

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

[VOLUME 7]

**PROCEEDINGS AND DEBATES OF THE FOURTH SESSIONS OF THE NATIONAL
ASSEMBLY OF THE SECOND PARLIAMENT OF GUYANA UNDER THE
CONSTITUTION OF GUYANA**

24th Sitting

2 p.m.

Monday, 23rd August, 1971

MEMBERS OF THE NATIONAL ASSEMBLY

Speaker

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

People's National Congress

Elected Ministers

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

Dr. The Hon. P.A. Reid,
Deputy Prime Minister and Minister of
National Development and Agriculture

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

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

(Absent – on leave)

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

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

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

The Hon. D.A. Singh,
Minister of Trade (Absent)

The Hon. O.E. Clarke,
Minister of Home Affairs

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

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

The Hon. A. Salim,
Minister of Local Government

Appointed Ministers

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

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

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

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, Ministry of Works, Hydraulics and Supply

Other Members

Mr. J.N. Aaron
Cde. M.M. Ackman, Government Whip

Mr. K. Bancroft

Mr. N.J. Bissember

(Absent – on leave)

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. Jordan

Mr. S.M. Safee

Cde. R.C. Van Sluytman

Cde. M. Zaheeruddeen, J.P.

(Absent – on leave)

Cde. L.E. Willems

Members of the Opposition

People's Progressive Party

Dr.C. Jagan, Leader of the Opposition

(Absent – on leave)

Mr. Ram Karran,

Mr. R. Chandisingh

Dr. F.H.W. Ramsahoye, S.C.

(Absent)

Mr. D.C. Jagan, J.P., Deputy Speaker

(Absent)

Mr. E.M.G. Wilson

Mr. A.H. Hamid, J.P., Opposition Whip

Mr. G.H. Lall, J.P.

(Absent – on leave)

Mr. M.Y. Ally

Mr. Reepu Daman Persaud, J.P.,

(Absent – on leave)

Mr. E.M. Stoby, J.P.

(Absent)

Mr. R. Ally

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

(Absent)
(Absent – on leave)

United Force

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

(Absent – on leave)
(Absent)

Independent

Mr. R.E. Cheeks

(Absent)

OFFICERS

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

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 Members**

Mr. Speaker: Leave has been granted to the hon. Minister of Finance for one week from today; the hon. Bissemer for today; the hon. Member Mr. Zaheeruddeen for today; the hon. Member Mr. Lall for two weeks from the 20th August; and the hon. Member Mrs. DaSilva for today.

PUBLIC BUSINESS**BILL – SECOND AND THIRD READINGS****GUARANTEE OF LOANS (PUBLIC CORPORATIONS AND COMPANIES)**

The Attorney – General and Minister of State (Mr. Ramphal) on behalf of the Minister of Finance: Mr. Speaker, I rise on behalf of the Minister of Finance to move the Second Reading of:

“A Bill intituled an Act to provide for the guarantee by the Government of Guyana of Loans to Public Corporations and companies in which the Government has a controlling interest.”

In doing so, I signify that in accordance with article 80(2) of the Constitution, the Cabinet has recommended the introduction of the measure and its being proceeded with in the Assembly.

Mr. Speaker, the Bill is, in some respects, complementary to legislation that has already come before the House in connection with Public Corporations. Hon. Members will be familiar with the measure recently passed setting up the Guyana State Corporation with the object of bringing those Corporations that are Government-owned and those Companies in which the

Government has a controlling interest, or the majority of them, under the authority of a single governmental agency so that, in particular, their procedures in relation to matters of organization, finance and personnel could be better co-ordinated and better managed. This measure is designed to bring under the banner, as it were, of a single piece of legislation, the procedures governing the manner in which the Government itself would guarantee loans raised by particular Corporations working, of course, as they will have to do, by virtue of the legislation already enacted under the authority of the Guyana State Corporation.

Until now there has been no legislation in Guyana which has regulated the manner in which the Government guarantees loans to State-owned enterprises or undertakings. This has been a gap in our system of financial legislation and it is one that we feel ought to be filled. Legislation of this kind is to be found on the Statute Books of many countries and I imagine that it will be self-evident why it is desirable that some regulatory procedure of this kind ought to be introduced. The result has been that in the past, the Minister of Finance would have to proceed on an *ad hoc* basis coming to the House with individual resolutions relating to specific loans.

2.25 p.m.

What we seek to do now is to provide general machinery which will authorize Government loan guarantees in relation to government corporations and government controlled companies, that is, as it were, in relation to governmental agencies – the machinery for the guaranteeing of loans to these agencies.

Mr. Speaker, in formulating the legislation, care has been taken to meet a number of important points which I have already mentioned. One of these is the class of agency which the measure covers. In the first place, the fact that the principal borrower, whose obligations are being guaranteed, is itself a government agency set up initially under statute or incorporated with government controlling the shareholding, and in the second place, brought under the authority of

the Guyana State Corporation, obviously places Government as guarantor in a position of substantial control. That is the first point I should like to emphasise.

The second is that the governmental authority itself, that is, the authority to guarantee, has been very strictly circumscribed. Taking globally guarantees over the years outstanding at any one time, the measure seeks to impose a ceiling on the guarantees that can be given at a figure of \$25 million (Guyana). What this means is that at no single time must there be outstanding under governmental guarantee by virtue of this measure, indebtedness in excess of \$25 million.

Then, by virtue of subsection (2) of clause 4, obligations are imposed on the Government, on the executive, and more particularly on the Minister of Finance, in relation to the authority of this House in financial matters, and the Minister is required at the end of each quarter of the year to lay before the House a statement of the guarantees given under this measure together with particulars of the loans in respect of which each guarantee has been provided. Additional to the quarterly statements to the House, the Minister must at the end of each financial year, give the House, as it were, an account of the transactions dealt with under the Bill, and in that account, he must give an indication of the total amount of guarantees outstanding under the measure and an indication of any default which may have resulted in a charge on Government revenues pursuant to the Governmental guarantee. This is the second point I wish to emphasise.

The third point is, that in addition to all the control that exists by virtue of the nature of the corporation or company, and the authority of the Guyana State Corporation, clause 5 of the Bill seeks to empower the Minister to impose even further controls on the company or the corporation once a loan by the company or corporation has been guaranteed by the Government. Thus by virtue of clause 5, once such a guarantee has been issued and the loan is outstanding, it will not be possible for the company or corporation to exercise its borrowing powers except with the Minister's consent, save, of course, for normal current borrowing on overdrafts not exceeding twelve months. It will be obvious why this is so. If Government is in fact guaranteeing the

indebtedness of the corporation or the company, clearly it is undesirable that further indebtedness should be incurred without the knowledge or permission of the Government.

In clause 6 of the Bill, there are control powers in the event of a default on the part of the company or corporation, or indeed, anticipatory of such default, if the Minister believes that this is likely to happen. In that case, the Minister can take virtual control of the financial aspects of the corporation's affairs through the machinery of directions to the corporation designed to enable it to discharge its obligations.

That represents the scheme of the legislation. I hope hon. Members will agree that it is a desirable measure and in its formulation care has been taken to meet the legitimate rights of the House to exercise control over these matters. Also, it is desirable where public funds could be involved through guarantees, that the executive and later the House itself should to that extent, qualify the powers of the corporations and companies. So saying, I should like to move the Second Reading of this Bill to provide for guarantee by the Government of Guyana, of loans to public corporations and companies in which the Government has a controlling interest.

Question proposed.

Mr. Ram Karran: The hon. The Attorney-General has said that this Bill is a follow-on to the one we debated recently in respect of Guystac. Since it is then it must be another addition to the gimmick, which was described by those of us on the Opposition side, with respect to the State Corporation. There is the other slogan by the Government, that this seeks to regularize the question of loans to public corporations, and the hon. Attorney-General tells us that this is a situation that exists in most countries.

We started out with a few public corporations which, except during the term of office of the Colonial Office, and of course, since the P. N. C., were running properly. I refer to the Rice Marketing Board and the Rice Development Company. The country will recall they were able to

make profits, and in the case of the Rice Development Company, was able to pay back loans taken from the Colonial Development Corporation. It was only during the period of the P. P. P. that they were able to make some profit.

I know this Government is going to beat its breast and say that they have made profits during the Government's term of office, but it must never be forgotten that the Government has been able to depress the selling prices of rice and padi to the farmer; it has been able to retain the selling prices to the consumers while obtaining increased prices from the West Indies. In that unnatural way, they have shown some profit which has not, as we all know, been used in the best interest of the industry.

2.35 p.m.

What about other corporations such as the Guyana Airways Corporation? I have not come to Guyana Gajraj Limited yet. I made the point during the debate that some of these corporations were of a developmental nature in certain of their activities.

The Government went through the debate without making mention of the fact that it was going to increase the fares and freight on Guyana Airways Corporation to the extent of 50 per cent, thereby carrying up the cost of living for the consumer. I think it was quite immoral for the Government to have gone through the debate without referring to this. The price of beef, I understand, has gone up tremendously, disregarding altogether the aspect which we had specifically raised on this side of the House.

The Prime Minister said that in certain cases the Ministry of Agriculture will pay the subsidy and in some cases the Ministry of Communications will pay, but we would have liked to have seen those details worked out so that people would have known where to go and when to go to get the necessary relief or the subsidy so that the price of these things would not increase.

What I am concerned about, sir, is the fact that the Government, by the provisions of this Bill, is going, perhaps, to obtain loans from concerns, interest on which will be paid by the companies, of course, but such loans will eventually benefit private owners of shares in these concerns.

Only the other day we were debating the Guyana Transport Services where our friend the ex-Minister, Mr. Jordan, has one share and the Manager of the Transport and Harbours Department has another share – unpaid shares I think. I imagine that when this concern borrows money, which loan has to be guaranteed by the taxpayers, and a default takes place the taxpayers will foot the bill, but if profits are made some of it will go into the pockets of private people, if we can describe my friend the hon. Member Mr. Jordan, as a private person. I think he is, except that he is associated very closely with the governing party. I do not think that system is fair. In fact, I do not believe that private greed or private gain should come out of an exercise like this.

Another question that I should like to ask the hon. Attorney-General is this: How did he arrive at \$25 million as the total amount to be guaranteed by the Minister of Finance for all these corporations? At the rate we are establishing corporations, in the next year, or by the time the people are ready to boot out the Government, the number of corporations will have increased maybe a hundredfold.

How did he arrive at the figure of \$25 million? Was an exercise carried out to see what the demands of Guyana Airways Corporation and GUYBAU would be, if they are included in this? Was anything done to estimate the demands of the Rice Marketing Board, the Rice Development Company, the Guyana Transport Services? Has the Government worked out some schedule with the heads of these corporations? Have the corporations told the Minister, “we need about \$5 million”, “we need \$3 million” and so on and in that way the Government arrived at \$25 million? Or has the Government just stuck its hands into the air or into a bag and arrived at the figure of \$25 million? Perhaps the hon. Minister will be able to tell us.

There is another important matter I should like to talk about and I am sure, sir, that I have your sympathy in this. This is the manner in which the Government's accounts are run. We have on repeated occasions dealt with that question on this side of the House without any change being made by the Government. We have repeatedly opposed and objected to the auditing of the accounts of these corporations by friends of the Government. I want to call names and these are the former Minister Mr. Thomas and Mr. Stoll. Their report has been submitted to us.

I wish to point out that these persons although they may have been associated in some way in the Government have no auditing experience whatever. In fact, I should generalise and say that private accountants have no experience whatever in Government auditing. They may be able to see that no pilfering took place. They may be able to see that things are done properly, but the policy of the Government is not carried out in the spending of this money. That is why we have repeatedly called on the Government to see that all auditing, not only of the accounts of the central Government, but of public corporations, is done by, or through, the Director of Audit so that he can tell the auditors what to look for.

I hope to be able to get an assurance from the hon. Attorney-General, who is standing in for the hon. Minister of Finance, and I wish to compliment him for being here so frequently lately. He was here a few days ago during the debate on a long Bill. We see him here again today. I hope this is an indication that the hon. Attorney-General will be visiting this Chamber more often. I do not know whether he has an assurance from the Minister of Finance that these accounts will be audited by the Director of Audit. If the Director of Audit does not have the staff he should be given the personnel so that he can direct these private auditors, hangers-on of the Government, and our accounts can be audited properly, and not only that the accounts are audited properly, but so that this House can be satisfied that the money is properly spent.

This holding body was described by my friend the hon. Minister for the United Force. This holding body is moving into the direction of good business practice where GUYSTAC will hold all the other corporations, but its introduction – this has to be admitted by Government – is

an indication that the Government has been a failure is so far as the public corporations are concerned.

It is on record in this House that the former Minister of Trade and Health, Mr. Kendall, said that the election of members for the Rice Marketing Board had resulted in square pegs in round holes. There was the case of the Guyana Electricity Corporation. My friend the hon. Deputy Prime Minister nearly had his beard singed. We know that big boys who were taken from the street corners, hacks of the P. N.C., were made director, personnel officer and what not. They were strutting around the place with women, passing all sorts of allowances. The hon. Deputy Prime Minister had to take action and suspend these people. No sooner had he taken action in the right direction – and I compliment him for it – than his boss came back and the erring hack of the P. N. C. was sent on a tour of the United States. He is now with the External Affairs Ministry, probably drawing a higher salary. *[Interruption]* Let us get the facts and if I do not have them let the hon. Attorney-General tell us how this man, Billy Carto, was promoted. *[An hon. Member(Government): “you must not make false allegations.”]* If it is false, you correct it. My hon. Friend reminds me that Mr. Carto is registration officer for the forth coming elections. The Government hopes to rig again.

The Guyana Electricity Corporation is in a mess. It has been recorded in this House that it was started under very severe restrictions, with no money at all. When the P. P. P. came into office in 1967, the sum of \$11 million, which was for rural electrification, was only recorded on paper. There was no money. The Government then moved and was able to acquire the plant to extend the electricity to the rural areas far beyond the franchise area then enjoyed by the then Demerara Electric Company. There was a move out to develop the country, but no sooner had my friends come to office – for emphasis, I repeat – by fraud, by deception, with the assistance of the American fascists and their friends in Britain, then they began to destroy what had been built. Where is Mr. Moriah? He is at home. I think the former Chairman or Manager of the Corporation is now suing the Government.

They have made all sorts of blunders and they seem to correct them to bring a holding company. With the holding company it muzzles the Corporations with a Bill which gives to the hand of the Minister and the Government complete powers over the control of public funds without reference to this House. This is the place, this House, where public funds are to have the beginning and the end, not the Minister. The Government does not only tax P. N.C. members, the whole country is taxed. That is why this Chamber representative for the time being of all Guyanese people must say how these funds should be spent. The sum of \$25 million is going to be put under the control of the Minister of Finance and he is going to tell somebody when to stop payment or what is stated here – I am reading from section 6 subsection (b):

“... notwithstanding any rule of law or agreement to the contrary, give, or authorize any other person to give such directions in writing to the Corporation as may from time to time be necessary or desirable to ensure that such arrangements are made by the Corporation....”

What is the position with those Corporations the City of Georgetown, to New Amsterdam or the local authorities? Every time they want to borrow money for capital works or something of a developmental nature they come before this House and all members have an opportunity of saying that this is a good thing or this is a bad thing. Very shortly they have to come and tell this House that the sewerage system which was put up only fifty years ago is breaking down. I do not know if it is the strength of the P. N. C. which is breaking it down, but it has gone to shambles. God help us with the P. N. C.

What is wrong? If these Corporations are run properly the Minister will have had maybe six months in advance, say in June of one year, a programme setting out the policy of the Corporations in so far as their work is concerned. If the Minister has no staff, he gets the additional staff and says, “Yes, this is all right. We need \$3 million to put in capital works and so on”; the other corporations sat the same thing. At the end of the year with the Estimates as you know, sir, in the Committee of Supply, we go through in great detail every single item so long as

the time allows, is examined and we see that no jiggery-pokery goes on as we know our friends on the Government side are capable of. As I look I see the great new muslim Leader, the leader for Mohamed Ali ---

Mr. Speaker: The hon. Deputy Leader of the Opposition ought not to make disparaging remarks with respect to hon. Members.

Mr. Ram Karran: I was just saying that the hon. Member is the Muslim leader. I hope that he does not take it in the light that it is disparaging. I wish to congratulate the hon. Member on his elevation. One recognizes the Moulvi sitting across there, the leader of the Muslims, at least of the Anjuman of this country. But to have read in the newspapers that the hon. Mohamed Kasim, M.P. has been elevated to the post of a Muslim leader, I seek your permission, sir, to congratulate the hon. Member. *[Laughter]*

One would have thought, sir, that since we in this House must examine the Estimates in great detail that the Government's present action of side-tracking a number of important public expenditure in public corporations ought not deny hon. Members of this House the Opportunity of discussing it. *[Interruption]* it is not going to be discussed. According to the hon. Attorney General it is going to be laid on the Table every quarter and at the end of the year another report is going to be put in. Hon. Member of this House will be unable to debate this financial measure.

I strongly urge upon the hon. Attorney General that something of this nature ought to have some sort of consultation with the Opposition to see how we can work out, because the Corporations are not, they might be the brainchild of the Government for ulterior motives but they cannot be said to be the property of the members of the P. N. C. They are the property of Guyana.

I would have thought that there would have been some sort of consultation so that we could have put our heads together and worked out a reasonable measure so that we can know. I

have said in this House on repeated occasions that the Public Accounts Committee – and I do not want to divulge the secrets of the Public Accounts Committee – finds it most difficult to trace Government's funds given to Corporations either in the form of loans or debentures. You cannot see where the money goes. I am not saying that anybody fiddles with it, but we need proper accounting in this country. We need a change; we want proper accounting, and if these things are going to be done in a proper way then we need, as I said just now, consultation of these matters.

Sir, as I said just now, this measure gives the hon. Minister of Finance virtual control over a very large section running into millions of dollars. I am sure that a Parliament such as ours in which the Opposition, at least, for some time being, has a say that it is not desirable that we create such dictatorship. The Government has been taking away from the Parliament and from the people indirectly over these years little by little all their powers and we are going to end up one night, in fact, we are already there, it is only that we have a show that there is democracy in Guyana; what indeed we have is a dictatorship and we are moving further. When our friends on the Government side wake up they would not recognise, and realise they have been working so far.

I have pointed out just now that this is another gimmick and Government's criticism of its own institutions – I have made reference to what the ex-hon. Member Mr. Kendall said with respect to the Rice Marketing Board, the Government itself has no confidence in its Corporations. That is why these nerve-racking legislation have to be brought in but to time them down. I cannot understand. The Government started out with helping the boys, the terrorists, who were put in very responsible positions; they have failed. Well, at the first blush of things one would recognise, appreciate and sympathise with the Government who had to pay off these chaps who were murdering people, who were looting and burning and so on. But we have passed that stage, in fact, the second term is coming to an end. Surely, the Government would have been in position to move off these people who are misfits and with the time at its disposal to think of competent Guyanese, not necessarily from the P. N. C. Although we know, unlike the P.P.P. time where all shades of political opinion were reflected on these Boards, the P. N. C. reflected

its own image and not only its own image but it reflected that unless you happened to be related to somebody in the P. N. C. and he has to be a “big man” then you cannot get membership on a Board. You cannot even get jobs and this is a fact.

2.55 p.m.

There might be exception for good reasons, and that is why this thing cannot go right. It is not thought out in the proper spirit; it is not thought out for the right reasons. The Government cannot give jobs to the boys and at the same time run government business properly.

I submit once again that this is a matter for the whole House. In fact, Government ought to set aside this Bill for the time being and let us have discussion about it so that we can have a Bill presented to us that is acceptable to the nation and particularly to the corporations which have to work under these very stringent regulations.

Mr. Balchand Persaud: Mr. Speaker, at the moment, it seems quite clear that the Government’s policy in relation to development is based mostly on loans from foreign banks and foreign agencies, and on internal loans from the banks. Last year, the Government presented a fabulous Budget, as it described it, \$195 million. The Government wanted to spend \$79.1 million on capital development, but the Government was unable to show the capacity to raise money internally to carry out this development. As a result, about \$58 million had to be borrowed last year. This year, we see the same problem. The Government wants to spend \$75 million on its development programme and it is again seeking to raise \$60 million by way of loans.

Last year, from every dollar which the taxpayers paid in the form of revenue, the Government was able to save only $\frac{3}{4}$ cent for capital development. With this background, one is very hesitant to give the Government the power to guarantee loans especially when the corporations have not been running up to expectations. Because of the way things are going in every corporation run by the Government, there have been substantial losses. During the last

year, \$1 million had to be subsidized to the Guyana Marketing Corporation. The Government presented the 1967 and 1968 Reports of the Guyana Airways Corporation in which it was claimed that a profit of \$115,000 had been made, but in reality, no profit has been made. The depreciation on machinery and equipment had not been deducted.

While the Government may try to make out from time to time in the newspapers, over the radio, and in Parliament, that things are going well with the corporations, it is clear to my mind that things are not going well at all. Since Government wants to have the power to guarantee loans to these corporations, it is in the nation's interest that the Government should come out with radical proposals and ensure that all Guyanese are involved in the running of the corporations in order to make them pay.

So far, the history of the corporations has not been good at all. As such, one would expect that the Government, instead of just coming to ask Parliament to give it the power to guarantee loans for these corporations, would come out with some proposals where we can see the sincerity of the Government, that it is prepared to make the corporations pay. Large sums of money are expended in subsidizing the corporations and at year end, one can hardly see any profits coming out. Maybe this is because of the question of the personnel, the question of staffing of the different departments of these corporations that resulted in such a situation.

The Government says it intends to streamline the corporations so that we can get the maximum benefit and returns from them. Where the public purse is concerned, the Government has not demonstrated that it is capable of spending money properly. It has, from time to time, been wasting money on things that do not generate wealth. The Government's overall planning is bad and it has to be able to come out and tell the people what is its programme and how it intends to fulfil that programme. The Government's policy has been on a hit and run basis. The Seven Year Development Programme, which it initiated in 1966, is abandoned. Now we see it is working without a programme. It is substituting here and there. As a result, not only in the corporations there are inefficiencies and taxpayers are losing money, but in other sectors of the

economy, in agriculture, we see the Government is failing. If the Government is prepared to come to this House with tangible developmental programmes, we can seriously debate them and see how best the country can move on.

This year, the Government wants to spend \$75 million in capital development. It has to borrow \$58 to \$60 million. Last year, our public debt stood at \$233 million. For every dollar which a taxpayer pays in the form of revenue, the sum of 15 cents has to be paid as debt charges. This year, our taxation has increased so much that the cost of living is rising every day and as a result, our public debt stood at \$288 million. This year, we have to pay 18 to 20 cents on every dollar collected in the form revenue. This clearly demonstrates that the Government has not been able to raise any money internally to carry out developmental work. Even in the programme and future of the corporations, we have always to go cap in hand to beg money.

Another sickening thing is the question of the interest which we have to pay to the Demerara Bauxite Company. Six per cent interest when the Government has not been able to show that it can properly negotiate with the banks or external agencies to secure loans at reasonable rates. If the bauxite company is making a profit, as Mr. Campbell, the then President of the company said, of 9 per cent, and we are to pay 6 per cent interest, with the bureaucracy that the P. N. C. Government expects to put in, it is clear that the Government will be unable to make it a paying concern. We will have to go hat in hand to subsidise that big concern.

The Government has not been able to show any sign of confidence in itself or in the people who are running the corporations because as mentioned by the Deputy Leader of the Opposition, the hon. Member Mr. Ram Karran, only P. N. C. hacks are put in positions.

3.05 p.m.

Surely there is need for a change of policy on the part of the Government. Only by this can we see Guyana moving forward. As it is, at the moment we are only marking time and the

propaganda that the Government is spreading, internally and externally, is merely to fool the people aboard and in this country. It is time for the Government to change its over-all policies and come to this House with tangible proposals to be debated so that we can work together for these proposals to be implemented for the future of our country.

Mr. Speaker: The hon. Member Mr. Sutton.

Mr. Sutton: Mr. Speaker, I would certainly be failing in my duty if I did not express the qualms of my party in having the Government assume the authority which it seeks to have when it brings this Bill before the House.

As the hon. Attorney-General mentioned when he moved this Bill, this is clearly a corollary to the Motion concerning corporations which we considered a short time ago.

On the other hand, we must be careful that we are not confusing our issues; we must be careful that because of the absolute majority which the Government has it is not lead into the tempting situation of assuming absolute control without seeing the necessity to explain to the House and to get the authority of Parliament, as has been clearly laid down on our Constitution.

It is clear that if the Government is to run corporations with a holding of 51 per cent or more, it must be directly involved in responsibility for loans which may have to be raised in the course of business in order that the corporations may do satisfactorily the work that they are set up to do.

On the other hand, we must clearly recognise the difference between personal obligation and the obligation of a company, or a consortium of companies, where only a section or a particular group has to account for the actions which are taken.

As mentioned by the previous speaker, the hon. Member Mr. Ram Karran, this does not involve the money of supporters of the governing party alone. The money of all the people of this country is involved, whether they are supporters of the Government or supporters of nobody at all.

It is the duty of members of the Opposition to see that they take every opportunity of examining Government plans, particularly where those plans involve the spending of money so that they can avoid being wise after the event and so that they do not have to close the stable door after the horse has gone.

If there was no necessity for these things to be fully thrashed out in advance, there would be no necessity to debate for a couple of week a Budget every year. The Government has its plans; it intends to spend a certain sum of money in certain ways; it thinks that the money would be meaningfully spent in such directions; it thinks that the method adopted to raise such money is satisfactory. Nevertheless, before that money can be spent it is necessary for the Government to come to this House and to get the approval of the House.

From the point of view of members of the Government they may be wasting several days, perhaps weeks, because, whether the Opposition approves of it or not, owing to the fact that their

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party is the Government they have the power to see that the measure goes through. Their wishes cannot be frustrated while they maintain that power but at least what they want to do can be aired, and properly aired, so that all the citizens of the country would have the means of judging how efficient or inefficient the Government is in the plans it is putting forward for execution.

This House is the responsible entity to ensure that money is properly spent. Certainly the Government is making an attempt to have corporations run for the benefit of the people of this

country. It states that the recent Corporations Bill was necessary because it has become clear that corporations have to be run as business entities and every step must be taken to ensure that money will not be lost and every opportunity must be taken to see that the right people are in the right places. People who are qualified in the fields of operations of the various corporations will be given an opportunity to see that those corporations are run properly.

This being so, it is difficult to understand how Government could put a Bill of this nature before the House in order to get a blanker authority to commit the people of this country to be responsible for a sum up to \$25 million Twenty-five million dollars is a significant percentage of our total budget. It is of vital importance. The Government has stated that it will ensure that the corporations are properly run; it will ensure that they are run within their budgets. One would presume by that that at the beginning of the year when Estimates are put before us, as is customary, the heads of the departments will have made plans; they will have up their requirements and all will have been properly examined by the various boards concerned and they will be passed as feasible or viable, the case may be.

It would appear that this question of guaranteeing a loan up to \$25 million is not an ordinary day-to-day operation because it is particularly mentioned in a section of the Bill that if any part of these loans, that were especially guaranteed by the Government, is outstanding, the corporation will not be permitted, even if it did have the authority, to float further loans except with the Government's permission.

Therefore it is clear that the loans which the Government envisages, the aggregate of which must not exceed \$25 million, are not the ordinary loans from a bank by way of overdraft to run the day-to-day business, but loans which will become necessary in respect of special situations, or special propositions. One can see no reason why those propositions, when they do occur, as they must occur, should not be brought to Parliament for specific authorization. This House will then have the benefit of examining those propositions properly. It is stated in the Bill that when these loans are outstanding, statements will brought to this House for examination.

We cannot ignore what has happened in the past; we cannot ignore the dissatisfaction which has taken place which possibly has given rise to the necessity to run the Corporations on a different footing. We accept that; we on this section of the Opposition supported the Public Corporations Bill because we felt it was an honest attempt to improve the running of these Corporations. But certainly, if that is so, we also hope that this House will be given the opportunity to examine these plans, to examine these financial projections of the Corporations before they are finally carried and decided upon so that we will have an opportunity of not only sounding a warning but possibly of drawing certain factors to the attention of the Government which may well cause it to vary a pre-determined line of action.

We in this section of the Opposition cannot support this blanket request because we feel how the Corporations Bill has been framed, the Government at all times has the power and the need to keep these corporations continually under review. If the Government is to keep these Corporations continually under review, I submit, Mr. Speaker, that the House must be given the opportunity to be satisfied that these things are being properly run and we are not getting back into a mire possibly deeper than what we are attempting to come out of. It is said that if we have every intention to do the right thing and know that you are setting out to do the right thing you have no objection to anybody examining what you propose to do.

We feel that the Government has a normal obligation in this matter in order to allow the citizens of the country to see this is different. We are making an effort to clean up this mess that the Corporations have got into; we will not do what we did before, let the money be spent and then we hear about it; you vote \$750,000 and then three months after your budget is passed you come for a supplementary for another \$200,000. It causes you to ask questions: what has happened here? Was there not a plan of some sort? Was there no financial projection in your plans to see that this is done or that is done? That has happened in the past.

I think the Government owes it to this House to let everybody see that it is not only talking about the clean up, but that it intends to ensure that the clean up takes place, it intends to

ensure that everybody is satisfied that a clean-up is taking place.

The Government, I think, should welcome the opportunity of bringing these guarantees to the House. As stated when the quarterly statements are laid on the Table they will not only set out how much is due, but why the amount was due and all that sort of thing. Bearing in mind when those quarterly statements are put down the money would have been spent already, as we say locally the horse will have already left the stable.

We want, and we think we are right in requesting an opportunity to examine these things before the money is spent or committed. As I say this is not a request which will affect the day running of these Corporations; these loans will be necessary to put through a plan, to put through something very important which has to be thrashed out at several levels. Why one of those levels must not be this House? I can see absolutely no reason that this House should not be given the opportunity to be involved, and this is the problem in our country today. It is abundantly clear that quite a lot, not a few, of Government's plans are praiseworthy, but it runs into undue criticism because although it talks about consultation, it talks about involvement, it talks about everybody pulling in the same direction, it does not give you an opportunity to be involved, it does not give you an opportunity to pull in the same direction. Things are done, you hear about it, you hear a lot of rumors, obviously you always hear bad before you hear good. It maybe perfectly sound, but because you did not get the opportunity to be involved you also have a question mark in your mind. Look how many things have taken place without consultation, we hear about them long after. But what happens? Are you then psychologically prepared for situations which no doubt would be criticized? Have you been given the opportunity to involve yourself in such a manner that you will take pleasure in justifying the Government's point of view that if we need we are so steeped in colonial approach that you did see that this change was necessary or that change was necessary? The Government has explained it.

I am satisfied that if it is doing the right thing and instead of joining in criticism you will do all you can to justify what the Government is trying to do, probably you need new methods

but give us the opportunity to examine these new methods. The Government should convince us that it is making a sincere effort to put things in the right way. Do not make it necessary for us to come here and criticize at the end of the year – you voted this and you overspent it by 100 or 300 per cent. Let everybody be satisfied that the plans were constructive, that you used all the resources at your disposal both human and otherwise in arriving at conclusions and if that is so, even though somebody may not agree with those conclusions they will, at least, be bound to give you credit for exploring every single possible avenue from your point of view to justify the action taken.

Therefore, as we know we consider it right that budgets must be debated before even Government Departments could spend what they want to spend. They are on an interim emergency budget until that budget is passed. Why is it that these Corporations when they need these important loans why cannot they come before the House as they appear, when the total amount of authority that the Government is asking for is such a significant proportion of our overall budget? This is not a few dollars, this is not “Oh, if it is lost, it does not matter.” As pointed out before, we have supported the Public Corporations legislation because we believe it is an honest attempt to improve the situation. But when we see a Motion like this come forward we wonder seriously. Is the Government really sincere in leaving no stone unturned to ensure that these Corporations follow the straight and narrow path, that they follow principles that are well-known, tried and trusted, that they have taken all the advice, and all the expertise have been put at their disposal? Once we are satisfied although the system may not be approved because very often things that are strange are not accepted but you are given the opportunity to examine, and then if you are given the opportunity to examine and as a result of your examination the Government does not agree with your point of view, they still have, as they must have the power to put it through.

3.25 p.m.

Why have this blanket and make people ask themselves the question: this is well

intentioned, but the people who are going to execute it, we have had so many rascals in the past, how do we know we are not going to have rascals in the future, how do we know that this particular plan is worthwhile or not? Give us the opportunity to examine it and if that is done, we are absolutely certain, not only that these corporations will have a better chance of succeeding but also, gradually, the Government will be able to marshal all the human resources of the country behind what it is trying to do and success will then be assured.

As things are, the Government does things and has people wondering what it is doing, thereby giving them an opportunity rightly or wrongly to criticize. In nine out of ten cases, the criticism is destructive and all that the Government does is to take steps to divide the people rather than bring them together. We hear about Co-operative Republic. We hear about consultative democracy, and all these fancy adjectives. Let us have an opportunity to consult. Let us have an opportunity to co-operate and to be involved and we will be solidly behind you, provided though that your request could be reasonably justified.

In a case like this it is a creeping debt. The Government probably does not realise it. It has the power. It takes a little bit more. Why should we take this thing to Parliament? It is not sufficiently important, and little by little the Government reaches the stage where it asks itself: is Parliament necessary at all? This is where we are leading and that is where we are ending up and, in these circumstances, I can see no justification for this Bill asking for a blanket authority for these loans. I can see no reason why, when there is justification, a request cannot be brought to Parliament for clearance as has been laid down. We bring less important things to Parliament for clearance and I feel very regretfully that the Bill in its present form cannot be supported by this section of the House.

The Attorney-General and Minister of State (replying): Mr. Speaker, I wonder if I may start alluding to some of the remarks that have just been made by the hon. Member Mr. Sutton on behalf of the minority opposition party. As he was speaking, I was thinking and

perhaps rather hoping that he himself might think about the logical implications of his train of thinking.

We are moving into a stage in Guyana where the business of Government is becoming more complicated, more complex, perhaps more sophisticated, certainly more wide ranging. Hon. Members do not object to this development in principle. Obviously, from time to time, parties on the other side of the House can take issue with this or that aspect of Government's action. The result of this is, that we shall have, as we go along, to streamline our procedures. We shall have to ensure that the business of Government flows more smoothly. We shall have to ensure that the executive is in a position to exercise executive power from day to day without encroaching on the legitimate authority and responsibility of the House.

I should have thought that hon. Member would have recognised in the measure an honest attempt to meet both of these situations, to ensure that the Government does not have to come in the way it would have had to come, let us say, ten to fifteen years ago, when a government guarantee was a rare thing, when it was the occasion for perhaps a major debate in the Chamber, to come each time it wished to guarantee a loan for \$50,000 or \$100,000, situations which are obviously a feature of Government corporations existence, that they would have recognised the need for regulatory legislation which is now a commonplace in Commonwealth countries. I would have hoped that they would have paid attention to the efforts made in the Bill, to ensure that the House was not being by-passed.

If the Government were motivated in the way hon. Members opposite suggest, some of these clauses that appear in the Bill might not have been here at all. If it were the intention of the Government to ride roughshod over the privileges and responsibilities of the House, why would such care have been taken to ensure that the Minister must come, not at the end of each year, but at the end of each quarter, and submit himself to scrutiny?

The hon. Member, the Acting Leader of the Opposition, made little of the obligation of the Minister of Finance to table a statement at the end of each quarter accounting for the guarantees that were entered into in the preceding three months and specifying the purpose for which the loans were to be supplied. If the Government were as the hon. Member suggests, is this an obligation it would have imposed upon itself? Why else do these provisions appear, except to provide the House with the information it needs?

Hon. Members must not expect to be spoon fed by the Government. Hon. Members opposite know their rights, or should do, and they should know what procedures are open to them if they take issue with the manner in which this power is being exercised. They will have the opportunity on the basis of the statements to do so. They know that procedures exist at each Meeting of this House to raise matters on the Adjournment to raise matters, if they are matters of emergency, by special procedures. They know that there is opportunity to raise debates on the basis of Motions put down. They have opportunity each day to ask questions of hon. Ministers. Hon. Members who do not seek to exercise fully those powers – *[Interruption]*

Mr. Speaker: Hon. Members, please allow the hon. Attorney-General to speak.

The Attorney-General and Minister of State: -- that they have, must not make the sort of complaints that we heard this afternoon. They must recognise that we are providing them with the means to function properly. I was a little surprised at the hon. Member, the Acting Leader of the Opposition. I do not know whether he holds the position of the shadow Minister of Finance, but his record of performance –

Mr. Speaker: He holds the position of Acting Leader of the Opposition.

The Attorney-General and Minister of State: I stand corrected, Mr. Speaker. That is why I suggested that the matter was in doubt. I am glad that the doubt is generally shared, certainly, Mr. Speaker, on the basis of his record in the last Session as Chairman of the Public

Accounts Committee, when he was custodian on behalf of the nation, a responsibility he exercises on behalf of the country, to scrutinize the Government's conduct of public financing, when not a single meeting could be convened by the hon. Convener, and then he comes here this afternoon and takes issue with the Government – No, Mr. Speaker, this is not really good enough.

3.35 p.m.

The hon. Member Mr. Ram Karran asked: How was \$25 million arrived at? Was it pulled out of the air? He seemed to question whether \$25 million could with certainty be established as a ceiling, having regard to the number of Government corporations and the projections of their financial needs. I thank him for solicitude. It may be that he is right, that \$25 million is not enough. Perhaps he had in mind a figure like \$50 million which is the corresponding amount in the Trinidad legislation. But the Government had wanted to place the figure at the lowest feasible level. If it is found, on the basis of experience, that it is not adequate for the needs of the legislation, then we shall come replying, as I hope will still be the situation, on the support of the hon. Member Mr. Ram Karran for increasing the amount to a level that is in every respect more appropriate.

An attempt was made to project over a period of years. Any figure of this kind has to be in some respect arbitrary. Let us be perfectly frank and candid about it. Who can say what the needs of a corporation will be, let us say, five years from now? But an attempt has been made on the basis of past experience, on the basis of current planning, to say what these needs might be and Government, taking a minimum position, not wanting to put the figure any higher that is absolutely necessary, has placed it at the level of \$25 million. This is how it was arrived at.

Some hon. Members – certainly the hon. Acting Leader of the Opposition – seemed to be critical of the number of public corporations and seemed to be critical of the performance of Government corporations. The hon. Member is hardly in a position to make these criticisms. It

was the hon. Member's party in office that enacted the Public Corporations Bill, a measure whose philosophy was to simplify the procedure for establishing a corporation, creating a corporate entity on the basis of Government financing. They ensured it could be done by a simple Order and of course, Orders were made.

The Government has sought to work this legislation, to work it without having to come to the House to amend it. Now that the legislation has been found to be deficient, now that it has been found to be inadequate to the needs of the country, now that it has been shown to be deficient in relation to financial control, the Government has brought a measure to the House to amend and to improve the legislation. Hon. Members know this. The Parliament passed the legislation just a short while ago. It does not lie in the mouths, certainly of the majority party in the Opposition, to be critical of the Government's handling of this aspect of the matter.

Hon. Members asked about auditing arrangements. At one stage I thought the hon. Member, the acting Leader of the Opposition, got himself confused. Certainly he succeeded in confusing me before he was finished because he criticised the Government for permitting a situation in which firms of private auditors were appointed to audit the accounts of public corporations and of companies in which the Government held a controlling interest.

He advanced the criticism on the basis that the members of the firm that he mentioned were not familiar with the procedure of Government financing. It is precisely because public corporations and public companies in which the Government holds a controlling interest must manage their finances on the basis of sound commercial practice and not on the basis of governmental procedure, particularly in the area of financing, that these institutions have been established.

When that is done and auditors versed in the auditing of commercial enterprises are appointed how can the hon. Acting Leader of the Opposition get up in the House and criticise the system on the basis that these gentleman are not qualified to do the job for which they were

appointed? It is really too much and we ought to be able to expect a more responsible comment from the acting Leader of the Opposition, particularly where he is impugning the competence of a firm or professional auditors.

A suggestion was made that there is over-all laxity in the corporations and that in some way this ought to justify the House in looking, I suppose, with suspicion on this measure. Maybe hon. Members will follow this up when we come to the committee stage, but there has been, so far as I have been able to ascertain, no specific criticism of the system. I do not expect there to be specific criticism of the provisions, but there has been no specific criticism of the system and the system has been created with special care to ensure that corporations who borrow money on the basis of Government guarantees are brought strictly under the control, not only of the Guyana State Corporation – because that control exists from day to day – but under the control of the Minister of Finance. Their borrowing powers are stayed and if the Minister considers that they are about to breach their obligations he can step-in in a more direct way and issue directions and instructions from day to day.

I do not think that apart from converting the Parliament into the Executive – which is what hon. Members seemed to be saying at one stage – more could have been done to ensure that the privileges and responsibilities of the House have been respected within the ambit of the needs of the Government to ensure their proper operation, under a sound financial control, of these Government agencies. *[Applause]*

Bill read a Second time.

Assembly in Committee.

Bill considered and approved.

Assembly resumed.

Bill reported without amendment read the Third time and passed.

ADJOURNMENT

Resolved, “That this Assembly do now adjourn to a date to be fixed.” [The Minister of Housing and Reconstruction (Leader of the House)]

Adjourned accordingly at 3.45 p.m.
