

Ministers of State (10)

- Cde. F.U.A. Carmichael
Minister of State – Regional (Rupununi)
- Cde. P. Duncan, J.P.,
Minister of State – Regional (North West) (Absent)
- Cde. K.B. Bancroft, J.P.,
Minister of State – Regional
(Mazaruni/Potaro)
- Cde. J.P. Chowritmootoo, J.P.,
Minister of State – Regional
(Essequibo Coast/West Demerara) (Absent – on Leave)
- Cde. J.R. Thomas,
Minister of State, Ministry of Education,
Social Development and Culture (Absent)
- Cde. R.H.O. Corbin,
Minister of State for Youth and Sport,
Ministry of National Development (Absent)
- Cde. S. Prashad,
Minister of State – Regional
(East Demerara/West Coast Berbice)
- Cde. R.C. Van Sluytman,
Minister of State,
Ministry of Agriculture
- Cde. F.U.A. Campbell,
Minister of State for Information,
Ministry of National Development
- Cde. H. Rashid,
Minister of State,
Office of the Prime Minister (Absent)

Parliamentary Secretaries (6)

- 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 (Absent – on leave)
- 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
- Cde. J.G. Ramson,
Parliamentary Secretary,
Ministry of Works and Transport

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. P.A. Rayman
- Cde. A. Salim
- Cde. E.M. Stoby, J.P.
- Cde. S.H. Sukhu, M.S.
- Cde. C. Sukul, J.P.
- Cde. H.A. Taylor (Absent)
- Cde. H.B. Walcott

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

Deputy Speaker (1)

Cde. Ram Karran,
Deputy Speaker

Other Members (12)

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

Liberator Party (2)

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

OFFICERS

Clerk of the National Assembly – F.A. Narain, AA.
Deputy Clerk of the National Assembly – M.B. Henry

PRAYERS

ANNOUNCEMENTS BY THE SPEAKER

Leave to Members

The Speaker: Leave has been granted to Cde. Naraine from 26th January to the 10th February, 1980; to Cde. Tyndall from the 24th January to the 18th February, 1980; and to Cde. Kennard, Cde. Chowritmootoo, Cde. Corrica and Cde. Janet Jagan for today's sitting.

PRESENTATION OF PETITIONS

PRIVATE BILL

GUYANA SWATANTRA VIDWAT PARISHAD (GUYANA PANDITS' COUNCIL)

Cde. Sukhu: Cde. Speaker, I beg to present a Petition on behalf of the Guyana Pandits' Council seeking to have introduced into the Assembly a Private Bill to amend the Guyana Pandits' Council (Incorporation) Act 1967.

The Speaker: Cde. Clerk, please read the Petition.

The Clerk read the Petition as follows:

PETITION

GUYANA

To the Members of the National Assembly of Guyana:

The humble petition of the Guyana Swatantra Vidwat Parishad (Guyana Pandits' Council) of 196 Murray & Camp Streets, Georgetown, respectfully sheweth as follows:

- (1) Your Petition is a body which was incorporated in 1967 by an Act of Parliament. In Accordance with the Act, the Executive Committee of the body has to be elected annually.
- (2) The Guyana Pandits' Council feels that the term of one year for the Executive Committee is too short for any proper programming and assessment and wishes to have the time increased. By a Resolution of the Council, it was agreed that the election of members of the Executive Committee should be held every five (5) years instead of annually.
- (3) Your Petitioner therefore seeks to have the necessary amendment made to the Act and is promoting a Bill to give effect to this.
- (4) Your Petitioner is desirous of having the said Bill introduced in the National Assembly and enacted by Parliament.

Wherefore your Petitioner humbly prays that the members of the National Assembly may be pleased to allow them to proceed.

And your Petitioner, as in duty bound, will ever pray.

Signed this 5th day of December 1979.

- (i) Deodat Sharma, M.S.
President
(Signature)

Address: 45 Grove Village

East Bank Demerara Petitioners

- (ii) Gowkarran Sharma
General Secretary

Address: 35 Howes Street, Charlestown

The Speaker: In accordance with Standing Order No. 57 (4) I will now put the question which is, “That the Promoters be allowed to proceed.”

Question put, and agreed to.

The Speaker: The Promoters may proceed accordingly.

PRESENTATION OF PAPERS AND REPORTS

The following Papers were laid:

- (1) Annual Reports and Accounts of the Guyana Timber Export Board for the Years 1977 and 1978. /The Minister of Economic Development and Co-operatives on behalf of the Minister of Energy and Natural Resources./
- (2) (a) Ministers, Members of the National Assembly and Special Offices (Allowances) Order, 1980 (No. 2) made under section 8 of the Ministers, Members of the National Assembly and Special Offices (Emoluments) Act, Chapter 1:07, on 16th January, 1980, and published in the Gazette on 26th January, 1980.
(b) Constitutional Offices (Holders’ Allowances) (Amendment) Order 1980 (No. 3) made under section 3 of the Constitutional Offices (Remuneration of Holders) Act, Chapter 27:11, on 16th January, 1980, and published in the Gazette on 26th January, 1980. /The Minister of Economic Development and Co-operatives on behalf of the Minister of Finance./

INTRODUCTION OF BILLS – First Reading

The following Bill was introduced and read the first time:

Constitution of the Co-operative Republic of Guyana Bill 1980
Bill No. 2 of 1980. /The Deputy Prime Minister and Minister of National Development, on behalf of the Prime Minister./

PUBLIC BUSINESSApology by Cde. Reepu Daman Persaud

Cde. Reepu Daman Persaud: Cde. Speaker, sometime ago I made certain remarks in the Parliament which Your Honour directed me to withdraw. I wish, sir, to unreservedly withdraw those remarks and to sincerely apologise.

The Speaker: Cde. Persaud, those statements were made on the 14th May, 1979. It took you nearly eight months – to be more accurate, nearly seven months because you approached me late December or early January – to consider making that apology. I, too, will have to take some time to consider whether I will accept that apology.

Cde. Reepu Daman Persaud: Sir, it was always my intention to withdraw them. As you will recall, I rose on a few occasions but the opportunity was not given. I wish to state that I always intended to withdraw them and not to be disrespectful to the Chair.

The Speaker: Cde. Minister of Finance.

MOTIONAFFIRMATION OF EXTERNAL LOANS (LIMITATION INCREASE) ORDER 1980

(No. 2)

Be it resolved that this National Assembly affirms the External Loans

(Limitation Increase) Order 1980 (No. 2), which was made under section 3 (7) of the External Loans Act, Chapter 74:08, on the 25th day of January, 1980, and published in the Gazette on the 26th day of January, 1980. /The Minister of Economic Development and Co-operatives on behalf of the Minister of Finance./

The Minister of Economic Development and Co-operatives (Cde. Hoyte): Cde. Speaker, this is a very short and routine Motion seeking to increase the ceiling for external loans raised by the Government. Under the relevant Act, that is, the External Loans Act, the Minister of Finance, on an affirmative vote supporting a Motion to that effect, can by Order extend the ceiling from time to time. The ceiling, in the very nature of things, would keep moving up and up as the size of the economy expands and as the developmental programmes of the Government grow in scope and content.

The last time this House extended the ceiling was in 1977. Since then, of course, not only has a large number of developmental projects come on stream but the cost of those projects has escalated tremendously as part of the steep increase in the cost of goods and services which has been experienced all over the world.

But, even without that, having regard, first of all, to the size on the on-going programme, and secondly the size of the projected developmental projects, prudence would dictate that the limit be increased, and, really, that is the simple point of this Motion before this House today, which I present and seek the affirmative vote of Members of the House.

Motion proposed.

2.30 p.m.

Cde. Narbada Persaud: Cde. Speaker, there can be no doubt that the reason for the Motion before the House today is because of the grave economic crisis in which Guyana finds itself. While to a point it is true that costs, generally, have escalated, and there can be some reason within that to necessitate an increase in the ceiling of that limit of borrowing, the primary reason, to my mind, why the motion seeks to increase the limit this afternoon, is the present economic crisis which grips Guyana. To cope with this crisis – the economic crisis – the Government intends to continue to borrow more from external sources, thus taking the country deeper and deeper into debt trap. In so doing, it intends to put more burden on the people and make further concessions to imperialism.

I wish to point out, very briefly, the debt position as it stands today with a comparison for some years. In 1964, the total debt – internal and external, short term and long term – amounted to \$127.9 million. Out of that sum, \$104.6 million accounted for external debts. The position as at end of 1979 is that the total public debt has reached the high approximately \$2.5 billion or \$2,500 million. Out of that sum, the total of external loans has reached the high of the limit, that is, \$1,000 million or one billion dollars. It is for this reason, since that ceiling has already been reached as far as external loans are concerned, the Motion is before the House today.

Act No. 5 of 1973 passed on the 6th March, 1973, set the limit of external borrowing at \$500 million. Order No. 93 of 1977 increased that limit to \$1,000 million, an increase of 100 per cent. The Order before the House today now seeks to extend that limit by another \$500 million, or 50 per cent. It means, Cde. Speaker, that in six years the limit would have been increased, after the passing of the motion today, from \$500 million to \$1,500 million.

As I said earlier, I would like to make some comparisons and to give some figures. In 1975, interest on debts was \$38.8 million and the debt funding and repayment totaled \$27 million, making a total of \$65.8 million that Guyana had to put aside from the national Budget to pay for money borrowed. For the year 1975, external borrowing amounted to \$144.8 million.

One year later, in 1976, interest charges alone amounted to \$70 million, an increase of \$32 million or almost 100 per cent compared with the preceding year. Debt funding and repayment jumped in 1976 from \$27 million to \$47.2 million making a total of \$177 million compared with \$65 million for the year before, which had to be set aside from the national Budget for the repayment of debt charges.

In 1977, \$72 million in interest charges, \$2.8 million for the repayment of loans, making a total of \$125 million and this can be seen, Cde. Speaker, that year after year the amount of money that the Guyana masses – the Guyanese workers – is called upon to put aside for repayment of money borrowed by the Government, increases. The external borrowing for that year, that is for 1977, was only \$60.3 million as compared with the total amount that had to be found to repay loans - \$125 million.

In 1978, \$78 million went as interest charges, \$75 million went as the repayment of loans, making a total of \$154 million debt repayment charges. In that year external borrowing was \$105 million.

Last year, Cde. Speaker, \$60.9 million went in interest charges, and \$173.5 million for repayment of loans, making a total of \$234 million according to the Estimates. I am sure that this figure would be moved upwards when the final figures are out. While we have to find \$234 million from revenue raised in this country a sum of \$202 million was borrowed.

For the five years I have quoted, Cde. Speaker, interest charges amounted to \$320.3 million, debt funding and repayment amounted to \$376.1 million, making a total of \$696.4 million. Hard – earn money taxed out of the poor working class had to go to external sources for the repayment of loans.

The House would recall estimated in the 1979 Budget was the sum of \$401 million to be collected in current revenue. From that \$401 million, \$234.4 million had to be taken out and sent abroad in foreign exchange which is equivalent to 58 per cent of the current revenue for 1979. May I add to that, Cde. Speaker, \$182 million for personal emoluments, making a total of \$416.4 million when the revenue was only going to be \$401 million. There, taking personal emoluments, adding the sum to the debt repayment interest and capital, accounted for \$416 million, \$15.4 million more than the amount of money that was anticipated to be collected. The \$182 million allocated for personal emoluments accounted for 45 per cent of that total of \$401 million in revenue.

Cde. Speaker, it is against this background that \$320 million plus \$376 million, a sum of \$696 million, has had to be found by the Guyana Government over the past five years only to repay interest charges and capital on the amount of money borrowed. The economic crisis of which I spoke can be seen in two parts. The first part is that it is a product of the crisis of the international capitalist economy with which our country is tied up.

The second part, which is more important is the failure of this Government to plan effectively to motivate the workers who are the producers of the wealth of this country, to reduce wasteful expenditure, and lastly, to solve the country's grave political crisis in which we are today. In short the economic crisis cannot and would not be solved regardless of what figure to which that limit is taken. Starting in 1973 with \$500 million, six years after we are moving now to \$1,500 million and that can be doubled in another few years.

2.40 p.m.

The point is that the economic crisis which this Government hopes to solve by borrowing and borrowing will never be solved so long as the political crisis in this country is not solved. I had said before, Cde. Speaker, in this House, and I want to repeat, any country in any part of the world, after it has thrown off the shackles of colonialism, the plunder that took place in those relevant countries, would need money for the development of that country. Guyana is no exception to that but when we see that from \$127.9 million in 1964 we have reached the high of \$2,500 million at the end of 1979, in fifteen years, we ask ourselves where is the development with that large sum of money, those millions of dollars that were raised externally that approximate one billion dollars in external loans. As I said in 1964, the total of external loans was \$104 million as compared with almost \$1,000 million in fifteen years' time.

Cde. Speaker, in borrowing money I would think in countries like Guyana the question of priorities will come up but as we look around in this country from 1964 to now, with the large sums of money that have been borrowed and brought into this country, we ask ourselves: where is the development? Not unimportant is the tendency of the State to expend scarce resources on a number of non – productive activities rather than on projects which can lead to an increase in exports and/or provide substitutes for imports. Let us take, for example, Cde. Speaker, the expenditure on the military and para military forces which rose from \$16 million in 1972 to \$113 million in 1979. Can we say that that is developing a nation? Can we say that these millions of dollars that are going behind the National Service and the so – called People's Militia are really developing the country?

We have been told by Cde. Hoyte that as the economy expands the development projects grow and because the economy expands and the programmes expand we need more money, but, Cde. Speaker, I ask whether that is development from \$16 million in 1972 to \$113 million at the end of 1979. Expenditure on the expanded bureaucracy, on Personal Emoluments, rose from \$88 million in 1974 to \$182 million in 1979. Where do we go from here? Continuing to expand the bureaucracy would lead to development? The answer is clearly no and, as I said, if things were going right there would be no reason to quarrel but things are going down – hill all the time. Year after year, for the past few years we have been experiencing in this country negative growth as far as the economy is concerned, production and productivity continue to go downwards yet millions of dollars are being wastefully spent on things just to prop up a minority 10 per cent Government that wants to cling to

power, cost the Guyanese nation what it will.

Cde. Speaker, there was a great deal of the roads and bridges type of infrastructure expenditure which the World Bank and other leading institutions willingly financed but that failed directly to generate foreign exchange for debt repayment purposes. In certain infrastructural expenditure there were also great failures, such as the show piece road to Brazil, which has either slipped down the hills or has been reclaimed by the forest. Cde. Speaker, when I spoke earlier on about failure to plan effectively, this is the type of things that I meant. Millions of dollars were thrown on that road. Where is the road? What development has it brought? Guyanese have to find hard – earned money and we all know what is taking place as far as the man in the street is concerned with the cost of living. Guyana is one of the heaviest – taxed countries in the world, not only in the Caribbean. Guyanese are called upon to pay more and more in taxation in order that the debt charges can be fulfilled. It was only last year I pointed out to this House where every single worker had a debt burden to meet at that time of \$5,000. I worked out the cost to show the interest charges that each worker was going to be called upon to pay for the mismanagement of the economy by the P.N.C Government.

Many manufacturing industries promised long ago and which should have been producing for some time now have not yet materialised. As a matter of fact, it was only Saturday that I learned from the broadcast press interview of the Prime Minister, or from Cde. Hoyte if I am not mistaken, that some of the money negotiated in Iraq and Libya would be used to complete some of those projects started years and years ago which should have been producing since last year. The agricultural projects like cassava project, like the potato project, have all been fiascos which this Government has lead us into. Debt payments in 1979 amounted to 27.7 per cent of exports whereas only in December 1976 the Government boasted that a debt service rate of 8.5 per cent, Guyana was in a position to borrow. At the end of 1976, the Government boasted that our debt service rate was 8.5 per cent, that is, the rate in debt payment as a percentage to exports, so the amount of money that we were repaying for loans in interest charges and the repayment of Capital was 8.5 per cent of total exports.

4.2.80

2.50 – 3 p.m.

In 1979 it had jumped to 27.2 per cent. May I ask whether the Government still holds the view now that the rate is 27.7 per cent as compared with 8.5 per cent when that statement was made?

2.50 p.m.

Guyana is in total crisis. The political crisis aggravates the production crisis which in turn aggravates the foreign exchange crisis. Foreign exchange problems have now caused, according to the Chronicle of Saturday, the deferral and refinancing of 80 per cent of Euro Currency loans. Long ago we warned that the Government would be forced to defer payment. They boasted no. Here it is not very long ago since we made that statement that the Government is forced to refinance and to defer payments of some of the loans. Cde. Speaker, as I said before, borrowing and more borrowing, increasing the limit from \$1,000 million now to \$1,500 million and as I said, in another few years taking it to \$3,000 million will not solve the problems of this country. We must come to understand that we are faced with serious economic problems in this country all of which can be solved when the political crisis is solved in this country.

We have been warning this Government year after year, and we all know that without increased production, without increased productivity, obviously, the economic crisis would never be solved in this country or in any other country of the world. We have warned but the Government, pig-headed as it is, continues to feel that it can ride on the backs of the working class, on the poor people, as it has been doing and intends to further do with the passing of new Constitution, and it hopes that it will be able to solve the crisis. If it is true that production and productivity are the only two things to remove the problems of this country; why then does the Government not move to remove the obstacles in the way of increased production and productivity. Let us not be ostriches, burying our heads in the sand, and feel that it can go it alone the way it has been going all the time. It is clear, year after year, because of negative growth the economy has been experiencing, that things will continue to ride downward. We may have a little windfall with the increased price of sugar. We may have a little windfall with the increased price of bauxite. We may have an increased price for our rice as we had increased prices to a very very high in 1974 for sugar, but that did not solve the economic problems of this country. And let us not fool ourselves. If prices were to go up per ton, so long as tons per acre do not increase, then obviously, we would fall into the same problems that we were falling into for the last year.

I have stated over and over, as other colleagues of mine have stated, that a political solution is the restoration of democracy. It has to go with increased production and productivity and so long as the Government continues to harass the people, to intimidate them, discriminate against them, thus long there will be no increased production and no increased productivity. How does the Government hope to mobilise the Guyanese people for increased production and productivity? By having mass games, by bringing 100,000 balloons to throw in the sky? The answer is clearly no. Let us understand what is going on not only in Guyana but in the world over. Let us try to understand

carefully and to study very carefully whether you on that side of the House will be ever able to take this country out of the problems it is facing unless you come to solve the political crisis. In this plural and divided society there must be an end to the political concept of winner take all. This has been advocated by us in our national front proposal. If winner continues to take all, problems that plague you today will plague again thereafter and plague any other party which decides to go along with that political system of winner take all. A National Front Government with an appropriate system of power sharing should be formed consisting of all progressive anti- imperialist forces in this country based on the results of free and fair elections.

So long as you continue to rig the Constitution, so long as you continue to rig elections, so long as you are doing what you do right now at the University of Guyana, so long as you continue to behave like that, then obviously, the limit of loans will have to be continuously extended and that will only take the country and the people of this country deeper and deeper, as I said into the debt trap and the problems would never be solved.

3 p.m.

Cde. Hoyte (replying): Cde. Speaker, I have noted with some interest – and indeed amusement – that Cde. Narbada Persaud has been quoting statistics and comparing the economy of this country in 1964 – the last year of P.P.P. misrule – with the economy in 1980. If I may say, Cde. Speaker, with respect, this is to compare a jackass cart with an automobile of some quality. I do not propose to pursue the member into the labyrinth of figures he has quoted – most of which he obviously did not understand. I would merely bring attention to and underscore the point which I made in my presentation on this Motion, namely, that if the size of the economy grows and the development projects grow, the resources which the Government would require for developmental purposes of necessity would expand.

4.2.80

3 – 3.05 p.m.

For example, in 1964 our G.D.P. was a little over \$300 million. In 1979 it is larger than one billion dollars. Money supply in 1964, if I take his year of reference, was \$40 million; in 1979, it was \$160 million. Our experts in 1964 were in the vicinity of \$160 million, and during the period he has referred to, they have exceeded \$800 million. The figure he has cited have reinforced the point I was making about the need to extend the ceiling on external borrowings.

He continued, Cde. Speaker, to hammer away at a favourite point of his, namely that the Government of Guyana borrow aboard. I have pointed out to him that all countries including the Soviet Union borrow aboard. Indeed the total indebtedness of the Soviet bloc, including the Soviet Union, to the West is in the excess of US \$45 billion. I have tried to explain to the comrades that what is relevant is not this size of one's indebtedness but the structure of the debt and the ability to service the debt. I have tried on more than one occasion to expose the comrade to the concept of the debt service ratio, but for each and every one of us there comes a point when we have to traverse the pons asinorum. For, my good friends, this concept of the debt service ratio is his pons asinorum.

I would merely say that I would expect Members in this House, when they are citing figures, to be accurate especially when they are referring to figures which the Government has made public in the annual estimates and other Government publications. To say that the expenditure on military forces is \$113 million is, if I may put it mildly, wholly inaccurate and not justified by any figures appearing in the estimates. I have singled out that misrepresentation because it reflects on the accuracy of the other figures which he cited.

If I may come back to the matter which ought to be engaging our attention, I would say that every thing said by the speaker in terms of showing the growth of Government's financial involvement in the economy and the size of the economy at this present time, justifies the approach to this House to sanction an increase in the external debt ceiling and I commend this Motion, Cde. Speaker, to the Members of this House for their approval.

Question put and agreed to.

Motion carried.

ADJOURNMENT

Resolved, "That this Assembly do now adjourn until Friday, 8th February, 1980, at 2p.m."

/The Minister of Parliamentary Affairs and Leader of the House./

Adjourned accordingly at 3.05 p.m.