

**THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT**

[VOLUME 5]

**PROCEEDINGS AND DEBATES OF THE THIRD SESSION OF THE NATIONAL
ASSEMBLY OF THE SECOND PARLIAMENT OF GUYANA UNDER THE
CONSTITUTION OF GUYANA**

18th Sitting

2.00 p.m.

Thursday, 3rd August, 1971

MEMBERS OF THE NATIONAL ASSEMBLY

Speaker

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

Members of the Government

People's National Congress

Elected Ministers

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

Dr. the Hon. P.A. Reid,
Deputy Prime Minister and Minister of Agriculture

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

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

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

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

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

The Hon. D.A. Singh,
Minister of Housing and Reconstruction

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

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

Appointed Ministers

The Hon. S.S. Ramphal, S.C.,
Attorney-General and Minister of State **(Absent)**

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

The Hon. H.O. Jack,
Minister of Mines and Forests **(Absent)**

Parliamentary Secretaries

Mr. J.G. Joaquin, J.P.,
Parliamentary Secretary, Ministry of Finance

Mr. P. Duncan, J.P.,
Parliamentary Secretary, Ministry of Agriculture

Mr. W. Haynes,
Parliamentary Secretary, Office of the Prime Minister

Mr. A. Salim,
Parliamentary Secretary, Ministry of Agriculture

Mr. J.R. Thomas,
Parliamentary Secretary, Office of the Prime Minister

Mr. C.E. Wrights, J.P.,
Parliamentary Secretary, Minister of Works, Hydraulics and Supply

Other Members

Mr. J.N. Aaron
Miss M.M. Ackman, Government Whip
Mr. K. Bancroft
Mr. N.J. Bissember (Absent)
Mr. J. Budhoo, J.P.
Mr. L.I. Chan-A-Sue
Mr. E.F. Correia
Mr. M. Corrica (Absent – on leave)
Mr. E.H.A. Fowler
Mr. R.J. Jordon
Mr. S.M. Saffee
Mr. R.C. Van Sluytman
Mr. M. Zaheeruddeen, J.P.
Mrs. L.E. Willems

Members of the Opposition

People's Progressive Party

Dr. C.B. Jagan,
Leader of the Opposition (Absent – on leave)
Mr. Ram Karran
Mr. R. Chandisingh
Dr. F.H.W. Ramsahoye, S.C. (Absent – on leave)
Mr. D.C. Jagan, J.P., Deputy Speaker
Mr. E.M.G. Wilson
Mr. A.M. Hamid, J.P. Opposition Whip
Mr. G.H. Lall, J.P.
Mr. M.Y. Ally
Mr. Reepu Daman Persaud, J.P.
Mr. E.M. Stoby, J.P.
Mr. R. Ally
Mr. E.L. Ambrose
Mrs. L.M. Branco
Mr. Balchand Persaud
Mr. Bholu Persaud
Mr. I.R. Remington, J.P.
Mrs. R.P. Sahoye (Absent – on leave)
Mr. V. Teekah

United Force

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

Independent

Mr. R.E. Cheeks

OFFICERS

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

Deputy Clerk of the National Assembly – Mr. M.B. Henry

The National Assembly met at 2 p.m.

[Mr. Speaker in the Chair.]

Prayers

ANNOUNCEMENTS BY THE SPEAKER

Leave to Member

Mr. Speaker: Leave has been granted to the hon. Member Mr. Corrica for the period 30th July to 17th August, 1971.

Resignation of Dr. Talbot

I have been advised that Dr. Sylvia Talbot resigned as Minister of Health with effect from the 16th July, 1971. Dr. Talbot is therefore no longer a Member of the National Assembly.

Death of Mrs. Bancroft

I am sure that hon. Members have heard of the death of the wife of the hon. Member Mr. Kenneth Bancroft. I wish on behalf of all members of the Assembly and myself to extend to Mr. Bancroft our deepest sympathy in his bereavement.

PRESENTATION OF PAPERS AND REPORTS

The following Paper was laid:

Guyana Telecommunication Corporation Annual Report for the year 1969. [The Minister of Communications.]

QUESTIONS TO MINISTERS

Employees of the Pegasus Hotel Ltd.

Mr. Ram Karran: On behalf of Dr. Jagan I should like to ask the hon. Prime Minister the question listed in his name on the Order Paper:

Is the Prime Minister aware that local employees of the Pegasus Hotel Ltd. are not allowed to go back to the Hotel during off-duty hours, but that white, non-Guyanese employees are allowed to do so?

If so, will the Prime Minister take steps to correct this discrimination against Guyanese?

The Prime Minister: Mr. Speaker, investigations have revealed that the allegations of discrimination against Guyanese employees in favour of white non-Guyanese employees of the Pegasus Hotel are unfounded.

Mr. Ram Karran: Will the hon. Prime Minister say if such a situation existed when the Question was tabled?

The Prime Minister: My information is that it never existed.

INTRODUCTION OF BILLS – FIRST READING

The following Bills were introduced and read the First time:

Tax (Amendment) Bill, 1971 – [**The Minister of Finance.**]

Public Corporations (Amendment) Bill, 1971 – [**The Prime Minister.**]

PUBLIC BUSINESS

MOTIONS

APPROVAL OF FINANCIAL PAPER NO. 4/1971

Assembly in Committee of Supply

The Minister of Finance (Mr. Hoyte): Your Honour, I signify that, in accordance with paragraph (2) of article 80 of the Constitution, Cabinet has recommended the following Motion on the Order Paper for approval by the National Assembly.

“Be it resolved that the Committee of Supply approve of the proposal set out in Financial Paper No. 4/1971 – Schedule of Supplementary Provision on the Capital Estimates for the period ending 31st of July, 1971, totalling \$1,500,000.00.”

This Financial Paper arises out of the Motion which is listed at 2 under the section dealing with Public Business on the Order Paper today, but we have found ourselves in a procedural dilemma. Logically the second Motion should come first but since, under our Standing Orders, the

Financial Paper must take precedence over other business we have perforce to proceed with the Financial Paper first. I hope that hon. Members in dealing with this Financial Paper, No. 4 of 1971, will bear in mind that the two Motions are interrelated.

In the Development Programme, 1966 -1972, at paragraph 14 of Chapter XXII, it was stated that the Trade Union Council had formed a co-operative housing society with the object of building houses for its members and that, in pursuance of that objective, it had entered into an agreement with the Government for the purchase of over 100 acres of land to build those houses. At that time the arrangements for that housing scheme had not yet been finalised and consequently could not be included in the Development Programme as printed.

Subsequently, the arrangements for financing that housing development programme were completed and hon. Members will recall that the details of that programme were presented to this honourable House and debated at length. May I refresh the memories of members of this House as to the nature and particulars of the scheme. The scheme was funded by the AFL-CIO and was really a scheme for building houses for members of the Trade Union Council, as that organisation was then called.

The funds provided by the AFL-CIO were guaranteed by U.S.A.I.D., and the Government of Guyana, in turn, being the host country, guaranteed U.S.A.I.D. against any defaults, so that from the very outset the Government was involved in more than an informal way in this housing scheme for workers who were members of the T.U.C.

The scheme was organised on the following basis: that while the AFL-CIO provided the long-term finance, that money was only made available when batches of houses were completed and sold by the co-operative housing society to its members. There had to be interim finance and the interim finance was provided by the Royal Bank of Canada.

2.20 p.m.

That interim finance was also guaranteed by the Government of Guyana and on the 11th October, 1966, this honourable House approved of a Motion to guarantee the interim finance provided by the Royal Bank of Canada in the amount of \$1 million. Again, on the 12th July,

1968, the House approved of a Motion to extend the amount of that guarantee from \$1 million to \$1.5 million. It is considered appropriate and expedient that a housing scheme of this nature should be incorporated in the development programme and this amount of \$1.5 million which is being sought today really reflects the intention which was adumbrated in the Development Programme, as printed, to incorporate the scheme in the Development Programme.

I have already pointed out that this honourable House had already approved of a guarantee of \$1.5 million being given to the Royal Bank of Canada. And in as much as the scheme now comes within the Development Programme we have here today for consideration by hon. Members the formalities which are necessary to bring the whole scheme within the ambit of the Development Programme.

That really explains the purport and intent of Financial Paper No. 4. As I said at the outset it relates to the other Motion on the Order Paper which will seek the leave of the Assembly formally to incorporate the T.U.C. Housing Development scheme in the Development Programme 1966/72.

Motion proposed.

Mr. Speaker: The hon. Member Mr. Chandisingh.

Mr. Chandisingh: Mr. Chairman, this T.U.C. Cooperative Housing project which we have debated in the past has had a history of a series of misadventures. It has taken the form of a rather scandalous picture in the eyes of the Guyanese public and it seems that even at this stage proper controls and systems have not yet been implemented from the Government side to see to it that this project does not continue to limp along and to cause various frustrations to the actual people who have to occupy and pay for these houses.

By way of preliminary remark I would indicate that it is our opinion that so far the Government has been avoiding a detailed discussion in this House on this T.U.C. Housing Project. It has been doing so under the guise that this is not really a Government housing scheme financed by the Government but it is in the nature of a private scheme. In as much as Government has to guarantee and as we see now Government has to vote provision for the sum

of \$1.5 million in the Capital Estimates for 1971, we would submit that the Government ought to come clear and clean to give a full picture to this House and to the public of what has really taken place and what have been the specific problems encountered in the course of implementing this project. We, for our part, are not, as we said in the past, opposed to providing such schemes for trade unionists. As a matter of fact, such schemes find favour with this side of the House but we have, nevertheless, certain criticisms we made these in the past and continues to make them today – that the whole intention of this project is not being realised. In other words, the people who are in greatest need to benefit from such projects are not receiving the benefits.

Mr. Chairman, in order to get a fuller picture of this whole project I just wish just briefly to recount the development of this project. We are all aware, as the Minister has said, that the AFL-CIO through its pensions fund was to provide a sum something like \$2 ½ million to finance the construction of 568 houses and this we understood was to be a beginning of a much larger project at some 3,500 houses which the T.U.C. had in its mind. Nevertheless, as it was pointed out in the case of the AFL-CIO, the funds were not that large since it had already dispersed sums to similar projects in other countries. The T.U.C. was then prepared to go ahead with this reduced project.

The point of the issue is, what is the actual state of affairs of this housing project, particularly with respect to the financial implications? For some time we were critical originally when this measure was brought to the House about the rate of interest and such matters. For example, the rate of interest to be charged on this loan from the United States was to be something like 5 per cent and then later on we found that when the matter was brought to the House the rate of interest had gone up to 7 per cent and it was variable. I see the Minister shakes his head. Well, it is for him in his reply to give us the facts.

Apart from the rate of interest we were critical and are still critical about the cost of these houses. Originally, we were told that there were to be three types of houses: the two, three and four-bedroom units. Just to give some idea of the monthly payments and the down payments: the down payment, which represents 10 per cent of the value on the 4-bedroom house was to be \$855.70 and the down payment for the cheapest house was to be \$475.30. Relating that to the

monthly income of the persons who would purchase these houses, the lowest priced house, that is, the two-bedroom house, required a monthly income of at least \$170 whereas the highest price house required a monthly income of at least \$300. The full down payments which would include other charges such as insurance, fire, conveyancing and so on came up to the following sums: for the two-bedroom house, according to our information, the down payment was something like \$993.97, let us say, roughly \$1,000.

2.30 p.m.

The next type of house, the three-bedroom house was to be \$1,383 down payment, and the four-bedroom type house, \$1,632.95 down payment. Since that time, however, we understand that because of the cost of construction or for other reasons, the initial down payments and also the final prices of these houses have soared above these original figures and one can hardly imagine that those trade unionists who are in most need for low-income type houses have benefited by this project.

As a matter of fact, we understand that there are many persons who originally had been selected for participation in this housing project who could not finally continue participating in it because of the cost of the houses and the high initial down payment. Even though 10 per cent may seem to be low from a percentage point of view, yet taking the actual figure into account, many persons could not find the money to make the down payments.

Furthermore, we understand that the income qualifications had gone up since the original discussions and this we must question not the housing project as such – and I want to make it abundantly clear that we are not questioning the desirability for such a housing project for members of the T.U.C. but we are questioning the arrangements by which many of these houses seem to be falling into the hands of higher paid trade unionists. The Government may argue that at least trade union members are getting the houses. We are not trying to question this fact, but the Government has admitted in the now defunct Development Programme, that it was the Government's duty and responsibility to provide particularly for those who could least afford to provide for themselves. And so, apart from the TUC project, we find in other projects such as the Brezina project, there are reports that the persons who are getting these houses are the people

like foremen and superintendents and not the lowest-paid workers. That is so far as the price of the houses to the people is concerned.

I want to refer to the question now of the administration of this project. We have seen that the responsibilities for the administration of the scheme changed hands more than once. There have been investigations and more investigations. There have been charges of corruption and I seem to recall that some persons were charged. Perhaps these cases are now before the courts and so I do not want to go into any detailed discussion of these matters, but all of this leads to a bitter taste being administered. Many of the people who are residents themselves, are alleging that corruption has been taking place and charging that the Government, who is ultimately responsible, is not taking the required action to see to it that such malpractices do not continue.

I want to refer to the fact that it seems from what we have heard, that the whole financing of this project has collapsed. We were made to understand originally when the matter was brought to the House, that the United States trade union fund of the AFL-CIO was very generously being used to help trade unionists in Guyana. It was not made clear at that time, although it is now being made clear, that the actual financing of this housing project was being done from local funds. In other words, money from Guyana was being actually used.

The Royal Bank of Canada was putting up, as the Minister says, interim finance, and then, at a certain stage, building ceased. Various private firms which had supplied materials and so on for this housing project could not receive their payment, and so additional houses could not have been built. Mr. Chairman, we want to know why it is so. Let the Minister tell us; give us the low down on all these questions, because there are a lot of rumours going around and we want the Government to have the opportunity to tell us what is the truth.

I have been informed, and I do not have this from personal knowledge, that five contractors are owed something like \$500,000 and also I have information – again I wish the hon. Minister in his reply would correct us if this is not true – that the TUC Housing Scheme even owed a certain superintendent a large sum of money, \$40,000 is the information I have, for a dragline.

Mr. Chairman, all of this brooks no good so far as the public's estimation of such projects which are more or less under the supervision of the Government is concerned, and so, the Government cannot, and should not, come to the House and make the excuse that this is not its scheme, that in respect of the financing of the scheme and I merely want to emphasise again that something must have gone wrong with the flow of interim financing. We would like to know why was it stopped for a period of time which would have meant that the funds would not have been able to come to cover those funds which had already been invested.

2.40 p.m.

I dare say that if the Government comes into the open and airs the matter thoroughly we would find that a lot of it has to do with the whole administration of this scheme, the corruption and so on that we have heard about.

Another point I should like to refer to is the question of the standard of the building construction and the provision of various amenities. I merely wish to refer to what the TUC has said on this matter. With your permission, sir, I should like to quote from a report which appeared in the *Mirror* on the 30th April, 1970.

“A seven man committee is to submit a memoranda to the department, setting out in detail the situation at the scheme. Matters to be dealt with in the memorandum include drainage and irrigation of the area, the condition of the roads, the need for better security in the scheme, and a number of other issues.”

The report goes on to state:

“When the T.U.C. failed to carry out the scheme, the administration was handed over to the Guyana Co-operative Union. Since then, residents claim that they were not aware of what is going on in the scheme. They have a number of greviances and they do not know whom to discuss them with. Also, the officials of the Co-operative Union are seen very rarely and they cannot have matters discussed.”

This merely points to some of the dissatisfaction when the residents themselves have experienced about this whole scheme.

I should like to make one more reference and that is to the report which appeared in the *Mirror* of the 23rd March, 1971, under the heading "Probe into Operations at TUCville." The report states:

"The Trades Union Congress is now conducting an investigation into the operations and administration of TUCville. For some time now, consistent complaints have been repeatedly made to the T.U.C. about poor conditions; poor drainage, poor security, poor administration, high fees and jacked-up instalments, etc.

Also complained about is the alleged poor quality of some of the materials used in the construction of the houses. The residents are saying that paint is peeling off, while boards are opening and cracking; plumbing is giving trouble, and thieves are rampant in the area. Chief complaint, however, is over the high cost of the houses, which the residents allege has been brought about by poor administration.

A spokesman for the T.U.C. said this morning that this committee which has been instructed to probe TUCville is not a new one, but has been in existence for many months now. 'We have simply decided to resuscitate it', said that spokesman, 'and it is to investigate all the charges which have so far been made and make recommendations. The T.U.C. is very much concerned over the endless complaints.'"

We would like to submit that on all these grounds which we have referred to, namely, the poor administration of the scheme which has opened it to charges of corruption, mis-spending of money, non-payment of certain debts and so on; the financing of the scheme; the cost of the houses and the monthly instalments in relation to the ability of the lower income workers; the standard of the building construction; the amenities which are provided for those who do finally manage to get into this scheme; all of these things point to a very shocking situation and, as I said in my opening remarks, this whole project has been a scandalous one.

One would even be tempted to describe it as a big fiasco which was built up as such a wonderful scheme to provide so many houses for those who were in need. We now find that the whole thing has to be reviewed, that the Government perhaps has to get into this whole question in order to salvage this fiasco.

Finally, we did warn the Government originally but at that time it never sought to heed our advice; it merely pushed aside our remarks until the thing finally hit them. Therefore we would like once again to urge the Government to correct this scandal and not to be afraid to expose, where exposure is necessary and healthy, for the benefit of other projects which may be similarly proceeded with.

We would very much wish to demand that the Government take a hand in this matter and see to it that the people who are really in need are in a position to secure such houses. Do not let the whole thing go higher and higher in the air so that it falls into the hands of those with the highest income, even though they are in the trade union movement.

The Chairman: Hon. Member Mr. Sutton.

Mr. Sutton: Mr. Chairman, it is rather unfortunate that the Government has never considered it fit to air all the details relevant to the working of the scheme which this House was told about, as the hon. Minister of Finance said a moment ago, in 1966 when the first guarantee for interim finance was decided upon. There is no doubt that the intention of the Government was most laudable in this particular instance. It is no question for argument that the Government saw its duty to do all it could to get a proper scheme established and going for the erection of houses for the members of the trade union movement.

What is tragic is that the Government does not appear to have realised that it was not enough to put up guarantees to make the scheme possible. A guarantee was an essential factor to get the scheme started but it should not stop there. Anybody will know that if a bank guarantees a commercial loan from time to time it checks on the progress of the transaction so as to prevent catastrophe rather than, at a later stage, finding itself in a position where it has to put up money in order to cure a situation or take over the catastrophe itself.

In other words, a bank establishes proper systematic examinations to ensure that all the checks and balances that are normally built into such schemes are carried out when they should be carried out. As a result of such action, more often than not a bank can prevent catastrophe because the dangers usually display themselves very clearly if anyone qualified to do so takes a serious look at what is going on.

As I said a moment ago, it is the consensus among all persons who have had anything to do with this scheme that the position in which it now is and the position in which the Government now finds itself were completely and 100 per cent avoidable.

2.50 p.m.

The scheme has reached the stage in which it is today by three distinct phases. The first phase was initiated when the Government guaranteed what was known as the interim finance in 1966. The contractors were appointed after the proper checks of suitability surveys and what they call the qualification tests or pre-bid qualification were gone through by the various contractors to ensure that no contractor would be involved in this scheme who was in fact not qualified to perform in the scheme. In addition to this, what is known in British building practice as a performance bond was an essential ingredient of the scheme. With any contractor or contractors to whom the scheme was awarded, it was one of the conditions that you had to put up a performance bond in the sum of the proportion of the value of the contract after it was accepted. In this particular case the performance bond known in American terms as escrow was \$100,000 (U.S.). The objective of putting up this escrow was that if the contractor to whom the contract was awarded failed the debtors involved in such failure would have this escrow which was lodged to fall upon; and this sum was lodged in a combination of cash and securities with the Royal Bank Trust Company of New York.

With the Government as a guarantor, AID as a guarantor on behalf of the American Government, AIFLD and AFL-CIO which were the trade union arms that made the money available, before any payment to contractors could be effected the payment warrant had to be signed by the authorised representatives of AID, it had to be signed by the authorised representatives of the Trades Union Council and countersigned by the authorised representative

of the Royal Bank Trust Company in Guyana. It is abundantly clear that the object of having these payments countersigned by the various persons who were parties to the scheme as guarantors to the agreement or who made money available after due performance of the contract, or put up money or saw that work was properly done before putting their signature to these payment warrants, were expected to assure themselves that all the prerequisites which were set out in the contract terms of agreement were adhered to in order to make the money available.

As I said before, the position in which the scheme finds itself today could be described as one of three phases in order to arrive at the perilous condition in which they find themselves now. The first phase was when the contract was duly awarded to an American firm called the International Constructors and Engineers Limited. These people, like other contractors who tendered, went through pre-qualification tests and no contractor was allowed to bid except he was prequalified in the sense that he was declared and approved as a fit and proper person or firm to exercise the contract.

Also they had to satisfy the controllers of the scheme namely the AFL-CIO and AID – and I should like to believe that the Government as guarantors should have seen that it was involved with this exercise – they had to be satisfied that the persons concerned were qualified and financially able to put up the escrow or performance bond that the contract called for. No contractor could be awarded a contract except he was able to produce evidence that he was capable of putting up the performance bond which in this case was \$100,000 (American).

I must labour this point because the object of putting up this performance bond was to ensure due performance of the contract. The object of putting up this bond is that this bond should be untouched and should remain in trust until such time as the contractors satisfied the controller of the scheme that the contract was duly and properly performed. We find that the contractors, the International Constructors and Engineers Limited, were duly appointed; the scheme was awarded for the building of 568 houses, the Trade Union Council or a Housing Society immediately set out to entertain applications from its members who were qualified under the scheme, the terms of which they had worked out, started to take applications for them so that as houses were completed occupancy would take place.

Anybody who had anything to do with the scheme will tell you that at the beginning of the scheme the applications were so many that when the initial houses were completed, the applications far exceeded the contractors' ability to deliver houses. Therefore there was no question in theory that the scheme was not progressing satisfactorily and, as long as the houses could be produced by the contractors, there were absolute signs of total occupancy. As a matter of fact, I was aware that the total number of applications at one time exceeded the total amount of houses.

The clearing of the site started in October 1967 and continued through 1968 and we soon became aware of the fact that allegations were flying around that the contractors were trying to get advanced payments in excess of payments which were legally permitted to obtain under the terms of their contract. This turned out to be true and some time early in 1969, I believe – I am subject to correction of the actual date – the contractors were notified that they were not performing the contract in accordance with the terms and they would not be allowed to continue. When this was done the company was wound up and it soon became clear that this company, the International Constructors and Engineers Limited left the contract at a point where they could not pay their debts.

Now, sir, you will bear in mind that these were the people who were made to put up performance bonds known in American language as "the escrow" which was an essential ingredient of awarding the contract of any person. Now that we are near the end of the winding up of this company and a dividend is about to be declared the liquidator or who was duly appointed by the Court has declared that the company cannot pay its creditors and a Committee of Inspection has been appointed in order to see that the liquidator duly performed his duties and through whom a report could be made as is customary to the creditors from time to time.

3 p.m.

The first thing was, they got a terrific amount of trouble; it took about a year of legal wrangling to get the performance bond known as the escrow transferred from the Royal Bank Trust Company in New York to the Royal Bank Trust Company in Georgetown. There seemed to have been some conflict of American and British law on this subject. This transfer was duly

effected but one can imagine the horror and near apoplexy which the committee of inspection experienced through when the amount transferred from the Royal Bank Trust Company in New York was not \$100,000 as it legally had every right to be, but it was just over \$39,000 American money.

The point that flows from this, that somebody, I am not prepared to say who, because I do not know, several persons, several organisations, the controllers, fell down on their legal duty because it is a clear clause in the agreement, which interested persons have seen, that the escrow could not be touched without the permission of the controllers of the scheme. Because of the whole idea behind all this, a lot of people gave great credit to the contractors, great credit to the trade union scheme. They were told, "This is gilt edged, you are not only covered by AID guarantee and Government guarantee, you are also covered by the escrow which has been lodged by these people."

I would like the Minister of Finance to tell this House whether the Government considers it necessary – in my view, it is vital – to institute an investigation to find out who was the person, which organisation, what was the authority, that permitted the performance bond of \$100,000 to be whittled down to \$39,000 and a few cents. This is an essential point. That was phase one, and, as far as phase one is concerned, the creditors of the International Constructors and Engineers Ltd, up to now remain unpaid in a sum of over \$225,000, not including the Royal Bank of Canada, who made certain advances here guaranteed by the Government. One would believe that the Government in its present policy will take every possible step against whomsoever it may be.

It is not quite clear whether the Government as guarantor is not itself in some manner legally involved in not knowing about this escrow, or not taking steps to see that all the factors of the contract were carried out in the interest of protecting the money of the people, because, as the Government guaranteed the scheme, if the scheme failed, the money of the people of this country will have to be used to bail the TUC scheme out. This is being done here.

This performance bond and original guarantee, it is clear, extended only to the original contractors, the International Constructors and Engineers Ltd., and therefore the creditors, who suffered as a result of extending credit on the understanding that all these guarantees and

performance bonds were available if anything went wrong, have a right to be protected. Because those guarantees were there, everybody in the street, from the biggest firm to the smallest firm will tell you, credit was available in the way it was available to the International Constructors and Engineers Ltd.

We know at one time when the original escrow was lodged, a certain part of it was lodged in securities, and that, owing to a drop in the security market, a certain degree of depreciation took place. That was nobody's fault. The creditors were told and advised when the sterling exchange broke, that if they waited and things stabilised themselves, the securities would get back to their original level and nobody need lose money. It is true the securities appreciated again, went to their original level. As a matter of fact, slightly higher than the original level. Steps were then taken to transfer these funds to Guyana, only to find that \$61,000 American could not be accounted for. The firm, or a representative of the firm, was allowed to get at those securities, which should not have been touched until the contract was finalised –

Mr. Speaker: Hon. Member, you have made that point four times.

Mr. Sutton: Because it is not understood by so many people, it must be belaboured, and I hope the hon. Minister of Finance will give this House some information as to what the Government is doing in order to protect the creditors who suffered under the guarantee.

I move on two phase two. After the International Constructors and Engineers Ltd failed, the TUC announced that it would try to raise additional finance and run this scheme, manage it, and a Mr. Abrams was appointed as the person in charge. They got some more interim finance and they started again.

3.10 p.m.

I shall not speak on this for any length of time. We all know that under this management the scheme again collapsed and we understand that more money was lost by people who were taken in and allowed to extend credit based on the factor that Government would help them and they must come out all right. Would you believe it, Mr. Chairman, after the collapse of phase 2, phase 3 was instituted. It was started under the Manager of the Guyana Co-operative Union, Mr.

Mackenzie, and it is common knowledge – we read about it in the Press every day – that phase 3 has also failed.

Let us say that Government has not been as strict as it should have been in the first case. Must we be satisfied to hear that the Government went into this situation and did not establish checks and balances? That it allowed more money to be put into the scheme and another failure to take place? That phase 2 collapsed and the same thing happened to phase 3 and that there is now an attempt to re-finance the scheme and this, I would presume, is phase 4?

The question that the Minister of Finance would perhaps be good enough to answer is whether the 568 houses which should have been built are going to cost the amount originally contemplated. Who is going to stand the loss? Is the loss going to be recovered by increasing the value of the subsequent houses? Is the loss going to be written off by Government or is it going to be carried by Government? Is it the intention of the Government to complete the scheme as originally envisaged and will the 568 houses, for which the T.U.C. housing co-operative society was established, be built?

If the Minister of Finance would cast some light on the situation along the lines indicated and provide the details asked for, it would be very much appreciated.

Mr. Speaker: The Hon. Minister of Finance.

Mr. Hoyte: Your Honour, we have strayed very far afield from the subject matter of the Financial Paper. I tried at the outset to explain the formalities required, but I confess that, having listened to the interventions of the hon. Member Mr. Chandisingh and the hon. Member Mr. Sutton, it appears that I have failed to clarify the matter.

Before proceeding, let me say this: Government makes absolutely no apology for coming to the assistance of trade unionists and workers in their endeavours to house themselves. Government is not and has never been fair weather friends of the trade unions. From the very outset, Government demonstrated its faith and its confidence in trade unionists by becoming involved in the scheme to build these houses and by giving the necessary guarantees without which the financing would not have been available to trade unionists. I hope that nobody is under

any illusion that the Government resiles one inch from the position it has always taken up in connection with this project.

It is obvious that hon. Members have failed to understand the nature of the scheme, although it has been debated on at least two occasions in this honourable House. For this reason I find it difficult to understand the assertion by the hon. Member Mr. Chandisingh to the effect that Government has never given the House the opportunity for a debate on this matter. This is the third opportunity and it is obvious that hon. Members get themselves involved in difficulties because of their constant endeavour to make politics out of everything.

AFL-CIO agreed to provide the financing to the T.U.C. via a co-operative housing society. That is the essential fact to grasp at the outset. It was not money provided to the Government no money provided by the Government. All of these matters were very clearly set out when the matter was first debated in this honourable House in October, 1966, and all of the documents relating to the project were laid in this honourable House.

For this reason, it becomes alarming to hear an hon. Member of the undoubted ability and intelligence of the hon. Member Mr. Chandisingh saying that it is only now becoming clear that there was going to be interim finance. That was the whole basis on which the scheme was organised, namely, that the Royal Bank of Canada would provide interim finance for various batches of houses and, as the batches were completed, there would be a draw-down from the lenders to pay off the bank; and then another batch of houses would be utilized and so on.

For the benefit of hon. Members who do not seem to understand and who are asking what about the financing, I may point out that the last draw-down in the vicinity of \$.47 million was made this year. This money went to pay off the Royal Bank of Canada in respect of part of the interim finance which it had provided the housing society.

Government has come unapologetically to the aid of this society. It is true that the original contractors, the International Contractors and Engineer Limited, got into difficulties and their involvement in the scheme was terminated by the society in terms of the Agreement. That is well known; that is not a matter which is now being discovered. Thereafter the scheme continued

under the aegis of the Co-operative Department of the Ministry of Economic Development and has so continued until today.

The hon. Member Mr. Sutton, in his usual stentorian manner, raised a number of questions based upon matters which seem to be in his peculiar knowledge. Anyone who has taken the opportunity to read the documents which were laid in this honourable House as early as October, 1966, would understand that the actual control of the scheme at every stage was vested in the West Indies Trust Company Limited, as it was then called, who were the agents of the lenders and who carried out certain duties in relation to the scheme.

It is therefore extraordinary, to say the least, to hear complaints about the quality of the houses. Let us assume that there is ground for complaint, what has that to do with Government? In any case, Mr. Chairman, under the terms and conditions, before the lenders permitted a draw-down, there were certificates issued by inspectors. I see from the file before me that an organisation of repute, Aubrey Barker Associates, issued certificates as required by the trust company, in relation to every batch of houses. That is why I say that hon. Members come to this House to make politics of everything.

3.20 p.m.

If they are saying that houses do not meet the specifications and the contract, let them go outside and say that and let Aubrey Barker Associates take them to court. As I said, I cannot do more than explain the purport of the legislation before this honourable House.

The hon. Member Mr. Sutton sets himself up to be an architect, an engineer and last, but by no means least, a lawyer. We heard all about what an escrow is; and all of this “nancy” story about devaluation and the rise in the price and the cost of securities may perhaps have some relevance to his way of thinking, but has nothing to do with this matter. Let us understand that in the 1966/72 Development Programme which the Government published there was the intention of absorbing this scheme within the programme. The time has come when Government has taken that decisive step to bring it within the Development Programme. What we are doing now is to provide the formalities. It is not a question of refinancing as the hon. Member Mr. Sutton has

said. Refinancing what? In October and in July 1968 this honourable House disposed of the question of the \$1.5 million. That was finalised, dead and gone. It is not another \$1.5 million. I hope that hon. Members will understand simple knowledge of matters which are before this honourable House.

It has been said that certain people are not paid. Let me say here and now that some of the people whose cause is now being championed by the hon. Member, Mr. Sutton, will not be paid. They will not be paid, because they are some of the people who are involved in attempting to defraud the society and provided that we are satisfied that this is so – [*Interruption.*] Have no fear some have been charged, some will be charged. As you know, some businesses have been charged. [*Interruption.*] There is no question of coming and telling the Government pay x and pay y. those people whose bills are genuine will be paid and are being paid and have been paid. Those who have been found to be in skullduggery will not be paid.

Let me say finally what I said when I began. Government makes no apologies for helping the Trade Unions and Government will stick with this scheme to the end. Government will continue to give all succour, aid and support to trade unionists and workers in their efforts to house themselves in this country.

Assembly resumed.

Mr. Hoyte: Your Honour, I beg to report that the Committee of Supply has come to a Resolution, and I now move that this Assembly do agree with the Committee in its Resolution.

Question put, and agreed to.

Motion carried.

APPROVAL OF AMENDMENT TO DEVELOPMENT PROGRAMME

“Whereas the Development Programme of Guyana for the period 1966 to 1972 was approved by Resolution LXXIV of the House of Assembly of 25th April, 1966;

And whereas it is provided by Section 3 of the Public Loan Ordinance as it has effect by virtue of the Guyana Independence Order, 1966, that any modification, amendment, or extension of and substitution for the said Development Programme may be approved by the National Assembly;

And whereas it is necessary to amend the said Development Programme so as to provide for additional capital expenditure as follows:-

Chapter XXII – Housing \$2.0 m to implement a programme of housing for trade union members:

That this National Assembly, in pursuance of Section 3 of the Public Loan Ordinance, 1966, approve of the amendment of the Development Programme for the period 1966 to 1972 as aforesaid.” [**The Minister of Finance.**]

Mr. Hoyte: Your Honour, this honourable House a moment ago approved of Financial Paper No. 4 of 1971 providing the sum of \$1.5 million by way of Supplementary Estimates for housing. This Motion which I now move seeks to incorporate in the Development Programme of Guyana for the period 1966 – 72 the housing programme for trade union members.

In Chapter 19 of the Development Programme it was noted that this housing programme was being negotiated. But at the time of the printing and approval of the 1966 – 71 Development Programme the housing project have not yet been finalised. This Motion seeks now that the programme has been finalised, to bring it within the ambit of the Development Programme as envisaged in the document to which I referred. In order to do this it is necessary that there be approval of the National Assembly.

We have already debated the pros and cons of this Programme in the Motion which has just been completed and I submit for the approval of this hon. House the Motion to the effect that the Assembly do approve of the necessary Amendment to the Development Programme 1966 – 72 to provide for additional capital expenditure in the amount of \$2 million to implement a housing programme for trade union members.

Mr. Speaker: The hon. Member Mr. Chandisingh.

Mr. Chandisingh: Mr. Speaker, first of all, I should like to ask a question of the hon. Minister and that is, what is the position really with this 1966 – 72 Development Programme which we are amending by the inclusion of this new item of \$1 ½ million for the T.U.C. Housing Project. We were under the impression from what has been said so far that this Development Programme is now defunct, that it is dead in other words, and that a new Development Programme was in the process of being made. Perhaps we ought to take it that the corpse of the 1966 – 72 Development Programme is being resurrected at this stage and I dare say it may be that the Government merely uses it as a formality in order to make provision for this sum of money.

3.30 p.m.

In any event, we would like to know from the hon. Minister something about this whole programme, because if we look at the programme, at the section dealing with housing, we will note that there are several statements of policy with respect to housing that the Government has not sought to honour. Or even more glaring, there are several statements of housing strategy which the Government has apparently changed in the course of the years.

We are all aware that within the last few years, during which this Development Programme was in operation, this Government was engaged in a rather feverish exercise in window dressing when it came to housing and we would like to submit that this present exercise of incorporating an extension to the plan is another attempt at window dressing. It do not wish to belabor the point I have already made and, that is, the big ballyhoo which was raised a few years ago with respect to this TUC housing programme. You have seen, sir, to what end it has come today. I am not expressing the hope that this will be the position in the future as we have said when we spoke on the previous Motion. We all hope that things will change in favour of the small man.

I should like to refer to one or two of these strategies of the Government with respect to housing, as expressed in this Development Programme which the Government has diverted. I

should like to refer to Chapter XXII of the 1966 -1972 Development Programme where it refers to rental houses and I quote paragraph 25, with your permission:

“The need for rental houses is great. There are large numbers of persons who, because of the fact that their incomes are small, cannot at the present time hope to acquire their own homes either by securing loan finance or by participating in self-help schemes. These the Government aims to provide with rental units. The demand for this type of housing cannot be fully met during this plan period, but the efforts to do so will serve to alleviate an unsatisfactory situation.”

Here it is the Government has admitted in its Programme there are many persons in the low-income category who cannot hope to finance homes of their own or even to secure loan finance and who cannot even participate in self-help programmes; the Government undertook solemnly to build rental houses for them. We have seen where the Government’s policy has diverted from this stated policy and we wonder how then does the Government intend to provide houses for such low-income persons.

We are told in this same programme that by 1975, assuming the population increases at the same rate as in the recent past, the need for new houses will be in excess of 43,000, that is by 1975, and this in itself might be rather a low figure. But so far, we still are unable, despite what is being done today with respect to the TUC housing project, to see how the Government intends to really make adequate plans to solve this problem.

It is true that the Government has said in this report that in this planned period 1966 - 1972 the problem cannot be solved, but the indication is given that a beginning will be made. So far, we have seen something like only 650 units actually built by Government, not for rental but for sale, and some by self-help. So we would like, as we are touching on this matter today, to ask the Government – if it is not in a position to do so today, to do so as early as possible, in the spirit of responsibility, if it has any, to the public of this country – to bring forward some concrete plan as to how the Government intends to solve the housing problem and over what period of years. In other words, can we be satisfied with the housing fund, which is rather vague

in the sense that one does not know how much money will be available from year to year to build how many houses.

We would like the Government to embark on an exercise which would project how many houses would be built for low-income people, the sort of people for whom the Government takes the responsibility in this programme, how many houses can be built in the course of the next five years, or the next ten years. How concretely does the Government intend to tackle this problem? Of course, it is related to the general economic progress of the country.

I do not want to go into this aspect at this time but merely to say that at the present rate of development in Guyana, the type of infrastructure development, the lack of industrialization and so on, it does not appear to us that there is any prospect in the immediate future for our grave housing problem to be tackled with the vigour that it needs to be tackled in Guyana.

I should just like to refer in this same connection of the Government's housing plan, and ask the Government about the issue of lands which have been sold by the sugar estates to private persons – developers, if you like, some of us will call them land speculators – who have purchased land from the sugar estates and have been selling these lands to persons at very high prices. I am referring, for example, to Eccleston Gardens and Nandy Park, and other areas which have been sold by the estates, to the net results of which is that the estates are avoiding the provision of land to sugar workers and others at very reasonable prices.

For example, we know that there are many sugar workers who have been awarded house lots, who are now paying \$2.88 a year by way of rent, but who are entitled under the original agreement to have these lands passed to them at \$1 per lot.

3.40 p.m.

This is the agreement, and we take the opportunity, Mr. Speaker, to call upon the Government to honour this undertaking, to see that the Sugar Industry Labour Welfare Fund Committee honours this undertaking and to see that it proceeds as quickly as possible to give these workers and lots on which their houses have been built at the rate of \$1 per lot which was promised to them.

Furthermore, we call upon the Government to put a halt immediately to the sale by the sugar estates of such front lands, in the coastal areas and on the banks, as are suitable for the housing of workers and to make additional lands available to the Sugar Industry Labour Welfare Fund Committee so that additional workers can become eligible for availing themselves of house lots at \$1 and of loans to build houses.

I should like to point out that in this connection we would like to propose to the Government something which is not new. The Leader of the Opposition has made this point before, namely, that the Government should strive to make an arrangement with the sugar estate owners so that, if necessary, the front lands which the estate hold can be exchanged for the land held under D.H.M.P. leases on which they are cultivating cane. The Government should have it within its reach, so to speak, to give full title to the estates for these lands and let the estates, in exchange, give up the front lands which can be used for housing. I wonder if any negotiations have gone on in this connection.

Lest we on this side be misunderstood, we want to point out that cane farmers and sugar workers in the villages are having a difficult time at the moment to get loans from the Sugar Industry Labour Welfare Fund Committee. I understand that although provision is made for such persons – cane farmers and sugar workers who live in the villages – to get loans, nevertheless, certain obstacles seem to be put in their way. They are not getting loans freely. We think that Government should look into this question to make sure that such persons are able to get loans freely.

Members on this side would like to point to the great housing shortage not only in the sugar estate areas but also in the villages. Many of our villages, such as Buxton and other villages on the East Coast, are short of land for building purposes at this time whereas we know the population of such villages has been growing. The young people who are coming of age are unable to acquire lands inside the village for their families.

We would like also to urge that the Government look into this question and try to find a solution whereby such persons can acquire the front lands which are suitable for housing and which are presently owned by the sugar plantation.

Before I close, I must again draw attention to some of the criticisms which have been made of the Sugar Industry Labour Welfare Fund Committee on the allocation and distribution of lots. We have an authority, no other than the Government's own Committee, the Chairman of which, Mr. Zaman Ali, has made some important strictures on this matter.

I should like, with your permission, sir, to refer to a report in the *Guyana Graphic* of 27th June, 1971. The headline reads: "Elite get Lands before Workers". May I just quote this section:

"The Zaman Ali Advisory Committee, which last year investigated working conditions in the sugar industry, has strongly condemned this malpractice, and the Sunday Graphic was reliably informed that top members of the Government, private officials and officers of the M.P.C.A. are among those who own lands on the sugar estates which should normally be owned by sugar workers."

It is further stated:

"According to page 28 of the Zaman Ali Report, 'many instances have been found where land owned by the sugar estates in close proximity to the public roads have been sold exclusively to the elite of the society including trade unionists and Government officials. In the aforesaid instances, the sugar workers in dire need of house lots have been deprived the availability of these lots...'"

This is from the Zaman Ali Report. Bearing in mind what we have said so far, bearing in mind also that this is not the occasion for a full-dress debate on housing, we would like once again to urge this Government that if it is really interested, or if it really wishes to convince people that it is interested, in the small man it will act swiftly in order to implement some of the proposals with respect to estate lands, sugar workers, cane farmers living in the villages, and with respect to expansion for housing areas in the villages themselves

We would also like to call upon this Government to present, as early as possible, a thoroughly worked out programme or plan to given an account to the nation as to how it intends to solve the really acute housing shortage which our people are faced with today. [*Applause.*]

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

Mr. Sutton: Mr. Speaker, I shall not waste the time of the House much further on this matter because the hon. Member Mr. Channisingh has very clearly covered details as far as the plans of the Government are concerned. I shall repeat what I said when I started before: The Government's effort in this matter is commendable. At no point did I criticise the Government's willingness to help the trade union movement.

I started off by saying it was a very commendable step indeed, but what I would like to make clear is a point which, as I said, is being laboured because it is not understood. The Government has guaranteed the due performance of this contract. All I am saying is that I hope it will take steps so that it does not, because of its guarantees, have to pay for losses which could be avoided. I know the Government has to put up a guarantee. It has not put up money but if money is lost in the scheme where is it to come from? Is the Government satisfied that the draw-downs that have been obtained have been adequate to put back the interim finance which it provided? That is all I ask.

The Minister of Finance himself would tell us that after certain draw-downs were obtained the creditors could not be paid. This showed that you were going backward not forward. Will the Government investigate why this is so? If a performance bond was put up and that bond was not available against losses, somebody has to pay for the losses and if the losses have to be made good, the Government, as guarantor, will have to do this. That is all I am saying and I ask for an investigation why the performance bond was allowed to be whittled down. If the Royal Bank Trust Company is involved, the Government, as guarantors, must find out why the Royal Bank Trust Company is not doing its duty.

Mr. Speaker: The hon. Minister of Finance.

3.50 p.m.

Mr. Hoyte (replying): Your Honour, the hon. Member Mr. Chandisingh sought to convert this Motion into a full-fledged debate on housing. I do not propose to aid and abet him in

that. During the debate on the Budget Speech and also during the debate on the President's Address in May of this year these matters were gone into any depth by hon. Members of this honourable House and there seems to be little point in rehashing matters which have been dealt with and have been aired and answered clearly and fully from the Government Benches.

The hon. Member raised the question as to the status of the 1966 – 72 Development Programme. The Government has announced publicly that it is preparing a new Development Programme; and there is no secret about that. Then he went on to enquire, as I understand him, the reasons for incorporating the Trade Union Housing Project into the 1966 – 72 Development Programme. I thought I had made that abundantly clear and I thought that I indicated to this House that this was a formalizing of an intention on the part of the Government which intention was indicated as early as 1966. For the purposes of Government's programme, for the purpose of Government's accounts, these formalities are necessary; the law requires it as set out in the body of the Motion. I do not think I would want to labour that point any longer. But I would wish to say that this Government does not want to indulge in idle talking.

The hon. Member hoped that Government would do something about making sugar estate lands available to sugar workers and others at a cheap cost. The Government has already done this, and it has issued a press release on this matter, this press release was carried in the national press to the effect that the Government has negotiated with the estates and they have accepted that the sugar lands would be available to the Government at a maximum price of 2 ½ cents per square foot. This Government has done that. An hon. Member on the Opposition Back Bench says, "It is too much." All the P.P.P. has done while it was in office was to posture, talk about nationalising the sugar company and make big claims, but never did a single thing in the way of housing or making lands available cheaply to workers during its regime. As I said, it is not a question of babbling at the street corners; anybody can do that. But this Government has taken and is taking action day after day.

The hon. Member Mr. Sutton chose the occasion to ride his hobby horse again and I think, Your Honour, that I would leave it at that.

Question put, and agreed to.

3.8.71

NATIONAL ASSEMBLY

3.50 p.m. – 4 p.m.

Motion carried.

ADJOURNMENT

Resolved, "That this National Assembly do now adjourn to Wednesday, 4th August, 1971 at 2 o'clock." [Mr. Ramsaroop]

Adjourned accordingly at 3.55 p.m.
