

**THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT**

[VOLUME 7]

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

101st Sitting

2 p.m.

Thursday, 16th September, 1976

MEMBERS OF THE NATIONAL ASSEMBLY

Speaker

Cde. Sase Narain, O.R., J.P., Speaker

(Absent – on leave)

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

Prime Minister (1)

Cde. L.F.S. Burnham, O.E., S.C.,
Prime Minister

(Absent – on leave)

Deputy Prime Minister (1)

Cde. P. A. Reid,
Deputy Prime Minister and Minister of
National Development

(Absent – on leave)

Senior Ministers (9)

Cde. H.D. Hoyte, S.C.,
Minister of Economic Development

(Absent –on leave)

*Cde. H. Green,
Minister of Co-operatives and
National Mobilisation

(Absent)

*Cde. H.O. Jack,
Minister of Energy and National Resources

(Absent)

*Cde. F.E. Hope,
Minister of Finance

***Non-elected Ministers**

*Cde. S.S. Naraine, A.A.
Minister of Works and Housing (Absent- on leave)

*Cde. G.A. King
Minister of Trade and Consumer Protection

*Cde. G.B. Kennard, C.C.H.,
Minister of Agriculture

*Cde. C.L. Baird,
Minister of Education and Social Development (Absent)

*Cde. F.R. Wills, S.C.,
Minister of Foreign Affairs and Justice (Absent)

Ministers (5)

Cde. W.G. Carrington,
Minister of Labour (Absent)

Cde. S.M. Field-Ridley,
Minister of Information and Culture

Cde. B. Ramsaroop,
Minister of Parliamentary Affairs
and Leader of the House

*Cde. O.M.R. Harper,
Minister of Health

*Cde. C.V. Mingo,
Minister of Home Affairs

Ministers of State (9)

Cde. M. Kasim, A.A.,
Minister of State for Agriculture (Absent – on leave)

Cde. O. E. Clarke,
Minister of State – Regional
(East Berbice/Corentyne) (Absent – on leave)

Cde. P. Duncan, J.P.,
Minister of State – Regional (Rupununi) (Absent)

Cde. C.A. Nascimento,
Minister of State,
Office of the Prime Minister

***Non-elected Minister**

Cde. K.B. Bancroft, **(Absent)**
Minister of State – Regional
(Mazaruni/Potaro)

Cde. J.P. Chowritmootoo,
Minister of State – Regional
(Essequibo Coast/West Demerara)

*Cde. W. Haynes, **(Absent)**
Minister of State for Consumer Protection

*Cde. A. Salim, **(Absent)**
Minister of State – Regional
(East Demerara/West Coast Berbice)

*Cde. F.U.A. Carmichael, **(Absent on leave)**
Minister of State – Regional (North West)

Parliamentary Secretaries (6)

Cde. J. R. Thomas,
Parliamentary Secretary,
Ministry of National Development

Cde. M.M. Ackman, C.C.H.,
Parliamentary Secretary,
Office of the Prime Minister,
and Government Chief Whip

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

Cde. S. Prashad,
Parliamentary Secretary,
Ministry of Co-operatives and National Mobilisation

Cde. R.H.O. Corbin, **(Absent on leave)**
Parliamentary Secretary,
Ministry of Education and Social Development

Cde. M. Corrica,
Parliamentary Secretary,
Ministry of Works and Housing

Other Members (19)

Cde. L.M. Branco
Cde. E.M. Bynoe
Cde. E.H.A. Fowler

Cde. J. Gill
Cde. W. Hussain
Cde. S. Jaiserrisingh
Cde. K.M.E. Jonas
Cde. M. Nissar
Cde. L.E. Ramsahoye
Cde. J.G. Ramson
Cde. P.A. Rayman
Cde. E.M. Stoby, J.P.
Cde. S.H. Sukhu, M.S., J.P.
Cde. C. Sukhu, J.P.
Cde. H.A. Taylor
Cde. R.C. Van Sluytman
Cde. L.E. Willems
Cde. C.E. Wrights. J.P.
Cde. M. Zaheeruddeen, J.P.

Members of the Opposition (16)

(i) People's Progressive Party (14)

Leader of the Opposition (1)

Cde. C.B. Jagan

Deputy Speaker (1)

Cde. Ram Karran

Other Members (12)

Cde. J. Jagan
Cde. Reepu Daman Persaud, J.P., Opposition Chief Whip (Absent – on leave)
Cde. Narbada Persaud
Cde. C. Collymore (Absent – on leave)
Cde. S.F. Mohamed
Cde. L. Lalbahadur
Cde. B. James (Absent)
Cde. C.C. Belgrave (Absent – on leave)
Cde. R. Ally
Cde. Dalchand, J.P. (Absent – on leave)
Cde. Dindayal
Cde. H. Nokta

(ii) Liberator Party (2)

Mr. M.F. Singh (Absent – on leave)

Mrs. E. Da Silva

OFFICERS

Acting Clerk of the National Assembly - M.B. Henry, AMBIM

Acting - Deputy Clerk of the National Assembly – A.W.B Knight

PRAYERS**ANNOUNCEMENTS BY THE SPEAKER**

The Deputy Speaker: Comrade and hon. Member, I wish to inform you that a parliamentary delegation comprising of the Speaker, Cdes. Carmichael, Reepu Daman Persaud and the hon. Member Mr. Fielden Singh with the Clerk as it Secretary, left the country on Monday, 13th September to attend the 21st C.P.A. Conference in Mauritius from the 18th September, 1976, to 30th September, 1976. Leave of absence has accordingly been granted to the Members.

Leave for today's Sitting has been granted to the Cde. Prime Minister, the Cde. Deputy Prime Minister, Cdes. S.S. Naraine, N. Kasim, O.E. Clarke and R.H.O. Corbin; to Cde. Reepu Daman Persaud for six weeks from 13.9.76, Cde. C. Collymore from 15.9.76 to 1.10.76, Cde. Dalchand for six weeks from 13.9.76.

In the absence of the Clerk, Cde. Dalchand for six weeks from 13.9.76. Deputy Clerk, Cde. Maurice B. Henry, to act as Clerk and Cde. Aubrey W.B. Knights, an Assistant Secretary in the Public Service Ministry, to act as Deputy Clerk of the National Assembly with effect from 13th September, 1976. On behalf of the Members and myself, I extend a hearty welcome to Cde. Knights to the National Assembly. [**Applause**]

PRESENTATION OF PAPERS AND REPORTS

The following Paper was laid:

Public Corporations Order 1976 (No. 70, made under section 5 (4) of the Public Corporations Act, Chapter 19:05, on the 12th of August, 1976, and published in the Gazette on the 21st of August, 1976. [**The Minister, Ministry of Parliamentary Affairs and Leader of the House on behalf of the Prime Minister**]

16.9.76

National Assembly

2.05– 2.15 p.m.

PUBLIC BUSINESS

BILLS – SECOND READING

INTER – AMERICAN DEVELOPMENT BANK BILL, 1976

A Bill intituled:

“An Act to provide for the membership of Guyana in the
Inter-American Development Bank. [**The Minister of Finance**]

The Deputy Speaker: Cde. Minister of Finance.

The Minister of Finance: (Cde. Hope): Cde. Speaker, in accordance with Article 80(2) of the Constitution of Guyana, I certify that the Cabinet has recommended the Inter-American Development Bank Bill, 1976, for consideration by the National Assembly.

Cde. Speaker, in moving the Second Reading of the Inter-American Development Bank Bill, I think it would be correct for me to give the House some background to this whole matter. The thrust of the Bill is really to authorize the Government of Guyana to agree to subscribe to the Agreement setting up the Inter-American Development Bank and also to provide the necessary statutory authority on the basis of which Guyana will make the necessary subscription to the capital of the Bank.

The Inter-American Development Bank is a well-known Bank within the complex of financial institutions serving the development needs of the developing countries. We know the World Bank: we know that World Bank as the development bank providing development capital for countries that are in a position to borrow. But in the World Bank, it is also known that there you find membership of practically all the countries of the world, all the independent countries, apart from certain eastern bloc countries. The I.B.R.D., the World Bank, comprises, therefore, both developed and developing countries of all the world, but what has happened over the last 20

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years or so has been the tendency for individual regions not only to have integration movements integrating the economies of those regions but also to have development banks geared to provide for the needs or some of the needs of the countries that form the particular region. And in that regard, we have, for instance, the Asian Development Bank serving the countries of Asia and the Far East; we have the African Development Bank, again serving the nations of Africa, the membership being confined to African countries; and in the same train, we also have the Inter-American Development Bank which is a Bank serving the peculiar needs and confining its membership largely to independent countries in Latin America and in the Americas generally.

Even in the Caricom region, which is the latest of the regional development banks, we have the Caribbean Development Bank which itself serves the needs of Caricom. So, it is within that grouping that we have these several development banks.

2.15 p.m.

In the past, as is well known, Guyana is a member of the World Bank. It is also, by virtue of its membership of Caricom, a member of the Caribbean Unit now Guyana was not a member of the Inter- American Development Bank Development Bank largely because of the qualifications for membership, qualifications which were stated in the agreement setting up the bank. That qualification required that the membership – I am speaking here of the qualifications laid down in the agreement setting up the Inter-American Development Bank – be confined to countries which are members of the Organisation of American States and it also gave membership to the United States and Canada. And it was not unusual. In any case, the United States is part of the O.A.S. but Canada was not and therefore Canada was brought in specifically because it is not unusual that development banks in all the regions seek to have membership of the developed countries in them even though the developed countries may not be borrowing members, because in the final analysis, the whole point about setting up these regional development banks is to provide development capital to the poor countries. And so, in all of the banks there has been membership jointly between developing countries and the developed

(Cde. Hope contd.)

countries of the region so as to ensure that there was a certain flow of resources from the developed to the developing countries that form the bank.

We had the same thing in the Caribbean Development Bank where both Canada and the United Kingdom, although they are not regional members, are identified as non-regional founding members. The whole rationale behind that is, I repeat, to ensure that we have participation in the bank on the part of countries that have resources to provide. And so in the Inter-America Bank membership has been largely reserved for the countries of Latin America, the United States, and Canada. And in the '50s and early '60s membership has been accorded to other Independent Commonwealth Caribbean countries starting first with Jamaica, and then Trinidad and Tobago, and Barbados. These countries as soon as they became Independent have become members of the Inter-American Development Bank. In the case of those countries, they were members of the O.A.S. In order that Guyana could become a member of the bank without being a member of the Organisation of American States, it was necessary for the relevant articles of the agreement to be amended and largely through the initiative of some of our Caricom partners who are members of the bank it has been possible for agreement to be amended. It was a long drawn-out process because it represented one of the fundamental articles in the agreement and as such there was a particular of the necessary amendment to the relevant articles so the relevant articles will now read that membership of the Bank will be confined to members of the O.A.S., Canada, Guyana, and at the same time opportunity was taken to provide for the entry of the Bahamas. So the amended relevant article, as I said, would read, Membership of the Bank would be confined to members of the Organisation of American States, Canada, Guyana and the Bahamas.

The reason why Guyana must be interested in joining the bank is the reason why the bank was set up in the first instance, is the reason why our Independent Caricom partners are also members of the bank, and that is to provide another source of development capital for development. And I think that this means is a more objective means by which capital can be

(Cde. Hope contd.)

transferred from developed to developing countries because in this form it represents a multilateral arrangement as distinct from a bilateral where country “X”, a developed country, gave country “Y” financial assistance and, as you know, Cde. Speaker, developing countries have complained from time to time of the whole question of the tied aid, aid with strings. It has been found that multilateral aid is much more objective and is in many cases completely free of the kind of conditions, the kind of strings which are attached to bilateral aid. For instance, bilateral aid is almost invariably tied to procurement from the country giving the assistance. Multilateral aid invariably is related what is called fair international bidding for contracts and supplies. And that is one area in which multilateral assistance becomes superior so far as the developing country is concerned to bilateral aids and bilateral flows. But Guyana with its potential for large scale development and its ability to utilize large amounts of funds for development, obviously, it is in our interest to seek aid to seek financial flows from all areas that are possible.

There is another reason why we should. This is because it has been traditional for many developing countries to consider or to see the World Bank as a main source of development capital. In fact, for many countries like Guyana have been defined by the World Bank as countries with intermediate income. In other words, we are not among the poorest in the world and they define us as mid-income.

Assistance from the World Bank is declining because for one thing the resources of the International Development Association, which is the arm of the World Bank and which provides capital money for development on easy terms- the I.D.A. credits as they are properly called- are no longer available to a country like Guyana because of the income criteria. To make use of I.D.A. funds, the country has to have a per head income, an income per head of population under US\$350. In the case of Guyana, our per caput income is above that according to the World Bank calculation. In these circumstances, I.D.A. credits are no longer available to Guyana. In fact, it is known that it is largely I.D.A. credits which were able to finance, at least, 50 per cent of the cost of the multilateral schools. I.D.A. credits are also going into part of the Tapakuma scheme,

and we can refer to a number of areas where I.D.A. credits have gone to Guyana when we fell within the classification that the World Bank had for the grant of I.D.A. credits. We are outside that league today and the funds which are available to us from the World Bank are commonly described as hard funds, the funds which carry with them the normal commercial rates of the World Bank. Today, those rates are high as 9 per cent based on a formula which suggests that those rates have to be revised every six months and related to the market rate of interest.

Many countries would find that there are not a tremendous number of projects in developing countries which can rely exclusively on capital coming at a cost of 9 per cent. We have, therefore, to look for other sources of capital. In the Inter-American Development Bank, there is also a system of hard funds, funds carrying the normal commercial rate, and soft funds – the I.D.B. carry the rate of interest lower than the interest rates applicable today from World Bank hard borrowing and a longer repayment date. In fact, the soft funds are even softer than the

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I.D.A. credits because they can come as low as one percent in some cases and they are available to all borrowing members, even though the poorer members of the Bank can get a little more of it.

The point at issue is that in the Inter-American Development Bank, Guyana would be eligible for loans and credits on softer terms than are available right now in the World Bank's hard windows and certainly would be eligible for credits on term similar to which they are not eligible for in the I.D.A., until there is a good logical, financial reason why we should seek all sources of capital in order to push our development. It is for this reason why we feel that it is important for this country to become a member of the Bank.

The existing members of the Bank have made it possible now for us to join. That Bank commands ordinary resources of about six billion U.S. dollars, that is, ordinary capital and then they command capital for special fund operation of another billion dollars. In addition to that, very recently some thirteen European countries and Japan have joined the Bank, or are about to join the Bank and to join the Bank as non-borrowing members, indicated another function of

these developing Banks. That important function is to mobilise the world's resources for use of developing countries. These thirteen countries – a number of them are drawn from the E.E.C., in addition to Japan – have, I said, agreed to become members of the Bank. They will contribute to the resources of the Bank but they will not borrow from the Bank. Their function is really to channel resources to the Bank.

One of the more valuable functions of the developed countries within a Bank of this sort is not merely the capital which can come from their own treasuries into the Bank, but it is also based on the fact that the Inter-American Development Bank can borrow on the world market to supplement its own resources, on the security of these very countries. When one looks at the capital structure of the Bank, there is within the authorized capital of the Bank a certain portion which represents paid-up capital, called capital that is paid up, a small proportion of 20 per cent or 18 per cent in some cases. The bulk of the subscribed capital remains as callable capital. In other words, that subscription will only be called in certain unusual circumstances.

The greatest value of the call of a capital is that it is used as a security on the market for borrowing. But it is not the callable capital of the developing members of the bank that is so used. It is really the call of the capital of the richer developed countries of the bank which is used as a guarantee for the loans which the bank can borrow on the market. In such circumstances, the Bank then is able to borrow on the market at rates significantly lower than would have been available to the individual country if that individual country or member country were to go to the market to borrow. So the Bank can command resources far in excess of its internal resources by virtue of the fact that it can borrow against a guarantee of the callable capital of the developed members of the Bank.

2.35 p.m.

Cde. Speaker, in this arrangement Guyana has been offered a number of shares within the Bank and in that number of shares the voting power falls. We have to subscribe to the callable capital of the Bank and we have to subscribe to the Fund for Special Operations as part of its commitment. But we will be required to pay our subscriptions in three installments, one in 1976, another in 1977, and a third in 1978. Half of that subscription to the paid-up capital of the Bank,

at least 50 per cent, has to be made in US dollars or gold. Another 50 per cent of it is to be made in terms of our own currency, or if we do not give our own currency we can give a non-interest bearing, non-negotiable promissory note.

The same thing applies to our subscriptions to the Fund for Special Operations where we have to subscribe in cash in US dollars only a small proportion, the bulk of it to be subscribed in our own currency or alternatively by giving the Bank a promissory note, a non-negotiable, non-interest bearing promissory note which would be deposited in the Central Bank to the account of the Inter-American Development Bank.

On this basis we will have to subscribe in cash, if we join the Bank this year, about \$2.1 million to cover our subscription to the paid-up capital of the Bank, a proportion, as well as the proportion that we have to pay to Fund for Special Operation, that is, the soft fund. At the same time we have to give a promissory note amounting to \$6.1 million. So the total cost to us this year will be about \$8.3 million or \$8.2 million with a similar amount payable the following year and a similar amount, with slight differences paid in the third year. As I said, just \$2 million of that \$8 million would be payable immediately in cash and cash means US dollars. The rest of it or thereabout, would be paid in our own currency or in promissory notes at our option.

That represents the cost this year for joining the Bank. I myself feel that the contribution may appear significant. Certainly it is significant in our context. But we feel that the resources of the Bank which will become available to us would far outweigh the initial cost of joining the Bank. Already there has been a probing mission that visited this country for three or four days, starting September 6th of this year. The purpose of that mission was to have a concept as to where our priorities in terms of development went and how those priorities could fit into the Bank's priorities for lending so that we could have an agreed lending programme, a programme which they said they would like to have what they call a pipe line for three years at the start with that pipeline being revised every year to keep it going.

Although the mission spent a number of days discussing with officials the lending programme it is not unnatural that what we could have at this stage is merely an indicative level

of potential or possible lending and I should like to assure this House that we ourselves on the Government side, the Ministers who have dealt with this particular issue and the Cabinet do consider that the indications are quite promising in terms of what the Bank would be prepared to do for Guyana at this stage. Because quite interestingly the area in which the Bank places highest priority also represents the area in which this Government places the highest priority and that is in the area of agricultural development. And the Bank is satisfied; it is very willing to lend for agriculture and has looked at a number of our programmes. Its responses so far have been quite encouraging. But the Bank would not confine its lending to agriculture because it proposes and does lend for industrial development and we do have a programme for industrial development in which the Bank expressed a great deal of interest.

But the Bank also lends outside of the productive sector. By productive we mean the sector which produces real goods. The Bank also lends for certain social service, though understandably it would like and prefers to lend in areas that generate direct income. But there the Bank would be happy to lend for health, particularly in the area of rural health centres. The Bank will lend for water control schemes, as I said earlier. In certain cases it would even lend for education; it would lend for housing. But our priorities today will represent water control, crop development, investment generally in agriculture, investment in health and investment, if possible, in our hydropower project.

We feel fairly confident that we will get this very important assistance from the Bank in due course. Guyana is not yet a member even though the Resolution which clears the way for us to join the Bank has been approved unanimously by the Board of Governors of the Members of the Bank.. The way is clear so far as the Bank is concerned. What we have to do now is what we are doing at the moment, that is providing the legislative base on the basis of which we can subscribe to the amended Agreement setting up the Bank and when we have paid our subscription we would then have satisfied the conditions precedent to joining the Bank and the President would be then certify that we have carried through all the necessary documentation. Membership would then be formally accorded us.

2.45 p.m.

Of course, the Bank is controlled by a member of Executive Directors, but since executive directorships are not equivalent to the number of countries, groups of countries have to share individual executive directors. With whom we will share at the moment is a matter that is exercising our minds. It is not yet concluded. However, every country is represented at the Board of Governors level which is really the policy-framing institution or section of the Bank but, in that area all members are represented and voting is not, in many cases, necessarily by the number of votes or the number of shares which a country has.

That is the kind of bank that we are seeking to enter. As I said, the cost is not insignificant but we feel it is worth it. We feel that membership of the Bank would open the way to substantial inflows of capital from a new area on conditions which are objective and conditions which we can accept because it is a multilateral flow of funds and we feel that is only right that Guyana should take advantage of this opportunity which is now open to us.

With these remarks, I would like formally, to move the second reading of the Inter-American Development Bank Bill.

Question proposed.

The Deputy Speaker: Cde. Narbada Persaud.

Cde. Narbada Persaud: Cde. Speaker, having listened to the introduction of this Bill by the Cde. Minister, one feels without any reservation to accept that it is as the Minister has so nicely painted the picture. Despite the cries of “socialism” by this Government, one can very well justify an argument by the arguments put forward by the Cde. Minister that they are delving deeper and deeper into capitalism. The establishment of the Inter-American Development Bank in 1959 was a result of constant and severe criticism of the system of bilateral trade and thus there was a change of strategy substituting bilateral trade with multilateral trade in the Bank.

It must be noted, however, that the United States, the bastion of imperialism, is guaranteed the dominance and control of the Bank with 41 percent of the total shares when the

Bank was established; it meant 35,000 out of 85,000. The hidden aim, however, which the Cde. Minister did not bring to the attention of this House is to provide loans for projects approved by the Board for development in keeping with capitalism.

In the Bill, page 14, it is clearly stated at section 7 (a):

“The Bank may make or guarantee loans subject to the following rules and conditions:”

And (vi) is: “Loans made or guaranteed by the Bank shall be Principally for financing specific projects ...”

The Cde. Minister tried to inform us that it goes with priorities and I said so incidentally when he said that the priorities of this Government are the same priorities as established by the Bank. In this case, in lending. What is meant by “specific” here? “Specific” as determined by the borrower or “specific” as determined by the Bank?

As I pointed out, the Bank is controlled by the United States with 41 per cent of the total shares in the initial stage. Loans for development in the interest of the poor people were and are not intended by the Inter-American Development Bank. The Cde. Minister informed us about the membership of Trinidad and the membership of Barbados. One would anticipate that when countries receive these loans for the development that the development will have some bearing on the broad masses of the people. Can we say that the loans which were received and are being received by Barbados or by Jamaica have been used? Can we say that we have seen that development as it relates to the masses of the people who are the poor people?

Should we look at the functions of the Bank we would observe that it promotes investment of private capital and encourages private investment. I wish to quote from the Bill, page 4, section 2, (i):

“to promote the investment of public and private capital for development purposes;”

At (iii), it is stated:

“to encourage private investment in projects enterprises and activities contributing to economic development and to supplement private investment when private capital is not available on reasonable terms and conditions:”

The Minister knows, I hope, like myself, that private enterprises are not concerned about all-round development of any country. They are primarily concerned with their own development. Here it is, this Bank states as two of its functions, encouraging and promoting private enterprises and private business. The Government of Guyana cries “socialism” proclaims itself to be socialist Government and the P.N.C., the Party which forms the Government, claims to be a socialist Party but, as I have outlined here clearly, loans for development in the interest of the poor people were and are not intended by the Inter-American Development Bank. The functions here, as I read, clearly indicate what is the position and, as I said, if we look at Barbados and Jamaica we will see that the loans that were given, the loans that were used, were not used in the interest of the poor people. What development are we speaking about? Since the Bank is capitalist in nature, is working within a capitalist framework, is dominated by capitalist countries, it promotes development favourable for capitalism. Is that the development we are talking about? I would think that a socialist Government or a Party that claims to be socialist would not be talking about that type of development for a country like Guyana at this stage.

It was because this development which does not reflect on the poor people of the country be seen in many of these countries that the Prime Minister of Sri Lanka Mrs. Bandaranaike called for the establishment of a Third World Bank to pave the way for removing dependence on the industrialised states and to achieve genuine economic independence.

2.55 p.m.

Cde. Speaker, with your permission, I wish just to quote two paragraphs from the **Guyana Chronicle** of Tuesday, 17th August, 1976, a report on the Colombo Conference by Cde. Hamaludin.

“In her keynote speech, the Sri Lankan Prime Minister told the more than 45 Third World Leaders that politics could not be divorced from Economics, and the developing world, with a power base available to it as commodity producers, should break from existing first-world dominated international financial system and create its own.

She urged creation of a “countervailing currency’ for the Third World, and a commercial Third World Bank to pave the way for removing dependence on the industrialised states, and achieve genuine economic independence.”

She continued:

“The financial centres of the world will no longer be limited to New York, London, Zurich and Paris. New centres of economic power would rise in the Non-Aligned and the Third World.”

And it continues.

It is a clear indication that the failures of the Inter-American Development Bank and its shortcomings prompted the Prime Minister of Sri Lanka at the last Non-Aligned Conference to make such a statement and to urge the establishment of such a bank. One would have expected that in this case we would have moved away from this capitalist system. For example, the Minister in his introductory remarks said that we have to look for sources of capital. Why don't we explore the sources from the socialist countries? We have a system of Comecon. Recently, a team of experts from Comecon went to Mexico to assist.

The Socialist countries are willing to assist in establishing socialism all over the world and Guyana is no exception. But the socialist countries are not only interested in giving loans, aids, and grants. They are interested in more than that. They are interested in establishing socialism and if, as Guyana claims, we are moving towards socialism – we haven't seen it yet – why does the Guyana Government not try to explore possibilities of getting loans, grants, and aid, from the socialist countries?

Obviously, the pre-requisite, the foundations of that socialism which the Government claims to be establishing in Guyana will have to be seen if not they will not be able to have these grants, these aids and these loans from the socialist countries. Therefore, we would want to urge

the Government to lay those foundations and to create the pre-requisites for this socialism that we are talking about.

The Cde. Minister said that the bank is serving the development needs of developing countries and the reason why Guyana should join the bank is the reason why the bank was set up, for example, to provide another source of development capital, but I want to tell the Minister that the bank is not serving that purpose.

Perhaps we have two conceptions of development. Development for whom? For an elite, for one set of people, for a bureaucracy as in Trinidad or in Barbados? Or development for the people, development whereby the people will have a better standard of living? Do we want to have development in Guyana which will not reflect on the poor masses of the people? One would expect, when they are borrowing money for development, that that development must reach right down to the bottom. It must have some effect on the people. The Cde. Minister is telling us about this development capital for development purposes from this development bank and yet we cannot see one country which has received this development aid which has had some effect on the broad masses of the people who are poor.

In the interest of socialism I think the Government ought to consider its position clearly and to have a clear-cut position in terms of what it does, the development that it is talking about, because if it continues the way it is going, it will just end up moving in a circle.

May I with your permission just read a little article from Newsweek, September 6, 1976.

“Shift in Guyana.

Guyana’s Prime Minister, Forbes Burnham, shows signs of disenchantment with the help he has been getting from Cuba and the Soviet Union. Diplomats in Latin America report that he has gone to Britain, Nigeria, and Ghana to train his armed forces. He has also ordered radar, anti aircraft and other light artillery from Britain. Burnham wants to maintain his own thrust towards socialism among other things it is too slow.”

I read this article to remind and to warn the Government that if it continues in this way, as I said, it will be just moving in a circle and it will finally end up like the jackdaw. I want to warn this Government if we should accept what is reported in the Newsweek as correct, it clearly shown this indications how this country will end up. Thank you. [Applause]

The Deputy Speaker: Cde. Lalbahadur.

Cde. Lalbahadur: This is just to add a few more points to what Cde. Narbada Persaud has said. This is important in the sense of the direction in which our Government is going. He made reference to this question of the article in the Newsweek. This we should look at together with the question of bringing teachers from the United Kingdom and now joining the Inter-American Development Bank. This seems to imply a tendency to go in the other direction. This is worrying us a lot.

Historically, we realize that if we have economic dependence on any country, this will automatically lead to political control and often it leads to military control. If we go further historically, we would be able to analyse the situation. In the colonial days, we depended economically on foreign capital. This lead, of course, to political control by the metropolitan countries and later on to military control. This has been the tendency with result that our whole economy and our political life have been dominated by foreign countries.

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This has let further to the development during the pre-monopolistic stage, but in the imperialist stage we found that there have been tendencies to the exportation of capital rather than the exportation of commodities. This has been one of the chief characteristics and we find instead of exporting commodities or manufactured products to developing countries, as this imperialist stage, more emphasis was being put in the exportation of capital. Thus, we find that various ways have been devised to achieve this end, by lending money first to individual countries. But, because of the new tendency, we find that there has been a natural rejection for countries dominating our economy and even our local banks. This has been leading to nationalization of foreign enterprises and so on but we find that the imperialist have constantly

(Cde. Lalbahadur continued)

been devising different means to maintain their status quo and to maintain their forms of exploitation. We have seen that they have moved away from direct investment in specific countries or economies and are using these development banks.

If you analyse the world carefully, you find that Asia, Africa, Central America, Latin America, the Caribbean, this is the tendency. If we analyse very carefully the specific bank we are talking about, it was formed in 1959 which coincided with the Cuban revolution and later on this very bank had its political manifestation in the formation of the Organisation of American States. Furthermore, if we go into a detailed analysis of the role of the O.A.S. in the Cuban revolution, we find that these were the countries which blockaded Cuba economically. These were members countries of the Inter-American Development Bank, from the list we received here, Argentina, Bolivia, Brazil and so on and these were the countries which furthered the disputes of the United States in blocking Cuba instead of helping and developing Cuba. So if they had interest in developing countries, and this country was fighting against imperialist demonation, they should have assisted instead of implementing a blockage from anywhere else. This has been the case with Cuba.

Analysing the number of countries of the present list that I have in front of me, we find that, as a comrade has mentioned, there has been a shift. I think a shift had taken place and they are re-shifting now. Take the countries of Chile, Argentina, Uruguay, Guatemala, Brazil – just to name a few. These countries are now moving more on the reactionary side of things and we have to be objective in our thinking. In countries like Uruguay and Chile there has been some positive tendency, but we are seeing the reverse in these countries and we have to see that it is reflected in the context of our situation. Therefore, in entering this bank we have to analyse the situation and see what is the influence of the United States and the metropolitan countries. The number of shares they have there will reflect the number of votes and of course the economics. Hence, there will be political and military control. If we are truly moving towards

socialism we have to keep a very keen eye to see whether these ... cannot be transferred to the Guyana situation.

If we analyse some of the other banks, like the Development Bank, we find that Japan has about 25,000 of the shares and thirteen other non-regional members have 36.1 resulting in 37.42 votes and one of the important persons in one of the countries mentioned is wondering how they will be able to keep the Asian character of the bank when there are so many European and developed countries intervening in this bank, controlling the votes and, therefore controlling what countries should have aid. In many cases, as we have seen, they also indicate in what type of project we should invest. This is an indication of what happens.

If I may refer to our own country, Winston King gave a lecture at Bishops' High School on 30th June, 1971, which was published in the Guyana Graphic. In this lecture, in speaking of the Caribbean Development Bank, he mentioned that though we may be having some aid from these countries we have to be very careful and take the precaution to make sure that the influence of these metropolitan countries does not destroy our integrity and our rights. This shows very clearly that certain people are worried by the influence of these metropolitan countries in these banks because economical control, we know, will automatically lead to political and military control. This must worry any country that is thinking about socialist development and so on.

Comrades, I think that in this step Government is taking, we must take into consideration the role that we have historically been playing and, if it is changing its character, we must see it in practice. If we analyse, for example, since 1959, and if we check all the Central and Latin American countries, with all the aid being channeled to these countries I have not really seen any significant development in them, much less in the Caribbean. Nicaragua and all these Central American countries are in a very bad economic state. I did not only read them; I visited most of them so I can tell you. The situation in these countries is very, very bad and even if they have developed, it has been unilateral development. In some cases the money has been misused by the Government. The Government in such cases is not working in the interest of the people. We are hoping that, should we enter into this Bank, keen attention would be paid to this and that aid

given is properly used. We would try to use whatever influence we have – if we do have any – to see that it is channeled along our economic strategy.

The Deputy Speaker: Hon. Member Mrs. DaSilva.

Mrs. DaSilva: Mr. Speaker, I rise to give the support of my Party, the United Force, to this Bill before the House, Bill No. 11 of 1976, the Inter-American Development Bank Bill.

[Applause]

I wish to make a few remarks showing why we approve of what is being done.

One of the points raised by the Hon. Member Mr. Narbada Persaud rather surprised me because he talked about concern for the Guyanese people and then proceeded to say that we were getting the money from capitalist sources and we ought to go to Russia or other sources associated with socialism and not capitalist countries. If we are truly concerned with the progress of Guyana, once the conditions suits us – and we are assured by the hon. Minister that, in the case of this Inter-American Development Bank, the terms have no strings attached – why should we not avail ourselves of it and make full use of it?

On two occasions recently I have noticed that when aid is to be given to Guyana, whether in forms of capital, personnel or technology, the People's Progressive Party has commented that the Government has turned to capitalist countries for aid in preference to socialist countries. During the debate last week on the Consultation (Amendment) Bill, remarks were made that we were getting the teachers for our schools from capitalist countries and not socialist countries, and today we are told that we are getting the money to help with development from capitalist countries and not socialist countries. Is that the type of thinking we want for Guyana? Whether we do or do not agree with certain measures being put forward in this House, whether we have to vote against them or not, I think everybody here should understand that all of us here are or should be working in the interest of Guyana and for us to refuse to join the Inter-American Development Bank because it is a capitalist institution shows very shallow and narrow way of thinking.

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There are just two other comments I should like to make on the Bill. On page 4 Section (iii) again another point and I will read section (iii):

“To encourage private investment in projects, enterprises, and activities contributing to economic development and to supplement private investment when private capital is not available on reasonable terms and conditions.”

I remember hearing the Prime Minister say on more than one occasion that the economy of the country must go to the public sector, the private sector, the co-operative sector. So if there is an opportunity for the private sector to get money to help it to further improve education for all in Guyana and to raise the economy of the country, I do not see why assistance should not be given to it. The remark made by the hon. Member Mr. Narbada Persaud that the private sector is not interested in the economy of the country, in other words, that the only sector with an interest in the economy is the State is not understandable. Even the hon. Prime Minister, as I said earlier, from time to time has said quite clearly that he sees a private sector, a public sector and a co-operative sector.

In closing, I do support wholeheartedly Madam Bandaranaike's suggestion that it is time we had our own Third World Development Bank, but until such time as we are able to establish this we should always avail ourselves of any opportunity which would help us to develop our country and give us another source for development capital.

I should like to urge the Government that it is time for us to take a hard look at our priorities and establish them correctly. It is time we took stock of them. We should review, re-assess them and put first things first and make quite sure that any money available to us is used for the benefit of all Guyanese in all parts of the country.

The Speaker: Cde. Leader of the Opposition.

The Leader of the Opposition: (Cde. C.B. Jagan): Cde. Speaker, one would have expected the Minister of Finance in trying to find funds to finance the Development Programme of this country would have put the whole situation in proper perspective. One cannot blame him and the Government for trying to find aid, developmental capital, wherever it comes from. But, at the same time, one must not give a false impression and lead the people into experiencing illusions.

The Minister of Finance pointed out that there have been set up various development banks throughout the world, the Asian Bank, the African Development Bank, the Inter-American Development Bank, and even the Inter-American Regional Caribbean Development Bank. But, as my colleagues Cde. Narbada Persaud pointed out, it is the failure of all these banking institutions which caused the Prime Minister of Sri Lanka to talk about the creation of a new type of institution, as the Minister of Finance warned us. On the other hand, he has told us that there are good possibilities.

My other colleague Cde. Lalbahadur, pointed out that this Bank, the Inter-American Development Bank started at the same time of the Cuban Revolution a year after when Mr. Mcmillan was making his famous wind of change speech in South Africa calling on metropolitan countries to give independence to colonies and not delay too long lest there be more explosions. And President Kennedy responded by convening a conference in Punta del Esta in 1960 to which Fidel Castro went. He told them that another conventional arrangement would not help and what Latin America needed was a change of the whole structure of the economies of Latin America and perhaps developmental capital aid and what not to the extent of \$19 billion.

That was the background. Has anything changed? If anything at all, the position of all Third World countries has worsened. This relates to all Third World countries, by and large, except those which are taking the revolutionary, democratic course and moving towards socialism. This is the context in which the Minister of Finance should have put the whole thing and not make Guyanese feel we are going to have something which is going to bring us out of the doldrums. Put it in proper perspective. Not only that, relate it to the whole question of what

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makes for development, the role of the socialist world in the struggle against imperialism and in the struggle to develop socialism, the help which those countries are giving countries which are moving in that direction.

Let us take the general statements made by the Minister of Finance which unfortunately are not based on reality and can mislead people. He said, for instance, bilateral aid was bad in that it was tied to be a specific country and thus we have now under the Inter-American Development Bank, for instance, -- [**Interruption by Cde. Hope**]. All right, perhaps I did not put it in the exact words but the meaning of what you said was this. That the Inter-American Development Bank is multilateral aid and multilateral aid is better than bilateral aid. [**Cde. Hope: Dispute that.**] What I want to say is that it is not a correct presentation of the subject for this reason Bilateral aid from the imperialist United States or

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Western imperialist countries are different from bilateral aid from socialist countries.

First of all, 80 per cent of the bilateral aid from socialist countries has gone into the productive sector, industry, agriculture; nearly 80 per cent of the bilateral aid from capitalist countries has gone for infrastructure. That is the qualitative difference which is important to note. It is not just to deal in generalisations and say that bilateral aid is bad. The fact is that because American imperialism particularly uses as a vehicle of domination, economic, then political, then military control to maintain the status quo of dependency for Third World countries, bilateral aid was giving much. The Government of this country accepted such aid in the previous development plan but by 1970, the same Government, was beginning to call aid “raid” in the Budget Statement. That is bilateral aid. I say again, we must make a qualification. Imperialist bilateral aid from imperialist countries is different from bilateral aid from socialist countries.

It is because of this development by the 1970s – not 1959 when Castro appeared on the scene, when there were revolutions everywhere, when Nasser could not sell his cotton in 1956 and had to make a bilateral agreement with Czechoslovakia to sell cotton, get factories, get arms which the United States would not give because United States was backing Israel against the Arab world – that was bilateral aid, but, in the interest of national economy, in the interest of sovereignty of Egypt – for that reason, incidentally, aid for the Aswan Dam was called off. That was multilateral too. Britain, United States, France had all agreed jointly to finance the Aswan Dam but because Nasser pragmatically wanted to get out of the vicious position he found himself in, he could not sell cotton because America was then dumping all kinds of agricultural products, food, butter, rice and everything else. Egypt had to make a bilateral deal to save her economy and to transform it. So she was attacked. Incidentally, Soviet aid came to her rescue, military aid, which resulted in the attack being called off and the resignation of Anthony Eden, then Prime Minister.

I mention this because we must put things in a proper frame otherwise we will land up in a position where the Government claims to be socialist and it gets help from the United Force which we know is capitalist and pro-imperialist. They are on the same side. It happened before in this House during the foreign affairs debate in 1970 when the United Force voted with the Government. Why? Because while the Government talks about socialism, in practice it is not moving-

[Interruption]

I should like therefore sir, to show that the Inter-American Development Bank has not solved the problems of those Caribbean members who have joined. Mr. Barrow has just been thrown out but Barbados was an old member. Mr. Barrow has bewailed the fact that he did not pursue socialist policies while he was Prime Minister. Let that be a lesson to this Government.

The fact of the matter is that during the war there was no Inter-American Development Bank, Latin American countries were having a rate of growth of about 6 percent and in the last ten years, the average rate of growth in Latin American countries has been even below the rate of

growth of the population. Take all the Inter-American Development Bank aid and put it together. First of all, the aid is limited. Out of Latin America is flowing about \$2 billion in profits and interests. Latin American countries had to spend about \$2 billion for arms, military aid, to prop up the American puppets. [**Cde. Hope:** “Let’s get the statistics.’] You want the statistics? I will give them to you. Here is a release.

“Mexico City, February 24, (PL). – The daily El Dia in this capital stated that the military budgets of the Latin American countries were raised from 1,549 million dollars in 1961 to 1,980 million in 1967.

The Mexican paper pointed out that in Peru the increase has been 62 per cent; In Brazil, 57 per cent; in Paraguay, 61 per cent; in Colombia 45 per cent; in Nicaragua, 43 per cent; and in Bolivia, 42 per cent.”

The relevancy of that is in the following: What this House must be told is that the Inter-American Development Bank should be put within its context that it is operating in Latin America and this is, with the context of imperialism and imperialist domination of Latin America, to perpetuate that domination and, as a result of that domination, we have capital outflows in the form of profits and interests much greater than the inflows.

By 1971, more than one billion net outflow of capital was taking place out of Latin America, taking into consideration all the capital inflows through Inter-American Development Bank and everything else, private investment and so on. Then we had the arms expenditure; then we had trade losses. Let me quote from Monthly Review to show the position in Brazil:

“Between 1957 and mid1969, Brazil lost 2,600 million dollars (US) because of fall in prices of raw materials exported to the U.S.A. However, over the same period, Brazil received US aid amounting to only 1,700 million dollars.”

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The period is between 1957 and 1969. The bank was set up in 1959. [**Interruption**] You are Minister of Information. I assume as a lawyer you have the power of logic. If that was the trend, that trend has not changed. In fact it has got worse. The trend is that there were more

losses in trade than capital inflows into Brazil. He says it is transitional. Brazil today incidentally is so much up to its neck in debts that the dictator, Geisel, when to the United States to re-negotiate loans and he was refused. He then went to England and to France, and I understand now he is in Japan to negotiate more loans.

I would like comrades in this House to understand what we are trying to get at, and that is, that development will not come about within this framework and we must tell the Guyanese public clearly what the position is otherwise, first of all, the Government will be fooling them, secondly, like a dog chasing its own tail, the Government will get nowhere. The minister said the Government will be able to get capital for this, for that, and the other, for agriculture. We have just read where in the United States they are talking about stopping imports of sugar from outside. I see the Minister of Agriculture is winking. We want to know whether the Inter-American Development Bank is going to finance agriculture here. A little while ago we were in a food surplus situation when there was soil bank and everything in the United States. Through imperialist manipulations, we had some prices rising astronomically and soon again we are going to find a surplus situation. This is how the imperialists and the capitalists manipulate the whole international market for their own profits at the expense of the hungry people of the world and we are going to depend on these people to tell us which project they will agree to give aid to .

Let us examine the situation. Cde. Lalbahadur made a significant point. Did the Inter-American Development Bank give any help to Cuba? Instead, it blockaded Cuba. Did the Inter-American Development Bank give any aid to Allende's Government? Even aid that was promised and committed was cut out in the case of Allende. Why? Because these two countries were going on a road different from the one charted by U.S. imperialism for all Latin American countries.

We are told that this capital will help us. Let me read you a statement made by one of the arch-imperialists of Western Germany, Franz Joseph Strauss in a book he wrote called **The Grand Design**. Listen to this.

“Poland, Czechoslovakia, Hungary and the other Eastern European countries are as much members of the European family as Italy, Belgium or Switzerland. We therefore need to think of a united Europe and a free Europe and not only a United Germany.”

It goes on:

“During this period we must attract the Eastern and Southeastern European nations more closely to Western Europe by cultural and economic ties, tourism, sporting events or any other suitable means. As far as economic co-operation is concerned ...we must be careful not to assist the Communist regimes to consolidate their power or to overcome too readily the weaknesses and deficiencies in their system. Economic assistance should be based on specific projects, each designed to tie these countries closer to the West than the East. We must support the process of a slow dismantling of these Communist regimes and the adaptation of these Eastern European Countries to the life and standards of Western Europe.”

We understand that Brzezinski is expected to be one of the persons likely to be Foreign Minister to Carter, if he wins.

“The basic assumption of the new approach was that mere verbal hostility would not overthrow the communist regimes and that events in East Germany and Hungary had demonstrated that the West did not have the will to use force. Instead of waiting for the communist regimes to collapse, the United States would henceforth bank on promoting evolutionary changes within them and within the bloc as a whole.”

What applies to imperialist strategy for communist countries and socialist countries applies with even more force for Third World countries, because in Third World countries there is greater leverage. And if one would take Bolivia as an example the Pez Estenssora Government nationalized the tin mines of Bolivia in the 1950s. It carried out radical land reform essential for economic development but between 1952 and 1964 with aid, investments, it created not development but a new bourgeoisie which helped to overthrow the Government in a military coup in 1965. So we must not live in a dream world and make the illusion for the Guyanese

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people that the Inter-American Development Bank is going to help us to solve the problems because the problems of the people cannot be solved unless you go to socialism. You have to make a determined effort but we have seen from this *Newsweek* cutting that the Government is still pragmatically moving without being guided on the basis of certain fundamental principles and analyses which can make it take certain decisive steps.

The Prime Minister went to the Non-Aligned Conference. What did he say? As I understand it, he said: analyses are good, theoretical propositions are very good, sympathies are very good – meaning from the socialist countries. – but what we want is more material assistance.

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The Soviet Union and the socialist countries have shown practically wherever people were determined to fight, Vietnam and Angola, to maintain their freedom, they were willing to give them aid. Cuba has shown that if you are willing to fight against imperialism you will get aid. Egypt has also shown it. Billions of dollars went to Egypt but Egypt has now reverted to capitalism and Sadat has reversed Nasser's policies and is now conducting a campaign inside Egypt against Nasserism. This is an established fact. The Soviet Union has helped Syria, has helped Iraq to transform their oil industries to give them economic leverage against imperialism. Syria now, we see, is playing a very peculiar role in Lebanon to give it the best possible colouring. Socialist countries are not going to take chances and spend their money on people who vacillate, people who, as has been demonstrated in Egypt and now is Syria, moved from one side to the other. People in the socialist community not only are concerned with what you say, they have been through all of that already, fighting rightist and ultra-leftist revisionism and all of that. A lot of them talk about socialism, Marxism, Leninism and so on and others have exposed them. They have these unfortunate experiences and, therefore, do not think that you are going to simply say, 'Look we want money' and they will give it to you. You have to show that you are serious about this thing called socialism. In practice, there is unity of theory and practice, not revisionist theory, but even if it is a little revised let us see it in practice.

Aid has come to Guyana, Plenty of it, but we do not have much to show for this in terms of people's welfare. Instead, we are up to our necks in debts. The Minister says that he feels fairly confident that we will get significant assistance, and this assistance in multilateral aid. I do not understand how on the one hand the Government tells us that because it is not imperialist and socialist the United States is blocking it in the World Bank and different places and, at the same time, it is telling us that we are going to get aid from the Inter-American Development Bank which is under the control of the United States and the other imperialist states.

The Deputy Speaker: Hon. Leader of the Opposition you have one minute more.

Cde. C. Jagan: Do you see the contradiction? On the one hand you say imperialism is pressing you and on the other hand you are saying that you are going to get substantial aid from an imperialist-controlled organisation. Forty-one per cent. Cde. Lalbahadur has given the names of the Latin American puppets which controlled apart from the 41 per cent. We have seen it recently. The Andean pact has the position on foreign capital. Recently, because of the change of Government in Chile, they had to revise and relax on the role of foreign capital in the Andean continent, so I do not see that there is any consistency in the presentation which was made in this House. What we want is real development – because western bilateral, mainly U.S. bilateral, aid was exposed, the United States itself moved towards multilateral aid and set up these agencies as a camouflage so that United States Government will not be discredited and it will act indirectly through its puppets and the dominancy it has with the 41 per cent.

Even Peru which was taking a positive turn a few mornings ago has now gone back into the camp of the imperialists. If we want real development we must make up our minds. You have to take those steps, otherwise we will continue as we are. Look at the present position today. We are importing Bhusi. Cde. Speaker, you know what they call 'Bhusi'? Here it is. There are 120,000 bags of one hundred pounds each, 2 million pounds of 'Bhusi' imported from the United States. We cannot buy food. We banned sardines, we banned potatoes, but we are importing 'Bhusi'. Listen to the composition: **[Interruption]**.

The Deputy Speaker: Order, please.

Cde. C. Jagan: Crude protein – not less than 6 per cent, crude fat – not less than 5 per cent, crude fibre – not more than 30 per cent. Look where we have got today. Guyana was an exporting country of rice. As a result of the fact that we produce so much rice we had to open a market in Cuba and the P.P.P. Government got into hot water with the American Government for breaking the blockade against Cuba, for which we were never forgiven and for which C.I.A. intervened in this country with the aid of our friend. This year we have already had a shortfall of rice. An amount of 70,000 tons was expected but 48,000 tons were reaped.

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Right now – **(Interruption)**

The Deputy Speaker: Let us have some order please.

Cde. C.B. Jagan: Cde. Speaker, I can appreciate the embarrassment of the Cde. Minister of Finance. He is like the Speaker once in 1963 when the war-ship was outside. He sat in the Chair here and said “I have not seen it.” We have a Finance Minister the same way turning his Nelson’s eye in the same way because of his embarrassment. [At this stage a bottle with ‘Bhusi’ was shown to Minister of Agriculture]. Send it to the analyst. It is ‘Bhusi’. **[Interruption]** Maybe the Minister will tell us how much foreign exchange was spent for that or whether it is imperialist aid we are getting for nothing under the Inter-American Development Bank, whether the aid is coming through already.

I think I have said enough. All we are saying is that we are not going to vote against this measure. But we want to make our position quite clear to the public at large. The way to go forward is to take decisive steps not to wobble and vacillate. You will not get out of the rut. Some countries have tried it and they have suffered and therefore, as I said, we do not want the Guyanese people to have any illusion about this step which the Government is now embarking

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upon, and it is for this reason we take position. Let them scramble; they are going to scramble all over the world, change the Israeli policy because they are looking for odd dollars. We do not feel that such pragmatism is going to solve the problems of this country. You talk about your ideas being based upon Marx/Engels and Lenin, let us have a principled position and in that way take us out of the rut in which we are. [**Applause**]

The Deputy Speaker: This seems a convenient time for us to take the Suspension. We will be returning in thirty minutes.

Sitting suspended at 4 p.m.

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On resumption --

The Deputy Speaker: At the Suspension the Cde. Leader of the Opposition had just concluded his speech. I think that the Cde. Minister will now reply.

Cde. Hope (replying): Cde. Speaker, I think the thrust of what the three members of the Opposition who spoke were saying was that the Inter- American Development Bank was a capitalist-dominated Bank, that as such, they felt a certain skepticism of the willingness, perhaps even the ability of the Bank to assist Guyana in a meaningful way. In fact, they expressed doubt, as I understand it, of the wisdom of joining the Bank as the association with members of the Bank would in a sense, or in a way, retard the revolutionary process going on in this country. They pointed, I think, to the need to look eastward in terms of securing bilateral aid from socialist countries.

But if the I.D.B. is dominated at the moment as it is no doubt by the United States of America, if by domination one assumes and one means that a country which has more than 30 per cent of the voting power would dominate the Bank, I would just point to the fact that in 1964 when the Leader of the Government, then Dr. Jagan, sought to get the assistance – even if he couldn't become a member – of the World Bank then was even more dominated by the United States than the I.D.B. is today. And I have not heard any criticisms of our participation in the World Bank and this is why I pointed to the fact that we are members of the World Bank. The United States, as an individual country, has the highest proportion of votes in that Bank. But I should like to say immediately that there are some areas of the Inter-American Development Bank decisions which require such a level of majority vote that it does require the United States to vote in order to get a positive vote in that area. But that does not apply to all voting which is done. In fact, we could not have entered the I.D.B. unless the agreement had been amended and the amendment could not have been successfully carried through had not the United States voted.

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That is saying nothing in favour of the United States but what I am pointing out is that there are some areas where the United States' vote is critical but there are a number of others where the vote is not critical because it is a simple majority. But, as I said – and I think this point must be underlined – the United States has a similar dominance in the World Bank and we have, in fact, got loans from the World Bank and those loans are not all for infrastructure. If even they were for infrastructure, I wonder if the Leader of the Opposition would care to assert that infrastructural development is irrelevant and, does not infrastructural development have to come first before you can get any other kind of economic development?

In our circumstances, do we not have to build roads? Do we not have to get mechanism for water control? Whether we are talking of Drainage and Irrigation, whether we are talking about Sea Defences, are not all these classified as infrastructural? The Leader of the Opposition says it is proportional. That is not relevant either. At a certain point of our economic development, most of our money must go to infrastructure because infrastructural development must come first and therefore when we are moving towards development the bulk of our development, the more specific kind of development which utilizes and gives economic viability to the infrastructure works which were already done.

A lot of infrastructural work went into the preparation of that scheme for Black Bush Polder and a lot of money for Guyana at that stage went into the establishment of the water control systems that constitute Black Bush Polder today and it is now we are seeking the fruits of that. If that infrastructural work has not been done, we could have not got production out of that area. So, if one accepts the idea that infrastructural works must come first, that they are basic to all subsequent development, that they are the foundation of development, that they are the super-structure under which development must take place afterwards, then we must recognise that, at some stage of our economic development, it is right that monies must go into infrastructural work.

Also, in the final analysis, it is we who set the priorities. In the final analysis, it is we who say what project we want. If the World Bank does not want it, they say “Well, we are not

financing it.” Fine, and we do not look for it. Similarly, if we make our plans – and we do make our plans; unlike previous Government we make our plans ourselves – once we do that --- **[Interruption]**. In any case, we have our plans. We ask a specific agency to finance project A, B, or C in that plan. If the agency says “Well, I don’t like your plan; it is not my priority, “fine, no sweat. It is not financed by that agency. If, however, we make our plan and we can find sections in the plan which coincide with what an agency will finance, well and good, they are happy because what one agency will not finance another will and that is the whole point of having several institutions to which you can turn.

Cde. Chairman, the World Bank will not finance housing and we will not go to the World Bank for money to build houses; but, the Caribbean Development Bank will, and so to the Caribbean Development Bank lent this country last year some \$6 million to finance housing. That is the whole point of what we are talking about. We are not allowing – and it is a mistake to believe and certainly a misleading position to take – that because one agency may not be happy in financing a particular project, it means that that agency is controlling what we are doing. That is absolutely not the case. We say what we want and if it does not coincide with the financing agency, it is not financed by that agency and that is all that happens. And what has happened in the case of other agencies will happen in the I.D.B. and that is why they send a probing mission to see to what extent we can have coincidence of views as to what we want and what they can afford; there is no dictation on either side.

It is a little bit pathetic to observe the blandness with which the Opposition speaks about borrowing from a capitalist –oriented, capitalist-dominated agency like the I.D.B., when the statistics show – I am not quoting 1964 statistics, I am quoting statistics as late as 1975 – where the communist countries owe western banks no less than \$35 million (U.S). And we are not talking here of owing a multilateral agency like the World Bank, we are not talking of situations where the United States has only 30 or 40 per cent of the votes, we are talking about borrowing from institutions which are 100 per cent owned by the United States: Chase Manhattan, Chase City Bank, the big, capitalist-owned, capitalist-dominated bank, the biggest in the world, Bank of America; all these banks are lending the Soviet Union and Poland and other eastern bloc countries money to the extent that they owe them \$35 billion (U.S) for 1975.

4.45 p.m.

Of that \$35 U.S billion owned by the Comecon countries, \$15 billion is owed by the Soviet Union alone, \$9 billion by Poland, and the rest by the other socialist countries.

I have no quarrel if the socialist countries want to borrow from the western-owned capitalist banks. That is their business. They probably see the interests of their citizens to be properly served if they so borrow, but the fallacy is that borrowing from a capitalist bank in any way retards the socialist progress within the country once you have the will to maintain the revolution because that is what it is all about. There is a clear distinction. We borrow from the bank but it is what we do with the money that matters. Mere borrowing from a bank does not interfere with the socialist revolution. It does not mean that you are borrowing for the use of the masses.

Thirty-seven per cent of the loans given by I.D.B. – those are the statistics – are put into agriculture. But that is for other countries. We are not concerned with how other countries spend the money. What we are concerned with is that we spend the money, and that is what the Leader of the Opposition should be concerned with. Not what Barbados does? That is Barbados' business. Not what Jamaica does with the money? That is Jamaica's business. What we do with the money is what matters. So that when we put up a concept to the bank that we would like to borrow for the establishment of a rural cottage hospital, rural health centres, is that not something to serve the masses? It that not borrowing for projects to serve the masses? And when we seek to borrow from the bank to develop our agriculture as it is presently organized, it is not borrowing for productive purposes?

This is what the Leader of the Opposition will not understand. This Government has never taken any dictation. Obviously that is what the Leader of the Opposition does not understand. Dictation has been his way of life. Dictation has been his downfall. He is accustomed to dictation. Let me, in fact, emphasise this point. The socialist countries are borrowing from western-owned banks in a big way but all I say is that is their business. If they think that is the way in which they can bring a higher level of living to their people, fine, but

don't come here and try to mislead the public to believe that if we borrow from a bank in which one capitalist country has a large number of votes that is bad, because it is capitalist-dominated. That is nonsense.

The bank says that its capital will be used for public investment, for private investment. This is taken by Cde. Narbada Persaud – he is not now here – he has taken the fact that the bank in its charter said it would lend to the public sector as well as to the private sector to mean that this is a private sector bank. Impossible. As I understand it, the bank has a number of countries which are its members. Each of those countries has its own social and economic system and the bank is only saying that the mere fact of your social and economic organisation, whether you are public sector oriented, co-operative oriented, or private sector oriented, does not prevent loans from going into projects, does not prevent it from lending. Its terms of reference are sufficient wide to enable it to lend to all countries that are its members irrespective of its internal organisation.

We are having a situation in which the state and the co-operatives have a dominant role to play in the economy of the country and the bank will lend. It is lending in certain circumstances. I understand their skepticism but if they are skeptical as to whether we will get money, I will say, let them wait and see. If they feel the money will not be used for the advantage of the masses, I say the proof of the pudding is in the eating. Let them wait and see. Do not pre-empt, or attempt to pre-empt, the situation by illogical inconsistent arguments.

I have said, and I repeat, that in many real senses multilateral aid is more objective, and I maintain that, but the important thing to understand is that we have not set our sights in one direction only. In this matter we will take financial flows from whatever source they come, provided they come in the right circumstances. In all cases our economic independence will be maintained. In fact it is worthy of note that while we are today debating a Bill which will enable us to join this so-called 'capitalist-dominated' bank, at the same time we are expecting in a few weeks, or days, an economic mission from the Soviet Union to come here to talk, I hope, about programmes. So I think the Leader of the Opposition need not fear. We will maintain our social

and political integrity while we utilize the financial resources that become available to meet the needs of the people. The programme that we have is what matters. The projects in that programme are designed to satisfy the needs of the people and we will do that with the money that we will borrow from the bank. I think that, in brief, answers the number of questions that have been raised in the contribution by the Opposition over the last two hours.

Cde. Speaker, I should like to announce that there is tabled an amendment to the Second Schedule. The First Schedule, as will be observed, is just a copy of the Inter-American Development Bank agreement and the Second Schedule is the Resolution which was passed by the Board of Governors authorizing Guyana's entry into the Bank. Certain paragraphs were omitted in printing of that document. The amendment seeks to include what has been left out.

Bill read a Second time.

Assembly in Committee.

Clause 1 to 7 agreed to and ordered to stand part of the Bill.

The First Schedule agreed to and ordered to stand part of the Bill.

Second Schedule.

Cde. Hope: Cde. Speaker, I wish to move the amendment to the Second Schedule, notice of which I have given.

Amendment –

That the following provisions be added to the Resolution:

- “(c) Its duly authorized representative shall have signed the original of the Agreement deposited with the General Secretariat of the Organisation of American States.
- (d) It shall have deposited with the General Secretariat of the Organization of American States an instrument setting forth that it has accepted or ratified, in

accordance with its law, the Agreement and all the terms and conditions prescribed in this resolution, and that it has taken the steps necessary to enable it to fulfill all of its obligations under the Agreement and this resolution.

- (e) It shall have represented to the Bank that it has taken all action necessary to sign the Agreement and deposit the instrument of acceptance or ratification as contemplated by Section 1 (c) and (d) of this resolution and it shall have furnished to the Bank such information in respect of such action as the Bank have requested. Guyana may accept the conditions and fulfill the requirements established for membership in the Bank until November 30, 1976. However, in extraordinary circumstances are deemed by the Board of Executive Directors so to warrant, the Board may postpone such date.”

put, and agreed to.

The Second Schedule as amended, agreed to and ordered to stand part of the Bill.

Assembly resumed.

4.55 p.m.

Bill reported to the Assembly, read the Third time and passed as amended.

CUSTOMS (AMENDMENT) (NO.2) BILL 1976

A Bill intituled:

“An Act to amend the Customs Act”

[The Minister of Finance]

Cde. Hope: Cde. Speaker, in accordance with Article 80(2) of the Constitution of Guyana, I signify that the Cabinet has recommended the Customs (Amendment) (No. 2) Bill 1976 for consideration by the National Assembly.

In moving the Second Reading of the Customs (Amendment) (No. 2) Bill 1976 I wish merely to state that the purpose of the Bill is very simple. We know from time to time shall amounts to dutiable goods are brought into the country and the Customs Department would have to assess those small bits of goods with tax. Normally, the several different rate of taxes, as applicable to those goods, would then have to be applied. What the Bill is seeking to do is to enable one common rate to be applied to all such groups with certain reservations: (1) That the total amount does not exceed \$200 and another that the total number of items does not exceed 3, and so on. But those would be put in an Order. The purpose of this is to simplify the assessment of tax at the Customs level by allowing one single rate of tax to apply to a number of goods which are entering in the normal process of a person returning with some dutiable goods. With that explanation I wish to move the Second Reading of the Customs (Amendment) (No. 2) Bill 1976.

Question proposed.

The Deputy Speaker: Hon. Member Mrs DaSilva.

Mrs. DaSilva: Mr. Speaker, I do not propose to detain the House for any length of time, but I would like a few moments to clarify a few points. The Minister of time, but his introduction to the Bill, already given two answers to two of the questions I intended to ask. One was, what will be the total value of the country, and he said not exceeding \$200. The second was the limitation on the number of items, and he said 3. This very good, but I wonder if it could be made clear to all Guyanese because not all Guyanese get the Official Gazette. All Guyanese should know this for, in spite of restrictions, a number of Guyanese do travel and they do quite honestly come by things given to them as gifts, which they bring home. They are not going to sell these things or blackmarket them. So I am pleased that this is indicated.

Would the hon. Minister care to say how this Bill seeks to amend the First Schedule to the Customs Act to enable the imposition of a flat rate of duty upon goods consisting of different

items of a non-commercial character? It is envisaged to be done percentage –wise. Could the hon. Minister please let us know?

The Speaker: Cde. Leader of the Opposition.

Cde. C.B. Jagan: Cde. Speaker, I should like to ask whether the Cde. Minister will give consideration to another proposition. I think the one proposed in the Bill is quite good and if the reply to the query put by the hon. Member who spoke is satisfactory then this will help to simplify matters for people concerned. This point I am raising now pertains to certain countries where goods of a certain value, not a very high value, are allowed in duty free by residents in the United States and Canada who are returning home because people do get gifts when they are returning. I wonder whether the Minister would give consideration to this question also and not unduly delay people as they come through the Customs or try to extract some taxation from people who are bringing in small quantities of goods. This is the practice in many countries and it also helps to simplify the whole question of customs procedure so that people are not unduly delayed.

Cde. Hope: Cde. Speaker, with regard to the first question, the rate will be *ad valorem* it is a percentage rate and it will be a CARICOM rate: it will apply to all the CARICOM countries. I agree with the Cde. Leader of the Opposition that perhaps it may be desirable to have some level of exemption. We do not have that, it is agreed, and it is something we are looking into at the moment except I want to say that the Customs do not necessarily tax a person for everything that is brought in. What attracts the attention mostly are the expensive types of goods. I agree with the Leader of the Opposition that it is a discretion which the Customs will be exercising in that instance and perhaps we ought to look at the matter. In fact we are looking at the matter.

5.05 p.m.

Bill read a Second time.

16.9.76

National Assembly

5.05 – 5.13 p.m.

Assembly in Committee.

Bill considered and approved.

Assembly resumed.

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

The Speaker: Cde. Leader of the House.

ADJOURNMENT

Resolved, That this Assembly do now adjourn a date to be fixed”.

Adjourned accordingly at 5.13 p.m.
