugs are unavailable to people. He said in his speech, which is very relevant, that the Government treats people on a different basis to animals, that certain animals must be eliminated. It is because of the elimination of that type of animal that the Government has made it so difficult for farmers to get drugs? As one of the most eminent of Veterinary Surgeons in this country the hon. Minister must know that the days for giving bark to animals are long over. That is a practice of the Amerindians. But I can assure him that people on the Coast are forced to treat their animals with barks because of the unavailability and because of the very expensive prices for drugs to farmers.

I did not hear – perhaps the hon. Minister made the point when he said that there will be one in the Berbice River, one at Mara and one in the Rupununi and he called a figure of 50,000 animals, I presume, representing the global figure in the country. I should like to assure that one of these farms the Government is going to start at Mara and the other one in the Rupununi will have a large stock of animals for breeding purposes, but these co-operatives the hon. Minister is talking about I presume they will have to be developed in remote areas because the Government is disposed at most times not to help the people living in the coastal areas. If he is going to go there, for him to obtain the figure of 5,000 heads per co-operative then the hon. Minister should know if he does not know by now that the whole of the Berbice River with the exception of Ebini, has less, it could be more, than 3,000 heads.

In the hon. Minister's reply I expect that he will give us an indication of what is going to be the nucleus for one of the co-operatives in terms of herds and cattle. I say this particularly because he said – and I believe what he said – that this Government had this matter gestating for a long time, and in this period of gestation it has been telling the farmers what those conditions are going to be. One of the conditions was that anyone can expect any assistance from this World Bank loan unless that individual, or that company, or that co-operative has in its possession a total of 10,000 head of animal. [**Dr. Reid:** "What?"] Yes. That is what Dr. Jones told me. There again, I should like the hon. Minister to tell us what is the position with respect to the number of

animals one must have before one can go into this capitalistic concern to borrow money to develop.

**5.20 p.m.**

I dealt with the question of the aid and raid technique, a phrase coined by the hon. Minister. I hope he does not reject his words now. If he believes in them, perhaps when he gets up he will tell us it is not only  $\frac{3}{4}$  per cent. Three-quarter per cent might be the screen behind it. Three-quarter per cent in any language is cheap, but I have questioned the  $\frac{3}{4}$  per cent turning into  $9\frac{1}{2}$  per cent. We are borrowing “x” dollars from I.D.A. The international monetary situation, particularly in the United States, is going through convulsions at the moment.

We read in the newspapers a few days ago that after Nixon’s speech, there is going to be a tremendous cutback in the funds available from this source. I am not worried about that because if we have a cutback, perhaps it might be a blessing to us in disguise. The United States dollar, and indeed, most currencies today will be valued less tomorrow, and in 40 years’ time will probably be worth nothing. The days of imperialism are receding so fast. What is this Government going to pay? Has any arrangement been made for the certainty of the devaluation of the dollar in 40 years’ time?

In other words, if the United States dollar is related to the Guyana dollar and the relationship today is “x”, are we going to pay the same “x” 40 years from now?

**Dr. Reid** (replying): I was certain that this Bill would have provoked some debate and even though we have had very many speakers, I have no intention to deal with anything that is irrelevant to the Bill. We have come up to some points that need further explanation.

First of all, we begin with the last speaker. A ranch must have between 1,500 to 2,000 animals. This is so to make it an economic unit so it can be properly serviced, and not 10,000 per ranch. If an individual has 2,000 or within that number, he can establish a ranch and qualify for a loan; if several person can pool their animals together to give 1,500 to 2,000, they can qualify as a co-operative, as a company, for loans for a ranch. I have disposed of the points he made. Whatever the dollar is worth in 40 years time, it is the same \$4.4 million. We do not anticipate

when devaluation will come. It will be \$4.4 million (Guyana) at the time we are repaying, that is, 40 years away. As far as he is saying, there is no interest in the farmers in this exercise. He probably does not know this has already started. This disposes of that part.

With respect to my friend the hon. Member Mr. Reepu Daman Persaud, that we are behind schedule in the Development Programme, no person has been able to keep a development programme on schedule. This is a plan that you have and you put it into operation as you see fit and as the circumstances warrant. We accept that the dairy industry is not performing as we would like. We cannot at the same time attend all these things that need to be done, so we start with the beef cattle industry and then we will attend the dairy industry. There are several other areas of development that must be tackled but we have to take them in turn.

As far as the feed for livestock is concerned, more and more people are experimenting with grass and it is our hope to develop pastures so that these animals can be raised on grass with some mineral supplement so that we would not have to put the input of imported feed that my friend talks about.

The hon. Member also talked about the type of animals we will use. I thought I made it clear that we will use our indigenous animals; but if we want to improve then we will have to do cross breeding by bringing in some bulls of better quality, of better performance, so that we can upgrade what we have. There is no other way. If we continue with just what we have, we will get into serious trouble as we did face in the rice industry where it took so much effort to grow one variety for over 100 years. Something which was bred and experimented with for a different type of husbandry and when the type of husbandry changed very suddenly, there was nothing to replace it, but we went on with the same thing. We hope we will by this type of selective breeding, upgrade what we have so that it would not take six years to develop into a market animal, but between two to three years we will have an animal growing so fast that it will have matured for market.

Somebody talked about poultry; if we were to continue with the chickens we used to keep in the yard without bringing in anything new to upgrade them, then we would have had the same

type of bird taking one and two years before the housewife could have collected a chicken to kill. Today it is done in six or eight weeks because of this upgrading and new type of stock.

I think there is confusion with the exercise going on. They have that practical example to convince them of the wisdom of upgrading what we have. They just have to look at the poultry industry and see for themselves as far as the animal development is concerned.

### 5.30 p.m.

This exercise is to help the farmers. I do not know what has put it into my friend's mind that the Co-operative Bank is not involved in this. We have made it quite clear that when we talk about commercial banks in this country the Co-operative Bank is included. The Guyana National Co-operative Bank operates as a commercial bank. The farmers will have a choice to decide which bank they will use. The co-operatives, of course, will use the Co-operative Bank. In this exercise we hope to have some 25 co-operative ranches operating in this country.

The hon. Member, Mr. Derek Jagan, made the point that only the lenders have security that this Bill is to take care of lenders only. This could not be because in the first instance we have obtained a soft loan which is in the interest of the farmers. All the banks that are involved in this scheme will get for themselves no more than 3 ½ per cent, but the farmers will pay 9 ½ per cent, not only for money – I think I made that quite clear – but for management of the ranches. Management is important if the farmers are to be put in a position to repay the loan and it has to be paid for. The farmers will pay no more than 9 ½ per cent for the money they borrow and for management.

On our side, we believe that this is reasonable because when the whole project has been studied the feasibility study shows that, once the management is good, farmers will be in a position to repay their loans and make a profit.

If all the cattle within the project will double within six years, because of this management, one can readily see how well that money is going to pay the farmer. If you have an investment that can double itself in six years, I think you are doing quite well, and if the cattle

population, within the project, can double itself within six years the farmers will be in a position to pay the interest due in instalments and make for themselves a decent return.

Mention was made that since the Agricultural Loans Ordinance was passed nobody has been interested in it. I do not know how members of the House could make such a statement when on Saturday, 14<sup>th</sup> August last, as well as on other Saturdays, there were published in the Official Gazette notice under the Agricultural Loans Ordinance giving a long list of farmers who are involved, who are benefiting from this and who are getting loans through this. That money must have come from some place and arrangements have been made for funds to be available for making these several loans to farmers who have benefited from them.

Hon. Members should read some of the things that come before them. We were told that nowhere in the Bill mention is made of the 9 ½ per cent and that the bandits in the banks will be able to charge any unreasonable percentage. That is not so, because the hon. Minister of Finance has presented documents in this House which ensure that the participating banks cannot charge the farmers anything more than 9 ½ per cent or less they themselves will not qualify to participate.

This is an agreement and this was laid in the House on the day this matter came up. This is how it will go. It is the Beef Cattle Project – Guyana and will be found in the document Credit No. 221 GUA (Livestock Project) between I.D.A and the Bank of Guyana on page 8 dealing with the sub-loans. No bank will be in a position to charge more than that.

The farmers therefore will get credit and this is the interest the Government shows for farmers. If we are to do anything in agriculture we need credit. Credit is provided and reasonable credit at that. The farmers will get the services of management, which is so important in this country if we are to do anything well.

But if a farmer is careless and does not want to take advice, then he is not the type of farmer that we will condone. The Chief Agricultural Officer will be in a position to know if adverse circumstances affect the farmer because the banks will not be able to do anything as far

as husbandry is concerned unless the Chief Agricultural Officer is satisfied and gives his consent. That is for the protection of the farmer.

The obligations of the farmer must be included in this Bill. We are dealing with a farmer who has already received the loan. The obligation must be there to ensure that the farmer does his business properly. We are seeing to that and an organisation is there to ensure it. If the farmer is unduly careless, if he is going to play false in this exercise, then there must be some way of recovering the money.

One hon. Member spoke about the charges, that they are going to be included, as it were, in the mortgage. If things are included or listed in that charge, then it is only right that the person who has taken that money should ensure that those things are kept in proper condition so that they can do the work. It is no use putting a machine on a man's field and there are no sanctions and the man takes out the parts of the machine and sells them and only the skeleton of the machine is left and cannot operate. The scheme will fail and there will be no way of collection. We do not want that type of thing. We want the scheme to succeed. We must use our experience well to make the rules in such a way that we do not put a burden on the farmer by encouraging him to be a careless farmer. He must be encouraged to be a good farmer and that is what this Bill will help to do so that the farmer can benefit from this exercise and so that in time he will not need a loan when he wants to make any other improvement.

If supervision is not imposed properly, then, instead of helping the farmers we will be destroying them. We need to make the farmer a good farmer and this is what has been going on in recent times. I am sure that thousands of farmers are benefiting from this policy which is carried on, not only in this livestock project, but in the planting of crops all over this country.

I think I have answered the questions except the one about state lands. The Polder is a different thing from what we are now doing. People who have lands in the Polder said they were people without lands. If that condition was necessary to qualify for land then when a person obtains land he must stay with the land. He must not move out and say, "I have another place."

19.8.71

National Assembly

5.30 p.m. – 5.40 p.m.

We want to give land to the landless, to those who need it most and that is what has happened in the schemes. A regulation is not here that the farmer has a ranch and can have nothing more, because he will be in a co-operative. Most of our small men can only be in co-operatives because one will not find an ordinary small man with 2,000 head of cattle.

This is so organised that small farmers with ten animals, with two or three animals, can join. This will prevent some of the rustling that goes on because all the out stations will be properly supervised with technicians on the ranches, supervisors, who will see what is going on. Things will not be left to care of themselves. All of this is done to help the farmer.

This Bill in its initial stage was planned for the farmers. If we were to take an ordinary loan from the World Bank, the service charge would not have been  $\frac{3}{4}$  per cent. It would have been 6 per cent and if we had used that type of arrangement, if we had bargained for that type of loan, by the time it reached the farmer he would probably have to pay 14, 15, or 16 per cent. We could not accept that and so we bargained hard to get the loan from the International Development Association. It was a great effort because money was scarce. It is good that Guyana was able to get this loan at  $\frac{3}{4}$  per cent instead of at 6 per cent. If hon. Members look through the document they will see many other countries that have received livestock development loans and have had to pay 6 per cent to the World Bank for it.

5.40 p.m.

It is our hope that we in Guyana, all of us on both sides, will give encouragement to our farmers in this scheme which is for the benefit of the farmers. Do not feed them with all sorts of false information that will not help them to progress in what they are doing. I am certain that hon. Members on both sides of the House will see this as a great help to the livestock farmers in this country and not only support it in this House but will go out and stand up for this Bill.

**Mr. Speaker:** Hon. Members, perhaps it may be a convenient time for me to announce that if necessary we will sit tonight to complete the business on the Order Paper.

*Bill read a Second time.*

*Assembly in Committee.*

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

*Clause 2*

**Mr. Wilson:** Mr. Chairman, in the Second Reading I raised the question about breeding of livestock. The hon. Minister said that livestock in this Bill means cattle. The ordinary name for livestock is not cattle unless there is going to be a restrictive meaning. I think it should be definite. I suggest that the definition of the word “livestock” be included and perhaps an Amendment –

**Dr. Reid** *rose* –

**The Chairman:** Just a minute, are you proposing an Amendment?

**Dr. Reid:** Mr. Chairman, I do not want my hon. Friends to go out and say I deceived them. At the beginning, as we plan it now, we will deal with cattle. It is no use we restrict the word “livestock” to an unusual meaning and definition because it might be that in time to come there would be need to include other animals. Therefore, this regular definition for livestock should remain or else we would have to come back to the House to make changes if we want to include goats, sheep and pigs. In the initial stage, I want it to be quite clear that we are starting with cattle.

**Mr. Ram Karran:** In a case where a person makes an application to the Government for the improvement of a herd of buffaloes even though it does not come under the term “cattle”, is the Minister going to use his authority to prevent development?

**Dr. Reid:** Mr. Chairman, if we are in such good fortune to have any co-operative qualifying with buffaloes, having 2,000 buffaloes, we will be very happy to approve that.

**Mr. Reepu Daman Persaud:** Will the Minister explain to us what will be the yardstick used to decide who will be lenders under Clause 3 subclause (b)? The other one is defined “commercial banks”.

**Dr. Reid:** Mr. Chairman, the same conditions that the banks accept as put out in the project agreement will apply. Once individuals accept those agreements – the charge of interest of 9 ½ per cent – those persons will also qualify. It would not be any special whims and caprices of the Minister. This is a business arrangement especially to help the farmers.

**Mr. Reepu Daman Persaud:** Mr. Chairman, since the banks are established institutions I want to feel that the Minister should have some influence on the banks, but with respect to individuals we have got our experience with a number of mercenary lenders who may be qualified under this Act when it is passed. Will the Minister say what influence or control will be used on those individuals who may agree to the interest rate etc? Because you see they are given wide powers under the Act to decide whether the farmer is mispending the funds, whether the place is in a state of disrepair, whether the farmer is trying to remove things that were part of the charge, and there can be so many other reasons. Will the Minister give the House the assurance that those people who are going to be approved as lenders are going to be people who will indeed use the provisions of this law with restraint and not against the interest of the farmers?

**Dr. Reid:** Mr. Chairman, I think that was thought of in the formulation of the clauses here and that is why under section 8(2) certain happenings on the farm have to be done only with the consent of the Chief Agricultural Officer. I am certain that the Chief Agricultural Officer will work in the interest of the farmers because he, as a person, would want this project to succeed even if any other person might not.

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

*Clause 4 to 11 agreed to, and ordered to stand part of the Bill.*

**5.50 p.m.**

*Clause 12*

**Mr. M.Y. Ally:** I beg to move an Amendment to clause 12 (f). As it is, it would mean that only butchers would be liable. The words, “Or any other person” should be added.

**Mr. Hamid seconded.** [Hon. Members (Government): “Agreed.”]

*Amendment-*

That the words, “or any other person” be inserted immediately after the word “butcher” in the first line of the proposed section 14A at paragraph (f),

*put, and agreed to.*

*Clause 12, as amended, agreed to and ordered to stand part of the Bill.*

*First Schedule*

**Mr. Jagan:** I propose to ask one question in respect of paragraph 10 of the First Schedule, concerning the signing of the charge. The Bill says that a person who can read and write can sign the charge with two witnesses, but if he cannot read and write in the English Language, he can sign in the presence of two witnesses, or a magistrate, a justice of the peace, or a police officer. I wonder whether the Government intends, instead of “or”, it should be “and”. In the first case where the person can read or write, the person is required to sign in the presence of two witnesses. If he cannot read and write, one would expect it to be read to him in the presence of a justice of the peace, or magistrate, or some other officer. If the person cannot read, there is no need for the latter part of the clause. [**Dr. Reid:** “There is an explanation further down. You have to repeat before these two witnesses. Finish the reading. If the person can read and write, he just signs in the presence of two witnesses.”] Your Honour, my view is that if the person can read and write, then you have two witnesses would sign, but he cannot read and write, then apart from having two witnesses, you should also have it done before a justice of the peace or magistrate. This is a very serious document a person would be required to sign. Instead of the word “or”, the Government should substitute the word “and”.

*First Schedule, as printed, agreed to and ordered to stand part of the Bill.*

*Second Schedule agreed to and ordered to stand part of the Bill.*

*Assembly resumed.*

*Bill resumed.*

*Bill reported with Amendments; as amended, considered; read the Third time and passed.*

### TAX (AMENDMENT) BILL

A Bill intituled:

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

**The Minister of Finance** (Mr. Hoyte): Your Honour, hon. Members, legislation which seeks to impose taxation, and especially income taxation, excites usually a great deal of public attention, also a great deal of discussion, comment and criticism from persons who are likely to be affected. The Tax (Amendment) Bill, 1971, has been no exception to this general rule and, from the time of its publication, professional people, because it is a piece of legislation designed especially for professional people, began to offer a number of comments, suggestions, criticisms and recommendations via the mass media.

6 p.m.

On Sunday the 8<sup>th</sup> August, 1971, I received a letter from the Secretary of the Bar Association, written on behalf of the Bar Association, a splinter group calling itself the Association of Legal Practitioners – which I understand represents a small group of barristers – and also the Law Society, the Medical Association and other professional associations representing persons who were caught by the provision of the Bill.

In that letter, a meeting was requested with me to discuss the implications of the Bill. I immediately agreed to a meeting. As a matter of fact, on the very Sunday I telephoned a leading member of the Bar, Mr. Clarence Hughes, to whom I was asked to convey my decision in this matter and a meeting was arranged for Monday the 9<sup>th</sup> August, 1971. On that evening I met a delegation representing the various professional groups and understood from the delegation that they were authorised to make a number of proposal and recommendations in respect of the provisions of the Tax (Amendment) Bill, 1971.

Perhaps I should explain for the benefit of the hon. Members that the Leader of the delegation was Mr. Clarence Hughes a well-known legal practitioner in the community and other

members of the delegation included Mr. O.M. Valz, an eminent solicitor and Mr. Desmond O'Conner, also a solicitor. So hon. Members will see that the legal profession was very ably represented in terms of quality and number.

The medical profession was represented by Dr. Kumar and Dr. Walter Singh, men of very high standing in the community and in their profession; the optometrists were represented by Dr. Roy Wong; accountants by Mr. Barcellos, architects by Mr. France; pharmacists by Mr. George Jaikaran, a very well-known businessman and a man who occupies and has occupied in this community important public positions. Along with him, representing the pharmacists, was Mr. Richards who has for many years been Registrar of Pharmacists. And representing the engineers was Mr. Cosmos Searwar. Hon. Members can readily recognise the high quality of the representation which the professional bodies were able to present.

There was on that occasion very full, frank, but nevertheless cordial discussions and that group put forward certain recommendations for my consideration. I gave, sir, very careful, anxious and, needless to say, sympathetic consideration to those representations and on Tuesday the 17<sup>th</sup> of August, 1971 I met that delegation again. The delegation was similarly constituted except that a Mr. Rodrigues represented the architects this time instead of Mr. France, and put forward to them certain proposals for amending the sections of the Bill which they had really expressed some concerns about. I am happy to report that the essentials of the proposals which I put forward to them were accepted and the delegation left me with the assurance that the proposed amendments, which I hope to introduce to this honourable House a little later on, were quite acceptable and were quite in keeping with the spirit of the original proposals made by them. So that while normally these tax measures are the subject of much dispute and differences of opinion – I am happy to state that that delegation which represented to me that they were representing various professional groups to which I referred, accepted and agreed to the proposals which I will put to this honourable House for amending the Bill as printed.

Perhaps I should place on record my appreciation of the very realistic way in which that delegation represented the case of the various professional groups. Also, I should place on record what they said to me, namely, that they were satisfied that all members of their profession should

pay taxes lawfully payable by them and that they could not dispute the provisions of the Bill which required professional people to file income tax returns. I was left with the distinct impression that members of the various professional groups who try to evade the payment of income tax, or in any way try to circumvent the provisions of the Income Tax Ordinance, will find no sympathy within their professional organisations or among their professional brothers. For that statement I am grateful to members of the professional group which met me.

A little later on I propose to explain to hon. Members what are the amendments which I propose to prevent to this honourable House in accordance with the agreement which was arrived at between myself and the delegation to which I have referred. But before going on to the specifics of the Bill, it may be appropriate to make a few general observations. Today income taxation – indeed all systems of taxation – is moving to a position of ensuring compliance with the provisions of tax laws. Many years ago the celebrated American jurist Mr. Justice Holmes wrote, “I like to pay taxes for with them I buy civilisation.”

**6.10 p.m.**

The sad fact of the matter is that there are not very many people in any given community who approach taxation in the sort of generous spirit of Mr. Justice Holmes. Therefore, the collection of taxes is always a difficult and sometimes impossible situation unless the system of tax collection and procedures adopted are such which would ensure that the taxpayer of necessity has to comply. Many people have argued by way of criticism of this Bill that the old procedures and the old systems are adequate. I dispute that, Mr. Speaker. In fact, they are not adequate, that is why it has become necessary to devise modern systems, modern procedures, all based upon the principle of securing compliance. Under the old system it is open to the taxpayer not to pay and then the onus is put on the Commissioner of Inland Revenue to try to by way of tortuous and cumbersome procedures to get judgments and to recover taxes which have become due and payable. That system is wasteful. It is wasteful of time and it is wasteful of manpower and because of its very cumbersome nature it has become very difficult to pursue to finality the number of people who are in breach of the income tax Ordinance.

There is this other consideration that in a highly politicised society such as ours, one is exposed to all kinds of allegations when the law is enforced. Whenever the Commissioner has occasions to sue somebody, and that person is taken before the courts the cry goes up of victimisation, political spite, malice and all kind of things tend to obscure the real issue, namely, that the particular person has not been complying with his just tax obligations. We are moving away from that old system, we are moving gradually but inexorably towards a system which ensures that people comply with the various tax requirements. Not only is this a more efficient and a more effective system but it is a system which will prevent the kind of acrimony which arises when the Commissioner has to invoke the provisions of the law and inflict penalties on people who have not complied with the income tax law.

Sir, I stress this point about compliance because I think this is at the core of efficient income tax administration. We, as a community, have not been very compliance-minded and this is because of the fact that many years ago there were very few people who were caught by the provisions of the Income tax Ordinance. But with changing times and increasing affluence more and more people have become within the ambit of the tax legislation. The P.A.Y.E. system which was introduced for salaried people and wage earners was the first step towards this enforcement of a system which was based upon the principle of compliance.

But there has been a large section of our community – self-employed people who have not been complying and whose record has been a very dismal one. In the past, there has been no effective system which ensured their compliance. In order to illustrate this simple point, sir, may I refer to some of the statistics which relate to this small group of self-employed people or professionals who are included in this Bill under discussion today. Of the group of persons as of today, only 7 per cent are in Order and good standing as far as their income tax obligations are concerned. That is to say, only 7 per cent of them have filed their income tax returns, have paid income tax due and payable or have made arrangements with the Commissioner of Inland Revenue for the payment of taxes lawfully due and payable.

Again, with respect to even income tax returns for the year of Assessment 1971 some 70 per cent have failed even to comply with the requirement. With respect to the new provisions

included in a recent Ordinance amending the Income Tax legislation which requires self-employed persons to assess themselves and pay a quarterly P.A.Y.E. on the basis of that self assessment, there has been a non-compliance by 69 per cent of the people who are caught by this legislation which we are considering there today. Those figures are alarming and they point obviously to the ineffectiveness of the system which we have been operating so far.

I do not think that it can be seriously contended that in the area of self-employed people, there has been not only a failure to pay their proper share of income tax, to bear their proper burden, but there has been even a failure even to make income tax returns. This is an intolerable situation which cannot be allowed to continue any longer. For two reasons. First of all, not only is it manifestly unfair that citizens who ought to bear their just tax burdens are not doing so, but also it becomes increasingly difficult when important sections of the community do not pay their taxes, to give that measure of relief to the deserving people in the lower income bracket. The Ministry of Finance has been giving very serious attention to giving measures of relief to people at the bottom of the tax scale, to raising tax bands, to giving more allowance. But we can only do this if we can ensure that we garner all the income tax which ought to be paid.

**6.20 p.m.**

In order to do this we have to look very keenly at the sections of the community, who are self-employed.

As I said, the principle of ensuring compliance which we are trying to establish, is inherent in this very Bill and therefore Government can really give no heed to people who have said that the fee, which is proposed to be charged for a certificate to practice a profession, ought not to be linked with the tax system. This is inherent in the whole legislation we are proposing today. Without it, the legislation is not worthwhile. With it the legislation becomes a very important instrument which will have a great impact upon the effectiveness of our tax laws. With those few preliminary remarks, may I turn to the specific provisions of the Bill in order to explain to hon. Members the general scheme and purport of the legislation?

Needless to say, as usual, there has been much misunderstanding on the part of some people who have purported to pronounce upon the merits or demerits of the Bill, and I would wish to clear up one or two points which were made, notably in the press, purporting to be points advanced by members of the professional groups affected. Now, Sir, the scheme is quite simple. Certain categories of persons, referred to for convenience as professionals, are required to take out a practice certificate in order to practise their profession. The certificate will be for a period of one year from January to December and in order to be eligible for that certificate, the profession will have to do two things. He will have to pay a fee of \$200, and he will have to fulfil certain obligations with respect to the income tax laws.

There has been some criticism of the principle of the professional having to take out a practice certificate, but I think it is well known that in many parts of the world professional groups can only practice on the basis of an annual certificate; so that for those who are worried about precedent, there is ample precedent for the requirement that a professional person has to take out an annual certificate and can only practise on the basis of such a certificate.

I personally am not bothered about precedent. Whether there is precedent or not means nothing to me; but for those who take comfort in finding precedent, there is. And among the legal profession, Members will know that solicitors in England, for example, have from time immemorial had to take out an annual certificate to practise, and in nearby Barbados, both barristers and solicitors, and indeed all professional persons, have to pay an annual licence. The principle is not without its counterpart in other parts of the world. But what is important is that to become eligible for the certificate, not only has the professional person to pay a fee of \$200, but he has to comply with section 47 (a) of the Income Tax Ordinance. May I pause to make an explanation here?

In clause 2 of the Bill relating to the proposed section 35 of the Ordinance, it was intended that the professional, in order to be eligible for a practice certificate, apart from paying his fee, should have paid all income tax which was due and payable at the date of his application, or should have made arrangements to the satisfaction of the Commissioner for the payment of such income tax. That was the main point which worried the professional people who discussed

this matter with me. They raised serious objections to that particular provision and after listening to them, I suggest that the delegation should put forward its own proposals, and the delegation proposed that eligibility should rest, not upon payment or the making of satisfactory provisions, but should rest upon the submission of returns.

Working upon that proposal coming from the delegation, I put up to them at the meeting of the 17<sup>th</sup> August, 1971, the suggestion that the professional should make all returns which ought to have been made on the date of application and he should have complied with the provisions of section 47A. Now section 47A is the section which requires self-employed people, on the basis of self-assessment, to make P.AY.E. payments roughly quarterly, on the 1<sup>st</sup> April, on the 1<sup>st</sup> July, on the 1<sup>st</sup> October, and on the 1<sup>st</sup> December.

It would be noted that these proposals were eminently fair and, indeed, did not require the professional to do anything other than he is required by law to do without this legislation. They could not argue that they ought not to submit returns because they are required by law to submit returns; and they could not argue that they ought not to make their quarterly P.AY.E payments, because they are required by law to make the quarterly P.AY.E payments; so that having conceded that there was nothing unusual, extraordinary, or oppressive in the proposals which I put forward, and which they deemed to be eminently acceptable, they did in fact accept and left by office very happy and in very high spirits on the evening of the 17<sup>th</sup>.

May I say that the professional tax has not been sprung upon the profession. Indeed, in the Budget of 1969-

**Mr. Speaker:** Hon. Minister, do you propose going on to another point at this stage?

**Mr. Hoyte:** Yes, sir.

**Mr. Speaker:** Perhaps this is a convenient time to take the suspension. The sitting is suspended for one and a half hours.

*Sitting suspended at 6.30 p.m.*

*On resumption --*

**Mr. Speaker:** The hon. Minister of Finance.

**Mr. Hoyte:** Your Honour, at the suspension I was about to make the point that the professional tax has not been sprung suddenly, that the intention to introduce such a tax was first mentioned in the Budget Speech of 1969, when the hon. Minister of Finance said as follows – and this passage appears on page 77 of the 1969 Budget Speech as printed:

“I now turn my attention to a class of persons well known in this House, because as I gaze around I see them well represented here. I refer, sir, to the professional class. Since these persons are for the most part self-employed, the ascertainment of their precise income not infrequently presents some difficulty, and it is a fair assumption that some part of the professional income eludes the Income Tax Commissioner.

I think it fair to the Government, therefore, to impose a charge on this class of persons by way of an annual licence to practise the profession, and this forms one of my proposals in this budget. As I see it now, this requirement will embrace, *inter alia*, doctors, lawyers, accountants, architects and engineers.”

So that as early as February, 1969, when that Budget Speech was presented, the various professions knew of Government’s firm intention to impose a professional tax on certain categories of professionals.

I would draw the attention of hon. Members to the rationale of the tax as explained in the Budget Speech of 1969, namely, that “some element of professional income”, as the hon. Minister so felicitously puts it, eludes the Income Tax Commissioner and this licence fee of \$200 is some meagre attempt to recover the income tax which is of necessity lost in relation to that element of professional income which for one reason or another does not find its way into the income tax returns.

I do not say this necessarily as an adverse criticism of these professional groups. We know that most of them are very busy men and, in the hurly-burly of their practice, one understands that it is not always possible for them to enter into their cash books every cent which

is paid to them by way of fees and I think that all professional people will admit this and they will not quibble too much over the fee of \$200.

Let me make this point: that the fee of \$200 of necessity becomes a deductible charge so that in the final analysis the actual amount paid is far less than \$200.

I should point out, too, that although the certificate has a life of one year from January to December, professional people who are required to take out the certificate are given a period of grace of two months within which to obtain their certificates and within that two-month period are entitled under the proposed legislation to practise without their certificates. I think hon. Members will agree that is a sufficient time within which all professional persons can put themselves in order.

A criticism has been made elsewhere that the Commissioner of Inland Revenue is in a way put in a position where he can prevent a professional person from practising his profession and it has been alleged that this is an arbitrary power conferred upon the Commissioner. May I point out that this is not so, that provided the practitioner, the professional person, complies with the reasonable provisions in the proposed subsection (2) of the proposed section 35, the Commissioner is bound to issue a practice certificate. In any event I would draw attention to the proposed subsection (7) of the proposed section 35 which gives a right of appeal to an aggrieved person to a judge in Chambers.

It may be appropriate to read the particular section because what the proposed subsection does is to incorporate the provisions of section 69 (A) of the Income Tax Ordinance *mutatis mutandis*. Subsection (6) of section 69 (A) reads as follows:

“Any person who being aggrieved by the refusal, failure or neglect of the Commissioner to issue a certificate to which this section refers may appeal against the refusal, failure or neglect of the Commissioner to a Judge in Chambers upon giving notice in writing to the Commissioner. The decision of the Judge shall be binding only in respect of the granting or refusal of a certificate and to this extent it shall be final and the Commissioner shall act in accordance with that decision and any direction given therewith for the purposes of this section.”

Therefore, it is abundantly clear that the Commissioner's judgment is not the final one and the person aggrieved has a right conferred upon him to appeal to the High Court in respect of any neglect, failure or refusal of the Commissioner to issue a certificate.

It is necessary, too, to say a few brief words on the nature of the certificate. Because, again, there seems to have been a measure of confusion and misunderstanding judging from what I have read in the Press. The certificate does not confer professional status on anybody, nor does it permit any person to whom it is granted the right to do anything which would otherwise be illegal. The certificate does not make a man a medical practitioner, or a dentist, or a legal practitioner for that matter. The certificate has nothing to do with professional status or the rights, privileges and immunities of the several professions. The certificate is only evidence that a person to whom the tax liability and obligations set out in the amending legislation attaches, has, in fact, discharged those obligations and those liabilities. In other words, the certificate is evidence of the person's good standing as far as income taxation obligations are concerned. It does that, and it does only that.

The provisions set out in the proposed subsection 13 to section 35 states quite clearly that the grant of a certificate shall not entitle any person to do anything which would otherwise be unlawful. But because of this misunderstanding it has been thought appropriate to propose an Amendment to that subsection 13 which would it clearer if that is possible, that the certificate relates only to tax obligation.

Reference was made to the fact that the Commissioner has the power to revoke a certificate. I think I should explain very carefully to hon. Members that that power to revoke when the professional is no longer entitled to practise for reasons which have nothing to do with income tax. In other words, if the Commissioner has issued a practice certificate and subsequent to the issue of that practice certificate, let us say, a legal practitioner was struck off the roll, in those circumstances the Commissioner has power under the legislation to revoke the practice certificate. But it is not a power and revocation exercised in relation to anything to do with income tax. The power to revoke is limited in that way and the proposed legislation seeks to make that very clear.

There are, of course, penalties, because this type of legislation without penalties for breaches would be nugatory. The penalties are too high. I would have thought that the amount of the penalty ought not to worry professional people because I cannot conceive professional persons to whom this legislation applies breaching the provisions of the law and opening themselves to prosecution. But nevertheless, in deference to representations which have been made, I will propose certain reduction in the amounts of the penalties as they appear in the Bill itself.

Mr. Speaker, to conclude, to recapitulate I should point out that apart from the payment of a licence fee of \$200, the legislation does not seek to impose upon any professional person any obligation more than already exists under the law, except that the legislation is now so formed as to ensure compliance with the existing law. I pointed out that ordinary persons, salaried persons, persons in receipt of wages, have long been compelled by reason of the way the P.A.Y.E system is structured to comply with income tax laws and the State has been in position to be able to obtain from such persons their fair return by way of income tax payment. This Bill which is now being presented to this House seeks to ensure that as far as possible self-employed persons are put in the same position. That is, they are put in a position where the State ensures that they comply with the income tax laws by making their returns and by making income tax payments which reflect fairly the income tax which they ought to pay.

**8.25 p.m.**

This Bill is, of course, a money Bill, which I have signified to Your Honour already, has received the blessing of Cabinet and now for the purposes of general information, I signify in accordance with paragraph (2) of article 80 of the Constitution that Cabinet has recommended it for consideration by the National Assembly. With that formality, Mr. Speaker, I move that the Bill be read a Second time.

*Question proposed.*

**Mr. Jagan:** Mr. Speaker, I think the modern trend of taxation is that those who can afford to pay should be made to pay. I do not think anyone should have any objection to this. I

am surprised that my hon. Friend should say that the system as it is today is not adequate for recovering taxation from the professional man.

I think it was in 1929 that legislation was first enacted that everyone who is in receipt of a salary should send in return, and is compelled to make a return. If a person does not send in his income tax return, then, in my view, that person is even worse off than the person who had sent out his return, because the Commissioner can then assess him arbitrarily, and unless he appeals, he has to pay according to the assessment that has been made by the Commissioner, and which carries interest at the rate of 12 to 15 per cent. So, I cannot see that there is not adequate power in the hands of the Commissioner right now to deal with persons who do not send in returns.

As far as the question of payment of tax is concerned, under the legislation which was passed last December, the Income Tax (Amendment) No. 2 Act, 1970, persons are required to pay taxes that are due. At one stage, I was not too sure whether this \$200, which one is required to pay, was income tax, or, what was the motive of the Government in introducing and requiring this payment.

It would seem from what my learned friend has said, that this is a measure for recovering taxes which some of the professionals did not pay although they were liable to pay. But there again, the Commissioner of Inland Revenue has the power, if he feels the return is not correct, to go into the matter. He need not accept what the taxpayer has submitted and the Commissioner can assess the person arbitrarily. Then there is the process of appeal, so I do not see how, apart from this question of \$200, with which I will deal in a minute, there is not enough power in the hands of the Government. Maybe the Commissioner does not have enough staff to carry out the duties in his office, but it is for the Government to supply competent staff for the Department.

This measure is obviously a question of double taxation on certain people because they would be required to pay their taxes under the Income Tax Ordinance and under this measure they would be required to pay an extra \$200, which in effect would be income tax as stated by my learned Friend. Terming it a licence, a certificate, is calling a rose by any other name. The Government wants more money and it is looking at the professional people, and sooner or later, everyone will be paying a double set of income tax.

The whole object, as I understand it, in this measure is really as stated by the hon. Minister, that some professional men are not sending in their returns, they are not paying tax due to the Government, and this is a measure to get some of the taxes. Surely, the Government cannot say all professionals are not paying taxes that are due. Surely, this method would have the effect of double taxation on those persons who are already paying. I will just refer to some of the provisions of this Bill.

Hon. Members on the other side have said we must not regard this as a question of income tax but as a license taken out by other persons in the community, shopkeepers and many others, yet those persons who have to take out a license are not required to send in their returns or to pay taxes before another license for the following year is given to them. I suppose the Commissioner can use his power under the law as it is to deal with them, and to deal with the professionals in the same way out, my learned friend says that under the old system the law is inadequate. What about all those different types and classes of persons who have to take out annual licenses but who are not required to send in returns and pay taxes that are due? Why should it be limited to the professionals if we are talking about a question of a license having nothing to do with income tax?

It seems very amusing because one has to decide whether it is income tax. If it is a question of license, then all professionals should pay, whether they are employed in Government services or not. But in fact, that is not so under the Bill. Under the Bill, any person who is employed not only in Government services or by the Government but also in certain other types of organizations would not be required to take out a license. Let me give an example. As I understand the Bill, if Bookers, for instance, in carrying out their business in the manufacture of sugar employed a doctor to work in their services, to treat sugar workers, that doctor would not be required to take out a license.

**8.35 p.m.**

On the other hand, a doctor who is performing the same services as a medical practitioner who is employed at, let us say, the St Joseph's Mercy Hospital would have to take out a license. Both men are professional persons, both are employed to carry out the duties of a medical practitioner,

yet, because of the way the law is drafted, only the one who is employed with a firm carrying out the work of this particular profession will be required to take out a license.

For instance, if a man is an accountant he only takes out a license if he is employed by a firm that is doing accountancy. An accountant who is employed by the firm of Barcellos, for instance, would have to take out a license, whereas an accountant who is employed with Bookers would not have to do so. Yet both persons will be paying tax under the P.A.Y.E. system.

There is no question here of robbing the Income Tax Department. Both persons would be in receipt of salaries from which income tax would be deducted under the P.A.Y.E. One accountant would have to take out the license; the other would not be required to take it out. Surely that cannot be right.

Perhaps the Minister will be able to say whether my interpretation of clause 2 and the proposed Amendment 35(3) (a) and (b) is correct. My interpretation of this provision is that a medical practitioner in the Government service will not be required to take out a license, but if he does private practice in the afternoon he would be required to take out a license.

That is my interpretation. The Government might be of the view that he is not sending in a proper return from his private practice and that is why he is brought in, but what about the other types of cases I have cited where there is no opportunity whatsoever for a person to evade the tax that is due?

Let us take an engineer, for instance, who is employed by a firm of engineers. He would fall in the same category as the doctor in the example I have given. He normally would be required to take out a license because he is employed by a firm of engineers. But that same person, if he leaves that employment and is employed by Bookers where he has to carry out the same duties and receives the same salary with conditions similar to the previous employment, would not be required to take out the license.

Surely there is something wrong here, because if neither person has an opportunity to evade the payment of the tax that is due then the same provision should apply to both, that is,

neither should be asked to take out a license, or both should be asked. There should be no discrimination because they are performing the same type of work.

There is the other question about exhibiting the certificate with a severe penalty for non-compliance. What about a case where a person is working in the field day only? For instance, an engineer who is employed full-time with a firm of engineers but is required in the evening to do a job here and there. Where would that person be required to exhibit that certificate? I understand that he would have to do it at the place where he is carrying on his business. I think that the hon. Minister should consider this aspect also because it carries a very heavy penalty for persons who do not exhibit this certificate in the place where they perform their duties. The man has an office where he works during the day, that is, at his employer.

We could also find a situation where a professional employs another professional. Let us take a case like the firm of Clarke and Martin or Cameron and Shepherd. If a practitioner is employed by the firm, if he has sent in his return and is up to date with payment and is given a certificate but his employer does not comply it would mean that the man could not practice. He would have to find employment somewhere else because each professional person comprising the firm would have to take out a certificate. Unless they do that they cannot practice.

As I see it, there is really no need for this legislation. I understand from my hon. and learned Friend that there was complete - I do not think that he used the word "complete", but I think he meant it - agreement between himself and the professionals. I have checked with some of the professionals who met my hon. and learned Friend (Mr. Hoyte) and all I can say is that there must have been some misunderstanding.

**8.45 p.m.**

First of all, the proposed Amendment that my learned and hon. Friend intends to move saying that the question of onus of proof would be on the person practicing I understand that was never discussed with the professionals. Your Honour, as we all understand the Criminal Law, normally the State should prove its case against the person. Let us take the case of hire-car drivers. When the police set a trap on them— *[Interruption]* If two persons make a report that someone is

practicing for reward it is difficult for the person to prove otherwise also. *[Interruption]* My learned and hon. Friend is telling me that he could give the excuse that he did not collect any fee because the persons are relatives. But suppose two vindictive persons go and say “Look, I have paid this man so much money to do my case or to perform an operation” or something like that and no receipt was issued – because it is said that the practitioners and the professionals do not issue receipts – it would be difficult for that person now to prove that he did not do it for a reward.

Your Honour, dealing with the other aspect of the Bill as I understand my learned and hon. Friend, there was the greatest disagreement as to tying up the certificate – to obtaining the certificate with the payment of taxes. Now as I understand the proposal that my learned and hon. Friend intends to move it is that a person would be required to send in his tax returns – which I have no objections to – in fact, as I said, it may be a blessing for the professionals because the Commissioner has much wide powers when they do not send in their returns. But the other question is this: One has to comply with section 47(a). The proposal as printed was that one had to pay all taxes due even five, six or seven years ago up to today before the certificate is issued. Whereas under the proposed Amendment one would send in one’s tax returns and pays the four instalments for the previous year as determined according to the returns for the previous year, and then one is given the certificate. So far as obtaining a certificate next February it is all right. This is what the professionals thought, that it will continue, that all they have to do is: “Oh I think I will assess myself as X dollars and once I send in the X dollars, I will go to the Commissioner in February and say Mr. Commissioner I have assessed myself as X dollars and I have paid the X dollars.” As I understood it that was what is put to the professionals by the hon. Minister.

As I said, there is some misunderstanding. But this provision would work for next year February. So far, so good. But it is the following year. Because let us take, this would be 1972, obtaining a certificate in 1972 would be all right. This is what the professionals thought the Amendment would be, and they thought that in the following year they would assess themselves by X dollars, they would pay the X dollars, and if the Commissioner thinks they are liable to pay more than X dollars – X plus Y then the Commissioner would assess him X plus Y and if they

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decide to appeal they would go through the procedure if appealing and so on. If finally they have to pay X plus Y dollars, their understanding is that the Y would be recovered in the ordinary course as it now exists. But that is not how this Amendment is drafted.

Let us say a professional submitted his returns for last year during this year and by his returns he had to pay \$200 tax – this year under section 47(a) he was required to pay the same \$200 in four equal instalments, by April next year under the law he will be required to send in his returns. When he sends in his returns the Commissioner will say “Oh yes, I do not think you should only pay \$200 as you assessed yourself, you should pay \$2,000.” The Commissioner assesses him at \$2,000 he no doubt might appeal. Eventually after the appeal is finished, it may not finish next year but the appeal might continue until 1974. But let us say in 1974 the appeal has been determined and it is established that he has to pay \$2,000 for 1971 it means that when he goes for that certificate in 1975 he will have to pay what was assessed, the amount that was determined, and the arrears that was determined by the appeal. He would be required not only to pay, as the practitioner and professionals thought, only what they assessed themselves but they would also have to pay the determination of the appeal amount before the certificate will be issued to them. It is just as it was before, only that they do not have to pay the taxes from now going back. But from now on it would remain the same. It was that what the professionals were objecting to, that they would be prevented from obtaining a certificate to pay the tax that is due from them.

8.55 p.m.

What the professionals had seen my learned friend about was their stand that they ought not to be made to pay out all their taxes that are due at the time of obtaining the certificate. But in affect that is what would happen from 1972 and 1973 judging from the way the clause was drafted, and some of them said that they did not see the amendment. But I accepted my learned friend's word that he had given them the proposed Amendment.

As I have said, the professionals did not understand the Amendment. I saw some of the doctors this afternoon when the sitting was suspended and they said they were advised the same way. In fact, when I spoke to the hon. Minister yesterday when he was explaining the proposed

Amendment, before I saw it, that is what I understood also, that you would only send your instalment and satisfy the Commissioner that you have paid your instalment and your certificate will be granted; that would only happen in 1972. My learned friend did not explain the thing fully to them because the measure as proposed would have the same effect on the professionals in 1972 and 1973 when they go to obtain their certificate. They would find that there are taxes they have to pay.

My learned friend referred to the Budget Speech in 1969 moved by my friend the Minister of Agriculture. As my friend read it, there was nothing in that Speech to indicate that this license would be tied up with this tax provision. At that stage, although there was nothing to tie it up with the sending of returns and payment of tax, a delegation saw the Minister of Agriculture and because they had persuaded him it was not a fair way of taxing people, he dropped it.

Your Honour, I have said that persons should be taxed according to their means and that is why I do not agree to tax persons a fixed license of \$200. There are many professionals as defined by this Bill who would find it most difficult to pay a \$200 a year license. It is not that all professionals, as some people feel, make money. There are many people who will be caught, pharmacists, even lawyers. There are many lawyers in the street; I sometimes wonder how they are living. They live in debt. I think this was raised with my learned friend when dealing with pharmacists. Some drug stores in Regent Street, they do not have anything much selling. Those people hardly do any business and it would be unfair for this type of professional to pay a license of \$200 when compared with other professionals, who make far more money than that.

I feel that the question of fixing even this \$200 should not have been forced upon the professionals by the Government. There may be 350 or 400 professionals who will be caught under the Act, if so many, and I am sure the Government will have to set up machinery to deal with this matter. I wonder whether it will be worth the Government's while to collect the \$200 from the professionals having regard to the expenditure in collecting it. I remember the Government had given the excuse, in the repealing the gift tax, that although were collected

under the gift, it was not worth the Government's while because of the small returns when compared with the expenditure.

I am sure other members will deal with other aspects as to how this \$200 will affect the population as a whole. In fact, I think some of the professional bodies even tried to persuade my learned friend this afternoon to defer the Bill because they said they did not understand that the effect of the Amendment would have been as the hon. Minister is now proposing.

**9.05 p.m.**

As I said when the hon. Minister was reading the section, the proposed Amendment is even more worse, because previously the Commissioner had a discretion. In the Bill as drafted, one would have to pay all the tax or make some arrangement with the Commissioner as to payment. But the Amendment as it is proposed now, and which, as I understand from my hon. and learned Friend, the professionals accepted, is that this discretion should now be taken away.

It means that the person will have to pay all the tax that is due, whether he can find the money or not and even if the Commissioner were willing to exercise his discretion and say, "Pay so much per month or so much per year". My hon. and learned Friend called the names of the professional men who met him. Something must have gone wrong with those who advised them even the Bar Association was represented. I understand the leader of the delegation was a member of the Bar Association to be discussed and therefore no one had an opportunity to deal it.

From what my hon. and learned Friend said, he last met the delegation on Tuesday afternoon. I was told that members of the delegation were shocked when they heard that this matter was to be debated today because they said that they would have to go to their various organizations to find out, what, in effect, the proposed Amendment implied.

That is why, for instance, apart from the legal practitioners who were in the delegation, none of the other professional bodies had any advice as to the implication of the Amendment. According to my hon. and learned Friend, on Tuesday afternoon this matter was discussed, and therefore, apart from the legal practitioners who were in the delegation, all the other professional

bodies were without proper advice as to what the Amendment really means. As I said, even the lawyers confessed that they did not realize the implication of the Bill and the Amendment.

Having regard to what I have said, I would point out that there is no necessity whatsoever for this measure. It is not only that: there is discrimination with regard to the different types of professional people. If two persons are employed in two different firms but doing the same type of job, one would have to pay and the other would not. In addition, if a person owes taxes there is adequate provision for the Government to move against him to recover the money due. It is said that a person must be permitted to work to pay the tax that is due, but under this legislation he will be denied that opportunity. We will find ourselves in a vicious circle.

For those reasons, we on this side of the House cannot support this measure as proposed by my hon. and learned Friend.

**Mr. Speaker:** The hon. Member Mr. Vincent Teekah

**Mr. Teekah:** Mr. Speaker, the Tax (Amendment) Bill, 1971 adds another dimension to the gripping fear in our nation today. Even in its amended form the Bill imposes an unnecessary tax on certain categories of persons. Also, if this Bill becomes law, it will be a very harsh law as too much power will be concentrated in the hands of the Government and in the hands of the Commissioner of Inland Revenue.

This Bill is totally uncalled for. Lest there is any misunderstanding let me hasten to express the view that we on this side of the House agree with income tax. We agree with the principle that a person must pay income tax on the basis of his earnings. We do not oppose that principle, but we contend that even at the present time, there are wide powers at the disposal of the Commissioner of the Inland Revenue in the existing laws of our country. Thus, there is no need to bring this piece of legislation to the House.

As I see it, there are among others, two main reasons why the Government has sought to bring this Bill before the National Assembly today. This Bill seeks to demand a double tax from the professional class. As I shall later explain in the course of my intervention, apart from a

professional having to pay income tax, like any other Guyanese, he will now have to pay as a license fee the sum of \$200.

The second main reason, as I see it, is that it is a weapon in the hands of the Government to use at any time to demolish any critic, any opponent, of the Government.

**9.15 p.m.**

Mr. Speaker, the hon. Minister of Finance, in moving the Second reading of this bill, said that the contention that the professional license should not be linked with payment of income tax defeats the whole purpose of this legislation. One gathers from this statement that the hon. Minister of Finance is saying that it is not so much the question of the fee for the license; it is a question that the certificate is necessary, it is a necessary means to extract or to bring about the payment of the income tax of the professionals who fall within the scope of this Bill.

Assuming that the hon. Minister of Finance is sincere in his argument, assuming that this is the motive of the proposed legislation, then the license fee ought to be a nominal fee. Because to obtain the certificate is just something nominal. It is not the main thing as the hon. Minister of Finance told the House because he said you must not link it with income tax because it is a means by which the people will be forced to pay up their income tax. Being in possession of a certificate makes sure that that professional has paid up his income tax, to use the words of the hon. Minister of Finance, that that professional is in good standing as far as the discharge of his income tax obligation is concerned.

One would have thought, therefore, that in considering the fee for this license that the Government and particularly the hon. Minister of Finance would have taken this very important aspect into consideration. One therefore would look out for the fee being just a nominal fee as it is in other countries where this measure has been implemented. Take for example, in Trinidad, a professional license for doctors is only \$10; in Canada, the fee is \$25; in the United Kingdom it is just \$2. The very important point to note is that this fee is not paid to the Government of those countries. The fee is paid to professional associations. There is a very important distinction here. It is paid to the professional bodies which assist to bring about an improvement, a lifting of the

standard of those professions. Such sums assist in the carrying out of research. Doctors are aided and assisted in the carrying out of research. The same system exists with respect to engineers and other professionals, who are asked to pay the same fee. Therefore, it is a nominal figure; but in Guyana what do we find? The sum of \$20, could that be a nominal fee? Certainly there is a vast difference between \$200 and \$20 comparing Guyana and Trinidad two countries with almost similar standards of living. Probably the cost of living is higher in Guyana than in Trinidad because the real wages of the workers are lower in Trinidad. *[Interruption by the hon. Minister of Finance]* You have to compare the cost of living with the real wages of the worker; you cannot divorce the two.

Therefore, the point is reinforced that this Bill seeks to extract double taxation from the professional class of Guyana they are required to pay their income tax like any other Guyanese and in addition to that income tax they are required, each one, to pay the sum of \$200 a year. I should like to make the point that this Government has gone beyond its statements in 1966 as far as raising taxes between the period 1966/1972. As a matter of fact, in the Development Program if one examines what has been projected the amount that was projected to be raised in that Program between the period 1966/1972, this year being 1971, has by far been exceeded already; and we still have one year to go. Clearly, Mr. Speaker, this double tax will do much more harm than good for the nation of Guyana.

As I stand here I recall one evening listening to the radio, G.B.S., to the program "Action Line". There was made a statement during the day, I think it was by the hon. Minister of Labour, that Guyanese workers should pay an employment tax. There was a panel on "Action Line" comprising Dr. Wilfred David, Mr. George Depeana and Mr. Fred Wills and they were discussing whether or not Guyanese should pay this employment tax. Mr. Fred Wills, well-known P.N.C. member, the P.N.C. representative on the Elections Commission said that he did not agree with and employment tax because, in his words, Guyana was probably the most taxed country in the Western Hemisphere. Imagine no less a person than Mr. Fred Wills, an ardent supporter of the Government said that Guyana was probably the most taxed country in the Western Hemisphere. *[An hon. Member (Government): "Freedom of expression."]* At this point I agree that it is freedom of speech but what is pertinent to the House is that a strong Government

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supporter was saying that this country is probably the most taxed country in the western hemisphere. Does that mean that we need to have more taxes levied on the people?

9.25 p.m.

Does that justify this additional tax now being levied on certain categories of persons as proposed in this legislation?

What I want to explain to the Government is, that if it wants to boost the public purse, it should not try to squeeze the money from the small Guyanese. Such an act would most likely be a disincentive. What it ought to do is to look at the big people and take there the large sums of money which could be had. For example, the outflow from this country every year is \$60 million; taken away from the country every year by expatriate enterprises. Rather than looking at the \$60 million going out of the country, the Government comes now with a Sword of Damocles, waving it over the heads of the professionals. What the Government ought to do is to look at the areas where the possibilities of expanding the public purse exist without affecting Guyanese citizens. I now want to go into greater detail into this Bill.

Clause 2, the proposed section 35 (1), states: “35 (1) Save as hereinafter provided in this section, no person who practices as a person mentioned in the first schedule shall do so for reward in any year unless he is the holder of a practice certificate (hereinafter in this section referred to as ‘a certificate’) issued by the Commissioner of Inland Revenue (hereinafter in this section referred to as ‘the Commissioner’) in respect of that year.”

What is meant here is that unless the professional, who comes within the scope of this Bill, is granted a certificate by the Commissioner of Inland Revenue, he cannot practice his profession. Clearly, what is being imposed on the professional group of this country has not been imposed on any other group of persons, because every class of persons in Guyana, working class, capitalist class, farming class, if they do not pay their income tax, then the Commissioner of Inland Revenue can take legal proceedings against them. But they can still proceed in doing their business; they can carry on doing their jobs. Such very important persons like doctors, engineers, accountants, optometrists, dentists, lawyers, people for whom there is

such a great need, why is the Government bringing the most harsh law against them, why is the Government wielding an axe most heavily at them, swinging the Sword of Damocles over their heads, setting fire to their tails? These are the people to whom the Government is setting, not an incentive but a disincentive.

Nobody here, including the learned Minister of Finance, for whose ability I have a great admiration, who is no doubt a brilliant debater can convince this National Assembly that these people should be denied their livelihood if they did not pay up their income tax, because this is not so with any other group in Guyana. It is a question of justice. All those who are against injustice must speak out. It is an evil piece of legislation. No amount of heckling can paint injustice, justice. No amount of such cross talk could convince any fair-minded person that this is not wrong. If anyone does not pay his income tax, the existing law must be used against him as it is being used against any other Guyanese.

Another very obnoxious provision in this Bill is contained in the Second, Third and Fourth Schedules. I just want to quote from the Second Schedule.

“(d): “persons, who in the opinion of the Commissioner signified to such persons in writing, perform functions of a professional character normally carried out by a person entitled to use any of the designations or initials specified in the second and third columns of this schedule.”

**9.35 p.m.**

This, to my mind, is clothing the Commissioner of Inland Revenue with the authority and power, in his discretion, to issue a practice certificate to anyone who is carrying out the functions of the persons mentioned in the First Schedule. The hon. Minister said in his intervention that the issuing of a certificate does not mean granting professional status to a person, but the fact that the certificate is the thing by which the person could practice. It is the means by which a person could practice: if he does not have the certificate he cannot practice regardless of the qualifications he has. Now any person whom the Commissioner of Inland Revenue thinks fit to

have a certificate could have a certificate and could carry out the functions of any such professional.

I listened very carefully to the hon. Minister of Finance and he did say that the Commissioner of Inland Revenue cannot grant professional status to a man and make him become a doctor, a lawyer, an optometrist or a dentist, but certainly there are many persons who accountants or engineers who might be given such certificates. This provision is far too wide because it could be used conveniently at the whims and fancies of the Commissioner of Inland Revenue. When I make this statement, I do not mean the present holder of the post of Commissioner of Inland Revenue because he might be a very impartial person. But who knows in the future may become Commissioner of Inland Revenue. Therefore, this is a very offensive measure because it gives to the Commissioner of Inland Revenue sweeping powers to give certificates to any person whom he thinks fit to receive such certificates while at the same time he can prevent certificates being issued to persons although they possess the necessary qualifications and thus prevent them from practicing their professions.

If this Government did not have anything sinister at the back of its mind, if it did not have some ulterior motive which is not in the best interest of the Guyanese nation, why did it not make provision in this Bill for the appointment of a general Professional Board to issue this certificate and not for one person to do so. In the United Kingdom there is a professional board to issue the necessary certificates for each profession. I do not see why the same thing should not be applicable to Guyana. Certainly it extends democracy; it prevents dictatorship; it prevents power being concentrated in the hands of one man and the hon. Minister of Finance is aware of the old maxim, "Power corrupts and absolute power corrupts absolutely."

What I think would have been a good thing, and I am sure it would have won the admiration of the professionals, would have been for this Government to set up a general professional board comprising the twelve categories mentioned- accountants, architects, auditors, dentists, engineers legal practitioners, medical practitioners, optometrists, pharmacists, etc., with the Commissioner of Inland Revenue as chairman of the board and let each professional association elect its representative to the board. There would then be this general professional

board with the Commissioner of Inland Revenue as Chairman. This would be democratic. Each professional coming within the ambit of this legislation would be required to submit an audited statement of his income for any particular year. If the board is satisfied that the statement reflects the correct income earned during that year under review, then a certificate would be issued. That would be democracy and that would have won the respect and admiration of the professionals for the P.N.C Government and particularly for the hon. Minister of Finance.

I am not a member of the P.N.C but had that been done it would have been a feather in the cap of the P.N.C Government. That would have been to its credit, but this smacks of dictatorship and it will result in more disrespect, more disregard, for the P.N.C Government. It is against the interest of the P.N.C Government that this Bill has been brought before this House. There is another very offensive paragraph, paragraph (b) of subsection (3) of the proposed section 35. I quote:

“Any person who practices as mentioned in that subsection in the course of his being wholly employed in the service of another whose undertaking or business does not comprise the rendering of services of the nature of such practice.”

This thing clearly abounds with discrimination. It is unjust because how could you demand a certificate from a person who is working in a firm, but at the same time demand that certificate be obtained by a professional working in a firm, giving professional services, if that firm gives the same service to the community.

The hon. Minister of Finance said that this Bill is aimed at making sure that tax dodgers pay up their income tax, that it is aimed at these people in private practice or in partial private practice. If this is not so, the Minister can tell us. But if an accountant is paying P.A.Y.E. if he works with Bookers or Sandbach Parker and is giving accounting services he does not have to pay, but if he is giving accounting services to Pannell Fitzpatrick he would have to pay. I think that this Bill should have stated that provided the person is not a partner of the firm he would not be required to obtain a license.

But then I see the logic that if he is a partner of the firm and although he pays P.A.Y.E. he could probably have a share in the profit of the firm. That is unreasonable. But if he is not a partner of the firm and he works for a wage and he pays P.A.Y.E on the basis of a wage, well, why not absolve him from the certificate? *[Interruption]* But where does the experience come in? If he is not a partner, he does not have private practice at all, but he pays P.A.Y.E why demand that he possesses certificate? Mind you, all the holes have been blocked but at the same time demanding that he possess a certificate, clearly this is a blatant piece of discrimination. Therefore, this is wrong and I think it is not late for the hon. Minister of Finance to correct it. What I think might have happened is, the Government did not think about the possibility of a man working with a local firm but not being a partner but at the same time he has no private practice and at the same time he pays P.A.Y.E. Once you are not a partner you have nothing to fear.

There are a few more points I want to make concerning the effects this Bill will have on the people of our nation. I think it is very necessary that we have a very thorough discussion on this legislation because it will have very far-reaching effects on the population. The people who are to be affected by this Bill are mentioned in the First Schedule: doctors, lawyers, architects, engineers, accountants, surveyors, veterinary surgeons, physiotherapists, optometrists, pharmacists, auditors.

**Mr. Speaker:** Time!

**Mr. Hamid:** I beg to move that hon. Member be given 15 minutes to conclude his speech.

*Question put, and agreed to.*

**Mr. Speaker:** Hon. Member please proceed.

**Mr. Teekah:** Thanks to the Government for its kind consideration. The point I wish to make is that in this country today emigration is something which plagues the nation. About 6,000 persons leave Guyana every year permanently and among those who leave are persons who are mentioned here in the First Schedule.

Mr. Speaker, as a developing nation we need to keep all our qualified people, all our skilled people, all our professionals at home. As I understand from announcements by the Government that it wants Guyanese to man the enterprises in this country, it wants, according to the statements, Guyanese to man the bauxite industry. If perchance there is further nationalization it will be the Guyanese engineers and other Guyanese technicians who will be required to stay here and help us develop Guyana. One would have thought that with this in mind the Government would not have embarked upon this piece of legislation.

This Tax (Amendment) Bill 1971 destroys the hope in the future of Guyana of all honest and progressive intellectuals or professionals, to every skilled Guyanese that the Commissioner of Inland Revenue and his officials are now being made into the firing squad of the Government. Do we think that by passing such a legislation we would be able to retain our most brilliant people? Would we be able to retain in this country the skilled people whom we want for the future development of this country? Ever so often the hon. Prime Minister, the hon. Deputy Prime Minister and other Ministries of the Government speak about having faith in the Government, having faith in the country, having faith in the future of Guyana, that the skilled people must stay at home to help to build. Now the Government has thrown out a package of dynamite under the seat of every professional in this country. Is it reasonable to expect that they stay here and face all the differences that are normally faced in helping to build a nation?

Mr. Speaker, I just want to quote for you and for the benefit of this House all the figures. Two years ago 197 doctors were registered. Today, in Guyana, two years after, there are registered only 157 doctors. It means that 25 doctors have left Guyana within the past two years. Will this Bill help to bring back these doctors? Will this Bill help to keep our doctors? Will it tell the doctors, "Have confidence in Guyana, stay here and work for the benefit of Guyana?" Everyone knows that in Guyana today there is tremendous shortage of doctors to the extent that they have to rely on the importation of semi-qualified doctors from South Korea- very inexperienced doctors from the Philippines and Thailand – and our own doctors, very qualified, very experienced are being chased away from the shores of this country. Mind you, that was when there was no Tax (Amendment) Bill 1971. Is it reasonable to expect them with this now made law to stay here?

What is the position as regards dentists? It is true – I have made an investigation – that there are only seven qualified dentists in this country. One dentist told me that he had appointments up to the end of 1971. Because of the very reason, there are many quacks. Seven dentists in the whole of Guyana. There comes this piece of legislation. Will we be able to retain them, will we able to bring back those who have left this country, by this legislation?

Optometrists: They also come within the purview of this legislation. There are only eight optometrists in this country. What is being done would not make them stay. It would be no encouragement for them to stay and work for the development of Guyana. And who suffers? The

Guyanese nation: Engineers, surveyors, everyday they leave Guyana for the Bahamas, Jamaica, for the United Kingdom, for Canada. This, of course as I said earlier, will add a new dimension to the immigration figures, so much so, that the engineers are leaving now that Government has introduced conditional scholarships for persons to study engineering. Although the Prime Minister, when he was leader of the opposition, said he did not believe in conditional scholarships, now this Government has to respect to this in order to keep the professionals back.

#### SUSPENSION OF STANDNG ORDERN0. 9 (1)

**The Minister of Housing and Reconstruction (Leader of the House**(Mr. Ramsaroop):  
Your Honour, I wish to draw to your attention that it is patent that we shall be proceeding beyond 10 o' clock. In the circumstance may I ask with respect, that Standing Order 9 (1) relating to the hours of sitting of this House be suspended so that this debate can be continued until it is finished.

*Question put, and agreed to.*

*Standing Order 9 (1) suspended.*

*Resumption of Debate*

**Mr. Speaker:** Hon. Member Mr. Teekah, you may continue.

**Mr. Teekah:** In winding up, I want to say that this piece of legislation will not help to stop the brain drain from Guyana. It will cause a greater brain drain from Guyana and any Government worthy of its salt, any Government which has the interest of the nation at heart, would do all in its power to stop the brain drain and to introduce new confidence in that country where it governs. Indeed, we deplore this full-blooded attack on skilled Guyanese who are to be affected by this legislation. This is an attack totally uncalled for. This onslaught on the better qualified Guyanese citizens, the more skilled Guyanese, in short, the professional Guyanese, will, I am sure, be to the detriment not only of the P.N.C Government but also to the whole nation.

What ought to be done is that this Government should be thinking of ways and means by which it can create confidence in the future of our nation. What should be done and what I would suggest that this Government from now on should do is that it should work towards not chasing away of or the attack on skilled Guyanese, but it should work for a heavy attack on imperialism and neo colonialism in Guyana. Organize all the working people of Guyana including the skilled Guyanese, for the mobilization of all Guyanese working people, including the better qualified and the better skilled, for an attack on imperialism and neo colonialism and the building of genuine socialism in our country. Thank you.

**Mr. Speaker:** Hon. Members, this may be a convenient opportunity to take the suspension.

*Sitting suspended at 10 p.m.*

**10.17 p.m.**

*On resumption -*

**Mr. M. F. Singh:** It is a definite fact that when the Bill before this House was first published, it was opposed in its entirety by all persons affected. It was opposed as a wicked and discriminatory piece of legislation. Even you, Mr. Speaker, will be caught by the provisions of this Bill. Even strong supporters of the P.N.C opposed and denounced the Bill. Two Sundays ago, I attended a joint meeting of the Law Society and the Bar Association at the Law Courts and

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that meeting included members of the P.N.C, lawyers who are known to be staunch supporters of the P.N.C., and they all with one voice voted to oppose the Bill in its entirety.

Now, after negotiations, meetings with the hon. Minister of Finance, we are told that they accepted Amendments to the Bill; they accepted presumably what they thought was the lesser of two evils, little realizing, as my learned and hon. Friend Mr. Derek Jagan pointed out, that in the final analysis they would be caught up with the same dilemma, having to pay arrears of PAYE and tax. I need not reiterate what my learned friend said, but suffice it to say in a few years from now they will have to pay all arrears based on the assessment of the Commissioner, before they are granted their practice licenses.

10.20 p.m.

Even my socialist friends in the P.P.P are opposing this Bill. We in the United Force will continue to oppose this Bill in its entirety.

What is the real evil, the real mischief, in this Bill? I am going to be blunt and say what is the real evil and mischief in it. This Bill seeks to control a certain section of the educated class in this country to the extent that if the political bosses give the necessary directions and those directions are carried out, then a professional will not be able to obtain his certificate to practice.

I am not saying that the present Commissioner of Inland Revenue will carry out the directions of political persons in this country who are in fact his bosses, but human nature being what it is, there may come a time – this legislation ensures from now onwards – when somebody else will do it. Therein lies the evil. As long there is a probability that political directions will be carried out in order to prevent a professional from obtaining his certificate to practice, then one must condemn the kind of legislation which permits this.

My hon. and learned Friend, Mr. Derek Jagan, gave a typical example of how this could happen. As he said, if there is an assessment by the Commissioner of Inland Revenue of \$2,000 instead of the self-assessment of \$200, then the next year, on P.A.Y.E. basis, one would have to pay \$2,000 in four quarters instead of \$200 self-assessment. Whatever arrears there are will have to be paid also before one could get the certificate.

We in this House are all aware of the very wide powers of the Commissioner of Inland Revenue. All of us, at some time or the other, have tax problems, but it is a fact, with the wide powers of the Commissioner of Inland Revenue, there are a thousand and one ways in which reasons can be found to create more problems for a professional and so make it difficult for them to have their income tax matters settled in such a way as to obtain their practice certificates.

Let us examine this matter very carefully. What is the P.N.C. Government really doing? *[Interruption]* I shall not try to out-P.N.C. the P.N.C. as certain friends of mine do. I have no wish to out-P.N.C. the P.N.C. I speak by the dictates of my conscience and my conscience tells me that this legislation shows rank and discrimination.

What is the Government really doing here? It is discriminating against one section of the community, making a law which ostensibly is aimed at persons in one section of the community alone. The legislation aims at compelling prompt payment of income tax, not everybody, but one section of the community. It is said that this is a measure to enforce the payment of income tax. Income tax must be paid by all but the Government is discriminating against one set of people alone.

If the Government is seeking to have prompt payment of income tax, then surely what is required is a realistic look at the present income tax provisions, to streamline and make more efficient the income tax department so that it can function against one and all equally and not for the Government to try to arrogate to itself to right attack only one section.

Let me give an example of further discrimination. If I were a lawyer practicing with Cameron and Shepherd I would have to pay the sum of \$200, but if I were a lawyer working with Bookers I would not have to pay the tax of \$200. Obviously this is gross discrimination. Income tax would be paid under the P.A.Y.E. system in both cases but in one case the tax would have to be paid and not in the other case. What sort of discrimination are we indulging in? The Government is merely using a weapon to get at one particular group of people, lawyers and doctors. What about electricians? What about hairdressers and calypsonians? What about the barbers? They have money, too, in spite of everything else.

There are very wide powers in the present income tax law which the Commissioner of Inland Revenue can use. The answer is to get the income tax department to function properly. If more powers are needed to collect income tax efficiently, then come to this House and propose the powers. State what additional powers are needed. Come and let us grant them, but do not arbitrarily pick on one section of the community.

What this Bill is really trying to do is to further entrench the dictatorial powers which this Government has arrogated to itself. The result will be that those who do not toe the line will not get certificates to practice. How can the Government attract professional men to this country? There is talk of re-migration. There are so many schemes in the Prime Minister's Office to attract qualified persons back to Guyana. How can the Government possibly attract qualified persons in this category if it is seeking to discriminate against them? How can it possibly attract these people if it is creating disincentives by this kind of legislation which it seeks to promulgate? The P.N.C. Government is attempting to impose a tax on \$200 on all persons in the professions enumerated in this Bill.

**10.30 p.m.**

Mr. Speaker, our tax structure in this country, it is admitted, is the highest in the world - \$800 allowance for self, \$300 for children. What ridiculous figures! The young practitioner, the struggling practitioner, the struggling man, if he were a young land surveyor, all of them have to get the \$200 to pay before they can be allowed to practice their profession. If we really want to deal with those people who are evading tax, then I say deal with them under the existing tax laws or bring forward tax laws to apply to all to enable you to deal with that if you do not have the power at the present moment. But do not let us try to cover the ineffectiveness of the Inland Revenue Department by penalizing and discriminating against one section of the community because you have found a way in which you can squeeze a certain set of people, you hold on to them and squeeze them and forget about everybody else. What we are doing here today is giving plenty of power to one man, the Commissioner of Inland Revenue, to issue this certificate to practice. He is one person who is given the right to issue that certificate which when exhibited in an office leaves all and sundry to assume that the person is qualified and entitled to practice

whatever it is that he is practicing. One man has the power and the various means by which he could deny a man the right to practice his calling, to deny a man the right to work, because in the final analysis this is what it comes to. One would have thought that this is a fundamental right. Indeed there is a school of thought that this legislation is unconstitutional. One would have thought that it would have been realized by the Members of the Government that a professional man admitted to practice is entitled to continue to practice his profession or calling unless he was guilty of some misconduct. But no. In this case one man is given the power to deny a man the right to live, to earn his livelihood.

Mr. Speaker, I am issuing a serious warning To All Members Of This House And Indeed To All Guyanese If We Allow This Kind Of Legislation To Pass In This House There Will Be No End. Today, It is the lawyers, the doctors, the engineers, the accountants and there is power to add to the Schedule; tomorrow it may be the electrician, the barber, the beautician, the butcher. Then next year it might be the cake shop owners, the next year it might be the rice farmers. There may be no end to this if we are to allow this kind of legislation to pass. We would all be eventually caught in the web of the P.N.C. dictatorship. That is why we must fix this now. That is why we must oppose this now. I call on every Member of this House to oppose this piece of wicked legislation. The very right to live is threatened here because if a man cannot earn his livelihood, if he cannot work, then his very right to live is threatened, his very right to live is being denied. I want to tell all those Members of this House who are laughing and being so facetious that this is a very serious matter. It may be well that the majority of the Backbenchers did not even bother to read the legislation, I urge them to think carefully and realize that this kind of legislation has to be opposed, that is, in fact, a move towards what appears to be absolute dictatorship tendency in Guyana.

**Mr. Speaker:** The hon. Member Mr. Lall.

**Mr. Lall:** Your honour, my only concern about this measure is how it will affect the working class in this country, the small man that we want to make a real man. If we examine this measure it will be seen that that it is designed to add more burden on the backs of those people who can less afford to pay for social services in this country. Now first of all, dental care is a

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necessity in a developing country. Let us ask the question whether dental facilities are being given free in Guyana. The answer is no. the workers and the rich people have to pay for dental care. The rich man can afford to pay. It is obvious when the dental surgeon has to pay \$200 more per year he will pass this on those people “downstairs”. It is obvious because of malnutrition that it is the poor people who have to go more frequently to the dental surgeon and it is the poor man who will suffer.

Let us take the legal practitioners. It is obvious that they will pass on the buck to the poor people. No one will doubt that it is an obligation of an individual to pay income tax, not to evade tax, but the system of tax collection is the function of the Government and it is not the function of the poor man in the street. The Government must make sure that it is not adding further pressure to the small man.

10.40 p.m.

Consultation fee alone for these legal practitioners will be \$10. Already they are charging \$5. What I am saying is, socialize the State and make a reasonable allowance to doctors and lawyers as I have seen in China, then there will be equitable distribution of services and wealth.

Let us take the medical practitioner. In a society developing such as ours, it is essential that we have maximum medical care not only for the young ones but for the grownups. What do we find in our public hospitals? We find there is a shortage of drugs, which causes the small man to go to a private practitioner. Thus, the buck will be passed on there to the small man. This is what the Opposition was concerned about when the E.T.B. was introduced, the 10 per cent charge. *[Interruption.]* Government must not try to browbeat one in this House. This is a democratic forum and we should have our say. We should expose and depose.

Let us take the pharmacists. When the private medical practitioner treats the small man, he does not give him tablets or medicine. He writes out a prescription. When he was charging \$3 for a prescription, he will double it because he will have to pay \$200 a year. The animal doctor. I am not talking about the hon. Deputy Prime Minister. He will charge double his fee for attending to animals. In our country we want to produce more dairy products, we want to produce more meat,

therefore, we have to look forward to the services of more doctors, and if the poor man wants services, he has to pay them. Bookers can afford to pay and when Bookers have anyone there, they can second him to Parliament. They can afford but can the poor man afford to pay now? This is our concern.

May I ask, through you, Your Honour: can the Government give us the assurance that the people listed here to pay \$200 a year license would not pass on this license fee? As I have said before, the Government is taking up PAYE from poor sugar workers who are receiving \$21 a week. I am saying without any hesitation that the practitioner making \$100 to \$200 a day must pay taxes, but what the Government should do, it should find ways and means of making them pay taxes. The Government should issue a special receipt book to these practitioners, with the Government's stamp; send a decoy to them and have a law inserted in the statute book of Guyana that if they are found guilty of dodging tax by not giving official receipts to the people, they cannot practice in Guyana. Only then, the Government can be assured that these tax dodgers will not dodge any more.

I am asking the Government to take my advice and to withdraw this Bill. I am asking the Government to take the advice I am giving and all sundry will agree that they will not disagree with this taxation. For fairplay and justice as far as the working people are concerned, I am humble asking the Minister of Finance to withdraw the Bill.

**Mr. Hoyte (replying):** Your Honour, I was particularly pained at the imputations which appeared to have been made against the competence and the intelligence of those distinguished professional people who discussed this Bill with me on behalf of their several associations and their colleagues.

**10.50 p.m.**

I find it difficult to understand how hon. Members who are themselves professional people can get up in this honourable House and say that their colleagues who were elected, or selected, to come and see me – I have no doubt their various professional bodies had every confidence in their integrity and their ability – did not understand what was agreed with me. I repeat that we

discussed very carefully, in a very detailed way, the amendments which I intimated to this honourable House I propose to make. The important point which concerned the members of the delegation, and by inference the professional bodies, was the provision contained in the proposed subsection 2 of the proposed section 35 and it was on the basis of proposals made by the delegation to me that the amendment was worked out.

I have every reason to feel that when I discuss matters with representatives of professional bodies and I come to an understanding with them that I am dealing with people who have the necessary authority and who represent the views of their colleagues. I cannot proceed on any other basis. Therefore, as far as I am concerned, as far as the Government is concerned, we come to this hon. House with an agreed position.

Generally, the interventions by hon. Members of the Opposition have been based on emotionalism and really have not been founded on any real consideration of the purport or contents of the Bill. It seem to me that, for one reason or another, hon. Members of the Opposition continue to misread the Bill and consequently to mis-lead themselves or delude themselves. I have made it abundantly clear that the Bill is rooted on the principle of compliance.

The whole system of tax administration all over the world is moving away from penalizing for noncompliance towards systems and procedures which make it impossible for taxpayers not to comply. The whole system of P.A.Y.E. for up wage earnings and salaried people is based on such a system of compliance. Up to now, self-employed people are outside of this system. Section 47A sets the first stage to bring them into a system which ensures compliance. Section 47A in itself is ineffective and is not complete in securing compliance because nobody has control over the income of the self-employed man in the way in which an employer has control over the income of an employed person and so this legislation seeks to carry the principle in section 47A a little further to its logical conclusion to ensure that the self-employed professional pays his P.A.Y.E and, what is more, makes his return.

I have already referred to the dismal compliance record of the professional people who are referred to in the Schedule and in case it has escaped the attention of hon. Members I will repeat that, of the professional groups we are talking about, only 7 per cent are, as of now, in

order. Only seven percent have filed all their income tax returns and have paid their tax or made arrangements with the Commissioner of Inland Revenue for the payment of those taxes. Seventy per cent have not even filed their income tax returns in respect of the year of assessment of 1971.

In such a situation it is difficult to see how anyone can claim that the present procedures and the present system are adequate. The fact of the matter is that they are not adequate, they are not adequate to deal with the self-employed people who are not compliance-minded and it appears from the figures that the majority of these people are not compliance-minded. I do not think it is any argument to say that you can sue the man, you can take him to court, because these systems are tortuous; they are time-consuming and they are inefficient. And it is because of these reasons that the whole thrust, I repeat, is towards the principle of ensuring compliance.

The hon. Member Mr. Derek Jagan made the criticism that the legislation seeks to discriminate against a particular group of people who have been chosen, perhaps for an ulterior motive, and this burden was taken up by the hon. Member Mr. Feilden Singh. May I say, that that allegation is completely baseless. We are moving towards bringing erring self-employed people into the income tax fold, so to speak. One has to start somewhere, and the categories which have been listed in the Schedule are the obvious categories with which to start. Like the category of negligence, this category in the first Schedule is not closed. It is a beginning. Hon. Member Mr. Derek Jagan queried why not shopkeepers. The time will come when we will extend the list in the first Schedule to include a number of people who are at present escaping with not paying income tax or with not making their returns as required by law.

But no one has to understand and appreciate that there must be a beginning. It is no use making a list of a hundred categories and then finding that you do not have the personnel to service the system and therefore you have to delay and frustrations because, let there be no mistake, the whole system of income tax administration is being transformed in this country. There has been, earlier in this year, established a training school within the Inland Revenue Department where at present 24 income tax trainee inspectors are being trained. Every day the school is in session and these are the people who will service the new tax system. These are the

people who will ensure that there is expeditious treatment of taxpayers' problems and taxpayers' business.

11 p.m.

Whether they are recruited at Congress Place or at Freedom House is not the point in issue. What is important is that they are being trained to ensure that the valid criticisms which have been made about the failure of the Inland Revenue Department to process expeditiously will no longer be made. Let me say in passing, sir, and this may be sweet music to the ears of the professional people to whom this Bill refers, that by December 31<sup>st</sup> of this year all objections lodged by those persons will be disposed of. We are moving towards a system of promptness, expedition and efficiency. Also tied in with that will be a continuing system of ensuring that every citizen eligible to pay income tax is placed in that position where it is possible for him with the minimum of trouble to discharge his tax obligation to the State.

Again it has been argued that the legislation is discriminatory. I am not quite sure that I take the point, because all income taxation is discriminatory in the sense that some people pay more tax than others, all tax laws are discriminatory in the sense that certain categories have been taxed – shopkeepers, pharmacists for a time have been paying a fee for a certificate to exercise their profession. In that respect it is difficult really to follow the point. Against the point I have made, this is a beginning of a system which is going to be extended from time to time to bring more and more categories of persons – self-employed persons – into the Schedule. I think the allegation really has no merit. Let me make it quite clear that no Government today can sit idly by and permit a system which places a tax burden upon the small man for whom the hon. Member Mr. Harry Lall has shown such great solicitude. We have got to get away from the system where the sitting duck is shot down all the time. This legislation seeks to do that and it is the type of legislation to which Government offers no apology and for which Government takes a measure of credit.

The hon. Member Mr. Harry Lall raised the question as to the fate of the small man. Let me say that the small man will continue to bear the heavy tax burden if people who are not small are permitted to escape their just obligation. A measure like this is really aimed at ensuring that

all income tax which ought to be paid comes into the public exchequer so that the relief which ought to be given to the small man is in fact given. I have no doubt that when this system gets underway, when the tax outstanding is collected under the provision of this system, the relief to the small man will become possible as I said when I was opening the debate, by way of increasing allowances, granting more allowances and generally raising tax loans.

Mr. Speaker, I think I have attempted to deal with the main points which have been made by hon. Members of the Opposition who intervened in this debate.

*Bill read a Second time.*

*Assembly in Committee.*

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

*Clause 2.*

**Mr. Hoyte:** Mr. Chairman, I should like to propose certain amendments to clause 2 and I would suggest with your concurrence I propose all of the Amendments which refer to clause 2 at the same time. I propose that the proposed subsection 2 in the proposed section 35 which appears under subclause (c) of Clause 2 be deleted and the following be substituted:

(2) Save as hereinafter provided in this section no person shall be entitled to obtain a certificate unless he has (the burden of proof whereof shall lie on him) delivered to the Commissioner all returns which up to the date of his application for a certificate he is required by section 40 of the Income Tax Ordinance so to deliver an has up to that date compiled with section 47A of that Ordinance, if that section is applicable to him.

(b) In subsection (9) –

(i) **Substitution** of the words “one thousand” for the words “two thousand” and the words “three thousand” for the words “five thousand” in paragraph (a);

(ii) **Addition** of the following paragraph –

“(c) For the purposes of proceedings instituted against anyone alleged to be in breach of subsection (1) upon proof that such person practiced as a person mentioned in the first schedule it shall be presumed unless the contrary is shown by such person, that he did at the alleged time practice for reward.”;

**Substitution** of the following for the subsection 13 –

“(13) The provisions of this section shall have effect notwithstanding the provisions of any other law authorizing any person to practice as a person mentioned in the first schedule and the grant of a certificate shall not entitle any person to do anything which would otherwise be unlawful.”; and

(d) Deletion of the definition of the word “optician” appearing in the subsection (15).

*Amendment put, and agreed to.*

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

**11.10 p.m.**

Also add as paragraph (c) to subsection (9), the following:

“(c) For the purposes of proceedings instituted against anyone alleged to be in breach of subsection (1) upon proof that such person practiced as a person mentioned in the first schedule it shall be presumed, unless the contrary is shown by such person, that he did at the alleged time practice for reward.”

Also delete subsection (13) and substitute the following:

“(13) The provisions of this section shall have effect notwithstanding the provisions of any other law authorizing any person to practice as a person mentioned in the first schedule and the grant of a certificate shall not entitle any person to do anything which would otherwise be unlawful.”

In relation to subsection (15), delete the word “optician” and the definition of “optician” which appear there.

I should just like to make a few comments on these Amendments. The substitution of subsection (2), or the proposed section 35, arises out of proposals made by a delegation

representing professional groups who met me and made representations for a change of the provisions as they appear in the Bill as printed. This proposal came out of the delegation and was acted on by me, and was eventually accepted by the delegation as being just and reasonable.

With respect to the Amendment in subsection (9), again, that was a concession made to the delegation who thought that the fines proposed were too high, and therefore I propose to reduce the fines as indicated in the proposed Amendment. The addition of paragraph (c) in subsection (9) is one which lawyers will readily understand, the principle being that when something is in the peculiar knowledge of a person who has been charged with an offence, as for example, in license cases, the onus of proof is usually put upon him, and as lawyers know, proof is always on a balance of probabilities and is not a matter of strict proof, proof beyond reasonable doubt.

The deletion of the definition of “optician” in subsection (15) arose out of a recommendation of the optometrists’ association. They raised certain legal arguments which at first blush seem to have some merit, so it was proposed to delete “optician”, re-examine the definition at a later stage, and if the legal problem could be overcome, we can add it again. However, I am told it is unlikely there would be more than one person – and even in that case, it is doubtful – who would be caught by that definition, and that the definition of “optometrist” would catch all the persons who practice the profession of dealing with, supplying and fitting glasses to persons who have eye troubles.

**The Chairman:** Hon. Members, I propose to put each Amendment separately

**Mr. R.D. Persaud:** Mr. Chairman, I should like to seek clarification, I discovered that the Bill before the House speaks of Amendment of Chapter 298. I wonder if it is not Chapter 299. Income tax is Chapter 299 and Chapter 298 is tax in general.

**Mr. Hoyte:** Mr. Chairman, I wonder if it can answer that. Chapter 298 is correct. What this Bill seeks to do is to amend the Tax Ordinance, not the Income Tax Ordinance. The Tax Ordinance is Chapter 298. Chapter 298 has 34 sections and this Amendment proposes to add a section 35, in terms of the provision of the Bill, to the Tax Ordinance.

**The Chairman:** I will now put the Amendment in respect of subclause (2) of section 35 of clause 2 (c).

**Mr. R. D. Persaud:** This seems to be the bone of contention of everybody. I wonder if the hon. Minister will explain for us. If professional submits his return on or before the 30<sup>th</sup> April in the year 1972, for the year 1971, but he did not submit returns for the years 1968, 1969, and 1970, or even if he did submit his returns, he did not pay his income tax, if upon his submission of his return in 1972 for 1971, will he be required upon the submission of that return to pay all his income tax for the years for which he did not pay, or, if he did not submit his return, would he required on that occasion to submit all his returns before the license is granted to him? Or, if he did not pay for the years 1968, 1969, and 1970, and he submitted in 1972, when this Bill comes into operation, for 1971, would the normal course he followed for those years for which he did not comply with the Ordinance, in that if he did not pay, the normal course will prevail and action will be taken against him in Court?

I discovered from the words in clause 35(2) that the professional is given the right to make arrangements to the satisfaction of the Commissioner for the payment of all income tax that is due and payable by that person under the provision of the Income Tax Ordinance. This part of the subsection is not in the Amendment. I wonder, since this discretionary power, as I interpret it, is not provided for in the Amendment, if the Commissioner will be left with any discretion to allow the professional to make arrangements for payment or it will be compulsory for him to pay all the tax due upon the submission of his return.

**11.20 p.m.**

**Mr. Hoyte:** Mr. Chairman, may I answer the last question raised by the hon. Member Mr. Reepu Daman Persaud first. It is very strange that the professional delegation which met me objected very strenuously to this provision about making arrangements to the satisfaction of the Commissioner and, against my advice, proposed that the provision be deleted. I myself thought that it was a very helpful discretion for the Commissioner to have, certainly very helpful for taxpayers who may owe income tax but do not have the wherewithal to pay immediately everything that they owe. I followed that was said but really could not appreciate the validity of

the arguments put forward. It is the professional people themselves who asked that that provision be deleted.

Nevertheless, notwithstanding the deletion of that provision, I would assure hon. Members that under the general income tax laws and practice the Commissioner has the power to enter into arrangements with a taxpayer for the payment of tax which is due, payable and outstanding. Even though the amendment is cast in this form it does not preclude the Commissioner from making arrangements with a taxpayer if the taxpayer owes income tax.

With respect to the first part of the question raised by the hon. Member, may I point out first of all that the provision for the payment of P.A.Y.E., that is, section 47A has application only from the year 1971 because hon. Members will recall that the Income Tax (Amendment No. 2) Act of 1970 was only assented to by His Excellency the President on the 12<sup>th</sup> December, 1970. There is no question of having to comply with section 47A prior to January 1971. So that with respect to the tax position prior to January 1971 a taxpayer, or professional, who applies for a certificate will have had to have filed his returns, but not necessarily to have paid his taxes, in respect of the years prior to 1971. Of course, he will have had to have paid his P.A.Y.E. for 1971.

With respect to any outstanding tax debt, prior to January 1971, the law will take its normal course. The Commissioner will have to sue him, use the powers of parate execution and all that heavy-handed and very tortuous kind of power. I think those were the points raised by the hon. Member and I am glad to be able to give him the assurances which I have given him.

**Mr. Reepu Daman Persaud:** One last question. Seeing that it comes into effect in the year 1971 and the normal course will be followed for the years prior to 1971, what happens subsequently to 1971? Let us assume that in 1972 he files his return, he assesses himself and he pays. Then when he goes back in 1973 to file his returns for the year 1972 by that time the Income Tax Commissioner feels that the assessment by the professional is not fair, is not right, is not reasonable, and does not agree with the assessment. What will be the position of the professional when he goes and says, "Here is my return for the year 1972"? Will the Commissioner have the power at that time to say "Unless you settle for this year", that is,

ignoring the return for the year 1971 or 1972. "I will not issue the certificate"? I am not clear of that position. Can the Commissioner do that or will the normal course follow again there? On failure to pay the assessed tax for that year the normal course will follow or will the Commissioner say "No. You have to make an arrangement for settlement before the license is issued". I think that this is another point of contention, as I understand it.

**Mr. Hoyte:** I think that the legislation is quite clear on this and in any case the proposed practice will be quite clear.

What the professional is required to do to become entitled to a practice certificate is to have made his return, to have paid his P.A.Y.E. If the Commissioner is dissatisfied with the level of P.A.Y.E. paid or is dissatisfied with the final position as reflected in the returns made by the professional that does not become a ground for denying the professional a certificate. The first point is that there is a dispute, and so long as there is a dispute the tax is not due and payable.

Even when the matter passes beyond the stage of a dispute, when the tax is settled, either because the taxpayer agrees that he, in fact, owes that money or he goes to court or to the Board of Review, as the case may be, and his tax liability is settled at that stage, that is an outstanding tax debt which is not caught by this legislation here. It is not P.A.Y.E. in respect to which 47A applies. Therefore in respect of that debt the normal course will have to be taken.

*Amendment that –*

The following subsection be substituted for subsection (2) at paragraph (c) in the proposed section 35:

“(2) Save as hereinafter provided in this section no person shall be entitled to obtain certificate unless he has (the burden of proof whereof shall like on him) delivered to the Commissioner all returns which up to the date of his application for a certificate he is required by section 40 of the Income Tax Ordinance so to deliver and has up to that compiled with section 47A of that Ordinance if that section is applicable to him.”

*Put and agreed to.*

*Amendment that –*

In paragraph (a) of subsection (9) the words “one thousand” be substituted for the words “two thousand” and the words “three thousand” for the words “five thousand”

*Put and agreed to*

*Amendment that –*

The following paragraph (c) be added to subsection (9):

“(c) For the purposes of proceedings instituted against anyone alleged to be in breach of subsection (1) upon proof that such person practised as a person mentioned in the first schedule it shall be presumed, unless the contrary is shown by such person, that he did at the alleged time practise for reward.”

*put, and agreed to.*

*Amendment that –*

The following be substituted for subsection (13)

“(13) The provisions of this section shall have effect notwithstanding the provisions of any other law authorising any person to practise as a person mentioned in the first schedule and the grant of a certificate shall not entitle any person to do anything which would otherwise be unlawful.”

*put, and agreed to.*

*Amendment that –*

The definition of the word “optician” appearing in subsection 15 be deleted.

*put, and agreed to.*

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

**N.B: There Are Missing Pages From The Original Transcript.**

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