

NATIONAL ASSEMBLY

MINUTES OF PROCEEDINGS
OF THE 14TH SITTING OF THE NATIONAL ASSEMBLY OF THE FIRST
SESSION (1998) OF THE SEVENTH PARLIAMENT OF GUYANA HELD

AT 2.00 P.M.

ON THURSDAY, 6TH AUGUST, 1998
IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN

MEMBERS OF THE NATIONAL ASSEMBLY (76)

Speaker (1)

The Hon. Derek C. Jagan, C.C.H., S.C., J.P., M.P., Speaker of the National Assembly

Members of the Government - People's Progressive Party/Civic (46)

The Hon. Samuel A. A. Hinds, M.P., Prime Minister (Absent)

The Hon. Reepu Daman Persaud, O.R., J.P., M.P., Minister of Agriculture and
Parliamentary Affairs

The Hon. Clement J. Rohee, M.P., Minister of Foreign Affairs

The Hon. Bharrat Jagdeo, M.P., Minister of Finance

*The Hon. Charles R. Ramson, S.C., M.P., Attorney General and Minister of Legal Affairs

*The Hon. Rev. Dr. Ramnauth D.A. Bisnauth, M.P., Minister of Education

The Hon. M. Shree Chan, M.P., Minister of Trade, Tourism and Industry

*The Hon. Indranie Chandarpal, M.P., Minister of Human Services and Social Security

*The Hon. Clinton C. Collymore, M.P., Minister in the Ministry of Local Government

*The Hon. F. Vibert DeSouza, M.P., Minister of Amerindian Affairs

*The Hon. George E. Fung-On, M.P., Minister of the Public Service

*The Hon. Dr. Henry B. Jeffrey, M.P., Minister of Health and Labour (Absent - on leave)

The Hon. Moses V. Nagamootoo, J.P., M.P., Minister of Information

The Hon. Harripersaud Nokta, M.P., Minister of Local Government

*The Hon. Satyadeow Sawh, M.P., Minister of Livestock and Fisheries

The Hon. Gail Teixeira, M.P., Minister of Culture, Youth and Sports

*The Hon. C. Anthony Xavier, M.P., Minister of Transport and Hydraulics (Absent - on leave)

*The Hon. Shaik K. Z. Baksh, M.P., Minister of Housing and Water

*Non-elected Minister

Mr. S. Feroze Mohamed, M.P.

Mr. Cyril C. Belgrave, M.P.

Mr. Donald Ramotar, M.P. (Absent)

Mr. Fazil M. Ali, M.P.

Mr. Husman Alli, M.P.

Mr. Komal Chand, C.C.H., J.P., M.P.

Mr. Navindranauth O. Chandarpal, M.P.

Mr. Bernard C. DeSantos, S.C., M.P.

Mrs. Shirley V. Edwards, J.P., M.P.

Dr. Hughley H. Hanoman, M.P.

Dr. Cheddi B. Jagan, M.P.

Mr. Alston A. Kisooson, M.P.

Dr. Moti Lall, C.C.H., M.P.

Mr. Odinga N. Lumumba, M.P.

Mr. Khemraj Ramjattan, M.P.

Mr. Hari Narayan Ramkarran, S.C., M.P.

Dr. Leslie S. Ramsammy, M.P.

Mr. Lawrence E. Rodney, M.P.

Mrs. Philomena Sahoye-Shury, C.C.H., J.P., M.P.,
Parliamentary Secretary, Ministry of Local Government

Mrs. Pauline R. Sukhai, M.P. (Absent)

Mr. Winslow M. Zephyr, M.P., Deputy Speaker of the National Assembly

Mr. Joseph M. DeSouza, M.P. (Region No. 1 - Barima/Waini)

Mr. Heeralall Mohan, M.P. (Region No. 2 - Pomeroon/Supenaam)

Mr. Ramratan, M.P. (Region No. 3 - Essequibo Islands/West Demerara)

Mr. Geoffrey A. Fraser, M.P. (Region No. 5 - Mahaica/Berbice)

Mr. Ramsundar Sankat, M.S., M.P. (Region No. 6 - East Berbice/Corentyne)

Mr. Eustace S. Rodrigues, M.S., M.P. (National Congress of Local Democratic Organs)

Mr. Kumkaran Ramdas, M.P. (National Congress of Local Democratic Organs)

Members of the Minority (29)

(i) People's National Congress (25)

Mr. H. Desmond Hoyte, S.C., M.P.

Mr. Winston S. Murray, C.C.H., M.P. (Absent - on leave)

Mr. Dunstan Barrow, M.P., Chief Whip

Mrs. Clarissa S. Riehl, M.P.

Mr. E. Lance Carberry, M.P.

Dr. Faith A. Harding, M.P.

Mr. Ivor Allen, M.P. (Absent - on leave)

Mr. Kadim A. Khan, M.P.

Miss Jean M.G. Persico, A.A., M.P.

Mr. Aubrey C. Norton, M.P. (Absent - on leave)

Mrs. Cyrilda A. DeJesus, M.P.

Mr. Andy G. Goveia, M.P.

Miss Deborah J. Backer, M.P. (Absent - on leave)

Mr. John S. DeFreitas, M.P. (Absent - on leave)

Mr. Raphael G.C. Trotman, M.P.

Dr. Dagleish Joseph, M.P. (Absent - on leave)

Mrs. Volda A. Lawrence, M.P.

Mr. Joseph L. Hamilton, M.P. (Region No. 4 - Demerara/Mahaica)

Mr. Sherwood A. J. Lowe, M.P.

Mr. Andrew Hicks, M.P.

Mr. Neaz Subhan, M.P.

Mr. Colin Bynoe, M.P.

Ms Sandra M. Adams, M.P. (Region No. 10 - Upper Demerara/Berbice)

Mr. Kelly Andries, M.P. (Region No. 7 - Cuyuni/Mazaruni) (Absent - on leave)

Mr. Thakechand Ramnauth, M.P.

(ii) **The United Force (2)**

Mr. Manzoor Nadir, M.P.

Mr. Matthew R. Charlie, M.P. (Region No. 9 - Upper Takutu/Upper Essequibo)

(iii) **Alliance for Guyana (2)**

Dr. Rupert Roopnaraine, M.P.

Mr. Albertino Peters, M.P. (Region No. 8 - Potaro/Siparuni) (Absent)

OFFICERS

Mr. Frank A. Narain, C.C.H., Clerk of the National Assembly

Mr. Sherlock E. Isaacs, Deputy Clerk of the National Assembly

COMMENCEMENT OF SITTING

The Sitting commenced at 2.05 p.m.

PRAYERS

The Clerk read Prayers.

ANNOUNCEMENTS BY THE SPEAKER

Leave

The Speaker announced that leave had been granted to -

The Hon. Dr. Henry Jeffrey)
and) for that day's sitting,
The Hon. Anthony Xavier)
and
Mr. Winston Murray up to 31st August,
Mr. Ivor Allen for that day's sitting,
Mr. John DeFreitas up to 30th September, and
Dr. Dalglish Joseph up to 20th August.

PRESENTATION OF PAPERS AND REPORTS, ETC. -

(1) By the Minister of Foreign Affairs:

Joint Communique issued by Their Excellencies, The President of Venezuela, Dr. Rafael Caldera, and The President of Guyana, Mrs. Janet Jagan, O.E., on the occasion of her Official Visit to Venezuela - Caracas - July 23, 1998.

(Circulated)

(2) By the Minister of Finance:

Guyana Enhanced Structural Adjustment Facility - Economic Policy Framework Paper for 1998 to 2000 - Dated June 16, 1998.

(Circulated)

The Minister of Finance made a Statement on the Paper.

QUESTIONS TO MINISTERS

No. 1 - LINDEN DEVELOPMENT AUTHORITY

Question By Mr. H. Desmond Hoyte:

Would the Prime Minister say when the Government intends to establish the Linden Development Authority which was announced by the late President Cheddi Jagan on 14th January, 1995 ?

(Notice Paper No. 11 (Q 1 Opp 1) published 27.7.98)

Reply submitted by the Prime Minister:

The Prime Minister cannot recall the occasion nor the circumstances referred to. He knows that the transformation of Linden from being a bauxite company town through identifying opportunities for widening its economic base and for its overall development was an area of study undertaken by the Adam Smith Institute which was assisting the Privatization Unit. Their report proposed the formation of a Linden Development Authority. This report formed part of the basis for the approach to the EU-SYSMINS for financial support for the redevelopment of the Linden and Region 10 area. The initial stages for a programme of US\$10 -15 million have been carried out and have been approved. Disbursements are expected to begin in the second half of 1999.

The Linden Development Authority would be established in time to execute the programme to be funded by the EU-SYSMINS intervention. It is envisaged that, in addition, properties other than bauxite reserves remaining from or not expected to be part of the privatization of LINMINE will be assigned to the Linden Development Authority; e.g. mined out areas which may be developed for other use.

No. 2 - GUYANA/SURINAME FERRY SERVICE**Question By Mr. H. Desmond Hoyte:**

Could the Minister of Transport and Hydraulics say what is responsible for the delay in the commencement of the Guyana/Suriname Ferry Service?

Could the Minister say when the Service is likely to start?

(Notice Paper No. 13(Q3 Opp3) published 27.7.98)

Reply submitted by the Minister of Transport and Hydraulics:

- (i) The primary reason for the delay of the service is because mutual agreement has not yet been reached on certain matters, among which are the issues in relation to insurance and licencing. The laws governing these matters are different in both countries.

However, I wish to give a synopsis of the sequence of events showing the intentions and efforts by the Government of Guyana to get the service operational.

A Memorandum of Understanding between the Government of Guyana and the Government of Suriname was signed on the 27/10/97 and it outlines the general principles regarding the establishment and operation of the Guyana/Suriname Improved Ferry Service.

Subsequently in April, 1998, Guyana prepared a draft Formation Agreement and submitted it through Diplomatic channels to the competent authorities in Suriname for their consideration and comments. To date, Suriname has not responded to the Draft Agreement. This Agreement deals with, among other things:-

- Cross border Immigration
- Cross border Customs
- Cross border Motor Vehicles and Road Traffic

Pending the conclusion of the Formation Agreement an interim Joint Steering Committee has been established. It comprises three members each from Guyana and Suriname and its Chairman is the General Manager, T&HD. Its primary propose was to work out the modalities for the commencement of operations of the Ferry. The Committee met on a few occasions without any visible movement as it seems that the Suriname side is unauthorized to make firm decisions on behalf of their Government

The Delegate of the European Union in Guyana, has expressed concern in relation to the delay in the commencement of this service. The matter has been fully explained to him and his assistance has been sought with a view to getting the service operational since the project has been funded by the European Union.

- (ii) I cannot say with certainty at this point in time, the likely date the service will start.

However, I wish to indicate as Minister with responsibility for the project, I have been invited by the Government of Suriname on 6/8/98 to have discussions with my counterpart in order to resolve all outstanding issues with a view to having the Ferry operational within the shortest possible time

We are all concerned about the protracted delay and my Government is doing everything possible to ensure the service is operational but this will depend on the goodwill and co-operation from Suriname as it is a joint arrangement between two sovereign states.

No. 3 - SEALS AND PACKAGING LIMITED (SAPIL)

Question by Mr. Dunstan Barrow:

Could the Minister of Finance say what is the up-to-date position as it relates to the divestment of the Government's share-holding in Seals and Packaging Limited (SAPIL)?

What has the Government done to protect the interests of the minority shareholders?

(Notice Paper No. 14(Q4 Opp4) published 27.7.98)

Reply submitted by the Minister of Finance:

When the PPP/Civic Government took office in Oct. 1992, it was already a minority shareholder in SAPIL. Through the privatisation of SAPIL by the PNC Government in 1991/1992, the Ansa McAl group of Trinidad became the majority shareholder of SAPIL whereby by September of 1992, the ANSA group owned 51.1% of SAPIL's shares. It should also be noted that 1992 was the last year that SAPIL paid dividends to its shareholders.

In February of this year, the GoG became the majority shareholder of SAPIL after acquiring the shares of Ansa McAl of Trinidad for G\$1. The GoG renewed involvement as majority shareholder of SAPIL earlier this year was ~~not sought nor desired~~, but was the only viable option by which SAPIL could overcome the debt burden resulting from the paper recycling plant, which had practically bankrupted the company.

In the process of acquiring the shares from ANSA McAL for G\$1, the GoG simultaneously arranged for Rand Whitney, (a large paper marketer and manufacturer of the United States), to acquire the unfinished paper recycling plant and the associated liabilities.

Through the support and initiative of the PPP/Civic Government, the SAPIL/Rand Whitney (RW) transaction achieves the following for SAPIL:

1. It removes a non-performing asset (the unfinished paper recycling plant) and the associated liabilities of approximately G\$650M.
2. It reduces its annual interest cost by approximately G\$100M with the removal of G\$650M in debt.
3. SAPIL can now pay dividends out of the profits earned on its box plant business which has generally been profitable, except that since 1992 these profits were applied to the paper recycling plant project.
4. It allows the paper mill to become a reality but without SAPIL's involvement or risk. Once the mill is completed by Rand Whitney, SAPIL will enjoy lower paper costs due to the savings in freight.
5. It averts a liquidation of SAPIL due to the unmanageable debt burden which would have resulted in shareholders losing their investment.

The GoG option to accept majority ownership in SAPIL and simultaneously allow Rand Whitney to acquire the paper plant, was based on the above mentioned benefits that is expected to accrue to all off the shareholders of SAPIL. It is also premised on the GoG divestment of these shares in the near future, with 1999 being an outside date for divestment. The privatisation of SAPIL will be pursued within the next few months so that majority ownership in SAPIL by the GoG could be privatised no later than the end of next year.

The hive off of the paper plant to Rand Whitney immediately raises the current share value of SAPIL as the company is now in a position to have a net reduction in expenses of G\$100 M/year (representing the interest cost). Over the 1990-1998 period, the paper recycling project has cost SAPIL approximately G\$1.2B. When the paper recycling project was embarked on in 1991, it was estimated that some US\$7.7 M would be required. By 1993, this figure had risen to US\$19.4 or a 300% increase in the original cost. If SAPIL were to finish the paper mill today, it would have required at least another US\$10 M to complete. Under this scenario, it would have taken years before a dividend could have been paid to shareholders.

Shareholders are today much better off as a result of this deal. This is why at the recent Extraordinary General Meeting (EGM) held to approve the sale of the paper plant to Rand Whitney, only three shareholders opposed the motion. Of a total of approximately 700 shareholders, this represents almost a unanimous decision of the shareholders.

Minority shareholders rights have in no way been infringed by the GoG becoming majority shareholder in February of this year. The GoG cannot be held responsible for the 1992-1997 period when it was a minority shareholder. Based on the recent EGM, shareholders are almost in total approval of the RW transaction. As a result of this deal, shareholders now have a better chance of receiving dividends from SAPIL.

Since the GoG became majority shareholder, it has added one position to the Board and has left management to manage the company with total autonomy over the day to day operations. All decisions by directors have been through the Board which is fairly broad based. At the next AGM, shareholders will have the right to nominate directors to the company and can expect total disclosure by SAPIL of the its financial state. Shareholders will also be advised on the future plans of the company.

Measures will be considered to ensure that with privatisation, minority shareholder rights are protected. Since earlier this year when GoG became the majority shareholder, minority shareholders rights have been preserved and will continue to be preserved.

VACANCIES IN THE ATTORNEY GENERAL'S CHAMBERS

Question by Mr. Dunstan Barrow:

Could the Attorney General and Minister of Legal Affairs say how many vacancies there are for legal officers in the Attorney General's Chambers?

Would he also say what are the reasons for these vacancies and what action is being taken to have them filled?

(Notice Paper No. 15(Q5 Opp5) published 27.7.98)

Reply submitted by the Attorney General and Minister of Legal Affairs:

1. 15

2. Part 1.

The Solicitor General and State Solicitor died during their tenure and their posts have not yet been filled. The other positions were vacated by the holders thereof and the reasons therefor are peculiarly within their knowledge.

Part 2

Advertisements have been placed in the Press and responses are awaited.

No. 5 - THE BAUXITE INDUSTRY**Question by Mr. Andy Goveia:**

Would the Prime Minister say precisely what plans the Government has to ensure the viability and profitability of the Bauxite Industry?

(Notice Paper No. 18(Q8 Opp8) published 27.7.98)

Reply submitted by the Prime Minister:

Surely no business activity is risk free and no one can ensure the viability and profitability of any enterprise or industry.

Be assured that the viability and profitability or otherwise of the bauxite industry has been one of the greatest concerns of this Government, for there is no desire closer to the heart of this Government than the desire for the success and prosperity of the workers in the bauxite industry, and all people living in the bauxite communities.

Out of the many consultations consequent to the Minproc CEO declaring in a letter of 1994 July 13, that he could not see a way for LINMINE to become profitable but advocating nevertheless a reduction in employment from 2200 to 1200, Government by January 1995

- took the position of no immediate retrenchment.
- committed to continuing the financial support of the bauxite industry for a further five years, to the end of 1999.
- called on and joined with Management to reorganize and restructure so as to lower costs, to separate out non-core activities, to pursue a diversified product range, to continue the search for partners, for any possibility for operating a new large mine, and for the overall development of the bauxite communities.

Recently, at the recent Bauxite seminar, the Prime Minister readily supported the proposal from Mr Haslyn Paris that a group of present and past managers and workers study the state of the industry and put proposals to the Government which would inform the privatization process. The Prime Minister looks forward to reviewing this study and is encouraging the group to look for partners with whom to ally themselves and present a proposal in response to the invitation from the Privatization Unit.

No. 6 - SUPERNUMERARY CONSTABLES

Question by Mr. Sherwood A.J. Lowe:

Would the Prime Minister give the number of Supernumerary Constables currently employed by the Guyana Police Force?

How many of them were employed -

- (a) during the period 1st July, 1997 to 31st December, 1997, and
- (b) during the period 1st January, 1998 to 30th June, 1998?

(Notice Paper No. 19(Q9 Opp9) published 27.7.98)

Reply submitted by the Prime Minister:

The Guyana Police Force does not employ any Supernumerary Constables. Members of the Constabularies of various organizations and the security employees of Private Security companies are eligible to become Supernumerary Constables.

The Guyana Police Force advises that Supernumerary constables so employed -

- a) during period July 1, 1997 to December 31, 1997
- three hundred and thirty-five (335)
- b) during period January 1, 1998 to June 31, 1998
- two hundred and ninety-three (293)

The total number of security companies and organizations employing supernumerary constables numbered twenty-seven (27).

No. 7 - SECONDARY SCHOOLS ENTRANCE EXAMINATION (SSEE)**No. 8 - PROGRAMMES AND PLANS FOR CHILDREN 14 AND 15 YEARS**

In the absence of Mr. Andy Goveia at that time, the following Questions by him were not asked:-

No. 7 - SECONDARY SCHOOLS ENTRANCE EXAMINATION (SSEE)

*Would the Minister of Education inform this Assembly what modifications are being made to the SSEE so that it could better serve the purposes of secondary education and remedy the poor performance of first-formers in transition from primary to secondary education ?

(Notice Paper No. 16 (Q 6 Opp 6) published 27.7.98)

No. 8 - PROGRAMMES AND PLANS FOR CHILDREN 14 AND 15 YEARS

*Would the Minister of Education say what programmes are being put in place to stop the increasing flow of over 60 per cent of children aged 14-15 years from dropping out of school ?

*Would the Minister further state the plans for children 15 years of age who complete the Community High School programme but have no entry requirements for a secondary education ?

(Notice Paper No. 17 (Q 7 Opp 7) published 27.7.98)

PUBLIC BUSINESS -

MOTIONS

ITEM 1 - SELECT COMMITTEE RE CONSTITUTIONAL REFORM

The Minister of Agriculture and Parliamentary Affairs moved the following motion:

WHEREAS the Herdmanston Accord dated 17th January, 1998, provides that a Constitution Reform Commission shall be established by law and that its terms of reference and membership will be determined by the National Assembly after a process of consultations with the political parties:

BE IT RESOLVED:

That this National Assembly approves of the appointment of a Special Select Committee to determine the terms of reference and the composition of the Constitution Reform Commission after a process of consultations with the political parties.

(Notice Paper No. 24 (M 12 Govt 11) published 29.7.98)

The following Members spoke to the motion:-

Mr. Dunstan Barrow

Mr. Manzoor Nadir

Dr. Rupert Roopnaraine.

12.

Thereafter, the Minister of Agriculture and Parliamentary Affairs replied.

The motion was then put and carried.

ITEM 2 - EXTENDED STRUCTURAL ADJUSTMENT FACILITY WITH IMF

The following motion by Mr. H. Desmond Hoyte was not proceeded with as the Document referred to therein had been presented to the Assembly by the Minister of Finance earlier at that day's Sitting:

WHEREAS the Government signed an Extended Structural Adjustment Facility with the International Monetary Fund (IMF) on 15th July, 1998;

AND WHEREAS a copy of this Agreement has not been tabled in the National Assembly:

BE IT RESOLVED:

That this National Assembly call upon the Government to table in the National Assembly forthwith a copy of the Extended Structural Adjustment Facility signed with the IMF on 15th July, 1998.

(Notice Paper No. 23 (M 11 Opp 1) published 27.7.98)

ITEM 3 - UG'S BACHELOR OF LAWS GRADUATES

Mr. Manzoor Nadir moved the following motion and the following amendment thereto:-

Motion

WHEREAS automatic admission is denied to University of Guyana's Bachelor of Laws graduates at the Hugh Wooding Law School;

AND WHEREAS the current entrance examination requirement is highly restrictive and serves an exclusionary purpose;

AND WHEREAS two groups of students who previously gained automatic entry have excelled but might have been unable to do so had the requirement of an examination been in place;

AND WHEREAS a backlog of LLB graduates who are desirous of completing their legal training exists;

AND WHEREAS there is no avenue for training locally;

BE IT RESOLVED:

That the Government of Guyana take immediate steps to provide for professional certification locally as a means of resolving the issue and that negotiations continue at the wider Caricom level for an expansion of facilities to allow for automatic entry to the Regional Law Schools even if it means recognising the proposed Guyana initiative as such.

(Notice Paper No. 25 (M13 Opp 2 published 29.7.98)

Amendment

At the end of the resolve clause add the following further resolve clause:-

“AND BE IT FURTHER RESOLVED:

That the Government seeks to amend the Council of Legal Education Treaty to allow for the University of Guyana to be included in the membership of the council, and

That the Government cause a copy of this resolution to be forwarded to the Heads of Government of CARICOM and the Council of Legal Education.

The motion and the amendment were seconded by Mr. Matthew Charlie.

Mr. Raphael Trotman spoke.

The Attorney General and Minister of Legal Affairs was speaking when the time for the suspension of the sitting was reached.

SUSPENSION OF SITTING

At 4.00 p.m., the Sitting was suspended for refreshments.

RESUMPTION OF SITTING

At 4.30 p.m., the Sitting was resumed.

RESUMPTION OF DEBATE ON MR. NADIR'S MOTION

The Attorney General and Minister of Legal Affairs resumed his speech and moved the following amendment to the motion:-

Substitution of the following for the Resolve Clause:

“BE IT RESOLVED:

That the Government of Guyana consider taking such steps as may be deemed reasonable to address the difficulties encountered by UG Law Graduates in pursuing their professional certification, if necessary, by exploring the feasibility of the establishment of a Local Law School, and that negotiations continue at the wider Caricom level for an expansion of facilities to allow for automatic entry to the Regional Law Schools”.

15.

The Minister of Foreign Affairs spoke.

Thereafter, Mr. Nadir replied.

The amendment by Mr. Nadir was put and negatived.

The amendment by the Attorney General and Minister of Legal Affairs was put and carried.

The motion with the amendment by the Attorney General and Minister of Legal Affairs was then put and carried.

ADJOURNMENT

At 5.13 p.m., on a motion by the Minister of Agriculture and Parliamentary Affairs, the Assembly was adjourned to a date to be fixed.



D.C. JAGAN

Speaker of the National Assembly

**PARLIAMENT OFFICE,
Public Buildings,
Georgetown.**

6th August, 1998.