

**THE
PARLIAMENTARY DEBATE**

OFFICIAL REPORT

[VOLUME 7]

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

189th Sitting

2.p.m.

14th May, 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.,
Prime Minister

(Absent – on leave)

Deputy Prime Minister (1)

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

(Absent – on leave)

Senior Ministers (12)

Cde. H.D. Hoyte, S.C.,
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,
Minister of Home Affairs

* Cde. H. Green,
Minister of Health, Housing and Labour **(Absent)**

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

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

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

* Cde. M. Shahabuddeen, C.C.H., S.C.,
Attorney General and
Minister of Justice

* Cde. V.R. Teekah,
Minister of Education, Social
Development and Culture

* Cde. R.E. Jackson,
Minister of Foreign Affairs **(Absent – on leave)**

* Cde. J.A. Tyndall, A.A.,
Minister of Trade and
Consumer Protection

Ministers (2)

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

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

***Non-elected Ministers**

Ministers of State (10)

- Cde. F.U.A. Carmichael
Minister of State – Regional (Rupununi)
- Cde. P. Duncan, J.P.,
Minister of State, Ministry of
Economic Development and Co-operatives **(Absent – on leave)**
- Cde. K.B. Bancroft, J.P.,
Minister of State – Regional
(Mazaruni/Potaro) **(Absent)**
- Cde. J.P. Chowritmootoo, J.P.,
Minister of State – Regional
(Essequibo Coast/West Demerara)
- Cde. J.R. Thomas,
Minister of State, Office of the
Prime Minister
- Cde. R.H.O. Corbin,
Minister of State, Ministry of
National Development
- Cde. S. Prashad,
Minister of State – Regional
(East Demerara/West Coast Berbice)
- Cde. R.C. Van Sluytman,
Minister of State,
Ministry of Agriculture
- Cde. L.A. Durant,
Minister of State – Regional
(North West) **(Absent)**
- * Cde. F.U.A. Canpbell,
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 **(Absent – on leave)**

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

Other Members (15)

Cde. W.G. Carrington, C.C.H.

Cde. S.M. Field-Ridley

Cde. E.H.A. Fowler

Cde. J. Gill

Cde. W. Hussain

Cde. K.M.E. Jonas

(Absent)

Cde. J.G. Ramson

Cde. P.A. Rayman

Cde. A. Salim

Cde. E.M. Stoby, J.P.

(Absent)

Cde. S.H. Sukhu, M.S.

Cde. C. Sukul, J.P.

Cde. H.A. Taylor

(Absent)

Cde. L.E. Willems

Cde. M. Zaheeruddeen

(Absent)

Members of the Opposition (16)

(i) People's Progressive Party (14)

Leader of the Opposition (1)

Cde. C. Jagan,
Leader of the Opposition

(Absent)

Deputy Speaker (1)

Cde. Ram Karran,
Deputy Speaker

Other Members (12)

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

(ii) Liberator Party (2)

Mr. M.F. Singh, J.P.
Mr. M.A. Abraham

OFFICERS

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

Acting Deputy Clerk of the National Assembly – A. Knight

14.5.79
2 p.m.

National Assembly

2 – 2.05 p.m.

PRAYERS

ANNOUNCEMENTS BY THE SPEAKER

Death of Wife of Past Speaker, Sir Donald Jackson, C.C.H.

The Speaker: Comrades and hon. Members, since we last met, the wife of a former Speaker, Sir Donald Jackson, has died and I am sure you would wish me to send a letter of condolence on behalf on this National Assembly to Sir Donald Jackson extending our deepest sympathy to himself and his daughter.

Leave to Members

Leave has been granted to the Cde. Prime Minister, to the Cde. Deputy Prime Minister, to Cde. Clarke, Cde. Duncan and Cde. Ackman for today's Sitting, and to Cde. Jackson from the 4th to the 17th May, 1979.

PRESENTATION OF PAPERS AND REPORTS ETC.

The following Papers were laid:

- (1) Annual Report and Audited Accounts of the National Insurance Scheme for the year ended 31st December, 1977. [**The Minister of Parliamentary Affairs and Leader of the House, on behalf of the Prime Minister**]
- (2) (a) Finance Contract between Guyana and European Investment Bank – Upper Demerara Forestry Project – (Conditional Loan on Risk Capital Resources) – Luxemburg, 16th November, 1978.

- (b) State Pension (WILLIAM CARMICHAEL) Order 1979 (No. 39), made under section 4 of the State Pensions Act, Chapter 27:04, on the 28th of March, 1979, and published in the Gazette on the 5th of May, 1979.
- (c) State Pension (AUGUSTUS HINDS) Order 1979 (No. 40), made under section 4 of the State Pensions Act, Chapter 27:04, on the 28th March, and published in the Gazette on the 5th of May, 1979.
- (d) State Pension (DOROTHY KING) Order 1979 (No. 41) made under section 4 of the State Pensions Act, Chapter 27:04, on the 17th of February, 1979, and published in the Gazette on the 5th of May, 1979.
- (e) State Pension (EDWARD SPENCER) Order 1979 (No. 42), made under section 4 of the State Pensions Act, Chapter 27:04, on the 17th of February, 1979, and published in the Gazette on the 5th of May, 1979.
**[The Minister of Parliamentary Affairs and Leader of the House,
behalf of the Minister of Finance]**

2.05 p.m.

STATEMENTS BY MINISTERS

By the Attorney General and Minister of Justice –

Re Remarks on Appointment of Ombudsman

The Attorney General and Minister of Justice (Cde. Shahabuddeen): Cde. Speaker, I would like to avail myself of this item on the agenda to correct, without recrimination, the records of this House concerning a suggestion made by the Cde. Leader of the Opposition that

the statement made by me in this House on the subject of the appointment of the Ombudsman was erroneous and inaccurate. Cde. Jagan made that suggestion in this House on 30th March, 1979 when, unfortunately, I was unavoidably absent, and that was the last time this House met before today. Dr. Jagan himself was absent from the Chamber on the 28th March, 1979, when I spoke and from the nature and tone of his remarks it would not appear to me that he had the benefit of the statement which I actually made. So, Cde. Speaker, I think I should repeat the words which I did, in fact, use. I was speaking in the Committee of Supply and answering a number of questions. One of them concerned the Ombudsman. The official transcript and the tape recording will show that what I said was as follows, and here I quote:

“Here again I find myself in agreement with my friend Cde. Reepu Daman Persaud when he spoke of the manifest importance of this great constitutional post and I wish to assure him that we on this side are as anxious as he on his side seems to be to have it filled. Indeed, it was with this prospect in view that very early in October last year the Cde. Prime Minister, whose responsibility it is to initiate the steps to make the appointment, wrote to the Cde. Leader of the Opposition inviting him to confer with the Cde. Prime Minister with a view to tendering to the Cde. Prime Minister his valuable advice as to what should be done about making an appointment but, lamentably, the Cde. Leader of the Opposition has not yet found it convenient to meet with the Cde. Prime Minister on this subject.”

There ends the statement which, I in fact, made.

Now, Your Honour, the material part of that answer contains two factual elements and I submit that they were both inaccurate. The first of those two elements is this, namely, that the Cde. Prime Minister wrote to the Cde. Leader of the Opposition inviting him to confer with him on the subject. That is not disputed. The second factual element in my statement is this, namely,

that Cde. Jagan had not yet found it convenient to meet with the Cde. Prime Minister on the subject. I submit that as a matter of simple fact, that was also correct.

Cde. Speaker, Dr. Jagan may have written all sorts of letters and he may have seen the Cde. Prime Minister on any of a number of occasions, but it remains an incontrovertible fact that he still has not found it convenient to accept the Cde. Prime Minister's invitation to confer with the Cde. Prime Minister with a view to tendering to the Prime Minister his advice as to what should be done about appointing an Ombudsman. Dr. Jagan's own remarks vindicate the accuracy of my statement, that he has not yet done so. Whatever may be his reasons, his remarks show that he has not yet met with the Prime Minister for the purpose for which he was invited. For these reasons I submit that every single factual averment in the short statement which I made on this in the House on the 28th March, was absolutely accurate and correct and so I can only suppose that in making the remarks which he later did. Cde. Jagan assumed that I had said something other than what I actually said.

INTRODUCTION OF BILLS – FIRST READING

The following Bills were introduced and read the First time:

- (i) Guyana Methodist Trust Corporation Bill 1979 – Bill No. 7/1979.
[Cde. Fowler]
- (ii) Public Corporation (Amendment) Bill 1979 – Bill No. 8/1979. **[The Minister of Parliamentary Affairs and Leader of the House on behalf of the Prime Minister]**
- (iii) Guyana Petroleum Corporation Bill 1978 – Bill No. 25/1978. **[The Minister of Energy and Natural Resource]**

14.5.79
2.15 p.m.

National Assembly

2.15 – 2.25 p.m.

PUBLIC BUSINESS

BILL – SECOND READING

GUYANA MINING COMMISSION BILL 1979

A Bill intituled:

“An Act to provide for the establishment and the functions of the Guyana Mining Commission and for purposes connected there-with.” [**The Minister of Energy and Natural Resources**]

The Minister of Energy and Natural Resources (Cde. Jack): Cde. Speaker, I think at this time in our developmental thrust we are very much conscious of the very importance which minerals can play in the economic development of our country. The Ministry of Energy and Natural Resources, within which portfolio falls the work of the Geological Surveys and Mines Department, has been endeavouring over the years to re-organise the functions and work of the department so as to accelerate the development arm, so to speak, of that department.

Up until recently, the Department of Geological Surveys and Mines played what I would call a traditional role, that is, role largely confined to monitoring the mineral production in this country and carrying out, within the context of the limitations imposed upon it by the structure of the department, the necessary geological surveys. We have been able to record a certain measure of success but I think it would true to say that if we are to accelerate our mineral development, then something more needs to be done than can be done with the structure as we have it at the moment. We need to turn our attention not to a restructuring of that department with emphasise to be placed upon the developmental aspect of the work which particularly the mines section of the Geological Surveys and Mines Department must do.

There has been in the past in this country a traditional attitude in which the Geological Surveys looked for minerals with the hope that some foreign company would come in when a mineral deposit appeared to be available and exploit that mineral deposit. Having regard to our social thrust, and having regard to the necessity of maintaining the natural patrimony firmly in our hands, we must make greater effort if we are going to search for and find and exploit the minerals which lie in abundance, we believe, in our country.

The necessity, therefore, for identifying minerals must be seen not only as a necessity to identify minerals for foreign sale or even for foreign exploitation, but must be seen as part and parcel of our total development strategy whereby we must develop minerals for our own indigenous use. For instance, we have already done considerable work on our kaolin deposits which will be the basis of a ceramic industry in this country and I think this House is aware of the fact that we have identified sufficient quantities of shell deposits to found a substantive and substantial fertiliser industry and perhaps even a cement industry. We have also been doing some considerable work with our feldspar deposits and I am happy to say that it does appear as if we will be able to produce feldspar for the glass factory which we are establishing.

Now, there is a theory abroad in some quarters – I would term those quarters usually “uniformed quarters” – that this country has not done sufficient as regards co-operation with our socialist friends in the development of our mineral resources. I wish to take this opportunity, upon the introduction of the Second Reading of this Bill, to state quite categorically that we are in discussion with a number of socialist countries, including the Soviet Union, with a view to obtaining assistance in the development of our mineral resources and that we have explored with them a number of alternative modes of co-operation, including joint ventures. The correspondence which is at present in my Ministry would indicate quite clearly the willingness of the Ministry and this Government to have the very best relationship with our socialist friends and to join with them in the development of our mineral resources.

However – and I mention this with a great degree of particularity – if it became necessary at some point of time to publish some of the correspondence so that persons could see how much we have been prepared to do and how far we have been prepared to go, we will, of course, do that. Let me assure this House that the lack so far of joint operations between ourselves and any particular socialist country is not due at all or in any manner to any reluctance on our part or to any inactivity on our part.

Having said that, I think I should mention some of the recent developments which have been taking place with regard to the potential development of our natural resources. We have recently signed a contract with Seagull Corporation & Dennison Mines for the exploration of a portion of our off-shore potential for oil and we are in discussion with another Canadian firm. Hopefully, within a matter of a few weeks, we will sign a contract with them to explore for oil in the Rupununi. This will be the first time that oil will have been explored for in the Rupununi.

We are also in discussions with a number of companies for the development of what we believe to be our uranium resources and have signed two contracts so far, one with a German firm and one with a French firm. To those who will say that we are selling out – and that is a very common accusation – let me say this: we are prepared to sign similar contracts and even more favourable contracts with some of the people that the members of the Opposition would like to see us sign with and that any non-signing so far has nothing to do with us. Apart from this, interest has been shown in our gold deposits and we are in discussions with about three companies at the moment who are interested in joining with us to develop our gold deposits.

The cost of development of oil and the cost of oil exploration are so great that it is completely beyond our financial capacity at this time and it will be absolutely necessary for us to have assistance and co-operation from outside sources. Whether those outside sources are from the East or from the West, let me state categorically we will welcome them as long as the conditions are consistent with our national goals.

And now we come to the purport of this Bill. The Bill which is entitled The Guyana Mining Commission Bill 1979, and which we will ask to have amended to read The Guyana Geology and Mines Commission Bill, is intended to create out of the present Geological Surveys and Mines Department a corporation with certain statutory powers. The staff at the present department will be given the opportunity of coming over into the new department but I wish to state at this stage that it is not intended, as has happened sometimes in the past, for there to be any automatic transference or automatic increase in emoluments based merely on the fact that one has changed from a government department to a corporation. Whatever changes take place in the emoluments later on will be the result of evaluation and proper assessment of the capacities and capabilities of the persons.

There is one thing in this Bill which I think should be mentioned before it is mentioned elsewhere and that is that it will be seen that the Minister can be the Chairman of this corporation. It has not been my practice to chair corporations within my Ministry but it has been felt by me and other members of the Ministry that, at least as a temporary measure in the initial stages, the Minister should chair the corporation. I would hope that as soon as possible I would relinquish that extra duty which I will be taking upon myself. Now, as a result of the establishment of the Guyana Geology and Mines Commission there will be consequentially a number of other amendments to the mining laws of this country and those amendments are set out in a schedule attached to this Act.

2.25 p.m.

Those, Cde. Speaker, are some of the short remarks I wish to make attendant upon the introduction of the Second Reading of this Bill and I ask, therefore, that it be read a Second Time.

Question proposed.

Cde. Reepu Daman Persaud: Cde. Speaker, no one in Guyana who has done a little research will query for a single second the tremendous resources that this country has. What will be queried is whether there is active exploitation or exploration of the resources we have.

Listening to the brief introductory remarks of the Minister, as he himself puts it, it does appear that the reason we have not been moving dynamically towards exploitation is that something is wrong with the structure. Possibly, what exists within the Ministry doesn't have the capacity to carry out the exploration that is required. But a point that undoubtedly cannot be argued against is this. This Bill comes 13 and 14 years after the Government has been in office. It would simply mean that we have not identified, we have not recognised clear weaknesses, clear inadequacies that impede such an important process within our development of the country. I think that is an objective and fair criticism, if I put it that way.

If at all there is any talk of priority, priority must be given to areas of resources that could undoubtedly contribute to the local coffers as well as increase foreign exchange. And if an area has capacity for foreign exchange, it is the mining area. But what does appear very clearly, Cde. Speaker, is that this Ministry apparently is involved in self-liquidation. Forest has gone, and mining is going, and I think the Minister can very well justify his position for continuation in office as the Chairman of the Mining Commission. Not that I necessarily agree with the Commission. I was trying to scrutinize what remains in the Estimates after forest has gone and mining has gone. Probably, there are some other pages that I haven't seen and I leave that for the Minister to draw to the attention of the House when he replies as to whether in other areas he could be actively engaged in to justify his existence as a Minister of the Government. Not that the Minister is not a good Minister.

I have already given figures in this House. The Minister will recall, I have got them all but I don't want to repeat them. I pointed to the fact that we have got six mining districts; we know of the potential of some of them as a result the various reports available. I have been attempting to read as many as I can read to find out what the resources are and how far we have

gone in the investigations. It does appear that a lot of investigations have been carried out over the years and there could be no doubt that the shelves are filled with reports to be translated into action. I think this is where the Government must be answerable and it has been there for a pretty long time. I am not too sure, and I don't think I can give the commitment of the Opposition that the Geology and Mines Commission is the answer, it might be, I want to go that far. As to how it will be structured, who will be personnel, to what extent the Commission will have autonomy, those things are left to be seen. But we have got our own experience not necessarily with this Ministry. The Ministry has said some time ago in the House, and I try to follow him very closely when he speaks, that "so far as my Ministry is concerned – and I am talking about my Ministry, all right, I want to restrict my contribution to the particular Minister, I am attempting at all times to select those men who, I feel, have got the experience and who have shown interest in the past in the areas in which I have to make appointments." I proceed to make the point that even if that is the intention of the Minister, one can only hope that the Minister will enjoy autonomy in making those appointments.

....

We have got great potential, we know the areas, bauxite, gold, diamonds and in so many other areas. I was talking about gold. There can be no doubt that on to this moment, speaking in this House, if I am to use the word that the members of the Government like to use so often, that those fixed mining areas have not been "monitored" over the years, have not been supervised, as a result, there could be no doubt that great resources lying those areas have remained untouched. Berbice, Potaro, Mazaruni, Cuyuni, North West, Rupununi, I think those are the fixed areas. The Ministry, no doubt is without enough technical men to efficiently carry out the type of supervision and to give the type of guidance that is required. There can be no doubt that 14 years after the P.N.C. has been in office, the pork knockers continue to work in isolation from my supervision and guidance of both the geological mention and the mining action. I want to give the Minister the fair opportunity to say in what area and to what extent there has been that guidance.

When one examines the Estimates, let us take last year particularly, there could be no doubt, particularly in the geology section, that most of the men, if not all, were confined, not because they wanted to be confined, to the office in Georgetown, but they had to be confined because there was no provision in the vote to send them into the field to do my work. If there is provision, I would like to see it; I haven't seen it and I have checked very carefully. What were they doing during last year and probably the year before? It would mean that the Government has been pondering on the structure for too long a period and the result is the country has suffered, the economy has suffered and no one needs to repeat the state of the economy.

2.35 p.m.

Cde. Speaker, there has been a fall in production and even in one or two areas where there have been increases, they have been very small when one is aware of what the potential is. These obviously do not reflect what has been found in those areas. The Minister will not deny that there has not been proper supervision and there still is not proper supervision in the collection of royalties. It is left entirely on those who have been exploring to say: this is what I have found, charge me. That has been the pattern for a number of years and it has not changed. So the figures on page 6 of the Estimates show clearly a drop in the collection of royalties though in 1978, \$600,000 was projected, \$273,000 was collected, and in 1979, the projection is \$300,000, therefore, the Government anticipates a drop in the production of gold during 1979. But there are many factors. It is true that a scheme came up – assistance to help pork knockers. We spoke about it. But to me it was a brain wave and I think Cde. Ram Karran, if he was on his feet, would have made the point better than I am capable of making it, about what the pork knockers have been doing. There has been a shortage of many things not only equipment. There has also been primitive operation. No guidance, no supervision. These are the obvious factors which contribute to the fall in the production of gold and, undoubtedly, in other minerals.

The Minister probably will be inclined to tell us how early the new structure will come into being. If he does not want another statement, he can tell us who will constitute the

Commission. I think he has indicated that he is going to be the first Chairman and I have already made my contribution on that point. There was a short contribution on oil but my research informs me that in 1972, prospecting licences covering 13,500 square miles were issued. That is Government's figure, it is Government's report, and it relates to the continental shelf. That is as much as I could get. Five different companies were involved. In that nobody obstructed the Government from doing exactly what the Minister says would be done now, that is, that it would ask other people to come and investigate and probably, if the investigation should bear fruit, nobody would stop them from exploring.

We have always said that we must be in control and in command and I think the Government has been saying that too. Whether the Government is doing that is a different matter. What you say you believe in is one thing and, in fact, what is happening is a different thing. Of course, there has been a move in this direction already to ask people to explore and carry out investigations. The Minister probably would be inclined to say, bearing in mind that investigations in the past and reports available show that we clearly have oil, to find it is a different thing. I suppose this is the area where the investigation has to be tendered. Restructuring the Ministry or establishing a Commission is not the answer. Probably this would be a move to give greater attention at this point in time to the area of mining.

Not too long ago the Forest Commission was established to give attention there. But, as I said, all these things happened some fourteen years after. I want to say that from investigations, there is potential for oil and many other things. There is need for the Government to have a sort of integrated programme so that whatever you have you can relate it either to agriculture or to industry so that you can have a total investment. We have been hearing talk of a planned economy so that all the resources can be brought into proper focus, so that when you move towards development you can have a total development scheme with all the areas interrelated, so that we can really move to a dynamic development. As to whether we have reached that point is another matter.

We have been hearing that the obstacle is finance. I do not want to divert, but we have charged that priorities have been wrong in the past. The areas in which the Government expended were not the correct areas at a time when we are moving to develop a country with a poor economy and a country that needs so many things, a country that needs to have better social services and social facilities. So the non-productive areas have undoubtedly swallowed the greater part of funds that the country had from year to year. But if we were indeed spending in areas of production and areas of development, our economy would not have been in the serious depressing position it is in at the present time. I think those are the points I wish to make generally on the question of resources.

I do not think there can be any dispute as to what we have, but probably the Minister, when he replies, can tell us this afternoon, especially, what will be done for gold, bearing in mind that it was \$20 or \$22 per penny-weight. It has gone up to \$40 this year. The general trend in this country is a shortage of gold. This should not have been. In fact, there was a time when people in the Caribbean looked towards Guyana for their supply of gold jewellery. They came here to buy. People are not keen on coming here anymore. Now they say they are getting prices outside of Guyana, I think the Minister has a serious charge, a charge to change this trend. He has the charge of bettering the position and, indeed, the task of exploiting what we have got in an orderly way to assist the country both in its local position as well as bettering the foreign exchange position. The Minister can tell us what plans he has for these specifics. He should tell us something more about what reports he has on oil, bearing in mind, as I said, that as far as information is available five Companies have been awarded contracts. Have they reported? Have they identified any areas? What areas have they identified? I think I have already posed the question on the composition of the Commission. I notice, at least, one or two technical men are identified for positions and one would assume that, without fail, the best qualified, most senior, etc., will be appointed.

2.45 p.m.

The Minister undoubtedly inherited a Ministry that has a bad past. For your information – I do not remember if you were there; I can talk with the Minister later – one man was identified, probably appointed. He occupied the desk after we lost from this Ministry, some of our qualified and experienced men. I know them all and I know their names. I know when they went and why they went. This so-called man, in whom the Government had tremendous confidence, when they were looking for him he was not at his desk and was not at his home; he was not in the country. To date he has not returned. **[Interruption]** Those are obviously areas that need attention. I still feel under the law the Minister will have tremendous powers. Many decisions will still hinge on him and while he sits as Chairman **cum** Minister, possibly he will have available to him, the experience, the skills, the knowledge of the staff. Through this Bill, in many important areas, it is not that the Commission's decision is final. It will be that the Minister's is final. You know those areas and I do not have to point them out to you. You are better qualified to see them than I am. The Minister would probably like to tell this House how he will exercise that veto in that he has a Commission set up by statute, set up by law; we have all the consequential amendments that go to make all the necessary changes probably in some cases where the Minister appears. The time was not there to read all to see how far it has gone. We assume that where you remove the word "Minister" and put in "Commission" it is a good thing but where you are removing probably "Commission" or "Geological Survey and Mines Ministry" to put the word "Minister," we have to look into that area.

There are many provisions within this Bill that gives the Minister the final say. Even the fixing. He talks about salaries and I think if I followed his words, people apparently are going to be removed from the Ministry and are going into the Commission; they are going more or less with their present salary structure and if at all there is to be an increase, this will be based on the performance of the particular individual who may be involved. But looking at the Bill and weighing it in the light of the Minister's statement, it seems to me that the assessment and evaluation will be made finally by the Minister. I am not thinking of the current Minister, but we

are passing laws for all time. A man who has come out of a Civil Service history and Civil Service background – not that I necessarily agree with all the red tape in the Public Service – a man who has come up with that background and who has always seen his future in what appears to be certain impartial individuals, institutions and bodies, if they exist, to deal with his promotion and salary, that situation is now changed by this Bill and it looks like his whole future, promotional and moneywise will be dependent on the say of a political Minister.

The Minister probably would like to tell us, at least now, I cannot ask him to speak for future Ministers for only today we saw a departure from an earlier statement by a former Attorney General who came into this House – and I speak on this point without any fear of contradiction – and said that in future no more Bills will be brought – those may not have been his exact words but they meant that – for the incorporation of religious bodies, that religious bodies that wish to be registered should go to the friendly societies or by way of deed of trust. I do not oppose the incorporation of any religious body. Today, there is a Bill for the incorporation –

The Speaker: You have a few minutes more, so let us proceed.

Cde. Reepu Daman Persaud: What that Minister said then honestly is not binding on the current incumbent.

The Speaker: That Minister did not say what you are saying. My recollection of what he said was that it was Government's intention and the proposal was that they should pass an omnibus act whereby religious institutions that want to be incorporated would have a simpler method by just going and having it done. He said it was their intention. He did not say it would be done.

Cde. Reepu Daman Persaud: Your memory obviously does not correspond with mine. The disparity is clear.

The Speaker: That is why perhaps you are not correct.

Cde. Reepu Daman Persaud: I think that perhaps Hansard will speak the truth.

The Speaker: Let us not argue. Let us go on. You seem to be very rude. I said I do not seem to recollect that what you are saying is correct. You said the disparity is apparent. What does that mean?

Cde. Reepu Daman Persaud: I will hold on to my views whether I am rude or not. I am never rude. I speak what is to be said and I am a member of this House and I will hold on to that right without being rude.

The Speaker: If you do not proceed I shall proceed with someone else. Does anybody else wish to speak on this Bill? Cde. Minister will you reply?

Cde. Reepu Daman Persaud: I have not finished with my contributions.

The Speaker: I am not listening to you anymore until you apologise.

Cde. Jack (replying): I think I can take this opportunity in the very brief remark. I will make to deal with the very last question which the member just raised and that is the question of the powers which appear to be retained by the Minister. We are in a traditional period and it is, as I said, the intention, in the first instance, to relinquish this burden as soon as it can be relinquished and also to adjust from time to time as the strength of the Commission develops.

We do not wish to create institutions which believe that they are laws unto themselves and since in the normal democratic expectations some persons sitting on the other side may hope some time in the future to occupy seats on this side, I think that they will thank me. If, for instance, the last speaker, who is supposed to be the shadow Minister of Energy and Natural

Resources, if he did find himself occupying this position, I think he will thank me for having taken the precaution to give him sufficient powers to deal with the Commission as he would then find it in case he found there arose the necessity for his governmental policy to be very clearly not only enunciated but put into effect. I was thinking of him as well as the present holder of this post at the time when I drafted this Bill. I am sure he will appreciate it upon greater reflection. I think he will thank me for it, once he has thought of it and just thinks that perhaps he might hold the position. Then he would like to have these powers, and I thought of him when I was doing it.

2.55 p.m.

On the question of royalties it is true that we have not been able collect the royalty with the degree of efficiency which we would desire. This has been due largely to constraints brought about by lack of finance. It is however, that the royalties will be reviewed by the Commission and that a new royalty structure will be introduced. The royalty structure that we have today is something like 30 years old, or more, at a time when minerals, such as gold, have escalated to astronomical levels as regards price and it is high time that the State got a better return for the exploitation of our minerals than it has been getting up to the present.

I think the mention of exploration licenses in 1972 misses the bus. The people who came here in 1972 carried out a three-year programme of exploration and drilling. They drilled and they reported that their drilling was unsatisfactory, that is, that they had not found oil or gas in commercial quantities and they gave us the concessions. Since about 1975, those people who had the concession in 1972 have no longer been here. We have got the data, which under the regulation and under the terms of contract they were supposed to have given us but it has not helped us very much since we did not have the wherewithal to carry on the work ourselves. We would not really know because where you have to deal with a foreign company they have a greater expertise than we have and what we are hoping to do now with the younger batch of geologists that we have, is to have them scrutinise as far as their capacity will allow them to scrutinise, the working of the Corporations which will be coming here now and in the future.

Now, what will be done about gold? Last year we passed the gold buying agency Act. That Act envisages that the State will be the sole buying agency for gold in this country. That agency has not been put into effect so far largely because we were contemplating the creation of this Commission and it was only after the Commission had got on its feet we thought that we would have the type of personnel in the areas that Cde. Reepu Daman Persaud mentioned, who would be able to monitor adequately both production and the sale of gold. However, it is Government's intention to implement the gold buying Act. Not only that, but to implement a hall markers Act which would ensure that when you buy gold in this country, if it is said to be 14 carat that you are really getting 14 carat and not as has happened sometimes, you get 14 carat on the outside, and brass or something else on the inside. And all of you know that this has happened. It is true that the price of gold has gone up but it is not true that there is any shortage of gold. The shortage of gold in this country is an artificial shortage brought about by hoarding by persons who see gold as an alternative to hard currency and who have been buying gold at very inflated prices in some cases, quite above the world market price, for reasons which are best known to themselves.

With regard to the report on oil, we have all the reports on oil but again, as I said earlier, to carry on our own exploration of oil, particularly offshore, would require us to spend millions of dollars and I do not believe that in our present financial circumstances we could justify putting that kind of money in what at best is a very chancy endeavour. It is better from our point of view, to have the oil companies risk their money in the exploration of oil and we of course make proper arrangements to secure our interest.

I think, Cde. Speaker, that covers most of the points which have been made by the hon. Member. He seemed to have some concern about when the new structure will come into being. I hope not later than the 1st July and it would seem that the present Commissioner of Geology and Mines is likely to be the new Commissioner of Geology and Mines. So I do not envisage any difficulty in staffing the new structure. Of course, it may need to be expanded from time to time but we have the nucleus with which we can establish the Commission as envisaged.

Question put and agreed to.

Bill read a Second Time.

Assembly in Committee.

Cde. Jack: Cde. Chairman, you will notice there is an amendment asked for in place of the “Guyana Mining Commission Bill.” It should now read “Guyana Geology and Mines Commission.”

The Chairman: Cde. Jack seing that there is only one amendment really to the name, maybe you can move the amendment and if the House agrees with that amendment, it would be in relation to the amendment circulated to the Members of the House. It is only long title and clause 1,2, and 3 and the Second Schedule where you are changing the name. **[Interruption]**

Cde. Jack: I think that that was merely an observation that the hon. Member was making and not intended to be an intention of act.

The Chairman: Would you move the Amendment.

Cde. Jack: I beg to move the following Amendments:

that the words “Guyana Geology and Mines Commission” be substitute for the words “Guyana Mining Commission” in –

- (i) The long title, and Clauses 1, 2 and 3 (including the heading before Clause 3 and the marginal note thereto)
- (ii) The Second Schedule –
 - (a) the proposed amendment of section 2 of the Mining Act;

14.5.79

National Assembly

3.05 – 3.15 p.m.

- (b) the proposed amendment of regulation 2 of the Bauxite Mining Regulations;
- (c) the proposed amendment of section 3 (1) the Petroleum (Production) Act;
- (d) the proposed amendment of section 3 (1) of the Minerals Act.

Amendment proposed, put and agreed to.

3.05 p.m.

Clauses 1 to 3 as amended, agreed to and ordered to stand part of the Bill.

Clause 4.

Mr. Singh: Cde. Chairman, there is a typographical error in this clause which I just noticed. In (2) (a) “of” should be “or.” This is just for the record.

The Chairman: Comrades, please note the change.

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

Clause 5 to 36 agreed to and ordered to stand part of the Bill.

First and Second Schedules agreed to and ordered to stand part of the Bill.

Assembly resumed.

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

14.5.79
3.15 p.m.

National Assembly

3.15 – 3.25 p.m.

MOTIONS

SUPERANNUATION BENEFITS FOR TEACHERS

“Whereas the conditions governing the payment of superannuation benefits to non-pensionable employees of the Government as authorised by Resolution of the Legislature provide for the payment of annual allowances and gratuities to employees of the Government who were not holding pensionable offices at the time of their retirement;

And whereas the Government considers it desirable that similar treatment should be accorded to teachers in the employment of the Government who do not qualify for the grant of a pension or gratuity under the Teachers’ Pensions Act, Chapter 39:05, on their retirement as teachers:

Now, therefore, be it resolved that the National Assembly approve of the conditions governing the payment of superannuation benefits to non-pensionable employees of the Government being applied **mutatis mutandis** for the purpose of granting superannuation benefits to teachers in the employment of the Government who do not qualify for the grant of a pension or gratuity under the Teachers’ Pensions Act, Chapter 39:05 on their retirement as teachers.”

[The Minister of Education, Social Development and Culture]

The Speaker: Cde. Minister of Education.

The Minister of Education, Social Development and Culture (Cde. Teekah): Cde. Speaker, I wish to move the Motion on the Order Paper standing in my name. By now I am sure that it is clear to all that 1979 is the watershed year for teachers in so far as superannuation

benefits are concerned. It is a year when Government is deeply involved in revising the pension legislation so that teachers could obtain whatever pension rights they are entitled to.

We also seek by the pieces of legislation which are being brought before this House to ensure that as far as teachers are concerned they must not in any way suffer any disadvantage as against other Government employees. That is why recently amendments were brought before the National Assembly which made far-reaching changes and amendments to the Teachers' Pensions Act so that certain teachers who have gaps in their service and others who were not hitherto provided for by legislation would now be entitled to superannuation benefits.

But, Cde. Speaker, under the Teachers' Pensions Act only teachers who hold pensionable service are covered and under that Act for a teacher to obtain superannuation benefits, to wit, a pension and/or a gratuity, the teacher has to have his name recorded in the Teachers' Pensions Register. Now, for a teacher to have his or her name recorded in the Teachers Pensions Register, it means that that teacher will have had to be an appointed teacher. In the circumstances, not all the teachers of Guyana are covered for superannuation benefits and you will recall, I am sure, that when Government took over the control and responsibility of the nursery, primary and secondary schools in Guyana in 1976 there were some teachers in former privately-owned schools who do not possess the minimum qualifications for appointment as teachers under the law.

I am sure that all members of this House must be aware that teachers, who were teaching in what were in those days private schools or privately-owned schools and who under our rules do not qualify for appointment as teachers in schools and who under our rules do not qualify for appointment as teachers in the pensionable service, nevertheless have made an important contribution one way or another to the upliftment of the citizens of Guyana. They have, I am sure, made some contribution, some significant contribution to the teaching service and to the education of our citizens even though they do not qualify to be appointed teachers and, as the law stands, will not be able to enjoy superannuation benefits on retirement.

It is the conviction of Government, therefore, that the disparity that exists between teachers who are involved in the pensionable service and teachers in the non-pensionable service should be removed as soon as possible, indeed without delay, hence the intention to have passed this Motion today.

I want to make it very clear that what this Motion seeks to do is not to put teachers in the non-pensionable service, or teachers who are not appointed teachers, on the same basis as teachers in the pensionable service, or teachers whose names are now in the Pensions Register, or who are appointed teachers. No. What we seek to do is to provide some form of appreciation in terms of superannuation benefits for those teachers who are not appointed teachers, who are acting teachers, who are interim teachers, who are temporary teachers, but who have had at least seven years' service so that they could at the time of their retirement be able to obtain something in terms of a pension and or a gratuity but not of the same size or volume as those teachers who are in the pensionable service.

This is not the first time persons in the same profession or service will be having that kind of treatment. Indeed, what we seek to do here is to put the teachers on the same basis as other Government employees. As a matter of fact, for the information of Members of this House, I wish to draw their attention to the fact that there is a similar arrangement for other Government employees and I wish to cite the Government of Guyana Civil Service Rules, 1976 Edition, M23, where Government employees who are not engaged in the pensionable service are catered for by these rules.

What we seek to do is to provide for those teachers who will never be able to be appointed as teachers and get into the pensionable service and get their names in the Teachers Pensions Register, some form of superannuation benefits at the time of their retirement. I am sure that everyone in Guyana will be happy to know that we are now removing any apparent discrimination between teachers and other Government employees and therefore it is my very

great pleasure to move this Motion and to commend it to all the Members of this House for their unanimous approval.

Question proposed.

Cde. Ram Karran: Sir, I am sure that there was some confusion in the minds of hon. Members of the House, as there was in my mind, as I listened to the hon. Minister as he dealt with this subject and as I made notes of what he tried to say.

The Motion before the House seeks to put certain teachers, teachers who were temporary teachers, who are acting teachers, who do not qualify, whose names are not on the Pensions Register, on the same basis as other teachers and yet in the same breath he says – and he says it twice – that these teachers, these interim teachers, these acting teachers, these unqualified teachers, are not going to be out on the same basis as those who are qualified – he did not say what the qualifications are – or whose names appear on the Pensions Register.

3.25 p.m.

He is not doing that. He is not making them equal. He is creating a situation where he is holding out a carrot and one doesn't know what it is. It isn't said in this Motion what is the rate of pension, this is a generalised statement here in this Motion about the payment of annual allowances and gratuities to employees of the Government who are not pensionable. What is it? Is it going on the basis of those on the fixed establishment, those on the unfixed establishment, those people who get a lump sum, what you call open vote employees? What is the principle enunciated which the Government proposes to adopt with respect to these teachers? Nothing is said at all about it and he had a lot of sweet talk that these teachers are going to be raised, they are not going to go hungry, and "hungry" is a relative term today because if they get \$20 a week, you know that that \$20 next week is going to be \$15 and the week after it is going to be only \$10. What are they going to get?

We know sir, in the case of the people, who have service in the Fixed Establishment that their pension is one-six-hundredth of a year's pay for each month of service. It's worked out. Those in the unclassified service will get a lower figure and so on. But we don't know what these chaps are going to get. What are they going to get? Will the Minister give us some idea? Are they going to get something that will still keep them with empty stomachs? I don't think that the thing has been at all clear. They're going to receive a pension. They're going to receive superannuation. There are a lot of people in the Government employment who are not entitled even though they have seven years' service, to any superannuation or any gratuity or anything like that.

I think that it is a move to bring these interim teachers with whatever qualifications they have, a step further but the Government cannot say that this measure here and the measures that have been pursued in this House conform to its slogan of egalitarian society. After 14 years, the first to call people colonialists and imperialists. The entire structure of the imperialists has been set up here, Fixed Establishment, Unfixed Establishment, Classified Service, Unclassified Service, Open Vote employees and so on. When are we going to bring them to the egalitarian society position where all are equal? Is this socialist legislation? Obviously not. Why aren't they put, having regard to their service, on the same basis as other teachers? And the hon. Minister admits that they have made a significant contribution and the first description he made was even more elaborate. But why treat them differently? Why do you have to treat them differently? But he emphasises that the idea is not to give them the same pension. Why? Don't they eat? It is the same mouth they use to eat with. The same skin on which they have to wear clothes. They feel cold and heat in the same way like the other teachers. Why do they want to make class society in this so-called socialist society?

Cde. Chairman, you know that this is a measure here to hold a carrot out to certain people and I have repeatedly drawn to the attention of this House that this Government operates the law in such a way as to victimise certain people who don't follow the rules. The hon. Minister can tell us in his reply – and he has got the right of reply as you know, sir – what is going to happen

to Kumar and the rest who have been arbitrarily dismissed, people with status; people who have got into the service by qualification? Are you going to pay them pension on the same basis as you're going to pay these teachers who are acting teachers, interim teachers or whatever you would like to call them?

You have no security and you know, sir, in this very House, hon. Members on the Opposition side who fail to toe the line are deprived of their pension. You ought to do something about that as Speaker of this House. Public Servants said they went to the T.U.C. And public servants, as you know, those in the upper category, don't like to go to the T.U.C. They don't like to be members. The Civil Service Association for many years was not even a trade union. They go there and say "get the Ministers off our backs, they're interfering with our work, we cannot perform our statutory duties." A high civil servant in the public service said that he cannot pay a certain pension because the Minister stopped him from doing that. Such a situation is disgraceful and a government who behaves like that cannot come in this House and move a Motion and say that we are going to separate these people, we're going to pay them differently. We want to see the principle outlined here. Outline the principle so you can't depart from it. Don't bring a general Motion and say we're going to pay teachers; we're going to pay them what we feel like paying them.

Even in the Unclassified Service the Government has to put their names on a circular listing them as people qualified to draw superannuation benefits. My friend the hon. Minister of Home Affairs knows this because a close relative of his was in this category. But even then you are entitled to one-seven-twentieth of a year's pay for each month of service. What are these teachers going to receive?

It is no use coming before us and brandishing M23, it sounds like MI something and say that those who are not engaged in pensionable service --What has that got to do with it? It is irrelevant to the Motion that is before the House. Are you going to pay on the basis of M23 or are you going to pay on anything that you can define before the House? What this Government

wants to do is to pay its friends. This one will be put and that one will be left out, just as we see before us in this Chamber here today, a number of slips of white paper, Orders made under the State Pensions Act and nobody knows how much money is going to be paid. Where is the authority, what contribution this person has made towards the State? All of these I observe are nobody but P.N.C. hacks. That is no way to use the public funds. I have a very strong feeling that what the Minister has tendered before this House is an attempt to use up the funds of the State, contributions by the people of this country, a starving people, to pay its friends. That is not good enough for this country.

The Speaker: Cde. Teekah.

Cde. Teekah (replying): Cde. Ram Karran said that I spoke about these temporary teachers being placed on the same basis as the teachers in the pensionable service in one breath, and then in another, he said I said they will not be given the same size of pension or gratuity. That's right. Now, the reason is this. First of all, the teachers in the non-pensionable service at the present time do not receive anything. As the law stands, they do not qualify for anything. This Motion, if passed, will give them that entitlement, the entitlement to receive superannuation benefits, so in so far as the position, vis-à-vis, their counterparts in the pensionable service, they have the legitimate right to have superannuation benefits.

3.35 p.m.

The second breath Cde. Ram Karran speaks about, where I make the distinction, is that they will not get the same size of pension because, it is obvious, they are not in the pensionable service. They are not qualified teachers, they are not teachers who, first of all, have the same qualifications, the same minimum or basic qualifications as other teachers in the pensionable service, hence, the disparity. I mentioned the point that there is precedence for this in the Public Service. I said if we looked at the Rules of the Civil Service, 1976 Edition, M-23, we see that it is spelt out there, the rights which workers who are not in the pensionable service do enjoy now.

Naturally, there are greater benefits which workers in the pensionable service of the Civil Service do enjoy. But there is one common cord. First of all, there is this legal right: There was this moral right all along, but there is this legal right which all teachers will enjoy and will benefit from, like all Government employees, as exists in the Civil Service. In so far as the size of the benefits, the volume and the amount, that is where the difference lies.

Cde. Ram Karran went on to say that the Government speaks about an egalitarian society and he said: "All must get the same." Cde. Ram Karran has forgotten his Marxism/Leninism because he would have known that in the socialist society the principle is from each according to his ability, to each according to his work. Therefore, not all workers in a socialist society get the same size of remuneration. In no socialist society of the world, starting from the first socialist society, the U.S.S.R. to the most recent, not all workers get the same size of salary or the same size of wage. There are disparities depending upon their abilities, their qualifications and the kind of work they do and any Marxist/Leninist or any scientific socialist knows this. What we seek to do – although this is not yet a socialist society, it is a developing society, a society aspiring towards socialism – is to do the same, in that we are trying to give workers, from each according to his ability, to each according to his work. So this Motion is consistent with the principles of socialism.

The last point I wish to respond to which Cde. Ram Karran spoke about is that we do not in this Motion say how much the teachers will get. He asked whether they are going to be given benefits on the same basis as those covered under M-23 of the Civil Service Rules. Cde. Speaker, you will appreciate that this is a covering Motion. This Motion first gives Government the power to give superannuation benefits to those teachers, and when this motion is passed by Resolution of this House, then the principles would be worked out. Whether teachers with twenty years or fifteen years or twelve years or ten years will get one-eighteenth of his former salary or one-twenty-sixth of his former salary, are details to be worked out. What this Parliament is dealing with is the principle of giving to non-pensionable teachers superannuation benefits. We are dealing with the principles at this high level and not details.

Question put, and agreed to.

Motion carried.

AGREEMENT WITH ORION BANK LIMITED

“Whereas by Resolution No. XXXII passed on 17th April, 1974, as amended by Resolution No. LXVI passed on 11th July, 1976, this National Assembly authorised the Minister of Finance as guarantor acting on behalf of the Government of Guyana, to sign agreements with international financial institutions in respect of loans made by those institutions to Guyana Bauxite Company Limited now renamed Guyana Mining Enterprise Limited amounting in the aggregate to G\$85 million or the equivalent amount of US\$42.5 million;

And whereas it is necessary to refinance the loans so taken and to replace the existing floating rate loan facilities from the several financing institutions (being commercial banks and commercial banking syndicates) by a new credit facility in the aggregate amount of US\$31 million on more favourable terms of repayment;

And whereas Bauxite Industry Development Company Limited the holding company of which Guyana Mining Enterprise Limited is a wholly-owned subsidiary has arranged with Orion Bank Limited in association with several participating banks and Financial institutions satisfactory terms of an Agreement for the refinancing of the aforesaid amount of US\$31 million:

Be it resolve that this National Assembly do hereby authorise the Minister of Finance, or such other person duly authorised by him, acting on behalf of the Government of Guyana, to enter into an agreement with Orion Bank Limited in

association with several banks and financial institutions including the authority to sign any promissory notes and other related documents for the purpose of guaranteeing the obligations of the said Bauxite Industry Development Company Limited as Borrower and Guyana Mining Enterprise Limited under the terms of the Credit Agreement in the aggregate amount of US\$31 million with the aforementioned Bank and Financial Institutions executed on the 12th day of March, 1979, and to sign any agreement supplemental To the guarantee in favour of Export-Import Bank of the United States and Export Development Corporation of Canada signed on Behalf of the Government of Guyana under the authority of the Resolution of this National Assembly No. XXXIII passed on 17th April, 1974.” **[The Minister of Finance]**

The Minister of Finance (Cde. Hope): Cde. Speaker, I wish formally to move the Motion standing in my name. The Motion, Cde. Speaker, seeks to secure the authority of the National Assembly for the Minister of Finance to guarantee a loan of approximately US\$31 million which BIDCO is securing from a number of financial institutions and banks. Really, it should be explained, that this borrowing would not result, in fact, in an increase in the outstanding borrowing by BIDCO. It is really a substitution of an existing loan or part of that loan, for a new borrowing. In other words, it is a re-financing of an existing loan.

In 1976, when the bauxite industry was expanding its installation by putting up, among other things, a new calcining kiln at Linden, the industry raised a large loan on the world money market for the purpose and, of course, this House authorised the Minister of Finance to guarantee that loan. The year 1976, however, was a year in which the money situation in the world was quite tight and it was impossible for the industry, despite the soundness of its balance sheet and the soundness of its purpose, to secure this loan with a maturity in excess of five years. In other words it was a medium-term loan of five years

14.5.79

National Assembly

3.35 – 3.45 p.m.

3.45 p.m.

The loan was supposed to be paid back in instalments completing in 1980. However, even at that early stage it was understood between the industry and the lenders that the probabilities were that the money situation in the world was likely to ease substantially later and at that stage the industry could go back to the market for a refinancing of any outstanding part of the loan in order to give itself a longer time period for repayment.

It was in those circumstances that the industry went to the market last year and was able to secure the agreement of a number of banks, international banks, to refinance, in other words, to give another loan to pay off the existing loan but this time over a period of seven years so that whereas the final payment on the existing loan would have occurred in 1980, the final payment on this loan will probably go into 1985. The end result of that kind of arrangement would be to ease the burden of the payment by the industry and, of course, to ease the burden on the reserves of the nation. This refinancing represents a mechanism for easing the payments position and, therefore, making it easier both for the industry and the country to find further exchange to pay. The statistics and data show that the industry would be in its best financial position to pay in the period after 1980 because the equipment has just gone in and it is now being put in position and output will be increased within this year and next year and so on. Therefore, the refinancing provides this other advantage in that it would be given the obligation to pay in a period which coincides with the highest earning period of the industry, in other words, within the period when the returns to the industry from the investment done would be greatest.

As you know, Cde. Speaker, the bauxite industry produces entirely for the export market and therefore what we are dealing with here is the financing arrangement to an industry whose output is for export, whose output contributes substantially to the accretion and the earnings of foreign reserves and in whose management the foreign banks and the financial institutions have expressed substantial confidence.

I therefore formally move that this Motion that stands in my name be adopted by the National Assembly.

Question proposed.

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Cde. Narbada Persaud: Cde. Speaker, again I must emphasise the limitation on this side of the House to make a tangible contribution to Motions such as the one introduced by the Minister of Finance. I say so because we are at a disadvantage in that the accounts of that particular enterprise are not subject to presentation in this Parliament.

The House is asked this afternoon to agree for the Minister of Finance or someone authorised by him to guarantee a loan obtained by BIDCO. We on this side of the House are also asked to agree, or maybe disagree, but how can one really agree or disagree when one does not have the necessary information as to the visibility at the moment of the enterprise. The loan spoken about by the Minister was obtained and the agreement was signed in March of this year by the Chairman and the Secretary of the enterprise. In the brief address by the Chairman of the enterprise at the signing ceremony, he expressed his pleasure at the successful completion of the loan effort and stated there and then that most of the proceeds would be used to refinance existing short term loans, not one particular loan that was obtained, but existing short term loans.

The Minister of Finance did mention just now about the soundness of the balance sheet of the industry but how are we to verify whether the industry is really in a sound position? The 1979 Budget Speech stated that calcined bauxite fell short by 42,000 tons, 7 per cent, alumina fell by 63,000 tons, 22 per cent, metal grade bauxite fell by 300,000 tons, 31 per cent. In the 1978 Budget Speech it was also stated that – and I quote from page 13 – sugar and bauxite “did not achieve production targets and recorded output levels that were below those reached in 1976.” In 1977 the industry did not achieve targets. I just read out the figures and percentages in 1978, so in 1978 the industry did not achieve targets yet we are being told that the soundness of the balance sheet permits the industry to do this borrowing.

I wish to emphasise here, as I have done before, that borrowing, continuous borrowing or consistent borrowing, is not going to help the country as the Cde. Minister tried to point out just now. He told us a few minutes ago that the industry will be in its best financial position after the year 1980. The 1977 Budget made a forecast of what the industry was going to be in 1978. That forecast did not materialise. The 1978 Estimates also made a forecast. That also did not materialise. In 1979 the Budget Speech again made another forecast and it is still to be seen whether it will materialise or not. Because of the trend, I do not know if the Minister is wrong in his view when he says it will be in its best financial position after the year 1982. Can the Minister in his reply inform us what is the present financial position of the industry, not to say that it is financially sound but to tell us exactly, for example, how much money is owed by the industry at this moment. The House ought to know but as I said, we are at a disadvantage.

We have had this afternoon laid in this House the report for 1977 by the National Insurance Board. We can pursue this, we can see the soundness or unsoundness of that corporation, but we cannot see whether the bauxite industry is in a sound position or not. I ask the Minister this afternoon to say so because my information is that it is not in a sound position. Can the Minister tell us this afternoon whether it is true that the deferred payments to ALCAN were not met and why? The demand payments had to be met but what about the deferred payments? Let him not say it is nonsense. Let the Minister say what is the position as far as the deferred payments are concerned.

3.55 p.m.

The Minister should be able to tell us why it is that the reports and the accounts cannot be laid in this Parliament when this Parliament had to agree for the Minister to guarantee such loans. If this House has to do with such guarantee then the House ought to know and reports ought to be laid in this House as far as the viability of the industry is concerned. The Minister must not only tell us about that, the soundness of the balance sheet. He told us that the loan was to be repaid by 1980. That was the previous one. Because they have failed, because the

superstructure and the bureaucracy that existed in that industry before it was nationalised still exists today, that is why like many other industries, many other Corporations, the company is in the financial mess it is in.

The financial position of the country is also expressed in G UYMINE and in BIDCO. That is not to be hidden. Can the Minister tell us today what is the position with the \$13 million dragline, the one that is supposed to have the largest boom in the world? Where is it? It is still there. Is it working? Thirteen million dollar lying down there for years. It is because of this type of thing that the industry has to keep borrowing and borrowing. There is a percentage of the surplus that is supposed to come to the national economy. Reduce it and its effects the economy of the country as a whole and as such it affects the lives of all the people who live in the country.

At nationalisation, we were told that after nationalisation there would be rationalisation at GUYBAU. Has there been rationalisation at GUYBAU? We must not only come here and pass legislation agreeing to guarantee loans. We must get down to the roots, why loans are necessary. We must get down to the roots why the industry has to borrow and borrow and cannot pay back. It has to borrow to refinance loans. This is the crux of the matter. Loans were supposed to be repaid by 1980; it finds itself in difficulty because of mismanagement and corruption like in every other Corporation in Guyana, because of malfunctioning, extravagance such as I mentioned in relation to the \$13 million dragline. And so they are unable to pay their debts and so they have to go now and renegotiate loans, stretch the repayment date from 1980 to 1985. Does the Minister want to say that we are not going to pay interest? Is it an advantage? How is it a disadvantage? Obviously, if you borrow and you have to pay interest, the taxpayers will have to pay it and we are deprived.

Loans might be necessary but not when you have a \$13 million dragline lying down there as a white elephant for years just because you want to prove to the world that you have got the best, you have got the dragline with the longest boom. And so we must be able to analyse all of this before we move. Where will you go to get your information? When will you have the time

14.5.79

National Assembly

3.55 – 4 p.m.

to do your research? I have not been able and I am told if I were to check the Budget Speeches of previous years, I would find similar statements, negative statements as far as the vote of the industry is concerned.

You see, Cde. Speaker, it is a circle. The industry is now forced to borrow money to refine other short-term loans, because it has found itself in financial problems. Why has it found itself in financial problems? Apart from the evils that I have already alluded to in this House, we must come down now to the question why we are not having increased production and why we are not having increased productivity. Production and productivity have to do with people. Machine can be there but despite the most modern technology, man will still have to operate the machines, and so, men or people matter.

Let us talk about production and productivity, why we are not having production and productivity.

The Speaker: Well, Cde. Narbada, you are going on to a very big item. It is 40'clock so we will take the suspension and resume at 4.30 p.m. The Sitting of the House is suspended until

4.30 p.m.

Sitting suspended at 4 p.m.

4.32 p.m.

On resumption –

The Speaker: Cde. Narbada Persaud.

14.5.79

National Assembly

4.32 – 4.35 p.m.

Cde. Narbada Persaud: When the suspension was taken, I was just about to make a few observations about production and productivity which obviously are on the decline in the bauxite industry.

Now, the question is why is there a decline in production and productivity. This is not a problem that affects only the bauxite industry but it affects every productive sector in the economy of this country. I wish briefly to refer to a recent case where an employee who happens to be a branch official of the Union there, came down to Georgetown to attend a T.U.C.-sponsored seminar. When he returned, he was dismissed. Certain sections of the workers went on strike. If we are going to have situations like this developing, obviously, production is not going to reach its target. Productivity is not going to be at its maximum. When I spoke about a superstructure a few minutes ago, I meant that if we are going to have maximum production and maximum productivity not only in the bauxite industry but all over the country, then practices such as these ought to cease. Legitimately, he is entitled to go to a T.U.C.-sponsored seminar. His union belongs to the T.U.C. and if he goes then why should he be dismissed? As a result of that action, a strike came about and as a result of the strike production had to stop.

One has to realise that when we talk about socialism, that democracy is one of the basic characteristics of socialism. We cannot have socialism in this country without that basic characteristic of democracy. And if we are going to continue such action, then obviously, production as well as productivity will not be at their maximum which the Government has recognised and has been talking about. Production and productivity obviously are the only hope of salvaging this ailing economy which we have at the present moment.

4.35 p.m.

Comrades must understand that there are two sides of things and we do not antagonise a situation whereby the economy suffers. I agree that discipline must be maintained. I agree that socialism does not mean indiscipline. But comrades must understand that strategy is important and if to enforce discipline production must be affected, then strategy has to be applied. Some

other method should be sought in order to discipline the person, if it is so warranted and in that type of discipline, production is not hampered. This is a basic fault of the Government. Arrogance supersedes strategy, reasonableness and consideration. This takes place in every aspect where production is involved. This is one of the main reasons why we find, not only in the bauxite industry but in the sugar industry, we are having so many strikes and production is not reached. Production that is desirable is not met.

What is the position as far as the power station at Mackenzie is concerned? Why is it that we are only having six megawatt generators instead of sixteen megawatts that are necessary? Persons who are involved ought to look into this. If sixteen megawatts generation is necessary for production in the bauxite industry and we are only having six, obviously production would be affected. The faster the problem is solved we would get increased production and productivity. Nobody seems to be interested in what is going on there and so the industry continues to be on the decline. As I said earlier, the trend has been decrease in production. Morale is dropping. We must have democracy at all levels.

Industrial democracy is more important because the call is there for increased production. Production has to do with people.

Productivity has to do with people and unless we consider carefully what is absolutely necessary in taking measures of discipline, then obviously we are going to continue to find ourselves in such a position. When production and productivity fail it means that the enterprise fails. When the enterprise fails, it means that the economy fails, and when the economy fails, the country suffers, as we are presently seeing today. So I want to urge the Government, I want to call on the Minister. Yes, if it is necessary to guarantee a loan, okay. But we must not, because we can use this Parliament to come here and guarantee loans, only come here and guarantee the loans. The Minister and the Government should look into the proper functioning of the industry and stop borrowing. Borrowing is not going to help us in the long run. We have to pay for these loans through our strength and sometimes through our tears.

Sometimes one gets the impression that the Government does not care because that instrument is there to give the Minister authority to guarantee the loans and because for some reason or the other, the Government enjoys a two-thirds majority, then let it be. But we must go into the causes and then look into the effects. If you only look at the effects and not go into the causes, you will not be able to solve the problem. Like the bauxite industry, the rice industry, the sugar industry and many other industries face the same problems. I remember talking here when we were to guarantee a loan for the Rice Marketing Board. A similar trend existed.

As I said in my opening remarks, we are not in possession of all the facts. The mere idea that the industry has borrowed money, it has not been able to meet the deadline, and it is now seeking another loan to refinance those loans, means that the industry has grave problems and those problems ought to be gone into and efforts should be made to solve some of those problems in order to avoid this consistent borrowing and borrowing.

Cde. Hope (replying): Cde. Speaker, I wish to make just one or two comments in relation to what Cde. Narbada Persaud has just said. First of all, I would like to assure the House that the bauxite industry in Guyana is in a healthy and strong financial position. Indeed, if one understood how international financial banks operate, one would immediately recognise that the fact that Guymine or BIDCO, which is the holding Company, was able to negotiate successfully a loan of US\$31 million is a clear indication of the financial soundness of the Company, and a clear understanding, a clear recognition that the bauxite industry is also operating within an economy whose underlying financial viability is sound and is, without doubt, moving towards clear stability. International financial institutions do not lend money of this size without a clear indication, based on documentation, that the Company or the Corporation or the entity involved is properly managed and is financially sound.

When BIDCO went to the market for these funds, BIDCO submitted all relevant information. As a matter of fact, there is a document called a “Placement Document” which gives all the financial data of the Company stretching over a period of five or six years with

projections forward, which document had to be circulated among the various banks on the basis of which each of those banks would agree to participate in the loan. So when we see international banks have agreed to give this loan, I think there is no question of the fact that they who have the expertise in examining such accounts, are satisfied that the Company is sound. As a matter of fact, the figures show that in 1977 the bauxite industry Guymine, and BIDCO, which is the holding Company, showed an after tax surplus of something of the order of G\$33 million. Although the figures for 1978 are not entirely available at this moment – indeed, I have learnt that the audit report has just come to the hands of the management – the information I have got is that the after-tax profit for 1978 would be similarly of that order, despite the fact that there has been some diminution in the level of production as anticipated earlier.

Guymine has paid all its debt. The basic debt that had to be paid with respect to Guymine is the nationalisation payments and Guymine has been making annually, since the inception of that Company, payments to the Government in every year to satisfy its nationalisation payments. All nationalisation payments with respect to assets that Guymine is now operating have been met promptly on due dates as from the 30th December in each year.

4.45 p.m.

The comrade spoke of a deferment. There has been a deferment bit if the comrade believes that the fact of deferment implies that there is any financial weakness of the company, the comrade has either been misled or is trying to mislead the House, or is ignorant of the facts. If one reads the schedule of the compensation payments and the structure – not the balance sheet; this is compensation, the schedule of payments when Demba was nationalised – one would see that payment was arranged in two sections. All the payments are annual for 20 years and in each year the schedule requires an amount which has to be paid and an amount which may be deferred at the option of Guymine. But every five years that accumulated deferment has to be completely paid off. So the schedule of repayment requires – which was negotiated – that a certain part of the annual payment would be made in cash and a certain part may be deferred at the option of

Guy mine but that deferment can only take place successively over five years and at the end of the fifth year the total sum deferred has to be paid. So you may defer but you have to clear the debt every five years.

Cde. Speaker, I do not know what the member is trying to do. It is on the record. There are no deferred obligations outstanding. I repeat – there are no deferred obligations outstanding due to Demba. As a matter of fact, as of today Alcan considers Guyana to be exemplary in terms of its payment of its debt. Indeed, there was a time when ALCAN suggested to me that since the company was facing some financial problems in terms of its reserves they were willing to see a postponement of payment. Our answer to that was, No. We wanted to meet immediately all our obligations, including the first deferment which was in 1975 or in 1976 at the end of five years after the first payment was made. If, indeed, there was any doubt about that, if, indeed, ALCAN could have said that Guyana had not met its obligation, believe me, Guy mine would never have been able to raise this loan from international banks and a number of banks which are of Canadian location have in fact contributed to this loan.

The question, therefore, of refinancing has nothing to do really with the inability of Guy mine to pay. If this loan had not been renegotiated, Guy mine would have met its obligation but all managers who are managing a large entity, such as the bauxite entity is, would need to manage the finances of those entities with a certain amount of expertise, with a certain amount of forethought and that is precisely what is exemplified in the refinancing. Although Guy mine would have generated enough funds to meet its obligations in 1979 and 1980, indeed, some of those obligations have already been met early this year, as early as February.

The refinancing represents an important management tool in terms of managing the financial resources of an entity. It gives the entity further breathing room in terms of the repayment because many of us believe that a loan is hard or soft merely on the basis of the level of interest, but, indeed, the softness of a loan is more thoroughly underlined by the length of

repayment period and what this refinancing has sought to do is to lengthen the repayment period to make the repayment easier as any manager would seek to do in any loan that he is securing.

Indeed, there is a good logic for that because for one thing the international inflation rate today is so high that in many cases what you are paying seven years hence is in money which is of much less value than the money when you borrowed it initially. It is to the advantage of the borrower to get his repayment extended and this is what Guymine has done and it has nothing to do with a lack of financial viability of the company.

Mention was also made of the fact that the balance sheet of BIDCO is not laid in the House. Naturally it would not be laid in the House because the law does not so require it. Guymine and BIDCO, they are both incorporated under the Companies Act and they conform with the obligations imposed by the Companies Act on all companies. It is not a corporation therefore its balance sheet cannot be laid here, but, like all companies, there is a procedure on the basis of which interested individuals can have access to the accounts of the company. In any case, during the annual general meetings of the company, all the basic facts are made public by the Chairman of BIDCO.

The member went off into a few details which in fact confirm that he did not entirely understand or know what he was talking about. He spoke about the dragline. Yes, there is a dragline there. He says that the dragline which costs \$13 million is not working and has not been working for several years. That, of course, is not true. It is entirely inaccurate and it is based on the fact that the member really has little or no knowledge of the facts. Indeed, the two large draglines which are operating in the mines at GUYMINE are in fact operating at something of the order of 70 per cent availability, which, I am advised, is above normal. In other words, taking into account normal down-time for maintenance and so on, the two draglines have been giving maximum service to the company. In fact, neither of those draglines has been laid up. I am advised that one of them was laid up for one week because a gear box had been damaged and it took time to secure the gear box and to install it.

So both of those draglines, one at Kara Kara and one at the East Montgomery Mines, are in fact operational as of now. They have been operating at 70 per cent availability and downtime, as I would venture to suggest, bearing in mind the availability of 70 per cent, has been essentially to perform maintenance operations. The member is completely wrong when he infers that this dragline, or one of the two draglines, has been down for as long as nine months.

Basically, some reference has been made to rationalisation in the industry. I wish to point out that the industry has in fact been rationalised. Rationalisation has in fact gone some way. If nothing else, one needs to point out the fact that the two entities, one at Linden and the other on the Berbice River, are co-operating as one. They come under one holding company, namely, BIDCO.

Cde. Speaker, I think those are the issues which were raised by the comrades and I wish to finally reassert that the operation that we are seeking to have guaranteed today is a refinancing operation, not a new borrowing. That refinancing represents good financial management. It does not in any way imply financial weakness. Indeed, it demonstrates proper planning. Indeed, Cde. Speaker, if, and I repeat, if there was any doubt as to the financial viability of the bauxite industry in this country, the commercial banks who are lending this money would not have lent one cent. In fact, we have seen them willing to lend US\$31 million.

Question put, and agreed to.

Motion carried.

The Speaker: Cde. Leader of the House.

The Minister of Parliamentary Affairs and Leader of the House (Cde. Ramsaroop):
Cde. Speaker, I am seeking your leave under Standing Order 83 to move the Motion which is tabled under my name.

The Speaker: Leave is granted.

SUSPENSION OF STANDING ORDER NO. 46(2)

“Be it resolved that paragraph (2) of Standing Order No. 46 be suspended to enable the Assembly to proceed at its Sitting on Monday, 14th May, 1979, with the second reading and the remaining stages of the GUYANA METHODIST TRUST CORPORATION BILL 1979 (BILL No. 7/1979 published 7.4.79, 14.4.79 and 21.4.79).” [The Minister of Parliamentary Affairs and Leader of the House]

Cde. Ramsaroop: The Motion that appears under my name, briefly, is to enable The Guyana Methodist Trust Corporation Bill 1979 to be taken through its Second Reading and remaining Stages today.

Pursuant to the provisions of Standing Order 46 this measure does not comply with the requirement that says that three clear days must elapse from the Introduction to the Second Reading because the matter was introduced only today. But if I may plead in mitigation, the Bill itself was published for the first time on the 2nd of the last month and to date therefore a period of over five weeks has elapsed. In terms, therefore, of the adequacy of time to consider this matter, one can say that members who were desirous of looking at it have had a reasonable amount of time to consider it and although the letter of the Standing Order may be breached by this Motion, I think the spirit of the Order still persists in terms that we have had a sufficiency of time to consider this matter.

I therefore ask the House to grant this Motion that is here to enable this measure to be taken, that is, the Second Reading and the remaining Stages of the Guyana Methodist Trust Corporation Bill 1979.

Question proposed, put and agreed to.

Motion carried.

GUYANA METHODIST TRUST CORPORATION 1979

“A Bill intituled:

An Act to incorporate the Guyana Methodist Trust Corporation to hold the property in Guyana of the Methodist Church in the Caribbean and Americas and for the purposes connected therewith.” [Cde. Fowler]

The Speaker: Cde. Fowler.

Cde. Fowler: Cde. Speaker, I beg to move that the Bill be now read a Second time. The Methodist Missionary Trust Association held property in Guyana as far back as 1884. The Methodist Church first began in Antigua around 1760. In the year 1884, a Conference was inaugurated for the Caribbean and this became the first West Indian Conference. That lasted up to 1903. That Conference was for the grouping of the Methodist Body in the Caribbean. In 1984, there was an Ordinance to hold property for the Methodist Missionary Trust Association. After 1903 the British Methodist Church assumed the responsibility for the work of all the Methodist Churches in the territories. Due to this they had the controlling powers. It was not until 1967 that the Methodist Church in the Caribbean once more became a Conference, this time with truly indigenous Caribbean leadership. It was because of this that each territory had to seek a new Bill to give practical effect to the independence of Caribbean Churches.

This Bill before Parliament was hanging fire for the past 8 years but it is now before the House for approval. Cde. Speaker, as far as Guyana is concerned, Methodism came to this country in 1802 when two working-class people, Claxton and Powell, who were freed slaves,

14.5.79

National Assembly

4.55 – 5.05 p.m.

came from Nevis and began preaching at open-air meetings in the city of Georgetown. Cde. Speaker, it was the people in those years who began the Methodist Church. The missionaries came after them and strengthened the work of the church. This Bill before the House gives fulfilment to the witness of the Methodist people in Guyana in the history of service to the community. It gives full expression to the autonomy and independence of the Methodist Movement. From 1903 until 1967, the British Methodist Church held all Methodist properties in the Caribbean and continued to do so until the various territories enacted legislation to vest property in the local people.

5.05 p.m.

Methodist began in Antigua in 1960 and spread throughout the Caribbean. The founder, John Wesley, set up the first legal instrument called “The Legal Hundred” in 1784, thus incorporating the assets of the church in an Act to vest ownership in the people. In 1884, an attempt at a West Indian Conference ended in 1903. In 1932 three strands of Methodism were united in Britain and in 1933 were incorporated under the 1929 Companies Act of England. The conference instituted in 1967 was a truly Caribbean thrust to make indigenous the Methodist Church in the region. Cde. Speaker, I beg that this Bill be read a Second time.

Cde. Carrington seconded.

Question put, and agreed to.

Bill read a Second time.

Assembly in Committee.

Bill considered and approved.

14.5.79

National Assembly

5.05 – 5.15 p.m.

Assembly resumed.

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

ADJOURNMENT

Resolved, “That this Assembly do now adjourn to a date to be fixed. [Cde. Ramsaroop]

Adjourned accordingly at 5.10 p.m.
