

**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**

185th Sitting

2 p.m.

Tuesday 27th March, 1979

MEMBERS OF THE NATIONAL ASSEMBLY (63)

Speaker

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

Members of the Government – People’s National Congress (46)

Prime Minister (1)

Cde. L.F.S. Burnham, O.E., S.C., **(Absent- on leave)**
Prime Minister

Deputy Prime Minister (1)

Cde. P.A. Reid, **(Absent)**
Deputy Prime Minister and Minister of
National Development

Senior Ministers (12)

Cde. H.D. Hoyte, S.C., **(Absent)**
Minister of Economic Development and Co-operatives

Cde. S.S. Naraine, A.A.,
Minister of Works and Transport

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

Cde. C.V. Mingo, **(Absent)**
Minister of Home Affairs

- *Cde. H. Green (Absent)
Minister of Health, Housing and Labour
- *Cde. H.O. Jack, (Absent)
Minister of Energy and Natural Resources
- *Cde. F.E. Hope,
Minister of Finance
- *Cde. G.B. Kennard, C.C.H., (Absent)
Minister of Agriculture
- *Cde. M. Shahabuddeen, C.C.H., (Absent)
Attorney General and Minister of Justice
- *Cde. V.R.Teekah, (Absent)
Minister of Education, Social
Development and Culture
- *Cde. R.E. Jackson (Absent)
Minister of Foreign Affairs
- *Cde. J.A. Tyndall, A.A., (Absent)
Minister of Trade and Consumer Protection

Ministers (2)

- Cde. O.E. Clarke (Absent)
Minister – Regional
(East Berbice/ Corentyne)
- Cde. C.A. Nascimento (Absent)
Minister, Office of the Prime Minister

Ministers of State (10)

- Cde. F.U.A. Carmichael, (Absent)
Minister of State – Regional (Rupununi)
- Cde. P. Duncan, J.P., (Absent)
Minister of State, Ministry of Economic
Development and Co-operatives
- Cde. K.B. Bancroft, J.P., (Absent)
Minister of State – Regional
(Mazaruni/ Potaro)

***Non-elected Ministers**

- Cde. J.P. Chowritmootoo, J.P., **(Absent)**
 Minister of State – Regional
 (Essequibo Coast/ West Demerara)
- Cde. J.R. Thomas **(Absent)**
 Minister of State, Office of the
 Prime Minister
- Cde. R.H.O. Corbin, **(Absent)**
 Minister of State, Ministry of
 National Development
- Cde. S. Prashad, **(Absent)**
 Minister of State – Regional
 (East Demerara/ West Coast Berbice)
- Cde. R.C. Van Sluytman, **(Absent)**
 Minister of State,
 Ministry of Agriculture
- Cde. L.A. Durant, **(Absent)**
 Minister of State – Regional
 (North West)
- *Cde. F.U.A. Campbell, **(Absent)**
 Minister of State for Information,
 Ministry of National Development

Parliamentary Secretaries (5)

- 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. M. Corrica,
 Parliamentary Secretary, Ministry of Education,
 Social Development and Culture
- Cde. E.M. Bynoe,
 Parliamentary Secretary, Ministry of Trade
 and Consumer Protection
- Cde. C.E. Wrights, J.P.,
 Parliamentary Secretary, Ministry of Economic
 Development and Co-operatives

***Non-elected Ministers**

Other Members (15)

Cde. W.G. Carrington, C.C.H
Cde. S.M. Field-Ridley (Absent – on leave)
Cde. E.H.A Fowler
Cde. J. Gill (Absent – on leave)
Cde. W. Hussain
Cde. K.M.E Jones
Cde. J.G.Ramson
Cde. P.A. Rayman
Cde. A. Salim (Absent – on leave)
Cde. E.M. Stoby, J.P (Absent)
Cde. S.H. Sukhu, M.S.
Cde. C.A. Sukul, J.P.
Cde. H.A. Taylor
Cde. L.E. Willems
Cde. M. Zaheeruddeen

Members of the Opposition (16)

(i) People’s Progressive Party (14)

Leader of the Opposition (1)

Cde. C. Jagan (Absent)

Deputy Speaker (1)

Cde. Ram Karran,
Deputy Speaker

Other Members (12)

Cde. J. Jagan
Cde. Reepu Daman Persaud, J.P. Opposition Chief Whip
Cde. Narbada Persaud
Cde. C. Collymore (Absent)
Cde. S.F. Mohamed (Absent)
Cde. I. Basir
Cde. C. C. Belgrave
Cde. R. Ally
Cde. Dalchand, J.P
Cde. Dindayal
Cde. H. Nokta
Cde. P. Sukhai

(ii) Liberator Party (2)

Mr. M.F. Singh, J.P (Absent)
Mr. M.A. Abraham

OFFICERS

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

Acting Deputy Clerk of the National Assembly – A. Knight

27.3.79
2 p.m.

National Assembly

2 – 2.10 p.m.

PRAYERS
ANNOUNCEMENTS BY THE SPEAKER

Leave to Member

The Speaker: Leave has been granted to the Cde. Prime Minister for today's Sitting.

PERSONAL EXPLANATIONS

Guyana Chronicle's Article on Cde. J. Jagan's Citizenship

Cde. J. Jagan: I wish to draw to the attention of this House an incorrect report made in the Guyana Chronicle of today's date with the headline "Janet reveals she is now a Guyanese Citizen". This is repeated in the report. I never used the word "now". I could hardly use the word "now" because I have been a Guyanese citizen for very many years and I think it gives people the impression that I have only now become a citizen of this country.

I wish to make it clear that I applied for citizenship in 1967 and was granted it in 1968.

The Speaker: I hope the appropriate corrective action will be taken by the Guyana Chronicle, if not we will deal with that newspaper as we dealt with the Mirror.

PUBLIC BUSINESS

MOTION

APPROVAL OF ESTIMATES OF EXPENDITURE 1979

Assembly resolved itself into Committee of Supply to resume consideration of the estimates of expenditure for the financial year 1979.

Assembly in Committee of Supply.

The Chairman: Pages 74 to 78.

HEAD 32 – MINISTRY OF ENERGY AND NATURAL RESOURCES

Question proposed that the sum of \$2,825,472 for Head 32, Ministry of Energy and Natural Resources stand part of the Estimates.

SUSPENSION OF STANDING ORDER

The Minister of Works and Transport (Cde. S.S Naraine): On behalf of the Minister of Energy and Natural Resources, I should like to move some amendments to this Head. I am seeking your leave under Standing Order No. 83 to move the suspension of Standing Order No. 66 (1) to dispense with the notice required so that the amendments could be considered at this time. Copies of the amendments have been circulated.

The Chairman: Leave is granted.

Cde. Naraine: Cde. Chairman, I now move that Standing Order No. 66 (1) be suspended.

Question put and agreed to.

Standing Order No. 66 (1) suspended.

Cde. Naraine: I now move the Amendment. I would like to signify that I have received Cabinet's recommendation.

Amendment

That subhead 1, Personal Emoluments, be amended as follows:

(2) Substitution of "\$23,280" for "\$11,641"

(3) Substitution of "\$23,976" for "\$16,585"

(8) Substitution of "\$11,166" for "\$ 1"

- (10) Substitution of "\$6,187" for "\$ 1"
- (13) Substitution of "\$20,332" for "\$ 1"
- (14) Substitution of "\$177,093" for "\$152,132"
- (38) Substitution of "\$ 4,363" for "\$ 1"
- (45) Substitution of "\$ 45,409" for "\$ 34, 057"
- (57) Substitution of "\$ 3,480" for "\$ 1"
- (59) Substitution of "\$ 13,435" for "\$ 7,005"
- (69) Substitution of "\$ 14,836" for "\$ 7,876"
- (75) Substitution of "\$ 19,127" for "\$ 11,295"
- (77) Substitution of "\$ 4,363" for "\$ 1"
- (79) Substitution of "\$ 3,764" for "\$ 1"
- (93) Substitution of "\$ 13,947" for "\$ 9,502"
- (98) Substitution of "\$ 6,416" for "\$ 3,210"
- (101) Substitution of "\$ 7,142" for "\$ 3,712"
- (106) Substitution of "\$ 4,201" for "\$1"
- (109) Substitution of "\$ 40,432" for "\$ 23,320"
- (113) Substitution of "\$ 7,001" for "\$ 3,572"
- (114) Substitution of "\$7,428" for "\$ 3,999"
- (116) Substitution of "\$ 21,238" for "\$ 17,957"
- (119) Substitution of "\$ 3,155" for "\$1"

(135) Substitution of "\$ 32,210" for "\$23,022"

(138) Substitution of "\$ 16,297" for "\$13,201"

Total Personal Emoluments: Substitution of "\$1,985,596" for "\$1,802,221"

Total of Head: Substitution of "\$3,008,847" for "\$2,825,472"

Proposed, put and agreed to.

The Chairman: The Head as amended is now for consideration.

Question proposed that the sum of \$3,008,847 for Head 32, Ministry of Energy and Natural Resources stand part of the Estimates.

Cde. Reepu Daman Persaud: We did not oppose the Amendment. We are conscious of the fact that the Government was working under a very tight schedule since the Constitution does not permit it beyond March 31st to have this Budget passed but I thought the members of the Government should have prepared their work earlier.

The Chairman: We have passed that stage. Please state your question.

Cde. Reepu Daman Persaud: To properly contribute on the Heads under consideration one should have seen this document before. On page 74, without identifying each item, one sees that there are a number of vacancies existing in this Ministry. I need not emphasise the importance of this Ministry that has to do with mining, forestry, areas of tremendous resources of this country and, indeed, if we do not have the personnel to man the Ministry, to carry out the various works that are vital, production – as I would refer to later on under another subhead – will undoubtedly suffer in every conceivable field over which this Ministry administers. I am speaking on page 74. You can see all the items: "One office vacant", "One office vacant", "Vacant offices to be filled". From the beginning it reads, "One office vacant".

On page 75 the situation has not changed and some of the offices that are vacant are very important like Mines Officer, Chief Geologist. I understand that the Commissioner is

acting and that the substantive holder of that post is seconded elsewhere. I think it is vitally necessary for this Ministry to be put in proper order. I put it that way. We should see that we have all the technically qualified men to deal with the Ministry.

On page 76, Hydropower Division, my information is that only two positions exist and that is reflected to a great extent in these Estimates – the Chief Engineer and Deputy Chief Engineer. From item (83) these offices are listed under the Head but no provision is made for them. But even when you compare item (86) with item (87) and so on, there is the nominal vote of \$1. That requires an explanation. Is it that this department is going out of existence? If it is going out of existence what will take its place? Is it because the project is now stagnant and there is no work? What is the position? We should like to know.

On page 78, subheads 23, 24, and 25 for Printing of Maps and Reports, Special Scientific Research, and Geophysical Surveys, respectively, I am sure that the Minister will be willing to explain. Printing of Maps and Reports increased from \$3,000 to \$24,000, Special Scientific Research from \$2,000 to \$15,000. He will probably explain to us what new research is going on so that the House will be informed in what direction the Ministry is going.

2.10 p.m.

Subhead 25, Geophysical Surveys: There is an increase from \$8,000 to \$37,000. Cde. Chairman, I understand that there was a survey where the glass factory is to be established or is established. I wonder what the position is, what is the result, what is the report. Is it that the factory is not properly sited? Is it too near to the airport, is it that the sand is not good? We would like to know what is the position. I understand that a survey has started there, or a survey is completed there, what is the position? Is it another case where the Government has established a factory and has not put it in the right place? There are some difficulties, if not great difficulties. I think we ought to be told. What surveys are going on at the moment in the country. We have been hearing talk about oil, there was some investigation lasting for some time but so far no proper and comprehensive report has been put up to this House so that we can know. I understand that the Government at the moment has completed negotiations with

a Canadian Company to come to Guyana to explore for oil. Is this so? Has the area been identified? What are the possibilities? I think these are obvious questions which the House would like to be informed about. I think those are the questions I would wish to ask on these pages.

The Chairman: Cde. Minister.

Cde. Naraine: We appreciate and we recognise that there are some vacancies in the division of Forestry, Geological and Hydropower but I would like to assure the Assembly that steps are being taken to fill some of these vacancies and for this year we have been able to fill, for instance, geological technical assistants, mechanics 11, carpenters, driver mechanics, drill operators and so forth.

I would like to point out, however, that the Forestry Division is being re-organised under a Commission and it is anticipated that when that has been fully implemented, many of these posts will be filled more rapidly. The legislation has already been passed by this House. It is also proposed to do some reorganisation in the Geological Department and again steps are being taken during this year to have as many of the vacancies as possible filled. It is true that Cde. Hopkinson, the Director of Geological Surveys was seconded to the Commonwealth Secretariat. This was a deliberate decision by the Government as our contribution to the Commonwealth in having one of our citizens to serve at that level. Someone is acting in the post and, as I said, with the re-organisation proposed we hope to fill many of these posts substantively.

Under Hydropower, I will admit that just a few of these posts are filled, and against a large number of the posts we have shown \$1. The reason for this is that if later in this year we are able to get one of these hydropower sites going in terms of getting finance for detailed designs for the commencement of construction, then it will become very urgent to have these post filled. We would then have to come for supplementary provision but not to get these post put on the Estimates. They are already here and what we will then need to do is, while filling the posts, to get the additional sum of money required. But filling of these vacancies will depend, to a very great extent on whether we will commence one of the hydropower projects

during the year. The work that the division has to do can be handled with the staff presently there and I believe that there is one vacancy of Specialist which we hope to fill.

The question was raised about substantial increases on the items, particularly subheads, 23, 24 and 25. Now, in relation to the printing of maps and reports, why substantial increases have been shown, two reasons can be offered. One is that the Geological Department had for some years, large stocks of plans and these are being sold to and used by people in the country and people who come into the country to get these maps with a view to examining the possibilities of either doing Forestry or Geological work and so forth. Now that stock has gone down to a very low level and what is proposed is to substantially increase this stock so that we probably would find that if these Estimates are presented in this form next year, then the amount on that Head will again go down. Of course, there is the routine work and mapping, which goes on all the time.

Special scientific research work is going on in relation to many minerals. We have Kaolin, and I would like to mention another one, rutile, that is the black sand which it is proposed to use in paint. But this is just an example of other research projects going on.

The Geophysical Surveys relate to the work that is being carried out, some in the Takatu Basin and other places in the field of petroleum and other minerals. This is the reason why we have got here again what appears to be a substantial increase.

Head 32, Ministry of Energy and Natural Resources - \$3,008,847 – agreed to and ordered to stand part of the Estimates.

The Chairman: Page 214.

DIVISION XVIII – MINISTRY OF ENERGY AND NATURAL RESOURCES

Question proposed that sum of \$4,756,600 for Division XVIII, Ministry of Energy and Natural Resources, stand part of the Estimates.

Cde. Reepu Daman Persaud: Cde. Chairman, the first item I would like to speak on is subhead 2, Forest Utilisation. No one will deny, under the Head, our tremendous potential. But I think it is well known and would be admitted that there has been a fall, a great decrease

in production in this area. That is reflected by all the available figures. When one turns and looks at what we have earned in so far as royalty is concerned, on page 6 of the Summary Estimates of Revenue, one will find that something is seriously wrong in this area. In 1977, we earned \$395,000. In 1978, it fall to \$333,000, despite the fact that we have heard in this House on previous occasions, and particularly on the last occasion when we examined these Estimates, the tremendous interest that is shown in this particular area of our resources and potential. But this is not supported at this time of our examination of what we have earned. Revenue is only one aspect. I am terribly surprised that in an area that should really be earning, we have not even earned half a million dollars in royalty in so far as this industry is concerned. Is the forestry organised so that royalties can be collected? That is a small point. The bigger point is the production aspect.

The second point is, is the Government showing enough interest? I referred to the Bill just passed about the establishment of the Forestry Commission. One would expect that if the Government feels that is the answer, why is there a delay in establishing it? Would the Minister be a little more specific to tell us exactly when the Commission would be established? Secondly, how will it be composed? I hope the composition will reflect those who have got interest and those who can serve it with distinction so that all these areas of potential and resources can help us to come out of this serious economic crisis in which the country has found itself. The government was to do a number of things in so far as the forestry industry is concerned. It has not been able to keep all the promises written in so many books in the 1972/1976 Development Programme. We were to be producing pulp by the end in 1978. We should have had our pulp factory. Has the Government abandoned the idea? What really is the true position?

What about our reforestation? Is the Government doing anything in this respect? My information is that people have to have to go more and more into the forest. The question of transportation and difficulties in moving out the felled trees can undoubtedly cause the rise in prices which we are all concerned about. This industry serves not only the significant area of earning foreign exchange, but we want cheap housing for people. This is an area in which we can produce enough material, enough wood for the building of cheap houses. We have heard talk before about de-emphasising greenheart. What new species has Government been

able to develop, taking into account treatment and so on? My information is that we have not moved too far from the traditional exploration of greenheart. I know and you know and House is aware that we have got tremendous markets for other species. We are not lacking. We have got so many of them, what is being done to organise them.

Reforestation according to the Government's programme should have been at the rate of 1,000 new acres annually. I am told not one single acre has been reforested so far. I wonder if it is not fitting to draw to the Minister's attention – I do not know- we have got in the forest industry Guyana Timbers Limited. We have got the Timber Export Board. We are having now a Forest Commission. We have many bits and pieces. What eventually will happen? All these things will be scrapped and the whole industry will be manned by the Commission as a whole so that all those who are going to be put in command of this Commission must be able to run the thing efficiently, they must be equipped with all necessary disciplinary powers and everything else so that we will have movement. Probably the Minister will be able to tell us what have been the losses at Guyana Timber Limited annually.

The Chairman: That is not a question under this Head.

Cde. Reepu Daman Persaud: If you permit me, I raised it from the stand point of forest utilisation and in forest utilisation you have to take all the ancillary sections into account. It is a question of producing, marketing, sawing. It is a question of reaching the end product and to me they look very interrelated. And any Government that wishes to address its mind to this particular area has to take all these factors into consideration. If we were successful in one area and we failed in another area, it will not enhance the economy. If we produce and the institutions that are there at the outset are not properly manned, we are going to be in the same position. The very objective point I make is that we have got the potential but our accusation is that the Government has not been moving at all. I cannot be silent, or say that it is not moving fast enough because as far as production is concerned, it has not been moving. I hope the Minister will enlighten us and tell us what is being done.

If I move under the Mines head, the situation has not been ... in so far even our gold production is concerned. Probably the demand for gold has increased.

The Chairman: Could you draw my attention please, to the Head.

Cde. Reepu Daman Persaud: Geological Surveys. This has to do with Mines. Mines have to do with gold; we have six mining districts. I am told they have not been able so far to house all the Mining Officers so that we can ensure that there is efficient and proper collection of royalties.

We are still in the traditional practice of a man getting his gold and then going and saying, "This is it". It is then assessed and royalty is fixed.

2.30 p.m.

One of the matters that the Opposition is concerned with is the proper organising of the six mining districts, to ensure that we have enough people to mine them, that we have enough mining officers, enough mining inspectors. The members of the Government speak of losing revenue in various areas. They will not deny that they have been losing a lot of revenue in this area and it is under this subhead that all matters can be heard. To support what I am saying you will see under subhead 14, which deals with Houses for Mines Officers, that there is provision of \$125,000 for 1979. If you look further you will see that there was no provision last year. This means that the project to house these Mines Officers to ensure that the mining districts are mined, are organised, are controlled, has ceased. I go a step further to say that they have not succeeded up to this moment in completing all the houses that have been started so that all Mines Officers can be stationed in their areas. We need to keep these people there. We want them.

If my figures are correct, about a year ago, the price of gold was about \$250 an ounce. I think it has gone into, or over, the thousand dollar bracket at the moment. The Estimates speak of what we have been earning in so far as gold is concerned. I call upon the Government to have the mining districts properly organised to ensure that there is greater production and to re-examine all the claims to see what is taking place.

I wish to point to another subhead, sir, subhead 13, which deals with Assistance to Miners. Some time ago, I alluded to this matter when the Minister was speaking of it. The porkknockers need help; they need machines; they need equipment. They even need food in

order to function. Nevertheless, last year there was no vote, no explanation and no justification. At the moment, we see that the sum of \$100,000 is estimated for 1979. If it is spent, he will probably explain to the House who will receive it, if they will receive it in cash or equipment, in fact, how this money is being expended. We want to know. We are not opposed to help being given to porkknockers.

When one looks at this estimate, one must, if one understands this Ministry, come to the conclusion that the capital expenditure in 1978 did not reflect, and does not at the moment reflect, that anything was done in Geological Surveys last year. We had qualified men. What were they doing in 1978? Reading books in the libraries? Idling in the Ministry when their skills and experience should have been utilised in so many areas in which we need them at the moment?

Moving from Mining, I come to subhead 21, Hydropower Division. I see there is a capital sum of \$250,000 to be provided while last year there was an expenditure of \$51,707. This vote has been increased by \$50,000. Relating this subhead to the subheads we discussed not so long ago with respect to personnel, I think the Minister will have to tell us what is really happening. My information is that the project has literally died and there is no movement at the moment. Probably there will be an effort subsequently to revive it. How will this sum of money be utilised bearing in mind what sum is required for a project like hydropower. To whom is this money being paid? Is it being paid in full? How is it accounted for? Those are the questions that those of us on this side of the House would like to ask.

The final subhead is 28, Canadian Technical Assistance Programme, which has an explanatory note: "To provide for the training of personnel in various aspects of sawmilling operations. C.I.D.A. loan". I assume that there are Canadian personnel here. That is my assumption. They probably are involved in the training. What kind of training is given, to what extent the skills and experience are available, and to whom? Is it for both the private and public sector? To close it off, the Minister ought to tell us this afternoon what stage has been reached in negotiations between the Ministry and the private sawmill owners. There were many questions on prices and wages. I am sure that in fairness to the private sector, they will want to operate in a state of certainty. Over the last year, the whole thing was in a state of uncertainty and it appears to me that this has affected production. It would have been a

question of machinery, a question of parts, a question of equipment. The House ought to know because we are deeply concerned about the performance in the Ministry which has the potential to activate and to push the economy.

Cde. Nokta: Page 214, subhead 5, Forest Stations. The legend states, “To provide for the construction of forest stations and the payment of 1977 unpaid account”. I should like to ask the Minister to tell this House when the 1977 unpaid accounts are paid off, how much will be left to build Forest Stations. The sum of \$70,000 is being sought here.

Secondly, I want to ask the Minister a question in relation to the Forest Station which was operating in the Barama Mouth, North West District. Barama Mouth is the haven for logs. It is in the heart of the logging industry and for many years there was a well equipped Forest Station staffed with boat hands and there were transportation facilities and officers’ houses. A few years ago the Charlestown Sawmill decided to close down its operation. Baramani Mouth is approximately 15 to 20 miles from the Barama Mouth. As the Barama Saw Mill was to be closed down, the Government decided to build a Forest Station by the Baramani Saw Mill. Now the Baramani Saw Mill has been closed down and a new proprietor has bought over the Charlestown Saw Mill and is in operation in the Barama Mouth. I want to ask the Minister if the Ministry has any intention to remove the Forest Station from Baramani Mouth and take it back to the Barama Mouth.

The Chairman: Cde. Minister.

Cde. Naraine: Cde. Persaud raised a very important question, that is, on production. We on this side agree with him completely that this is an area in which a lot can be done in terms of increasing the total product of the country and also for export earnings. It is for this reason that the Government has commenced that very large project in the Upper Demerara, a \$31 million (U.S) project, but his points relate to production with existing facilities and this is equally important.

Now the decrease of production over the past year or more has been due to, I would say, two main reasons. One is that the Guyana Timbers Ltd. went out of production when the sawmill was burnt out. Arrangements have been made for the replacement of that facility and

this should come on stream in about three months' time when we hope that there will be a substantial increase in the production. The other reason why we feel that production has gone down is that of general problems which we have been experiencing in terms of foreign exchange to get the necessary spare parts and this has been made somewhat worse because of the slow delivery of machinery and spare parts ordered. As I said, Cde. Chairman, this situation will change dramatically later in this year; we reckon in about three months' time.

2.40 p.m.

Royalty has been relatively low not only for last year but for many years and it is proposed during this year to have a revision in the rates for royalties. The reason for this is not primarily to get funds as a more revenue exercise, but the cost of carrying out the supervisory services in the forest areas has increased considerably over the years. The price of lumber and timber has been increased over the years and therefore we feel that royalty also should be increased with a view to defraying some of these expenses.

It is proposed further to have a differential rate of royalty and this would be done in such a manner as to encourage the exploitation of other species of timber in the forest. One of the reasons why other species have not been pushed very extensively was that many of the other species, unlike greenheart, would require some treatment before they are put to use. And so large part of this sum under subhead 2 will be utilised in buying preservatives, mixing them in particular proportions suitable for use on our timbers, and for these preservatives to be then sold to producers of lumber so that they can put on the market many of the other species but in a form of preservation whereby they would not be prone to attack by insects, termites, etc.

The Commission, Cde. Chairman, will come into physical being by the 1st July, that is, the Forest Commission. This will be a regulatory body mainly to encourage the expansion of the forest industry, to encourage people who are already in production, and also to encourage new ones to come in and to monitor all the problems which are likely to arise out of exploitation or the development of our forest industry.

Cde. Persaud raised another important point and that is on the question of reforestation. He said that this was going at snail's pace. Now the reason why –

The Chairman: No, Cde. Naraine, he didn't say snail's pace at all.

Cde. Naraine: The reason why it is not going at more rapid pace is that most of the forest so far has been removed from the white sand area and in this area many experiments have been carried out in terms of growing existing species of forest as well as new species because some of the forests take a very considerable time before the trees can be harvested and so experiments are being carried out whereby new species can be introduced whereby we could get an earlier period for harvesting. For example, some of our known forests may take 50 or 70 years before a crop can be harvested. We were hoping to get such species which could mature and be harvested maybe in 15 or 20 years. This work is still going on but because of the relatively large forest in the country and as yet the relatively low rate of extraction, we do not see immediately a very major problem in reforestation. But reforestation will certainly engage the attention of the Commission as it has been engaging the attention of the division and work will continue so that we would not deplete our forestry areas without replacing forest because this is required not only in terms of producing timber for economic use but it is also very necessary in terms of controlling the climatic conditions in the country.

I could not give the loss of the Guyana Timbers Ltd. and there has been a loss after the fire but I would like to point out that part of that loss might have been accounted for because, after the fire at Houston, we attempted to put into gainful occupation, with depleted facilities, most of the workers who were employed prior to the fire and therefore, we certainly did have to carry on with maybe a larger labour force than was necessary. Some of them of course, were sent to the hinterland where the timber is extracted. Many remained behind to carry out maintenance on residual equipment that was at Houston, also on security exercises and things like that, so maybe the loss was a little more than it might have been under the old production arrangements. This situation will change however, when the new equipment for Guyana Timbers comes into operation in about three months' time. The whole Company is being re-organised and we have had new management at the forest area as well as at the sawmilling facilities.

2.50. p.m.

Cde. Nokta raised the point about re forest stations. My information is that out of the \$70,000, unpaid accounts will take the meagre sum of \$575. So the remaining sum will be there to establish, or re-establish in some cases, forest stations at Barama Mouth, Ituni, Mahaicony and Butakari. I am informed further that the forestry people never, in fact, moved from Barama Mouth but, maybe, Cde. Nokta has got other information.

If I could finish off forestry, a question was raised as to the Canadian Technical Assistance Programme. This needs some explanation. In this programme, the Canadians, through a CIDA loan, made available to the Agri. Bank a sum of \$9 million and this sum is being utilised by various sawmilling operations for the establishment of new sawmill as well as for the rehabilitation of existing sawmills. This, in fact, would also account for an expansion in the exploitation of our forestry resources and here again would be another area for the expansion of this industry. Since new equipment will be brought in for this expansion – not only by the Government, but Toolsie Persaud has a very substantial expansion, Willems has got expansion and there are many others – additional operational maintenance staff will be required. Therefore, this programme for technical assistance has been worked out whereby six experts – they are called Co-operants because they are co-operating with local personnel in the Forestry Division – will train local personnel so that they may execute their present duties more efficiently, and they will be able to train people to operate the new sawmill and sawmilling facilities when they come on stream. This training is done entirely locally. In other words, the Canadians are here in Guyana training the Guyanese here and none of the Guyanese on this programme will be going outside for training.

Mining: The Department of Mines is being re-organised. It will have regulatory functions. It will have technical function. It will be giving out information pertaining to the mining opportunities in the country. It will be engaged in the production of mining for various types of minerals and it will also be engaged in production, either as a State enterprise or in partnership with the private sector. We have been speaking to Governments overseas in terms of the expansion of gold mining, and Kaolin expansion and we intend to use the revamped Mines Division to be the main institution around which this development will be pursued.

It was said that the Geologists during 1978 might not have done much field operation. But 1978 was a period when a lot of promotional work was being done in terms of talking to Governments like the U.S.S.R., the Japanese Government and in other places and with companies to attract them in participating in mining expansion, and in the very important mineral in the world, Uranium. So although a lot of field work might not have been done during that period, a lot of other work and a consolidation of previous efforts were engaging the attention of the staff of that division. I gather that some of them, as Cde. Persaud said, were so much in love with the field that they did do some field work, but on a rather limited scale.

He also raised a very important issue and that was the collection of revenue- royalties. Cde. Chairman, this is a difficult task with whatever organisation you put, and I do not think I need say anything more except that royalties are being revised right now and we propose to set up, or improve on the facilities already existing at Mahdia, Kurupung and Bartica. This is where the main part of this sum will be spent.

3 p.m.

Assistance to Miners, subhead 13: This sum is intended to be a revolving fund. The small miners get duty-free concessions in bringing equipment into the country and from this money loans are given to the miners. Maybe one of the reasons why this money, in addition to sums already provided in previous years, does not go as far, is that the repayments are not as prompt as we would have liked. Nevertheless, the sum is well spent in terms of the promotion of mining activities, gold and diamond, and, of course, many small miners make a livelihood out of this organisation.

We note with concern the point raised by the Opposition in terms of the collection of revenue and I would even add to that the possibilities that exist for smuggling. Guyanese money is being utilised for the winning of the mineral yet sales are taking place outside of Guyana and the proceeds of those sales may not return to us. All these things are engaging our attention and it is hoped that better systems and greater surveillance would result in greater benefit to the overall production of the country.

On Hydropower, the provision here under subhead 21, Hydropower Division, is not for new power stations but for the surveys and preliminary designs for small hydropower sites. During this year work will be done at Loo Creek and at Anarika – that is a river, the big Anarika River along the Rockstone Road and there will also be other small investigations taking place in the Rupununi and in other places. The larger projects have been fully investigated and under the Upper Mazaruni Development Authority and other Government Agencies and the Ministry itself; approaches are being made to many quarters with a view to attracting finance for the implementation of these projects.

I believe those were the points raised, Cde. Chairman.

Division XVIII, Ministry of Energy and Natural Resources - \$4,756,600 – agreed to and offered to stand part of the Estimates.

The Chairman: Page 24.

HEAD 5 – AUDIT

Question proposed that the sum of \$1,098,323 for Head 5, Audit, stand part of the Estimates.

Cde. N. Persaud: I have just a few questions in relation to the Audit Department. I shall ask these questions under subhead 1, items (9), (11), and (13), and subhead 7. I have made the point over and over again in this Chamber that the Department of Audit is a very important department in that this department is really responsible for the task of being a watchdog committee over the expenditure particularly of sums of money voted in this House for the various Ministries.

When we look at the first one mentioned, item (9), Auditor, we see that from the sum of \$154,000 which was approved in 1978 only \$129,000 was spent. Similarly for item (11), Assistant Auditor II, from \$163,000 the sum of \$75,000 was spent.

From my information, during last year – and that was latter part of last year – in an establishment calling for 174 persons, there were 37 vacancies, more or less 25 per cent of the authorised strength. This year from the legend I have seen that provision is made from an

additional 27 persons. I should like to ask the Cde. Minister to state whether the figure I gave of 37 vacancies existing up to the latter part of the last year is correct. If it is not correct will the Minister state what is the correct figure. Will the Minister further state what has been done to fill those vacancies up to now? Will the Minister state if lack of personnel caused him not to have these vacancies filled during last year and, if so, how is he going to have these 37 plus the additional 27 catered for in 1979, filled?

These questions, as I said earlier, are very pertinent to the functioning of the Audit Department. I have had information that because of the lack of personnel, more so trained personnel, within the Audit Department the standard of auditing has dropped and this does not augur well for this nation. We are fully aware of what the present position is as far as public accountability is concerned. Therefore, if this Department, which is one of the very important departments existing within the governmental framework, is not fully staffed, then obviously the purpose of audit, the purpose of public accountability would be defeated.

Under subhead 1, item (13), Audit Trainee, the sum of \$82,000 was voted last year. As I mentioned, only \$13,000 was spent. Will the Minister state how many people were trained last year with the paltry sum of \$13,000 when this sum of \$82,000 was voted perhaps because the importance of having trainees was recognised. The sum of \$113,000 is now to be provided for 1979. May I ask the Minister what programme he has in mind for the training of Audit Trainees?

With your permission, Cde. Chairman, I now move to subhead 7, Library Publications. I recall that in my presentation during the Budget Debate I asked some questions with regard to the publication of reports by the Auditor General. We have had some answers but the Minister skilfully did not answer one and that is the one that I wish to bring back to the House. It concerns the 1970 report by the Auditor General. Last year when I raised the question the Minister informed the House that he was in receipt of the 1970 report and said that very shortly that report would be laid in this House. In replying last week, or the week before last, the Minister said absolutely nothing about the 1970 report which, according to my information, has been given to the Minister since November, 1977. May I ask the Minister, since he might be aware that the Public Accounts Committee has completed the examination of all the available reports, that is, 1968 and 1969, those were the last, whether

the Minister can assure this House now at what date and how early, to be more precise, why is it that he has not yet laid this report, and when will he lay this report so that the Public Accounts Committee can have some work to do?

3.10 p.m.

The Chairman: Cde. Hope.

The Minister of Finance (Cde. Hope): Cde. Chairman, if I may answer the last question first, I am very glad to hear that the Public Accounts Committee has at last completed all the work that was with it and now that its work load has been effectively reduced I will now present the 1970 report, for the Committee.

On question of vacancies I said before, and I say again, that the Government certainly regards the Audit Department as a very important department providing a very important service but that does not mean that the Audit Department could be prevented from suffering the fate, albeit in lesser measure, of other Ministries, that is, the shortage of experienced staff.

You see, Cde. Chairman, audit is a profession, it is an exercise which demands experience and it is pointless to pick up any person, just out of school, to put that person to audit. As a matter of fact, even people who have been in the service for some length of time, cannot effectively carry out the functions of auditing. Lack of experience, in a measure, is a reason why filling of the vacancies in the professional part of the service is sometimes a difficult task and it proceeds very slowly. It is for this reason that of 100 or so professional people in the Audit Department, there are only 27 posts which are effectively without bodies. But I wish to assure the House and the comrade that every attempt is being made to fill these vacancies as soon as experienced persons could be found or as soon as the training scheme yields enough people over a passage of time.

Indeed, it is because the Government views very seriously the question of public accountability and the functions which the Audit Department has to perform that we have sought and we are seeking to provide 27 new positions. Now, it is true that it is going to increase the difficulties in terms of finding people but I think it's a question which would come first, find the people then create the posts or create the posts then look for the people. I

think we have taken the position that we ought to create the positions then look for the people. So the search for people to fill all the vacancies is on; it will be accelerated and I trust within 12 months, most, if not all these positions new and old, can be filled.

With respect to training programme, I should point out that the training scheme goes on continuously and throws out about 30 persons annually. How many people that training scheme throws up would obviously be constrained by how many people can be recruited, how many people we can find with the relevant qualifications, and, of course, the capacity of the existing senior personnel, bearing in mind the other duties, to find enough time to devote to the training of many more. So as it stands now, I am advised that the training scheme provides about 30 persons annually.

Indeed, while there have been some vacancies in the trainee grade, there has been some attempt to ensure that there are bodies to fill the positions, at least to do work maybe not at 100 per cent efficiency but in the sense that we have been able to take people at lower levels and put them to the job and give them not only training but training on the job as well. Every attempt is being made to deal with what obviously is a very difficult situation, what obviously is an important service, that is, to do as much as we can to provide people in circumstances where there is an accepted shortage of qualified and experienced people all over the Service, indeed, all over the country. But I want to finally assure the House that we are doing everything possible, including training, to make sure that these people are put in place.

Head 5, Audit - \$1,098,323 – agreed to ordered to stand part of the Estimates.

The Chairman: Pages 169 and 170.

HEAD 80 – MINISTRY OF FINANCE

Question proposed that sum of \$868,932, for Head 80, Ministry of Finance stand part of the Estimates.

The Chairman: Cde. Narbada Persaud.

Cde. N. Persaud: I have just two or three questions on page 169, items (2), (3), (4), and (26). I wonder if the Minister can just explain. I have noticed that from 1976 to 1978 the

sum of \$15,000 was being provided for a Deputy Secretary to the Treasury. The sum was approved in 1978 but something happened and this something I would like the Minister to explain. Why is it that the post was there – I presume it was occupied in 1976 and 1977, money was voted for it in 1978 and nothing was spent. We see now the token sum of \$1 there just to keep the post.

As regards item (3), Supernumerary Deputy Secretary to the Treasury, that did not exist before. The legend says, “New Office created with effect from 21st September, 1976 inclusive”. From what we gather, that office was created since 1976 but apparently, there was no holder of the post and that is why no money was voted for it. I don’t know, so I would like the Minister to explain why. Will the Minister also explain, now that the sum of \$15,000 is being requested for the first time, whether there is someone presently holding that post?

I move to item (4), Commissioner of Insurance. It has been some problem to me to understand and I have been raising this matter time and again in this Chamber. I would like the Minister to state what is responsible for the difference between the Approved Estimates and the Revised Estimates, from \$14,000 to \$23,000, if there is one holder of the post. Cde. Chairman, I would also like to ask the Minister to tell this house whether the Ministry has finally found some work for the holder of this post, Commissioner of Insurance, and to tell this House what are the present duties of this officer.

3.20 p.m.

Subhead 1, item (26), Duty Allowance. I see the sum of \$480 was approved in 1978 and the sum was revised to \$2,400. Now we move back to \$480. Could the Minister state who received this duty allowance and why it jumped from \$480 to \$2,400 in 1978?

Cde. Hope: Cde. Chairman, with respect to item (2), Deputy Secretary to the Treasury and item (3), Supernumerary Deputy Secretary to the Treasury, we can deal with the two together. In 1976 or thereabouts, it became Guyana’s turn in a group of countries to find the alternate Executive Director for the World Bank and we provided one officer, Cde. Agustini, who was substantively appointed as Deputy Secretary to the Treasury. In his place we have put another officer to act and that officer has been acting in that position for the past three years. Cde. Agustini, the substantive holder of the post of Deputy to the Secretary, is

still with the World Bank. His term of office is expected to expire sometime this year. It was thought that the officer had reached the point when he should be promoted and the concept was to confirm him in this position. It is for this reason that the position of Supernumerary Deputy Secretary to the Treasury was created. That officer is until now in the post. This is the reason why that was \$15,000 in 1978 was put at \$1 in 1979. That is really Cde. Agustini's position. In relation to the position of Supernumerary Deputy Secretary to the Treasury, which is now being created, one expects that the officer who has been acting in this position over the last two and a half years will be appointed Supernumerary Deputy Secretary to the Treasury.

With respect to the Commissioner of Insurance, this officer reached retirement age last year and he was given his leave and so on. It is because we had to meet the cost of his leave as well as some amount of reappointment, that this amount went up in the Revised Estimates to \$23,000. The substantive salary remains the same - \$14, 364. We expect that since the position is vacant that it will be filled this year. Indeed, we have put out advertisements for the position and I trust that the relevant authorities will be in a position to make an appointment not too long from now to fill that position permanently.

A duty allowance is usually a token provision that is put there to be provided to certain people who have been doing the work but could not for one reason or another be given a formal acting position. That provision is usually a fixed amount but one does not necessarily know how much it will turn out to be. In fact, officers would have got this duty allowance in circumstances, as I said, where they were doing the work but because of other circumstances, could not be formally appointed to act. Then the Public Service Ministry would approve of the duty allowance. I would expect that in such cases that is the subhead from which that officer will be paid.

Head 80, Ministry of Finance - \$868,932 – agreed to and ordered to stand part of the Estimates.

The Chairman: Pages 171 and 172.

HEAD 81 – MINISTRY OF FINANCE

ACCOUNTANT GENERAL

Question proposed that the sum of \$3,189,578 for Head 81, Ministry of Finance – Accountant General, stand part of the Estimates.

The Chairman: Cde.Narbada Persaud.

Cde. N. Persaud: Cde. Chairman, like the Audit Department, I find that this department, the Accountant General's Office, is a very important department, in that the Accountant General's Office has a job of finalising the records of all other Ministries and then passing over all those documents and relevant records to the Auditor General. Subject to correction, this is how I understand part of the functions of this office. However, the staffing situation is no better than that in the Audit Department.

If I may just refer to a trend in 1973, my information is that 13 officers left but only 7 were replaced. In 1974, a similar number left and 7 replaced. In 1975, 29 left. Unfortunately, I do not have the records of how many were replaced. That has been the trend and as the years went by the situation deteriorated. May I ask the Minister to inform us if he considers – and I presume he does – this department to be that important, then what is presently being done to really fill these vacancies? I make a differentiation here like the differentiation I made with the Audit Department, that this is a department which is of vital importance also and if this department is not properly staffed, then obviously it affects the work not only of that Ministry *per se* but it affects the work of the Audit Department it affects the work of the Public Accounts Committee and if it affects the work of the Public accounts Committee, it affects public accountability. Therefore, I wish to ask the Minister to inform the House how early he intends to have the situation corrected in order to have all those deficiencies to which I have alluded, corrected?

3.30 p.m.

As far as the number is concerned, one has to consider the quality because, as I said, when 13 officers leave and are replaced by seven, the seven, more often than not, are junior officers, new recruits who take the positions of the officers who have left, officers who have

served for some time. Because of this fact, the quality of accounting in this department is affected. I think that something ought to be done in this regard.

For example, with respect to the Chief Accountant at item (4) – I am sorry that I did not do this in the beginning – the sum of \$25,920 was approved as shown in the 1978 column but only \$9,120 was spent in 1978. Can the Minister explain why?

The Chairman: Cde. Narbada Persaud, is it not obvious? However, proceed with your questions.

Cde. N. Persaud: I think I am here for a purpose different from yours. At item (7), Supervisor Data Processing Unit: May I ask the Minister to inform the department of the Accountant General? If we need a Supervisor, whom does this Supervisor, be it male or female, supervise? We have no Data Processing Unit in the department and I should like the Minister to tell us why it is necessary to keep this post and perhaps pay \$7,623 every year.

Item (11) Accounts Clerk III, and item (12) Accounts Clerk II. I just want to quote the figure for Accounts Clerk III. In 1978, the provision was \$98,758. This fell to \$36,532 in the Revised Estimate. I have noted, however, that for the Accounts Clerk II the vote provided in 1979 is similar to that in 1978 despite a big increase in the Revised Estimates. As far as I know, from the information received, we have quite a number of vacancies for Accounts Clerks, both II and III. Perhaps the Minister will be able to give the figures.

Page 172, subhead 27, Training of Accountants: I have seen that the sum of \$1,200 was provided for the last year. However the small sum of \$202 was spent. I should like the Minister to inform the House if he recognises the problem as far as trained accountants are concerned. Why is it that only this small sum is provided for this year and what is really intended under this programme - the training of Accountants for 1979?

Cde. Hope: Cde. Chairman, I wish to say very clearly that I as Minister of Finance certainly feel unhappy that the Accountant General's Department is not better staffed. Certainly if I had my way and if the country had the wherewithal in terms of available manpower resources, the Accountant General's Department, like the Audit Department would be fully staffed.

All the comments which I made in respect of the Auditor General's Department are applicable in the Accountant General's Department. Where I disagree with the Comrade is with the concept that you apparently need to centre all your best resources in accounting in the Accountant General's Department and in the Auditor General's Department, important as those two departments are, for in the final analysis we must ensure that the Ministries that are not in the centre have some appropriate and adequate accounting staff because if the accounting at that level is weak, then all the efforts at the centre, the Accountant General's Department as well as the Auditor General's, will be substantially frustrated and work of accounting and auditing will be seriously impeded. Therefore, what is clear is that we have got to use our manpower resources effectively. We have to spread it around. Certainly in a position of scarcity we are going to give the Accountant General's Department and the Auditor General's Department priority but we need to look at the needs of the other Ministries.

In the final analysis training is the only means by which this shortage is going to be tackled and in fact right now courses are being run by the Public Service Ministry for Accountants. Indeed, the Comrade pointed out a subhead, Training of Accountants, with a provision of \$1,200. The Accountant General uses subhead 27 to assist members of the staff who are going for training courses which are run by the Public Service Ministry. He assists them with books and that type of thing.

There are vacancies but I am satisfied that the vacancies are not anywhere as large as the comrade member pointed out. The vacancies are there but I am told that there are six vacancies in the upper levels. The fact, that only \$9,120 was spent on the vote for Chief Accountant as compared with \$25,920 that was provided, can be explained if one looks down at the item (18), Acting Allowance, where the provision was \$100 but in fact the actual expenditure was more, namely, \$24,238. That underscores the fact that although there were vacancies in those upper levels it does not necessarily mean that there were no bodies performing the tasks. There were bodies performing the tasks, people were acting but those people were receiving acting pay which is reflected in another item.

Finally, the question of supervisor has been raised again. It is an annual question by the comrade over there. I always answer it and the same answer I have to give again. I hope that this answer will last beyond next year. This officer was the supervisor when there was in fact a Data Processing Unit in the Accountant General's Department. Two or so years ago there was a substantial reorganisation when the department moved from unit records machine into computer. A number of the staff in the original unit were taken over but this particular officer did not have the training nor background to fit into the new unit. Therefore, what we are seeking to do is provide her with a position in the Accountant General's Department. Unfortunately between the relevant Ministry and Authorities the position has not been regularised as yet so that she still remains designated as such but doing accounting work at the comparable level in the Accountant General's Department.

Head 81, Ministry of Finance, Accounting General - \$3,189,578 – agreed to and ordered to stand part of the Estimates.

The Chairman: Pages 173 and 174.

HEAD 82 – MINISTRY OF FINANCE

CUSTOMS AND EXCISE

Question proposed that the sum of \$3,166,632 for Head 82, Ministry of Finance – Customs and Excise, stand part of the Estimates.

Cde. N. Persaud: I wish to ask the Minister how early he expects to fill these vacancies. For example, subhead 1, item (2), Deputy Controller of Customs and Excise, that post is vacant. We have somebody acting there. How early does he expect to appoint that person? At item (3), Assistant Controller of Customs and Excise, provision is made for three persons. We have provision for five, but all are acting at item (5), Principal Customs and Excise Officers, we have nine acting there, and I can go on and on, it is the same thing. The situation seems to be worse in this department which is responsible for the collection of 34 per cent of the current revenue in 1979 and perhaps it is, to my mind, penny wise and pound foolish because I feel that if these vacancies are filled then we will have more junior officers

being placed to carry out more routine work whereby more revenue would be earned, that is to say revenue that is there right now but because of lack of staff we are not able to mobilise it. Perhaps the Minister can say how early he expects to appoint these people who are acting and how early he expects to fill the other vacancies.

3.40 p.m.

The Chairman: Cde. Nokta.

Cde. Nokta: Cde. Chairman, just a short question. It can be asked under subheads 10, 11, 12, 13, or 14. I want to find out from the Minister how many customs officers are stationed at Imbotero in the Barima River, that is on the border, and at Morawhanna, that is also another border point.

The Chairman: Cde. Minister.

Cde. Hope: Cde. Chairman, the first correction I wish to make to Cde. Narbada Persaud's statement is that the Minister of Finance does not appoint Public Officers. Public Officers are appointed by the Public Service Commission, the duly authorised and constitution authority for making such appointment. That is the first correction I would like to make. However, my advice is that there is a long list of recommendations for appointments which has been sent to the relevant authority. I myself cannot say when those appointments will be made, but I trust that appointments will be made early by the Public Service Commission. A number of reminders have gone forward and we are keeping behind the Public Service Commission to make sure that if there are any questions to be answered we will answer them so that the recommendations can be dealt with more rapidly.

I think in terms of the vacancies and the fact that a number of people are acting, the Cde. Member ought to appreciate that in the Customs Department we are dealing with a department which is closed. Promotions take place largely from within, so that when there is a vacancy it is bound to happen that the people from below will come up to occupy the vacancies above, and the normal procedure will be such people to be appointed to act in the first instance pending the final determination in terms of fixed appointments.

I wish to say Cde. Chairman, that the vacancies are there, people are acting in them and there are recommendations for those positions to be filled permanently.

The Chairman: Cde. Nokta.

Cde. Nokta: Page 174. The Minister, unfortunately, did not answer my question. However, I move on to subhead 10, Revenue Protection. The fact that he did not answer my question leaves us with the doubt whether Customs Officers are stationed at Morawhanna and Imbotero and these are border points. I wish to remind the Minister under this heading of Revenue Protection, that in 1976, I spoke on this same heading when I told the Minister that if Customs Officers are stationed at that border point and they are well equipped, the Government can collect quite a lot of revenue. Last year, there was an established shop at Kumaka on the Aruka River. It was called the P and R shop. The P and R, I understand, was Paddy and “Rubina”. That shop stocked quite a large amount of transistor radios, tape recorders and electrical appliances. They were taken out of boxes under the disguise of second-hand materials, the Government was losing revenue and this was done under the nose of everybody because Kumaka is not far away from the police station.

And in addition to that trade which was going on, if the Government had really been controlling these two places, quite a lot of revenue would have come out of that area because we were told that ships brought tractors and trucks and electrical appliances; they brought in a whole radio station. I don't want to mention the ammunition and the poison but drugs were found, all these things were brought in through Morawhanna, under the nose of the police at Morawhanna station. It is striking shame on this Government to know that when poor Amerindian people come in from Venezuela with their boat load of morocot to sell at the Morawhanna stelling, police have to jump in and search these people's boat. And it is rumoured that officers are collecting one for their wives and one for themselves.

The other point I want to make is, if Customs officers are at Morawhanna and poor people's boats can be searched, why is it the Cudjoe passed in with all these very dangerous things and all this machinery was passed in. I want to convince the Minister, that a radio set at Jonestown and \$250,000 worth of radios and tape recorders were found. If the Customs

Department was really exercising control at Morawhanna, Government would have been able to get quite a lot of revenue. I want to advise the Minister again that while the Jonestown traffic might cease, a lot of Spanish boats are coming in and going out. I am not saying, stop the people, because people live on the border, they go and come. What I am saying is if Customs checks are made, poor people can benefit. Because onion and garlic are not banned item, the people will get their goods, they will pay their royalties. Gasoline is not a banned item. The people will bring it, they will pay their duties. It is easier to get gasoline from Venezuela than to come to Georgetown to get it. I want to advice the Minister that under this heading of Revenue Protection if they can exercise more control at Morawhanna and at Imbotero they will be able to save revenue from that point.

The Chairman: Cde. Minister.

3.50 p.m.

Cde. Hope: Cde. Chairman, I wish to correct what obviously was a misconception on the part of the Member. The absence of a member of the staff of the Customs Department at an entry point does not necessarily mean that that entry point does not have a customs officer or doesn't have a customs person. I think if the hon. Members listen they would learn. Under the law, the customs work can be done equally by the police, by an officer in the Customs Office and at border points. The tendency has been for the Government to utilise the services or to leave the police to do customs work at those border points. All the areas the comrade is talking about are adequately staffed by the police.

With respect to the charges, he did say that the police got into some arrangement which seemed to point to the fact that he recognised that there is examination at these points. There is no evidence whatsoever that the police, in fact, have been searching small boats and have been allowing larger imports to pass in without search. Certainly if the hon. Member has proof of these things I am sure the Commissioner of Police will want to investigate these things. But I suggest that the Member, in a desire to be extravagant in his charges, made those charges but those charges are not in any way assisting with the facts as they are.

Head 82, Ministry of Finance – Customs and Excise - \$3,166,632 – agreed to and ordered to stand part of the Estimates.

The Chairman: Pages 175 and 176.

HEAD 83 – MINISTRY OF FINANCE

INLAND REVENUE

Question proposed that the sum of \$4,304,526 for Head 83, Ministry of Finance –

Inland Revenue, stand part of the Estimates.

The Chairman: Cde. Narbada Persaud.

Cde. N. Persaud: Page 176, subhead 11, Refunds of Revenue. I note here that despite \$2 million was provided for 1978 only \$1,380,130 was spent. I wish to ask Minister why, despite the fact that \$2 million was provided, only this amount was spent when there are a number of persons who have claims outstanding at the Inland Revenue Department dating right back to 1970. The amount of \$2 million was provided, why is it that rather than spending only this amount they did not seek to pay those persons who were awaiting refunds since 1970?

Cde. Hope: I am really surprised at the Member. Claims outstanding can never mean claims fully determined. The hon. Member knows that you can claim refunds, or that you are not properly assessed by the Inland Revenue Department, but then those claims are not properly determined. There is no evidence that matters which have been determined and there is a question of a refund, that that refund is not made. If the claim is determined and the person agrees that he owes the Commissioner, the Commissioner insists on being paid. If it turns out that the Commissioner owes him, the cheque comes out and the Commissioner pays. What may be outstanding would be the cases where people are disputing assessments. There might be cases particularly among business firms where they have to pay because the law requires that they pay at a certain level but the matter is still going through the process of

appeal. The person might then feel that he is due to get back some money. I agree that the hon. Member is confusing himself.

Cde. N. Persaud: Perhaps the Minister is an authority but I feel that I am also in authority to state that I have information where claims have been determined and there have not been refunds to the people. Why is it that claims are outstanding, and not yet determined since 1970?

Cde. Hope: No claim can be outstanding since 1970, that does not make sense.

Head 83, Ministry of Finance – Inland Revenue - \$4, 304,526 – agreed to and ordered to stand part of the Estimates.

The Chairman: Page 177.

HEAD 84 – MINISTRY OF FINANCE

PENSIONS AND GRATUITIES

Question proposed that the sum of \$4,186,791 for Head 84, Ministry of Finance – Pensions and Gratuities, stand part of the Estimates.

Head 84, Ministry of Finance – Pensions and Graturities - \$4,186,791 – agreed to and ordered to stand part of the Estimates.

The Chairman: pages 178 to 192.

HEAD 85 – MINISTRY OF FINANCE

PUBLIC DEBT

Question proposed that the sum of \$150,123 for Head 85, Ministry of Finance – Public Debt, stand part of the Estimates.

27.3.79

National Assembly

3.50 – 4 p.m.

Head 85, Ministry of Finances – Public Debt - \$150, 123 – agreed to and ordered to stand part of the Estimates.

The Chairman: Page 193.

HEAD 86 – MINISTRY OF FINANCE

REVISION OF WAGES, SALARIES AND RELATED PAYMENTS

Question proposed that the sum of \$300 for Head 86, Ministry of Finance – Revision of Wages, Salaries and Related Payments, stand part of the Estimates.

Head 86, Ministry of Finance – Revision of Wages, Salaries and Related Payments - \$300 – agreed to and ordered to stand part of the Estimates.

The Chairman: Page 194.

HEAD 87 – MINISTRY OF FINANCE

POST OFFICE SAVINGS BANK

Question proposed that the sum of \$5 for Head 87, Ministry of Finance – Post Office Savings Bank, stand part of the Estimates.

Head 87, Ministry of Finance – Post Office Savings Bank - \$5 – agreed to and ordered to stand part of the Estimates.

4 p.m.

The Chairman: Page 227.

DIVISION XXXI – MINISTRY OF FINANCE

Question proposed that the sum of \$54,399,098 for Division XXXI, Ministry of Finance stand part of the Estimates.

Cde. N. Persaud: Under this Division, I have three questions and they relate to subheads 25, 26, and 27.

Subhead 25, 1978 Liabilities, is a new subhead and the sum of \$13 million is being sought. The legend states, "To provide for payment of outstanding liabilities incurred by Ministries and Departments". Can the Minister state with whom were these liabilities committed? Why? It is the first time it is appearing here. I find it strange that Ministries and Departments have committed liabilities in 1978 amounting to \$13 million. Can the Minister break down and give us some information?

With regard to subhead 26, Guyana Telecommunication Corporation, I see the sum of \$1,730,000 is being provided. The legend states "To provide for expansion in interior areas". As far as I am aware, this is a corporation. If a loan is sought, okay. May I ask the Minister to inform this House what is this \$1.73 million? Is it a loan? Is it a grant? Is it aid? What is it? And can the Minister inform us why it is that the Government has to find this money in these circumstances?

At subhead 27, Demerara Woods Limited, a sum of \$20 million is being asked for and the legend states "To provide for the purchase of shares by Government. EIB loan". May I ask the Minister to tell us how many shares the Government intends to purchase in this Limited Company? May I ask the Minister to tell us what type of company this is? Is it a local company? Is it a foreign company? Is it foreign and the Government will now go in? What type of company is this and who are the shareholders of this new company for which we are being asked to provide \$20 million for the Government to purchase shares/

The Chairman: Cde. Hope.

Cde. Hope: Cde. Chairman, subhead 25: It is true that a number of Ministries had bought on credit, their normal L.P.O. system, mainly from the public corporations and had not paid or the accounts surfaced very late. Some of these payments date back several months ago. Most of them did not arise in 1978 when we changed the system to avoid precisely this, that is, we said that the Ministries can no longer buy on a L.P.O. They must purchase in cash. But even before we took that step the ministries had in fact run up rather extensive liabilities to a number of public corporations. During 1978, in a number of subheads, we had made provision for paying off some of that debt. Some of that debt still remains and the intention is to pay them all off during 1979, at least all that are now known. On this occasion a different approach was taken and that amount was separately identified and put under control of the

Minister of Finance. When the money was put in the hands of the Ministries, they tended to spend it and not to pay the liabilities. What has been done now is to put it in the Ministry of Finance specifically to pay the liabilities of the various departments. It is a measure to secure greater control and to ensure that the funds are used for the purpose for which Parliament voted them.

With respect to subhead 26, Guyana Telecommunication Corporation, a telephone facility was established in the Rupununi. It was established by the Telecommunication Corporation at the behest of the Government and the Government undertook to pay the corporation for that equipment. I think that this is, if not all, at least part of that payment. I repeat; a telephone facility was set up in the Rupununi. The Government did not require the Guyana Telecommunication Corporation to do it as part of its own expansion scheme but agreed to pay for this equipment and this is part of that payment that the Government is now making to the Guyana Telecommunication Corporation.

With respect to subhead 27, Demerara Woods Limited, this is the company which will be carrying out the project, the Upper Demerara Forest Project. A company was formed. It has 20 million shares of \$2 each. All the shares are owned, or will be owned, by the Government, but the arrangements in the financing was that the Government will put up \$10 million and the European Investment Bank will lend the Government, on very extended terms, \$10 million to purchase the rest of the shares.

This will be a separate company, separate from the Government, and if the Government is owning the shares, the Government will have to put up the cash to the company to buy the shares. The Government will be funding \$10 million on its own, and the European Investment Bank will be landing another \$10 million. This is why the amount is separated like this - \$10 million from Specific Finance, which means local resources, and \$10 million from Other Finances, which means foreign sources. I think that answers that question raised by the comrade.

Division XXXI, Ministry of Finance - \$54,399,098 – agreed to and ordered to stand part of the Estimates.

The Chairman: Pages 167 and 168.

HEAD 79 – MINISTRY OF TRADE AND CONSUMER PROTECTION

Question proposed that the sum of \$2,574,087 for Head 79, Ministry of Trade and Consumer Protection stand part of the Estimates.

Cde, N. Persaud: Subhead 1, item (13). On page 168, subheads 10, 11, 13, and 15. Provision is being sought under subhead 1, item (13) for \$43,082 for 12 Price Control Inspectors. Now, the sum of \$43,082 was requested in 1978 and the sum of \$27, 622 was spent. I understand this means that all 12 posts were not occupied, that is to say, that we did not have 12 Price Control Inspectors in 1978. That is my interpretation. I wish to ask the Minister whether he does not consider it very necessary, due to the shortages of goods, due to the hoarding of goods, due to the black marketing of goods in the country at this particular point of time, not only to fill those vacancies but to double up on the number and to ask for more money under this subhead.

What is happening in the country today, more so because of a system of unequal distribution, certain persons get commodities and take those commodities and exploit the masses at large by hoarding, by black marketing and by high prices. Therefore I ask the Minister another question, whether he does not consider it necessary to take immediate steps not only to fill those vacancies but to appoint more Price Control Inspectors in order that they can go around all over the place.

May I ask the Minister whether right now Price Control Inspectors are going into the hinterland and riverain areas to check on the very high prices that the residents of those areas have to pay for these commodities which are in short supply at the moment and, I repeat, which are being distributed on an equal distribution basis?

4.10 p.m.

Cde. Chairman, this is just for clarification. Page 168, under subhead 10, Electricity, may I ask the Minister whether the blank under Revised Estimates indicates that this Ministry has not paid its electricity bill for the year 1978?

Cde. Chairman, I move to subhead 11, Exhibitions and Fairs. I see that the sum of only \$164 was spent for the last year; \$2,000 is being provided for this year. May I ask the

Minister whether he is in a position at this time to inform the House what is anticipated during this year for Exhibition and Fairs for this nation. May I ask what the \$2,000 will do, what are the Fairs and Exhibitions and where; whether they are local or whether they are overseas. What is this sum expected to do? I move to subhead 13, Subsidy – Conveyance of Foodstuff to Hinterland. You will recall, Cde.Chairman, that some time ago I made the point that the system in the socialist countries is that if a man is living in the Rupununi – I am not familiar with the names – but in the Rupununi he is not put at a disadvantage as far as the price of the commodity is concerned, that is to say, if a pound of sugar or salt is sold in Georgetown for 25 cents, he should receive it wherever he lives for the same 25 cents.

Now, because of our call for increased production – and these people who are living in these remote areas, lack many facilities that we have in this part of the country – they stay there and they produce. To a large extent they are responsible for the produce that we have in the country. May I ask the Minister, because of that sacrifice, whether he does not consider it necessary to increase the subsidy?

I am asking the Ministry to double or triple this subsidy. I don't know whether we are in a position to give to the persons who live in the hinterland area, the goods at the same price but at least we can give them at a far more reasonable price than they are presently receiving. May I ask the Minister what steps are being taken in relation to the control of the high prices for these items in these hinterland areas? Despite the goods are being subsidised, Cde. Chairman, because of the present shortage, the subsidy works out to nothing because when one takes into account the shortage, the black marketing, and the hoarding, the price of the article sky-rockers that high that the subsidy becomes negligible.

May I ask the Minister a question under subhead 15, Rebate on Kerosene.? I recall that last year when we were discussing Supplementary Estimates, I had raised the question about this rebate on Kerosene oil and the Minister had given an answer, perhaps I didn't understand him correctly, that was just for then and so the Government was rebating and that was the end. They didn't want to raise the price of Kerosene, and there was some arrangement. I see here again \$1.7 million is being sought for the rebate on Kerosene. May I ask Minister whether this is going to be a continuous thing, if not, what is responsible for this, whether it is a similar arrangement to the one last year, or what the position here is.

The Chairman: Cde. Belgrave.

Cde. Belgrave: Under subhead 13, Subsidy – Conveyance of Foodstuff to Hinterland, may I ask the Minister if he is aware that the officers in this department are involved in discrimination in their duties? To give an example, many of the big areas of business like Guyana Stores, Police Consumers, and Phillips Food Fair, are carrying out the practice of hoarding the commodities. For instance, they have got large stocks of milk in their back stores –

The Chairman: Under what Head are you speaking? What number, 13?

Cde. Belgrave: They are carrying out this practice of hoarding the commodities. For instance, I walked from store to store, day before yesterday to find that they tell the public that they have no evaporated milk in stock, when as a fact, they have got large stocks in these same business concerns. In many cases, some scarce commodities like margarine, despite much has been given to these various big concerns, they put out a small amount on the shelves and they keep back in their back stores large stocks, more than they would have put for the people's use. And you can find friends and lots of persons going through the back stores and collecting same –

The Chairman: Cde. Belgrave, come to the question.

Cde. Belgrave: I am asking the Minister if he is aware of this practice, what provision is being made to ensure that these big stores suffer the same fate as the small shops in the market where they have been hounding these persons, to ensure that whatever commodities are sent to the various shopping centres are all made available to consumers so that they can make life a bit easier for those people who may have to leave their work places, husbands and wives, in search of these commodities. This will, in turn, assist in greater production.

The Chairman: Cde. Hope.

Cde. Hope: Cde. Chairman, with respect to subhead 1, item 13, in this section of the Ministry there are a number of vacancies and steps are right now being taken to have those vacancies filled. I think the Government's position with regard to black-marketing and hoarding is well known. I think this Government has just modified and amended the law in

order to make the penalties for black-marketing very severe. In fact, I know that there are cases where members are found black-marketing and these are people who are members of the party across there. And these same comrades who are talking so glibly about discrimination and black-marketing and hoarding are the same comrades who go and attempt to beg for their comrades who have been caught black marketing and hoarding. I think the Government's record in this area is very clear with respect to their activity of black-marketing.

4.20 p.m.

We know that there have been various forms of malpractices with respect to the distribution of goods. The Ministry of Trade has discovered this. The Ministry of Trade knows this and the Ministry of Trade is implementing some of those plans to improve the distribution system and to ensure that people who receive allocations for goods make those goods available to the public. Clearly it is not something which the Government is not aware of, and the Government is really taking all steps to close the various loop holes which apparently exist in the system.

On the question of subhead 10, Electricity, I think that must be a misprint. The Ministry did pay and this will be corrected in the final estimate.

With respect to subhead 11, Exhibitions and Fairs, I think I need to say two things. If there is an exhibition in which the producers within the country participate, then the Government will, as is usual, assist in those exhibitions and fairs to the extent that they are held locally. However, there are also cases where, to diversify our sources of supply when we have to import, we have attended a number of fairs, particularly in the Eastern bloc countries, but we would not see the expenses reflected in this subhead because in most cases, the representation is drawn partly from the Corporations and the Corporations will pay for their people. In other cases where representation is drawn from the Government, then a vote under the Ministry of Finance meets that. You will hardly see that mentioned here. Invariably, the money spent from this subhead represents assistance which the Government is giving to locally-organised exhibitions and fairs.

With respect to the question of the subsidy on conveyance of food to the hinterland, I think the mere fact of this subsidy is a clear indication that the Government wishes to ensure that residents in the hinterland areas are not required to pay the full cost of transportation of essential goods to those areas and so the Government has made provision here for subsidising the transportation cost. Obviously, since the Government is ensuring that goods in fair quantities move into the hinterland, this subsidy will never remain necessarily at this level. It will depend entirely on the volume of goods being moved into the hinterland. While it is not in any way a token vote, as if I had put \$1, the main fact that it is \$300 does not mean that if need arises a greater sum would not be spent. The overriding issue is the quantity of goods which would have to be shipped to the hinterland.

In order to ensure that the hinterland is serviced effectively and that the question of hoarding and black-marketing is economised, the Government has set up a number of hinterland trade stores in about seven outlets with three more to be set up. Those shops are spread in different parts of the country. There is one each at Lethem, Aishalton, Annai, Kamarang, and the intention is to ensure that those shops are kept adequately supplied with essential goods. As a matter of fact, it is for that reason that these stores have been made outlets of existing stores. For instance, the G.N.T.C. has four outlets in the hinterland and Guyana Stores Ltd. has three. The purpose of attaching these outlets to these stores is to guarantee to a much greater extent that the goods move more efficiently from the outlets in centre to the outlets in the hinterland. I think we need to point that out and to let the House be assured that the Government is doing everything possible to ensure that residents in the hinterland not only get essential commodities just as people in Georgetown, but they get them at fair prices.

With respect to Kerosene oil, the situation has not changed from what I explained some time ago. I need to explain this again. Sometime during last year when the prices of Kerosene oil and gasoline were going to go up, Government decided to permit the gasoline price to go up to freeze the price for Kerosene. To do that meant that the people distributing Kerosene would have lost a cent or penny per gallon. What the Government therefore decided was to freeze the price of Kerosene at the existing level of last year and let the taxes on the Gasoline pay for what should have been the extra price for the Kerosene. That extra price was not tax, it was the landed cost of the Kerosene which had gone up. So the

Government compensated the Kerosene oil importers through this vote based on the amount of Kerosene that was distributed. The Government, in theory, got the money out of the Gasoline tax.

A few weeks ago the prices of Kerosene oil and Gasoline again went up, that is, the landed cost of Kerosene oil and Gasoline. That is when the GPEC countries had intimated the increase in the price of fuel. What the Government did was to put that increase which was charged by the countries on to the price both of Kerosene and Gasoline. The tax on Gasoline was held, even though it was specific in buying terms. It was deliberately held by the Government. The increase in the price of Gasoline which occurred recently was purely the increase in the landed cost of Gasoline.

4.30 p.m.

In the case of Kerosene, the same thing applies. The increase in the price of Kerosene was purely the increase in the landed price, or the landed cost, of Kerosene. The intention really, until now, was to continue that subsidy which the Government has provided since two years on Kerosene and that is why this sum is stated here again in 1979. The fact that it is up is an indication that one feels that in the normal course of things the consumption of Kerosene will increase and therefore it will require a larger sum to pay for that subsidy.

Cde. N. Persaud: I wonder if I can ask the Minister a supplementary question based on the information he has just given. I gather from him that the Government is not in receipt of any additional taxation from the increased price of Gasoline. May I ask the Minister a question. My information is that we have a two-system tax on Gasoline itself: 54 cents per gallon for duty and 132 per cent consumption tax, that is to say, if the value of the commodity increase then obviously that tax will increase proportionately since the consumption tax is 132 per cent on the landed cost. Therefore, if the consumption tax is based on that amount, will the Minister say if it really is a correct statement that the Government is not in receipt of any additional tax based on the increased price of Gasoline?

Cde. Belgrave: The Minister did not answer my question.

The Chairman: What do you want me to do? Do you wish me to make him answer it if he did not answer it?

Cde. Hope: Let me assure Cde. Narbada Persaud that I am 100 per cent correct when I say that the tax that was collected prior to the last increase on any gallon of Gasoline remains frozen. It has not increased. That was the significance of my assertion that it operated despite the fact that it was not specific because when the tax is specific then it does not change whatever the price, however the landed cost might change. When it is *ad valorem* it changes. The rate is *ad valorem* but the Government took the decision not to change the money element of the price that was taxed so that the tax remains static.

Head 79, Ministry of Trade and Consumer Protection - \$2,574,087 – agreed to and ordered to stand part of the Estimates.

The Chairman: Page 226.

DIVISION XXX – MINISTRY OF TRADE AND CONSUMER PROTECTION

Question proposed that the sum of \$30,000 for Division XXX, Ministry of Trade and Consumer Protection, stand part of the Estimates.

Cde. N. Persaud: Subhead 1, Purchase of Equipment. I note that this subhead is new. May I ask the Minister what type of equipment is meant here and where this equipment is going to be used?

Cde. Hope: I am advised that this is to cover the purchase of a new vehicle to take the price control people around, as well as to put in a new PABX system in the Ministry of Trade, something which does not exist at the moment.

Division XXX, Ministry of Trade and Consumer Protection - \$30,000 – agreed to and ordered to stand part of the Estimates.

Assembly resumed

ADJOURNMENT

Resolved, “That this Assembly do not adjourn until Wednesday, 28th March, 1979, at 2 p.m.”. [**Cde. Ramsaroop.**]

Adjourned accordingly at 4.33 p.m.
