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THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT
[VOLUME 4]

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

42nd Sitting

2 p.m.

Monday, 27th February, 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

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The Hon. Miss. S.M. Field – Ridley,
Minister of Health

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

The Hon. D.A. Singh
Minister of Trade

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

The Hon. H. Green,
Minister of Works, Hydraulics and Supply

The Hon. H. O. Jack,
Minister of Mines and Forests

Dr. The Hon. Sylvia Talbot,
Minister of Health

(Absent)

Parliamentary Secretaries

Mr. J. C. Joaquin, J. P.,
Parliamentary Secretaries, Ministry of Finance

Mr. F. Duncan, J. P.,
Parliamentary Secretaries, Ministry of Agriculture

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

Mr. Salim,
Parliamentary Secretaries, Ministry of Agriculture

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

Mr. C. E. Wrights, J. P.
Parliamentary Secretaries, Ministry of Works, Hydraulic and Supply

Other Members

Mr. J. N. Aaron
Miss M.M. Ackman, Government Whip
Mr. k. Bancroft
Mr. N. J. Bissember
Mr. J. Budhoo, J. P.
Mr. L. I. Chan - A - Sue
Mr. L. I. Correia
Mr. M. Corrica
Mr. E. H. A. Fowler
Mr. J.R. Jordan
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. E. Jagan, Leader of the Opposition
Mr. Ram Karren
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
Me. A. M. Hamid, J. P., Opposition Whip
Mr. G. H. Lall, J. P.
Mr. N. Y. Ally
Mr. R. D. Persaud, J. P.
Mr. E. M. Stoby, J. P.
Mr. R. Ally
Mr. E.L. Ambrose
Mr. L.M. Branco
Mr. Balchand Persaud (Absent – on leave)
Mr. Bholā Persaud
Mr. I. R. Remington, J. P.

Mrs. R. P. Sahoye
Mr. V. Teekah

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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 3 p.m.

[Mr. Speaker *in the Chair.*]

Prayers

PUBLIC BUSINESS

Mr. Speaker: Hon. Members, the House will sit until 12 noon and if necessary from 12.30 p.m. until the business is completed. The hon. Minister of Mines and Forests.

SUSPENSION OF STANDING ORDER NO. 46(2) and (3)

The Minister of Trade (Leader of the House) (Mr. Ramsaroop): Your Honour, before the hon. Minister speaks may I crave your indulgence and beg your leave to move the suspension of paragraphs (2) and (3) of Standing Order No. 46 to enable the Second Reading and the subsequent stages of this Bill, the Bauxite nationalization Bill, 1971, to be proceeded with at this sitting?

Question put, and agreed to.

The Prime Minister (Mr. Burnham): Mr. Speaker, may I publicly intimate to the House what the hon. Leader of the Opposition and I intimated to you that, subject to your approval of course, and that of the House, it is proposed to take the Nationalisation Bill to the end of the Second Reading today, and to proceed with the Committee stage and Third Reading on Monday, but to take the Minerals Act through all of its stages today.

Mr. Speaker: The hon. Minister of Mines and Forests.

**BILLS – SECOND READING
BAUXITE NATIONALISATION BILL**

“A Bill intituled –

An Act to amend the Constitution to provide for such public ownership and control of bauxite undertakings in Guyana as may be necessary to secure the

interests of the people and to promote the development of the national economy, and for matters connected therewith and incidental thereto.” [The Minister of Mines and Forests]

The Minister of Mines and Forests (Mr. Jack): Mr. Speaker, I beg to move the Second Reading of the Bauxite Nationalisation Bill.

This Bill, Mr. Speaker, is necessitated as a result of the development of Government's policy, a policy aimed at ownership and control of our natural resources. It is now well-known that the Government of Guyana, in keeping with other Governments, is determined to ensure that the national wealth of our country is so utilized and so controlled that the people of Guyana get a proper benefit from its utilization.

In keeping with this policy it was decided to take majority participation in the Demerara Bauxite Company and, following upon that decision, negotiations were commenced on the 7th December, 1970, to achieve this participation with the Demerara Bauxite Company.

Guyana, as is well-known, has suffered from a history of colonialism and exploitation and the result of that is that we, in keeping with many of our ex-colonial brothers in Asia, in Africa and in South America are a poor people.

For this reason it was necessary for us to formulate a scheme for achieving majority participation in the bauxite industry which would, in fact, allow us to participate. For this reason we set out certain basic conditions which we considered essential if an agreement with the Demerara Bauxite Company was to be achieved.

The conditions established that the participation which we sought was a majority one: that the participation which we sought was to be by means of the purchase of the shares in the assets of the company; that the valuation of such assets should be the written down book value

for income tax purposes as appearing on the 31st December, 1969, with additions of value during 1970 other than by re-valuations and re-appraisals; that Government would pay for the acquired assets out of future profits after tax; and that the joint undertaking which would be set up as a result of Government's majority participation would confer upon Government the control which inheres in such majority ownership; and, lastly, that the Agreement, when signed, would take effect as from the 1st January, 1971.

Negotiations continued with the Bauxite Company until the 20th of this month, but it soon became apparent that there was an unbridgeable gap between what we considered to be essential conditions for our participation and what ALCAN, the parent company of the Demerara Bauxite Company, considered to be its essential conditions for arriving at an agreement. We had set out our fundamental principles as being non-negotiable and the company had intimated at the outset that they considered from their point of view that all matters should be negotiable. It did appear, however, that they too had certain non-negotiable positions which they did not disclose to us at first but which became apparent during the course of the negotiations.

9.55 a.m.

One of their basic conditions was that in order to arrive at an Agreement with Government it was essential for the Government of Guyana to agree before hand to a scheme for the expansion of calcined bauxite to the tune of 50 per cent and that the Government should undertake to raise a sum of \$50 million which was necessary for the implementation of that scheme.

Here we saw a basic difference arising between our two positions. On the one hand, we were saying, and we are saying, that we participate in the bauxite industry as a matter of right, in the exercise of our sovereign right as a nation a right recognised by the United Nations and recognized by most countries in the world. We were saying that we were taking an interest in the bauxite industry as a right. They were saying that they would give us a privilege. That

privilege was conditional upon us going to the World Bank and raising a sum of \$50 million. The Government could not abdicate its right in this manner; the government could not accept as a privilege what it is determined to exercise as a right.

Details of the negotiations are already familiar to most Members of this House since they were set out in the speech of the hon. Prime Minister on the 23rd of this month, but I think that I should allude to some of the salient features of the proposals which ALCAN, the parent company of DEMBA, sought to have included in any Agreement arrived at with us and which we found to be totally unacceptable.

It was proposed by ALCAN that the entire assets of DEMBA, approximately \$100 million, should be put into the new entity which it was proposed to form, not as equity but as a debt carrying interest at normal commercial rates. It was suggested that the company be capitalized in the sum of \$100 only, \$50 going to us and \$50 going to them and the shares accordingly.

Subsequently, in a show of making a concession, they agreed that 51 per cent would go to us and 49 per cent to them, but the essential requirement of having the \$100 million put in as a loan meant, in fact, that the new entity would have been burdened with a huge debt which it would pay back to ALCAN and half at least of which would have represented what should have been the equity that ALCAN should have put into the organisation. In this way ALCAN would have received complete payment for the assets of the Demerara Bauxite Company and would still have retained half or, to be exact, 49 per cent of the shares of the new company.

More than this, however, since it was a condition that we get \$50 million to put into the enterprise, ALCAN would have found itself in the fortunate position of having 49 per cent in the share of an enterprise expanded to the tune of \$150 million whereas now they have 100 per cent of an enterprise of just \$100 million.

Added to this, there was the requirement that the new company be completely exempt from all forms of taxation, income tax, withholding tax, property tax, royalties, imposts, everything. This, as was pointed out to them, would have created a new form of extraterritoriality, a new system whereby a large proportion of our national economy would have been excluded from the fiscal policy of this country. As I had to tell them during the negotiations, it seemed as if they wanted to enter our Parliament and get a type of veto over our deliberations which none of us here yet possesses.

Apart from this, the mode of payment which was suggested by them was, as they put it, out of cash generation, a system whereby the company would have been bled dry, a system whereby the company would not have had any cash left over from the depreciation fund for the purposes of expansion.

As it turned out, had they been prepared to accept the proposals as we put forward the proposals, the expansion scheme which they were suggesting could have been met from the normal cash generation of the company and the necessity of going out to get \$50 million only arose because it was intended to take everything out of the company as fast as possible and to leave it dry.

There were other features of their proposals which we found unacceptable. In total, the position was such that it was our conclusion that not only could not this Government accept them but we doubt whether any Government in Guyana could have accepted them. *[Interruption]* I said, Mr. Speaker, we doubted whether *any* Government in this country could have accepted them.

It was pointed out to the representatives of ALCAN at great length that these conditions could not form the basis for a lasting Agreement between the Government and that company and

that even if such an Agreement were attempted, the people of this country would not allow it to stand. It was unfortunate that the representatives of ALCAN were unable to understand this basic position. As a result, the talks came to an end without agreement.

This having been done, there were two courses open to Guyana; one was to retreat and to leave the company in the position that it is now; the other one was to go forward and to take control of our natural resources. The former possibility is not with us. One of the reasons is that during our negotiations we discovered that because of the nature and philosophy of the multinational corporation which ALCAN is, we have been relegated in Guyana to be producers of calcined ore exclusively. It became apparent during the discussions that although promises had been made that if we produced cheap power in Guyana a smelter would be set up, the broad planning of ALCAN did not include, either now or in the near future, a smelter or the processing of aluminium in Guyana. It also transpired that the expansion of alumina was not contemplated.

Those of us familiar with the workings of the multinational corporation, a new form of empire without soldiers but with governors who stay in the various countries, would readily understand the inability of a company such as ALCAN to conceive of the national requirements of a country such as Guyana and it is my view that it is on this basic clash of philosophy that the talks broke down.

Because of what we discovered and because of the necessity to proceed with our policy of owning and controlling our natural resources, it now becomes necessary to proceed with this Bauxite Nationalisation Bill.

10.05 a.m.

This Bill seeks to give authority to the Minister on an appointed day to have the assets of the Demerara Bauxite Company vested in the State. It sets out the mode of paying compensation which is out of future profits. We can pay only out of future profits because, as I have said,

Guyana is a poor country and its poverty is a direct result of years of exploitation engaged in by companies such as DEMBA. However, we are committed to the payment of compensation and for this reason it is embodied in the Bill. We believe that it is absolutely necessary to proceed with the acquisition of our natural resources as a matter of urgency. For this reason, Mr. Speaker, it gives me great pleasure to ask that this Bill be read a Second time. [*Applause*]

Question proposed.

Mr. Speaker: The hon. Member Mr. Derek Jagan.

Mr. Jagan: Mr. Speaker, at the very outset, I want to make it quite clear that the members and the executive members of the People's Progressive Party and the parliamentary group, are all agreed on the principle of nationalization and what the Government intends to do. Contrary to what appeared in some sections of the press that there is a division within the P.P.P., I want to make it quite clear that it is not so. [*Applause*]

Our concern, however, is with respect to the running of the industry after the Government takes it over. There are certain undertakings from the Government which we should like rather than having to move amendments, since we do not think that they are major issues affecting the Bill itself.

First of all, we understand nationalization to mean that the industry will be run by the State and that the State will not take the industry and then give it to some foreign concern to have it run on behalf of the Government. There are rumours that the Government has entered into a deal with Reynolds Metals Company for the purpose of the sale, distribution and the running of the industry after it is nationalized by the Government. We hope that this is not so and that the industry will be run for and on behalf of the inhabitants of this country.

There is a provision in clause 8 (3) of the bill which reads as follows:

“Compensation payable under this Act shall be paid by the State in annual installments out of the annual profits arising from the carrying on of the nationalized undertaking by or on behalf of the State: ..”

The words I wish to refer to and stress are “by or on behalf of the State.” These words could mean that either the Government could run the undertaking or the Government could have someone run it on behalf of the Government.

I understand that the Government intends to create a wholly State-owned corporation. That is why the Government has drafted the Bill in this manner. It could also be interpreted in another way. I think my hon. And learned friend opposite will agree with me that if we do not have an undertaking from the Government to give some foreign concern to run this industry on behalf of the Government. This is something which the People’s Progressive Party would be totally opposed to. Therefore, rather than moving amendments to strike out those words we would be satisfied if the Prime Minister, in his reply, would give us an undertaking that it is not the intention of the Government to give this undertaking to be run by any foreign concern.

Your Honour, we are also concerned about certain claims that persons, Guyanese and others – I am concerned now mostly with Guyanese, may have against the Company. Clause 7(4) speaks about pending actions and appeals which will be permitted to be continued by or on behalf of the litigant or by the State. I am wondering what would happen in respect of persons who may have claims against the company at present but who have not started litigation as yet. If this clause is permitted to remain it would seem that persons who may have a claim against the company may not have a right to pursue an action after the takeover by the Government. Here again, we would be satisfied if the Government would give us an undertaking that any person who may have a claim against the company at present would be permitted to pursue such claim against the State when the Government takes over this industry.

Apart from that, Guyanese today, not only Guyanese but any inhabitant of Guyana, may have certain claims against the Company which right they may not possess if and when the State

takes over this undertaking. As you are aware, and I raised this matter, about two years ago when the Prime Minister had agreed that there are certain laws existing in this country such as the provision whereby a person cannot sue the government in tort. As you know, sir, if the government commits a tort no one can sue the Government, whereas if the Company commits a tort today a person could sue the company regardless of whether the company is right or wrong but it would have to be determined in the courts.

There is also the Justice Protection ordinance which protects persons who may act on behalf of the company or on behalf of the State whereby persons in order to have a right to prosecute their action would have to give notice to the relevant authorities or the person who may act on behalf of the State or Government, within five months and start litigation within six months. There is the other provision of common employment.

These are some of the provision which I raised about two years ago and the Prime Minister had given us an undertaking then that there would be legislation to remedy this situation. But at the same time I must be fair to the Prime Minister. He said because of the shortage of draughtsmen in the Attorney-General's Chambers it would take some time before these measures would be enacted. One would see that the way this Bill is drafted certain rights and liabilities the State will rest in the State but will be subject to existing Laws.

It would mean that the existing laws would prevent people from suing the State in respect of tort, and citizens would have to comply with the Justice Protection Ordinance.

10.15 a.m.

We would also wish the Government to say whether it would make it possible for citizens of this country to have a similar right against the State, as they would have had against the company, in respect of any wrong-doing by the State. This has nothing to do with politics or

with political parties or political views. These views I am expressing would affect the inhabitants as a whole regardless of their political views.

During the speech by my hon. and learned Friend the Prime Minister on Republic Day this year, he states as follows when dealing with persons who may wish to continue their employment with the Government after the hand-over;

“All those of any nationality who elect to remain on the job will be paid as usual; their jobs, their livelihood and their welfare, are the Government’s first and most important consideration.”

We would also support this contention and we would be happy if the Government would carry out what the Prime Minister has stated. But there seems to be a little contradiction to that in clause 10 of the Bill which reads as follows:-

“Subject to subsection (2), any persons employed by the Company exclusively in connection with the operations of the nationalized undertaking immediately before the vesting day shall continue to be employed in relation to that undertaking after the vesting day on such terms and conditions as may be agreed on between him and the Guyana Development Corporation ...” etc.

It would seem that after the vesting day, these persons who are employed by the company would not automatically be entitled to be paid as usual, as stated by the Prime Minister. My interpretation of clause 10 is that they would have to enter into an agreement with the Guyana Development Corporation as to their terms of employment after the take-over and that would include the question of the payment of salaries. It may be that the Government has set out clause 10 in the manner in which it is set out because the Government may be forced in the near future or sometime in the future to reduce salaries of employees.

We hope, however, that if this is the case, the Government would not discriminate against any employee of the company because of race or political views, but if there is to be a reduction in salaries, it would be in respect of all employees, and if there is to be a question of dismissal, a

person would be dismissed not because of his political leaning or race but because his dismissal is warranted by his acts.

We would also wish the Government to say what really is the intention of the Government as set out in clause 10 of the Bill, because there seems to be a contradiction in respect of what my hon. and learned Friend the Prime Minister has stated in his speech.

We hope that when the State takes over this industry, if, as I understand, the Government intends to set up a corporation to run it, that persons would be employed not because of political affiliation, as seems to happen these days at many corporations, but because they are Guyanese, regardless of what race or political views they may have.

This is a very important consideration if Guyana is to develop. Lately, there have been many criticisms and, if I may say so, justifiably, in respect of the employment practices of the Government. It is rumoured that the Labour Exchange is being by-passed and people are employed from Congress Place. We hope when the Government takes over this industry the question of employment would not be dealt with as it is being dealt with today.

So far, we have not heard anything about the Government's intention with respect to selling this bauxite. The Government has a right not to consult with the Opposition but we hope that the Government will not sell to the West at a disadvantage to the country as a whole. If the Government can sell the bauxite to the Eastern Bloc regardless of their political views, the Government must sell to the sources that will pay the highest price.

Today, many people trade with communist or capitalist countries, not because of the ideologies of those countries but because the trading will benefit the countries and we hope that if the Government has approached Reynolds Metals Company to sell the bauxite that is mined, that it will be done to the greatest advantage of the Guyanese people.

We know what can happen if the Government decides to sell only to Reynolds or to be tied to Reynolds. We may find after two or three years Reynolds will put so much pressure on the Government in respect of a reduction in price that it might become a greater monopoly. The position may be even worse than it is today. In 1961, the Prime Minister spoke about dealing with companies such as Reynolds and the Demerara Bauxite Company, how in their trading they could manipulate their prices to rob the country. I hope that the Government will not shut out the Soviet Bloc just because of their political views and that trading will be for the benefit of the Guyanese people.

If I may just digress a little in respect of the experts who come not only to this country but to all developing countries. In most of these developing countries, we have experts from the Western countries and also from the United Nations. Most of the experts who come to the developing countries are people who are attached to capitalist countries or who, even if they are now attached to the United Nations, originally came from capitalist countries. As a result, when they come to advise the developing countries, it is proved in many cases that their advice is really not correct.

I do not intend to attack anyone here who may be from the United Nations. I remember some time ago, the Government had given certain oil companies permission to carry out a survey to see whether we have oil in this country, and almost all the companies, after carrying out their investigations, said there was no oil here.

10.25 p.m.

Shortly after, however, experts from the Soviet Union came to this country and after investigations, it was discovered that there was oil in this country and that the Government should carry out a greater survey to see whether we, in fact, have oil here. But this is only one example. Recently, I think in Afghanistan and India the same situation occurred where Western experts went to those countries and said that there was no oil. Soon after, Soviet Union experts

also went there and after investigations found that there was oil. Those two governments are now actively taking steps to extract the oil from their countries.

I wish, I would not say to advise the Government, but to request that the Government should not close off advice from any part of the world if it would be to the benefit of the country regardless of the political views of the country in question. What we should be concerned about is to have experts from all over the world. If we feel that persons are not giving us proper advice, then nothing should prevent us from getting advice from elsewhere. That is why I hope that the Prime Minister and the Government in dealing and in trading with the bauxite industry, would do so to the benefit of the country and to trade with whichever country may pay us the highest for it.

I remember some time ago my hon. and learned Friend the Prime Minister said that he would trade even with the devil if it would be to the benefit of the country. I hope, therefore, that the Government will carry out what the Prime Minister expressed some time ago. I know that some of the views that the Prime Minister held when he was in the Opposition are not being carried out now that the party is in power. But I would say that some of these views that the Prime Minister expressed previously are views which would receive the support of the Peoples Progressive Party. As we have indicated, and as we have proved on this measure, if the Government brings any measure that would be to the benefit of the country as a whole, the Government can rest assured that the People's Progressive Party will support it.

Your Honour, in closing, I hope that my hon. and learned Friend the Prime Minister will give us an undertaking in respect of the matters that I have raised earlier with regard to the running of the industry for and on behalf of the Government where citizens of the country would not be at a disadvantage when the State takes over the industry, having regard to some of the measures which the hon. Prime Minister indicated should not be in the Statute Book of this country. I know that it may take some time before they are repealed.

I hope that the government will give us an undertaking that the Guyanese public, the inhabitants of Guyana, will not be at a disadvantage by those laws which should have been repealed. Since we do not want to move amendments in respect of this Bill I am sure that if the hon. Prime Minister gives us this undertaking we will accept his word. [*Applause*]

Mr. Speaker: The hon. member Mrs. DaSilva

Mrs. DaSilva: Mr. Speaker, we are met this morning in this House to study this Bill for the nationalization of bauxite and the United Force is forced to protest again as we have in the past, and will have to continue doing, if Bills are brought before this House and we are given short time to study them. My leader was given a copy of this bill on Thursday evening, and it was not until yesterday that my colleague and I received a copy of the Bill.

We of the United Force are not sheep who follow our leader and say yes, yes, because the leader says it is so, it is so. Our leader expects us to make a worthwhile contribution and we cannot do this if we do not have the Bill in our possession to study it. So once again, I am forced to protest at the lateness in handing us this Bill.

We are told that this House works along democratic lines. We would not even go into the bits about the rigging of the Elections right now; that is not necessary, but let us see this House work along democratic lines. The members of the Government have said so but let them put this into words and let us see it put into practice.

I should also like to address a few words to my friend the Prime Minister who once again has treated this House with the greatest discourtesy. This is the highest forum in the land and might I remind the hon. Prime Minister with all due humility that it is to us he should first come before he goes to the National Park and makes announcements to the nation. This is not the way to treat this honourable House. I hope I will not have to remind the hon. Prime Minister again.

I wish to make a few remarks to the *Press*. This is just a small point but nevertheless I should like to use it by way of illustration. A few days ago I read in the *Guyana Graphic* a report on the tributes paid to the late Mrs. Jessie Morris when we all offered condolences in this House and expressed our sympathy to the relatives. I should like to protect again that the *Press* does not give the Opposition its fair share of publicity. It does not report what the Opposition says fairly and squarely; sometimes the People's progressive Party gets some publicity but the United Force is merely honoured with two or three scant lines. We, the United Force, have a right to be reported in the *Press*. I hope that the gentlemen of the Press and the Radio will take note.

Going back to the late Mrs. Morris, it was not reported that we of the United Force --

Mr. Speaker: Will the hon. Member Mrs. Dasilva speak on the Bill which is before the House?

Mrs. DaSilva: Yes, sir. I am merely pointing out to the *Press* that we were not reported as having offered our condolences and what must people think of the United Force when it appeared that they were so uncouth that they did not offer condolences on such an occasion.

As I am talking about the *Press* maybe the Guyana Information Services would be kind enough to set an example with respect to the accuracy of reports. This pamphlet on the control of our national resources that was issued to us at the National Park is a very nice pamphlet. I suppose that it had to be put together to a certain point and then when the Prime Minister's speech was ready the rest was put in. But they should be a little more accurate and put a picture that was taken on the day, not one that was taken last year. I see that Mr. J.G. Campbell features very prominently in this picture, but I do not remember seeing him at the National Park on Republic Day celebrations. There were not all these people present and people had to be called in from the highways and byways to fill up the stands because they were so pitifully empty.

If we are accorded a few scant lines after this debate, please gentlemen of the Press and Radio, I should like this to be quite clearly understood that whilst the United Force cannot support this bill for the nationalization of our bauxite, we want to make it quite clear that the United Force wants Guyana and all Guyanese to own and control what is rightly their own. But we cannot support this bill for the nationalization of bauxite nor any Bill for nationalization, for it is against our policy of people's capitalism. We of the United Force do not believe in state control. The hon. Prime Minister will always get support from the People's Progressive party for state control, for we well know that that party is committed to the communist way of life and always will support state control.

The members of the P.P.P. will always support state control but you will never get that from the United Force. We support control of properties by the people.

10.35 p.m.

I should also like this clearly understood and I want the P.N.C. members to listen very carefully. When we voted against Guyana becoming a Republic, we promised on that occasion to give our whole-hearted support in order to see that the Republic would work. We promised not to do anything to impede the working of our Republic. This we have done and we are doing it whole-heartedly.

Sir, I have the honour to represent the United Force on the Republic Celebrations Sub-Committee and as the hon. Minister of Housing, Mr. Singh, will tell you, I am not sitting there taking up space. I am pulling my weight. *[Interruption]* As a matter of fact, I am chairman of the sub-committee for the playground and the Minister was there when we launched the first one in Kitty, Farnum's playing field, for the good of the citizens of Guyana. We of the United Force, whilst not in favour, will not do anything to impede, and we will do all we can to help. We are not like certain groups in this country, and I have in my hand, a disgraceful pamphlet, the words of which I blush to read, but I shall have to do it with your permission, Mr. Speaker. I shall not

read it all, just two paragraphs of it. It is headed, "ASCRIA – Wismar Compound, Newsletter 4-22/2, Ahwee Freedom Come!" *[Interruption]* The hon. Members obviously know when they tell me to watch my language, and I wish to quote:

"For over fifty years we toiled and sweated for those Canadian bastards. We enjoyed the most inhuman conditions – inadequate water supply, unfair income, rotten health service, poor housing facilities and last but not least, the fraudulent R.I.L.A. and Demba Thrift Plan. Yes, all this and more, we suffered. And all this time, those Canadian bitches were reaping the fat of our labour, while turning a deaf ear and a Nelson's eye to our problems.

ALCAN of course will not sit idly by and watch us enjoy these things. It has already begun to buy some Negroes, not Africans, mind you, who can be heard predicting all sorts of evils for us. You bother with them. ALCAN has filled their pockets. Because it cannot persuade our Government, it has sought to win the workers' confidence by inviting them to a cocktail party, in other words it sought to buy us with food and wine. What an insult! Of course, the negroes were there so we must be on the alert."

It goes on to tell them about a meeting that will be held and it appears to me to equate the Government with ASCRIA so I presume ASCRIA is an arm of the Government. It states that there will be a march ending up at Silver City Square, and I quote: "where the Minister of Finance", a member of the Government, "along with prominent ASCRIANS will deliver addresses."

This is more likely to incite people to make trouble in the country than the United Force. I quote this to show you sir, and to ask the Prime Minister to put a stop to it. He spoke to them yesterday and he said he hoped they will allow the expatriates to leave our country peacefully and I hope the Prime Minister will see this happens. These people have a right to protection. Now to get on.

The Government says it represents the majority of people, but we of the United Force also represent the people and we have a right to point out to you what we see wrong in this nationalization Bill. First of all, I should like to go back just a few short months to the 9th

November, 1970, when the first letter was sent to ALCAN, in the words of the Prime Minister, “to negotiate terms of a new relationship with Guyana.” I am no learned member of the legal profession; I think we have nine in this House; I am just merely a housewife who is able to read, but I venture to point out that I am surprised that a man of the ability of the hon. Prime Minister could make such an elementary mistake as to state in this letter that there were six non-negotiable points.

I keep saying the Prime Minister although I know it is my friend, the hon. Minister of Mines, Mr. Jack, who did the negotiations on the part of the Government, but we know that these words come from the Prime Minister. It is a great pity that a man like the Prime Minister should make use of somebody of the intelligence and integrity of Mr. Jack, to put across nonsense like this. [*Interruption*]

I have a pocket dictionary and I have to consult it when these legal people use these big words. The word, “negotiate”, I looked it up in my dictionary and I understand it to mean, “to bargain”. When you go to bargain with somebody, you start together from scratch. You do not go in and say, “I say no, you cannot negotiate this, that, or the other.” How would any member on the Government side like it, if he were putting up for sale his land, or his house, or his car, and somebody coming to negotiate with him says, “Oh yes, I am interested, but you cannot discuss this and that and the other.” He would certainly say, “Man, go away, I am not able with you, I am not going to discuss that nonsense with you.”

That was the first elementary mistake and the Government started off on the wrong foot. It was calculated to put the back up of anybody. No wonder we have ended up with the unreasonable demands of ALCAN. I am pleased that the members of the Government are on their best behavior today, that they have not shouted back to me, “This land is ours, we have a right to negotiate for it.” Of course this land is ours and we have rights in it. This is one of our fundamental rights. The people who have lived and worked there, have built there, in this case for over 50 years, they have a right too.

It sounds very nice and appeals to the emotions of people to say, “What are we going to tell our children when they ask us about the gaping holes in the ground at Mackenzie?” Yes, but what are we going to tell the children when we nationalise an industry and prevent the development of our country, because, as we see it, that is one of the evils which nationalization is going to cause. Is it worth it to nationalise the bauxite industry, or to nationalise anything, just to get even with ALCAN because we feel that in the past we have been oppressed and all the other things that have been said?

We stand here to represent matters and things before Parliament in Guyana’s interest, and we try to do so with justice and dignity and according to our consciences. We have no axe to grind for ALCAN but these people have their rights to expect that they will be able to bargain reasonably.

I should like the Government to consider very carefully what I have said because it is possible that we, by nationalising here, could at any time come here and get the two-thirds support from the P.P.P. because as I keep saying, and say again they will always support state control. Take any poor man, any small man, anybody for that matter, having a house or a bit of property on the land through which a highway will pass. The Government must acquire it; it is necessary for the highway to go through. It can be taken over and they will have to abide by it. This is how the Government is helping the small man. This is what is being done because these talks had to be rushed.

From December 7th to Republic Day – was this a very long time? Why the rush? I venture to state it is because the Prime Minister wanted the honour, the glory and the pride of getting up at the National Park and saying to all Guyanese, “Look, I have given you back your land.” [**Hon. Members:** “Hear, hear.”] Is that good enough? Is that fair and right to the people? Is that the way because of pride, emotionalism and because of wanting to get even with ALCAN? Is that the way for it to be done, just willy-nilly? Not to try every conceivable way to preserve it so that the people can continue as they are.

Other things could have been got out of DEMBA. We could have made other conditions. We could have obtained better facilities from DEMBA – water supply, housing and all the rest of it. But, no.! This, like everything else, had to be rushed.

Now, look at the future: What it means for the future development of our country? People are already scared to come to Guyana because of the 51 per cent participation. Nobody comes here to invest. Have we had any recent industries locally or any recent business? We are not talking again about Global-Agri? There have been none. The people are scared because of the 51 per cent. How much more scared will they be if they feel and realize that any time our Constitution can be amended to nationalise their businesses or industries. How are we going to provide jobs for the young people leaving school? Where are they going work?

Words are one thing, and appealing and shouting to the people and playing on their emotionalism another, but having to feed hungry bellies is another thing altogether. I should like to warn the hon. Prime Minister that people can be pushed and pushed so far and no further. I hope for the sake of all of us, for the sake of the country that that day does not arrive.

Our country is vast, our country has the potential, but we need to open it up. We do not have the capital here. Everybody knows the country does not have the capital and we need capital from outside. But what happens? We are preventing people outside from coming into Guyana to open industries because they are afraid that the same fate that has befallen DEMBA will befall them. Is this so unreasonable to suppose, sir? I suppose that when our friends across the Floor wake up and get ready they will start shouting it is the usual United Force mentality, colonial mentality, imperialism and all the other nonsensical phrases that they are always using. If and when they do use one of these phrases, it is just a red herring across the trail to try and cover up the facts as they really stand, that development will not come to this country if we have nationalization. This is being done just for pride. This has happened just because the talks were rushed.

As usual too, I suppose they will say that the Members of the United Force are cowards; they do not want to go forward to the unknown; they do not want to be adventurous. But we are not cowards, we are just seeing the facts as they are, we are facing facts, we are not burying our heads in the sands' like ostriches.

For example, when the men went on the moon, we would have said that nobody would ever have got to the moon if they had all been cowards and sat back and said what will it be like when we get to the moon? But when Apollo 13 went to the moon, something went wrong; the men turned back to base. Nobody said they were cowards; the whole world applauded them for their bravery and for their wisdom in seeing that something was wrong and having the sense to turn back and straighten it up. They went back and everybody knows the glorious results of the Apollo 14. So do not let us, because we are too proud, put the future of our country at stake. Go back and consider this. There is still time as this Bill has not been passed; it can be withdrawn and then there will be no need to go to the hon. Leader of the Opposition of his support.

These are some of the facts I have shown you. Do we the political leaders of our country have a right to stand in the way of development by playing on the emotions of the people? We have an obligation and a duty to perform. I am reminded of the words of Daniel O'Connell the great Irish hero who said that nothing can be politically right which is morally wrong. I should like you to study this very carefully. We have a right to negotiate our bauxite and to negotiate or bargain, but let us do so with honour and justice. Knowing these facts as we do we cannot in all conscience support this Bill.

Mr. Speaker: The hon. Member Mr. Cheeks.

Mr. Cheeks: Mr. Speaker, I do not propose to indulge in contradictions, but I wish to have on record my contribution to this which I regard as one of the most important issues ever to be debated in Parliament.

I was talking a couple of days ago to a former legislator and he was willing to wager that, to use his words, within three months after nationalization Burnham will be finished. I did not agree with him. He went on further and said, "Don't be afraid, ALCAN is going to wring Burnham's neck like a chicken's." I could not help remembering some words I heard over the radio in the 1940's used by Winston Churchill and I sincerely wish that in time to come the Guyanese nation will be able to say, using Churchill's words, "Some neck, some chicken."

I should like, however, to mention, just by way of mentioning certain things which have come to me. Mention has already been made of markets. I know little or nothing about that, but when the Government takes upon itself to introduce a measure of this sort I presume that the markets for the product have been well taken care of.

10.55 a.m.

I have not yet heard anyone mention the problem of shipping. I understand that there are certain very great problems in regard to that particular point. I understand, for instance, that it is possible that ALCAN may not place its ships at the disposal of Government. Further, I know there is a bar at the mouth of the Demerara River and that only ships of a certain draught can cross it; also, that ships that come for bauxite, bring in oil at the same time. This two-way movement tends to keep the costs down. In addition to that, there are certain facilities in Trinidad which may or may not be available to this Government.

These are things which, in the heat of emotion, may be passed over but, again, I hope and expect that they have been taken into account by those who are arguing for the Government's side. Then, of course, there is the big problem of administration. We know what happens with enterprises controlled by Government. The administration of this concern by the people whose duty it was to carry on this industry has imparted to them the necessary expertise over the years. It was not something that can be acquired overnight.

There is problem of maintenance of the machinery. I am not saying that the entire machinery set up at DEMBA is somewhat old. There is provision for depreciation but everybody knows that machinery wears out. I take it that in the course of their negotiations the Government must have found out about the age of the machinery and the rate at which the machines are being renewed. I hope it is entirely to be ruled out that Government can find itself in a position where it is taking over worn and used machinery.

I am told there is a very special set-up responsible for the replacement of parts and that ALCAN is geared to have parts flown in so as to prevent any delay in production. Sometimes parts have to be blueprinted and manufactured in a very short time so as not to hold up production. I take it that the Government knows about those problems and has the solution. I assume the Government will not allow itself to be at the mercy of the company from which it is taking the industry.

Another problem is the problem of pilfering apart from the man-hours lost through idleness. Those are things to be taken into account. It must be borne in mind that DEMBA carries practically as big a hardware store as we have anywhere else and these are arrangements which contribute to the efficiency of the organization.

Another problem which occurs to me is the one of the payment of salaries. I just wonder whether, in view of the fact that this business is going to be government-owned and government-controlled, there is not going to be a very serious problem when an accountant in, say, one government concern earns "X" dollars and an accountant at what is now DEMBA earns something like "5X" dollars. That is going to be a problem which might cause some industrial trouble. I presume that Government has taken these things into account.

I know that when there are on opposite sides of the table, one person buying and the other selling, it might appear that they are fighting each other. I hate to think that the owners of the Demerara Bauxite Company would have to find themselves on the opposite side fighting the

Government of Guyana. ALCAN is very strong and very powerful and we are still a very weak nation. We are treading sometimes cautiously, sometimes incautiously, as we move forward like many of the new underdeveloped countries searching for our souls. I sincerely hope we will find it while I am still around.

Mr. Speaker, I have tried to pinpoint some of the problems which have occurred to me and I have given this matter serious thought, but I wish to leave nobody in any doubt. I do intend to support this measure. *[Applause]*

Mr. Sutton: Mr. Speaker, I have seldom risen to speak in this house with a greater sense of obligation, with a greater sense of what the contribution of various speakers to this morning's debate could mean. Speak with the knowledge that this day, Saturday, 27th February, 1971 will be remembered as long as the ability to write the history of Guyana is present, possibly thousands of years after we have gone.

This section of the Opposition once again has the uncomfortable experience of grasping the nettle of unpopularity because we hold our peace and will not be just carried away by a wave of emotionalism which, no doubt, is highly justified in the present attitude which, we have been told, has been portrayed by ALCAN.

As mentioned by the hon. Member Mrs. DaSilva, we want it to be perfectly understood that we at all times intend to operate as true Guyanese and do all we can when we are clearly satisfied it is in the interest of Guyana before we think of the interest of anybody else.

In so doing, we cannot lose sight of the well-known principles and tenets of honesty, fair dealing, etc. and the throwing over of principles which have been clearly enunciated from time to time by even the members of the present Government. We, at this moment, must ask ourselves what in fact is our duty as responsible members of the Opposition.

We are not often thought of, and possibly not at all, seriously when the Government thinks in terms of Opposition. Notwithstanding this, even if we thought we had an axe to grind, we cannot in fact, grind any axe to benefit anybody no matter how we would like to do so. We can speak fearlessly.

11.05 p.m.

As I said before, we ask ourselves: What is the duty of the Opposition? This is often summarised very loosely by saying that the duty of the Opposition is to oppose and depose. I do not in this particular instance see it like that at all. I should like to believe that this question before us today is one above party politics and party faction. It is a question of what is good for Guyana and the consensus we try to get after all the factors have been properly put before the nation in the light of a situation without precedent in our context, is: What is the best step, what is the line of direction we must follow.

As mentioned by the hon. Minister of Mines and Forests, it is abundantly clear, no person at all, no Government, would accept the conditions as set out by ALCAN. That is an insult to the integrity of a nation and nobody can tolerate that. We talk about, One People, One Nation, One Destiny. We would hope that this Government if not now, then in the immediate future, would see the necessity of making arrangements whereby certain issues are to be at a level above party politics. They at all times would have the last word because they have the majority. But very often from the mouths of babes and sucklings would come advice by which situations could be benefited and so many are seized by the fact that the Government's position today is difficult and more difficult than it needs to be – owing to the lack of consultation on a matter of national importance where anybody who calls himself a Guyanese is bound to address his mind constructively to the problem which in our context has no precedent. It is of vital importance to the people of this country that we avoid the possibility of taking and adopting a solution which may turn out to be wrong. We have already said that it is abundantly clear that the Government

will have the support of the majority portion of the Opposition as represented by the People's Progressive Party and this measure is bound to go through.

The United Force has been classified as the hindrance when the Government wants to make constructive arrangements for the benefit of the people of this country. We know that this is so, and in spite of that, even if our remarks are going to be regarded only as words of warning, we may consider that we have made a constructive contribution to this debate on the nationalization of the Demerara Bauxite Company.

The Government has done a wonderful job in creating an atmosphere of emotionalism, but I say, in circumstances like these, emotionalism can be a very dangerous luxury. We owe it to ourselves; we owe it to the people of this country, to examine every single factor in this situation as minutely as is humanly possible.

Mr. Speaker, I ask of you: What is the rush? We have had DEMBA on our backs for fifty years and we still have backs; and if we are to get them off meaningfully we must sit down, we must deliberate, we must examine every single factor thoroughly and be absolutely certain that we are not exchanging a wolf for a tiger. We note that the terms which were fixed by ALCAN were so harsh, that it is obviously clear that they were, in fact, inviting you to take the road of nationalization. We should stop to think. Even though we have certain principles about nationalization if circumstances and times change, it may be that the United Force, or any party of the right which is trying to pursue an honest Guyanese policy may have to change its views on nationalization. But in the circumstances as they now are we can see absolutely no justification for nationalization. In fact, all we can see are big dangers looming on the horizon and somebody in fact is getting you to take over something when it still shows a picture of beauty although there may be a lot of ugly factors with which you cannot deal.

Mr. Speaker, we know the facts. Most of us have read or heard about this, and it has made the Government feel very happy. I refer to the comments in the *Catholic Standard*, which,

apparently without any reservations – I have not read the editorial myself – has aligned itself one hundred per cent behind the Government's decision to nationalise. That itself makes my worry even deeper because this wave of nationalism, this wave of emotionalism has been so great and well created by the Government. People who should stop and think are overtaken by emotion and do not take time out to analyse properly the factors involved to satisfy themselves that nationalization is the only answer.

I do not necessarily say that nationalization may not have to be the answer, but I submit that the factors have not been analysed in sufficient depth for us to come to that irrevocable conclusion because it is obviously irrevocable. It is no use saying that if you prove to be wrong, some nebulous Government will come and change it in ten years' time. We know that the British Government never approved of the nationalization of certain things but the Conservative Party now finds that it has reached such a stage that it is no longer economic to carry through their theories and principle when certain situations have been created, by a state of nationalization which obtained for some time.

The first and major principle, as far as I am concerned, which should make one stop and rethink is the apparent fact, it is not only apparent, it is actual that this Government is going back on well-enunciated principles.

11.15 a.m.

It was only a few weeks ago when debating the Budget that the then hon. Minister of Finance (Dr. Reid), responded to someone from the Opposition side who had shouted across at him. He said, "Nationalise? We have no need to nationalise. We will never nationalise." The Prime Minister has said in several contexts, at meetings with C.A.G.I., at meetings all over the place, that nationalisation is not the answer to our problem but meaningful participation where we will be able to get something out of our resources and not run the risk of making mistakes from which we may not be able to recover.

What is one of the first major disabilities in this? We have said and we are still saying that foreign investment is vital to this country. If that statement had been made and foreign investors were being attracted on this premise but were warned that naturalisation was possible after they had operated for a certain time, if they were told, "If we have a quarrel with you, and we do not like what you tell us, we may nationalise", then we might say that no harm has been done.

You cannot change important principles of your Government overnight, without exhausting every possible means of avoiding a shift in principles. With a shift in principles, people will turn around the next day and ask: what is the word of this Government worth, what is the word of the Prime Minister worth, what are these things that I have in writing worth? Absolutely nothing! Because when the time comes, the members of the Government will find reason to change it. Principles, as far as they are concerned, mean nothing at all.

The major Opposition, the People's Progressive Party, has never allowed anyone to have any doubt what its eventual aim is. It has always enunciated what was its direction.

That is, as far as I am concerned, the major single danger in the present intention of Government to nationalise DEMBA. Another factor that makes it also very important is this question of being able to be accused of discrimination. A special Motion enabled us to be here this morning and whatever levity we treat this with it is a matter of vital importance. It would mean either a life worth living or eked out for a long time by the people of this nation.

I would have felt that after these talks broke down with ALCAN, the Government, knowing how important it is to establish principles by which any Government must live, would have decided, "Okay, let us investigate." I would have hoped that the Government would realize that this is a national matter. It is a simple matter to bring the parties together, by creating a high-level committee to examine all the issues; then, not in a hurry, not by bringing an emergency meeting in 24 hours, but chew on it, examine all the factors which it may not have

thought worthwhile examining, and when it is felt satisfied with a plan for meaningful participation with DEMBA, the new company would have had the advantage of this expertise.

Now the Government knows that as a result of the breakdown of these talks, it is most unlikely and completely unrealistic to calculate that the expertise of DEMBA will still be at its disposal. As a matter of fact, if the Government were wise as it has every right to be, it would assume for the purposes of calculation that the expertise of DEMBA will not be at its disposal.

We know that the production of bauxite in Guyana the moment represents about 8 per cent of the world's total output. We also know that Guyana is the most important producer of calcined bauxite in the world today. We also know that several areas of bauxite ore have come under consideration over the last few years. If they start to produce, this must affect Guyana's position in the world bauxite picture. Guyana was the largest producer in the world during and before the War. Surinam has come into the picture, Jamaica, Australia and Guinea have all come into the picture.

I think what is very significant, we have been told that bauxite lands have been located by ALCAN in Brazil just next door to us. I am no geologist but the immediate conclusion one is tempted to arrive at, because it is alleged to be in territory that is contiguous to or has a similar geological formation to the area where Guyana bauxite is being produced, is that it may in a short time produce calcined bauxite in greater quantities than we produce now. ALCAN can do it if it wants to because it has the money and all the facilities.

All I am doing is sounding a note of warning. I started off by saying that no person with any sense of dignity can accept ALCAN's conditions and continue, but ALCAN is so clearly inviting the Government to walk over the bridge of nationalisation. Let us be careful that this is not a Grecian gift. Let us consider all the factors without any atmosphere of rush or pressure. Do we know all the factors involved in the world bauxite position? Two countries are alleged to have pledged their undivided support. Have we examined where these two countries stand in the

world bauxite position? Have we examined what is the position of total maintenance of the machinery at DEMBA of which we do not manufacture a nut or a bolt?

Finally, we are told – if what we have been told is wrong, it means that we must examine it – that our resources of bauxite at the present rate of extraction and/or the present expected improvement in the rate of extraction, would last us approximately 25 years, which, in the history of a country, is no time at all.

11.25 p.m.

Even though we nationalise, we are contemplating compensation to the tune of \$100 million. We are contemplating taking over this machinery. I feel that we should break off negotiations and start with a new atmosphere. Jamaica has forced them to finance completely the building of proper houses for the people. That country has also compelled them to fill the holes and start meaningful production by means of farms and other things. When this company is taken over, bearing this in mind, you should know that, although this company which has been operating for fifty years, has a written down value of \$50 million and it is quite possible that as far as the machinery is concerned, as far as several things are concerned, the actual value may have been gained several times over; and as far as the company is concerned it is a bundle of scrap iron and those who operate it will say to themselves that the sooner they get rid of it the better because in twenty-five years time where will their \$100 million be.

Is this something that you could guarantee will last until the end of time, throughout the life of Guyana, where the aspirations of young Guyanese could be built on the income that you are bound to generate from bauxite? We may see this; but it is a risky when one pushes so much of his resources into a business and that business goes, or something goes wrong. All of us here, I submit, are operating in an atmosphere of wishful thinking without a really proper deep assessment of what this nationalisation means.

We hope that these two countries that have pledged themselves – and I am going by what I heard the Prime Minister say – to take over 50 per cent of our bauxite, will in fact do so. We believe, because bauxite is still being produced in an atmosphere of a seller's market, that we will have no difficulty in marketing the other 50 per cent. All this is based on belief and really ambitious wishful thinking. We need a high level team of experts, which we can get, to research this matter properly and then recommend; they may recommend nationalization, but we will not be going into a situation based on hopeful and wishful thinking. We will know that after twenty-five years or "X" years our resources will be exhausted if they can be exhausted, or perhaps that is just a smoke-screen thrown into our faces to let DEMBA play down the importance of this matter.

All of us in this House are talking about what we think and what *we* hope. We know, because we are basically intelligent people, that experts have been refuted by experts. Sometimes you do not know where you are going when you get mixed up with these experts promulgating their expertise and you do not know which one of the experts is, in fact, expert. We all know of these problems, and I say, all this causes us to think. Let us be cautious; let us examine the whole situation. Do you mean to say that the people in Jamaica - let us not count Surinam because they still cannot make their own decisions - are the type of fools and we are so bright that only we can see the light of day? We are so brave that only we are prepared to put our necks on the line! That may prove to be so but let us have high level examination by experts and be certain, not think, of a line of direction that we may take. As a freely independent country we must take a meaningful line of operation which will not allow DEMA to push us around, and as the hon. Minister of Mines has said, they want to abrogate the powers of the Parliament. We must not tolerate that. But, again, do not let us push ourselves into nationalization so easily. Haven't you come to the conclusion that they are giving something up instead of giving you something to bargain for? They say, "Tek all".

Let us stop and think why this is so. Let them understand that we are going to operate

a little differently for a little foolish, emotional, undeveloped country. Let us show them that we have a hundred years education and have been looking on at their smart principles for a long time. Let us show them, that we will be able to copy some of those smart principles.

I want to warn this Government. This is not an issue for division or argument; this is an issue for total involvement. An investigation in depth should take place at a national level and not at party level where our decisions could be deemed to be divided. That is the situation in a nutshell.

If it proves that the Government's method of handling it, will serve the purpose – I do not like the method – that is a question of method because six or seven different people in different positions might attempt solutions to problems in six or seven different ways. The point is they recognize the problem for what it is; they recognize the factors for what they are and they recognise the factors and everybody will be convinced that they have done this after total examination. If a mistake is made they are really fighting factors which are too "big for them. Then every single person who calls himself a Guyanese is bound to be behind any Government which leaves no room for contradiction and no room for anyone to say it did not try its best before it departed from principles which it had enunciated so carefully.

When the members of the Government were told that nationalisation is the answer, what did they reply? Up to a few weeks ago they said, "Never. We will never nationalise!" Are you going to tell me that people who are capable of saying that cannot find means of letting DEMBA carry on, cannot squeeze them if they have to be squeezed, cannot get more out of them and then force them to fill up those holes? You are giving them an opportunity now to renege on their undertaking to provide a water system for the people of Linden, You give them an opportunity to run out of that, and leave it in your lap when there is a clear obligation under the social principle that are now becoming general in the world, that is, that employers cannot employ people in remote areas without providing housing for them, without providing proper facilities for living on a scale which will not be enslavement called by another word.

This Bill is bound to go through in another few days. It does not state whether the take over will be on Monday, Tuesday, Wednesday or Thursday. I implore the Government, even if it is for the saving of face, and we know the saving of face is always a very difficult thing, every possible angle should be investigated to see whether you are not getting the dirty end of the stick by taking over something when there are so many unknown and, at the moment, uninvestigated factors.

11.35 a.m.

We all read in history in our youth we all read the famous poem **The Charge of the Light Brigade**, where, almost to a man, a Brigade was eliminated and the bravery of the people of England was enshrined by the wiping out of all these people. Be careful! Our power and glory will not be enshrined by nationalization and we will get a deal which in time will increase the probability of starvation rather than improve our way of life. They have the ball in their hands now. Do not allow them to loose it easily. Let them loose it when the Government is satisfied the ball is really worth while taking over.

The Government can get advice. There can be an investigation at a proper level. The Government should know that a combination of ALCAN and ALCOA almost control the marketing of bauxite in the world. Guyana is no longer as important in the bauxite field as it was as recently as ten years ago. It has been said that the resources discovered in Australia are equal to all the other known resources in the world. The Prime Minister did say that Australia has not said it will not allow anybody in because it may take many years before it can acquire the expertise to develop and produce and refine its bauxite.

In view of these factors which have been clearly enunciated, we of the United Force cannot expose, at this time, the people to the dangers of this Bill by voting for the nationalization of the bauxite industry. One other thing. I should like the Government to take a true assessment of the situation that it is creating by not having meaningful talks with Reynolds Metals

Company, and then make a decision which may be common policy, because there may be a change of discrimination which I think can be avoided.

No matter what is thought, we in this section of the Opposition feel our duty is not performed unless, and could only be performed when analyse these things, and bring them to the attention of the Government. Then we will be able to support the Government, whatever it does, because the majority decision must be sovereign. We would not wish to find ourselves having to tell the Government, "Why didn't you do this? We warned you, we have had to support you." We will not do anything to harm the Government but this is a foolish decision at this time. Investigate it some more and then put DEMBA and ALCAN meaningfully in their place by a measure which would have the total consensus of the Guyanese people. Thank you.

Mr. R.D. Persaud: Mr. Speaker, there is a popular slogan, "It Is better to be late than never." The People's Progressive Party feels gratified that the People's National Government Congress Government has finally awakened to the reality that unless the Guyanese people control and command their natural resources, this country cannot make economic progress. Even the last speaker for the United Force admitted during the course of his contribution to this debate, that the direction of the People's Progressive Party has always been clear, as it is still clear today; as a matter of fact, it would be true to say that the phrase, "Control the commanding heights of the economy" has been coined by the hon. Leader of the Opposition. [**The Prime Minister:** "It was coined by the Labour Party."] That particular phrase has been popularised and brought home to the Guyanese people by the Leader of the People's Progressive Party.

This Bill makes provision for the Government of this country - whether it achieved office by fraud or otherwise, it is the Government - to take and control and command on behalf of the people of this country, the people's natural resources, and no honest and true Guyanese can be opposed to this, because what we are seeking to do this morning is to take what belongs to us, something that should have been taken away long ago, and so far as we on this side of the House

are concerned, we support the taking completely. We have got our reservations, and those reservations are based on facts and experience.

One must, in contributing to a debate such as this, point to some of our experiences and certain occurrences, but before I do that, let me say that foreigners, companies individuals, and probably governments too, have controlled and exploited our own resources for their benefit and suppressed the people of this country. Mr. Philip Reno came to this country and he wrote in his book on the history of this country, these words which I wish to quotes:

“When Arthur Vining Davis, long-time head of the Aluminum Company of America (Alcoa) died last year, he left behind \$400 million. Of this, \$1 million went to his secretary, about \$100 million to the United States in taxes, and \$300 million to two Arthur Vining Davis foundations. Income of the foundations - more than \$13 million a year if the principal were simply banked - is to be used 'for such charitable, scientific, literary and educational purposes within the United States and its possessions as the trustees shall see fit.' A princely legacy, bequeathed to uses of broadest latitude.”

When one looks at these historical researches one is forced to agree that nationalisation is the correct thing. Mr. Davis was one of those associated with ALCAN; he was one of those who were able to build up their treasures from the natural resources of countries, save and except their own. That is why he was able to build up this own of \$400 million. It was distributed and one can imagine how small the taxes were too, because of the fact that in those days Governments were obliged to carry out what was dictated and directed to them. I am not saying that the Government in does not do this today in our country or in other countries.

Mr. Philip Reno further writes in this book, and I quote again:

"From 1938 to 1959 the general U.S. price level rose by 138%. During the years the price of bauxite produced in U.S. doubled. Yet the price of bauxite imported from Surinam and British Guiana as it then was remained almost the same in 1959 as it had been in 1938. That the companies were holding the price of imported bauxite at a dead level did not prevent them from raising the price of aluminium which went up by between 1948 and 1949."

What in fact Mr. Reno is saying is true. They were able to get more bauxite; they were able to increase the price for aluminium. I see it in this light: Here we want foreign control of our economy, and bauxite being exploited from our country is taken abroad and used to the advantage of persons who do not belong to this country and who have got absolutely no right in this country; and we are called upon thereafter, particularly during the War and even after the War, to pay high prices for almost every conceivable product that we can think about.

In view of the facts I have enunciated this morning, which are true, one is forced to state very boldly that we have got a right - as I said earlier this right existed even before - to take control of our bauxite resources. We must say that the time has come for the Government to stop double talking. We have made no bones about our support. We are not going to behave like the P.N.C. and say "Independence under Burnham, Yes; but under Jagan, No." We are not going to make the statement that "I am going to reserve a seat in the plane for you, Dr. Jagan, so that we can go and demand independence for the country", and when the time comes Dr. Jagan is not accompanied. The result of that visit finally culminated, in the change of our electoral system which is responsible for the Prime Minister sitting there as head of the Government. We are not going to do anything that can be considered retrograde or back stepping, but we will do things that we consider progressive in the interest of this country and the people.

Previous speakers referred to statements made by Government Members including the hon. Prime Minister, the hon. Deputy Prime Minister and my good friend, the hon. Member Mr. Robert Jordan, during the course of the Budget debate. The Government was convinced that nationalisation was not the right thing. It is like the question of taking aid from foreign countries. The Peoples Progressive Party advocated for years that this country cannot make economic strides and cannot develop if we to develop it from loans from foreign, countries because we are going to be called upon to pay such high interest rates that we are going to be indebted more and more instead of making economic progress. It is true that the Government has been stumped, to use cricket language as we are moving in to that season now. It has been stumped, with the

slogan "meaningful participation" and the Government is forced this morning to come before the House and do exactly what the Peoples Progressive Party was telling it all along, that is, to nationalise the bauxite industry.

I do not want to bother too much as to whether the Government was right or wrong in its negotiations. But my opinion is that the Government from the outset - and I want the Prime Minister to tell me that I am wrong because I want to be wrong - did not really want any meaningful participation in DEMBA's concern. There was a particular paragraph in the Caribbean Business News of January, 1971 which made the same point that both sides, Government and DEMBA, did not approach the issue properly. It states that ALCAN was described as adamant or unreasonable and the Government in words to that effect. But this can be answered by my earlier suggestion that the Government really did not want meaningful participation. What is our fear? Our fear is that the Government is nationalizing from one and it intends to hand to the other. We are opposed to this. [*Interruption by the Prime Minister*] I am glad that the Prime Minister is going to correct this.

Mr. Speaker, why do we say this? Let the British Guiana Electricity Company as it was then, be an example. When the C.D.C. was brought in to be involved in the management which resulted in higher rates *for* electricity the PPP did not hesitate to criticise the Government for that. What we are saying is that we do not want any of that even for a short period. If we are nationalising, let the concern be run and operated by the Guyanese people themselves.

11.55 p.m.

Not only the Guyana Electricity Corporation but let us take the Rice Marketing Board. Again, I do not want to go into Hansard but the hon. Prime Minister in a speech to Parliament had said that he had absolutely no right to deprive the farmers of their right to be in the administration and management of the Rice Marketing Board and he would be the last to do

anything to displace the Rice the Rice Producers' Association. But while these were statements and pronouncements, in the period of time we saw that the Government did not live up to these pronouncements.

The Government is guilty of bringing into this country, the Connell people to sell our rice, and what is shameful is that they did not only handle the marketing of our rice but they were allowed to take rice planted in this country, put it into their own bags and ship it abroad as if they were the producers of the rice of this country. We do not want a situation like this and that is why we seize this opportunity on this historical occasion to make these points so that the Prime Minister can tell us this morning that he will not allow this to happen again.

Of course, the Government has to make certain other positive corrections and changes if it really wants to appear to be revolutionary and acting in the interest of the people. With the People's National Congress Government coming into office, we saw Reynolds Metals Company being granted a lease for 75 years. I call upon the Government to correct this scandalous act and to let the Guyanese people be the owners and possessors of their land. And as the people shouted – so one speaker said – when the hon. Prime Minister was making his speech about the nationalization of bauxite, that “the Prime Minister is giving back the land and resources to the people”, I call upon the Prime Minister “to give back our land which he has given to Reynolds Metals Company for 75 years.” Further, look at the concessions, a quarter million acres of land, a 75 years' lease and taxation freeze for 25 years.

Most of these big deals are secret and even members of Parliament are not brought up to date on these issues. I remember that when that deal was entered into by the Government, the Government had the obligation of dredging the Berbice River. My fear is, that the Government might tell Reynolds Metals Company, “We have an agreement with you to dredge the Berbice River. We have not been able to live up to that obligation, but since the facilities for rail can be extended between Mackenzie and Reynolds metals Company, let there be some understanding so

far as the marketing of our bauxite is concerned so that the bauxite can be transported from Reynolds Metals Company to Mackenzie, and then we use the Demerara River.”

It appears attractive. If there is such an arrangement, to use the Demerara River in transporting the bauxite to wherever it is supposed to go, it is good so long as the cost is cheap, but then I make this point. Let the Guyanese people be involved both in DEMBA and Reynolds Metals Company, and let it not be Reynolds at all.

I hope the Prime Minister has the support of his own party, because I know he has the support of his supporters so far as nationalization is concerned and he can be assured of the support of the People's Progressive Party for the complete nationalization of Reynolds Metals Company. The Government must not allow itself to be charged with discrimination in this issue. Why is the Government seizing from the Canadians and allowing the Americans to go free? The Americans are pretty silent on this issue, not like in the Chile issue where the American Government issued a statement that "we are going to withhold all future aid and assistance to Chile."

What happens in this situation is that the Americans are able to manoeuvre themselves. When Mosaddegh came to power and he nationalised the Anglo-Iranian Oil Company sometime in 1951 - 1952, we saw that efforts were made successfully by the Americans and the C.I.A. to overthrow him in 1953. What was the result? Prior to Mosaddegh's overthrow, the Anglo-Iranian Oil Company was controlled wholly by the British, but with this overthrow, we saw that the United States was able to get for itself out of it, 40 per cent of the shares, leaving 60 per cent with the British. The Americans had absolutely nothing, but as a result of their involvement in all these big deals and arrangements and overthrow - as they have been involved in Guyana - they have been able to get their full pound of flesh. But we do not want any foreigners, be they Canadians or otherwise, to cheat us of our natural resources, so we must not allow the Americans to do so by any arrangement, manoeuvre, or otherwise. I wish to

quote a statement which was put in a confidential report by Nelson Rockefeller to President Eisenhower. This is what he said:

"We should not ignore the vital fact that virtually all our natural rubber, manganese, chromium and tin, as well as substantial proportions of our zinc, copper and oil and a third or more of the lead and aluminium we need come from abroad, and, furthermore, that it is chiefly drawn from the underdeveloped areas of Africa and Asia, which are in the orbit of one or other military alliances built by the U.S. This is also true of a major part of our superstrategic material (uranium ore particularly).

The most significant example in practice of what I mean, was the Iranian experiment with which, as you will remember, I was directly concerned. By the use of economic aid we succeeded in getting access to Iranian oil and we are now well established in the economy of that country. The strengthening of our economic position in Iran has enable us to acquire control over her entire foreign policy and in particular to make her join the Baghdad pact. At the present time the Shah would not dare even to make any changes in his Cabinet without consulting our Ambassador."

Mr. Speaker: Would the hon. Member consider this a convenient time to take the suspension?

Mr. R.D. Persaud: Yes, sir.

Sitting suspended at 12.05 p.m.

12.50 p.m.

On resumption –

Mr. Speaker: The hon. Member Mr. Persaud.

Mr. R.D. Persaud: Mr. Speaker, when the Suspension was taken, I had just cited a Report written by Nelson Rockefeller to show that when the Americans are involved in any deal or arrangement they control not only the economic life of the country in which they are involved, but they go to the extent to say that those who are in command of those countries cannot even act without consulting their Ambassador. It is for this reason that the Opposition has fears about what will happen after the passage of this Bill.

I had indicated that there was a paragraph or two which should be cited from the *Caribbean Business News of January 1971*. Permit me to read these very brief paragraphs. After referring to the bauxite talks between the Government and the Demerara Bauxite Company, the Paper states:

"For instead of sitting down to talk in a spirit of mutual accord as could and should happen the men from Montreal were angry and the men from Georgetown were adamant, The lines of battle had been hard drawn before either side fired an opening shot. Yet it is hard to see why this should happen."

This paper goes on to say why this should not happen at all. This is the part:

"Guyana wants 'a meaningful participation' in the half-century-old operations of DEMBA. That sounds very reasonable. And ALCAN, Aluminium of Montreal - parent of DEMBA- has found no difficulty in working in harness with governments or private enterprise in many countries in the world."

Indeed, ALCAN's President, Mr. Nathanael Davis, boasted at the Canadian Senate's hearings on Canada-Caribbean relations – C.B.N., July, August, September and December, 1970 – that ALCAN and its subsidiaries have bauxite holdings in eight countries, smelt aluminium in nine, fabricate aluminium in 33 and have sales outlets in over 100.

"The Company is in a joint venture with other bauxite procedures in Australia; has a 27 per cent interest in new bauxite areas in Guinea; holds only 40 per cent of the operations in India; is in a minority situation in *New Zealand*; has partners in its Norwegian activities; and is in a 50-50 per cent deal in its activities in Japan.

So on the face of it, there should have been little difficulty in negotiating in Guyana.”

This *Caribbean Business News* is making the point that there should have been absolutely no difficulties, no problems, so far as the Government proposals were concerned for meaningful participation of the bauxite industry. ALCAN has been involved in many countries, as I have cited, and it is for this reason we feel that there is much more than what we are hearing. The Government should make its position abundantly clear. It should not to deal with it in any ambivalent way, but in a clear cut way, in straight language, so that all Guyanese can understand clearly what will be the result of the passage of this Bill.

If we are to consider very deeply the Report that I cited earlier we will see that the Americans will move to control the economic life of the country. The Americans will move to control the Government as it has done in Iran. They were involved in the overthrow of Mosaddegh; they assisted Iran, and they did so because the Mosaddegh Government had nationalised the Anglo-Iranian Oil Company. Shortly after, in 1953, he was overthrown and the Americans who had absolutely nothing at all in this company were able to get 40 per cent control leaving the British with 60 per cent.

I need not reiterate the fact that the Americans were deeply involved in the political and economic life of this country. It is a known fact, every Guyanese knows to what extent the Americans have been involved in the political life of this country. So one wonders, if out of all the involvement, all the C.I.A. operations and manoeuvres in this country, we are going to be faced with a situation where the Government will nationalize DEMBA and hand it over to Reynolds Metal Company. We want the Government to give us the assurance that this will not happen.

If that happens it means that the foreign policy of this country will be controlled, dictated and directed by the Americans. We want to be assured in clear language by the hon. Prime Minister during the course of the debate that while we are moving somewhat progressively at

the moment by seeking to control our natural resources we must not put ourselves in the position where this country will be dictated by America or any other foreign agency.

Mr. Speaker, may I say finally that we would like DEMBA when it is taken over to operate fairly so that all those who are already employed by DEMBA and all those who wish to seek employment in the future, will be treated fairly keeping justice in mind, and there will be absolutely no discrimination. It is our hope that the nation will be involved and that DEMBA will not become another party institution, but in fact, an institution belonging, managed and operated by the people of this country.

I am glad that the People's National Congress has finally come to the realisation and is convinced, that the People's Progressive Party's economic policy was right and they are moving not as we would like them to move, but at least there is some turn towards an economic policy that will put Guyana economically in a better position which will bring a better living a happier life, for all the people of this country.

[Applause]

1 p.m.

Mr. Chandisingh: Mr. Speaker, I should like in my contribution to this debate, to restrict myself to two aspects in this whole matter involving the Government's declared intention to nationalise the Demerara Bauxite Company. But I should make the observation at the outset, that it seems quite clear that this Government has found itself in a very contradictory position. It has found itself in the position where various pressures have been brought to bear from various sources, from many of the people, not least of all from the PPP which has been agitating for such moves for some time now. We must not forget, also, those progressive forward-looking intellectuals, who have now come around to accepting many of the positions

that the PPP has been advocating all along. We must not forget also, that within the ranks of the government party, undoubtedly, there are rising pressures for a move away from the stranglehold of imperialist domination of our country.

In this situation, while we support this move that is being made, generally, even though in our opinion it is a limited move, we must at the same time warn against several of the dangers involved in this policy of reformism which the Government appears to be embarked upon. We must also warn against the dangers of state capitalism. We must warn against the dangers of not moving fully on the path of economic emancipation of our country.

The first point I should like to touch on is that involving the question of workers' control and participation in the nationalised industry. Before doing so, I must preface my remarks on the question of nationalisation itself. What does it mean? We are all aware, at least those of us who have been following what has been taking place in the world, that nationalisation on its own does not mean a step in the direction of socialism. It does not necessarily mean, as some would have it, the first stage of socialism.

We have seen that there were Governments in the past, which were by no means socialist-minded, which have nationalised industries. We need only refer to the fact that the capitalists themselves have been nationalising in certain conditions. Also reformist leaderships, pseudo socialists, have also been carrying out nationalisation. May we refer to the classic example of the British Labour Government, which nationalised certain industries, electricity, coal, transport, but even if we turn to the United States, the arch imperialist capitalist country in the world today, we will see that a substantial proportion of that country's production also comes from state-owned and state-controlled industries. We must be clear in our minds, first of all, that nationalisation as such by a government, or particularly nationalisation of one or two itself, sectors of the economy in does not mean that socialism is around the corner. This is a very vital fact that the Guyanese working class must be aware of.

In relation to the question of capitalist and reformist-type nationalization, we are also aware that in certain cases where the capitalist themselves have been finding it unprofitable to run industries, they have had governments take over and as a result of such takeovers, the capitalist class themselves as a whole have benefited. We see, for example, in the United Kingdom, where, as I mentioned before, certain industries were nationalised, but this nationalisation was used as a means of taking over certain derelict industries such as coal, and others which might have been profitable, such as electricity, and running them in the interest of private industries, not so much for the benefit of the people but for the benefit of the capitalist-owned sector of the economy, which is the largest sector of the economy in such a country.

Prices have also been kept low in such industries in order to provide cheap services and materials for the major capitalist sector. Thus, we know that nationalisation in such conditions, far from being a move towards socialism as such, far from even benefiting the people as a whole, can be a move in the interest of the capitalist class as a whole. I have referred already to the fact that such industries nationalised and operated in a capitalist way, state capitalism as we call it, can deliberately keep prices low in order to help increase the profits of the private sector.

I should like to refer to the electricity supply industry which was nationalised in Britain, and if one looks at the prices for its services one will note that, taking the year 1960, the prices of the nationalised electricity industry rose a little over 40 per cent over the pre-war prices, whereas the increase in general prices was something like 172 per cent over the same period. Food went up by 182 per cent, drink and tobacco by 224 per cent, and consumer durable goods went up by 179 per cent, and as I pointed out, the nationalised industry's product was kept deliberately low in price in order to further the interest of the capitalist private sector.

Mr. Speaker, coming more directly to this question of workers control, I again want to draw attention to the fact that the capitalist type of nationalisation is done in such a way that the former directors of the former private companies who were taken over have been brought in and given controlling positions on the boards of these nationalised industries. We wish, at this stage, to sound a note of warning against similar practices developing or taking place in relation to the proposed nationalisation of the Demerara Bauxite Company.

If I may refer again to some of these figures for United Kingdom for the same year 1960, of the total number of members on the boards of the principal nationalised industries, we see the total number of members of such Boards being 272. Of this number, company directors comprise 106 members; regular army officers, 5; central and local government officers, 15; labour, co-operative and trade union representatives 47; technical or professional, 71; land owners and farmers, 9; universities and voluntary organisations, 19. In such a case we can see that the whole attitude has been that the former directors and principal shareholders or technical experts etc. should be brought back into the nationalised boards which have the function of running the nationalised industry. We use these figures not because we are saying that the Government intends to do this here, but in order to move really in the direction of socialism, in order to have genuine socialist nationalisation, more than simple nationalisation is required.

We on this side of the house would like to warn against bureaucratic running of the nationalised industry. We feel that in order to give the workers an opportunity to learn to manage the affairs of the State and the economic affairs of the country – which is what happens in a real socialist society where the working people are the owners of the natural resources and productive property in the country – we feel it is necessary for the workers themselves to be brought into management at all levels of our nationalized industry. In saying this, we are not referring merely to having a member of the TUC alone sitting on a Board or whatever arrangement has been made by *the* Government for management of the industry. This may be so, certainly. But we have in mind a more deep-going process by which the workers will participate. They must not just participate superficially, but they must actually participate and have genuine control at all levels

of production, including policies and everything else associated with the industry, together, of course, with the vital questions such as formulation of wages policies, working conditions and so on. In relation to this I should like to say that such workers control as we have in mind would be also an effective means of curbing bureaucratic management such as I have referred to already in the state-capitalist type of nationalised industry. Workers' control in this way can be a means of getting rid of corruption and ensuring real democracy in the running of our nationalised enterprise.

Some people may claim that socialism can perhaps come about without such far-going and deep-going workers control. Let me give an illustration of what we mean when we speak of workers' control and participation. Let me use as illustration one or two examples of how workers in a socialist country really function and operate. I shall take for *my* purpose the leading socialist country today, namely, the Soviet Union. This is not to say that other countries do not have variants of such a system, but I am taking this one as my example. There are several variants but the main basis is genuine workers control. Let us talk about trade union rights. I have here a copy of **Fundamental Legislation of the Union of Soviet Socialist Republics**. In other words this is the Labour code of a socialist country. I think it would be instructive for our workers and trade union leaders to study such a code to see ways and means by which they can play a more meaningful part in the running of Guyanese society. In article 96, "Trade Union Rights", what do we find? I quote:

"Trade unions represent the interests of the factory workers and office employees in the field of production, labour, welfare and culture.

Trade unions participate in the drawing up and realisation of state economic development plans, in the solution of questions bearing on the distribution and utilization of the material and financial resources; they enlist the factory workers and office employees in the management of production; they organize socialist emulation, mass technical development, efforts to help to strengthen production and labour discipline.

The establishment of working conditions, the fixing of wages and salaries, the application of labour legislation, and the utilization of public consumption funds in cases specified by USSR and Union Republics legislation and by the decisions of the USSR

Council of Ministers and Union Republics Councils of Ministers are the functions of the enterprises, institutions and organisations and their superior bodies which are performed jointly with the trade unions or in agreement with them.

The trade unions exercise supervision and control over the observance of labour legislation and labour protection regulations; they also exercise control over the housing and welfare services rendered to the factory workers and office employees.

The trade unions manage state social insurance, run the sanatoria, health protection establishments and rest homes under their jurisdiction, and cultural and educational tourist and sports institutions,

The trade unions as represented by the All-Union Central Trade Union Council enjoy the right of legislation initiative.”

One can further expand to explain that in a socialist country, like the Soviet Union, the trade unions themselves administer, handle and disburse the funds of the State social security, like pensions and such things. They are also responsible for housing construction and the allocation of housing. They also control and are responsible for cultural facilities - sports stadiums, workers rest homes to enable workers to have restful conditions to restore their health, to have a holiday and to enable workers to have cheap tickets and accommodation at these institutions. One could go on dealing with the way in which the workers themselves control production and distribution in the socialist countries.

1.20 p.m.

I may also refer to what is called the public consumption fund. A large part of this fund, which services all the free things that people receive such as education, health, and so on, is set aside for the direct utilisation of the trade unions. The nationalised enterprises in socialist countries set aside their profits, part of which goes directly to the State, part of it is used for expanded reproduction, the creation of new industries to provide more development and employment, and so on, and part of it is set aside for the utilisation of the workers in the enterprise, to provide incentives, social amenities, cultural facilities and so on. These are some

of the ways, I think, in which our trade unionists and the workers in this country should be brought in to operate our nationalised industries.

In this same connection, we know that the Government has been suggesting from time to time that it is necessary to bring in legislation to restrict the strikes that are taking place in Guyana. A proposal for workers' control under genuine socialism is what is needed, not artificial measures to prevent strikes. Some people say: in the socialist countries the workers do not have the right to strike. This is not true. The workers have the right to strike. There is nothing in the constitution to prevent them from striking, but we have to understand that the working people are themselves the masters of all the productive property. The working people are the masters of the land and they themselves make arrangements whereby they would be able to solve their problems without having recourse to strikes.

In capitalist countries, no amount of anti-strike legislation can prevent strikes, as we have seen in Trinidad and elsewhere because in such a situation you have the exploiters ranged against the exploited; you must expect to have the class struggle taking place, the strike being one of the means of the class struggle.

In socialist societies, however, the workers are the masters, the owners, and they make the rules. We do not expect the masters to make rules against their own interests. But even so, you may find a manager, who may himself have been promoted from the ranks, but having the same interest, having the same goals as the workers in a particular enterprise yet you may find there may be contradictions. The Manager may not fulfil to the letter the conditions of the collective labour agreement and the workers through their trade unions are there to see that such managers honour those agreements in their mutual interest, in the interest of their society.

May I refer to two other articles from this Fundamental Legislation on Labour in the Soviet Union? I refer to Article 18: "Annulment of a Labour Agreement on the Initiative of

the Administration is prohibited Unless the Factory, Works or Local Branch Trade Union Committee Gives Its Consent.”

This is saying in other words that the administration of the factory cannot dismiss a worker without the consent of the trade union committee operating in that plant. It says:

"The administration of an enterprise, institution or organisation cannot annul a labour agreement on its own initiative without the consent of the factory, works or local branch trade union committee (this consent has to be secured in advance) ...

Annulment of a labour agreement in violation of the terms of the first part of the present Article is against the law. An employee thus discharged will be reinstated in the job he has held theretofore."

There is another interesting article which I would like to quote.

"On demand of a trade union body (from district body upward) the administration will be obliged to cancel a labour agreement with an executive or so relieve him of his post, if he has violated labour legislation, if he fails to carry out the obligations under the collective agreement and if he resorts to bureaucratic methods and red tape.

The executive concerned or the administration can file a complaint about the demand of the trade union body concerned, which will be forwarded to a higher trade union body whose decision will be final."

So it is quite clear that the trade unions have the right to dismiss an executive, a manager, who fails to carry out the agreement, and the decision of the union is final.

Finally, in cases involving labour disputes between a worker and the management of a factory bearing in mind they are all working for the same cause, they may even be members of the same party - there is a joint committee of equal members between the management and the trade union committee at the factory, and if there can be no agreement between them, well then, the trade union committee decides the issue. It is the arbiter at that stage. It is only if the

administration wishes to claim that there has been a violation of the law then it can appeal to a people's court where a decision will be given.

We see how much power the working people themselves have an wield in a really socialist society, and that is why we would like to press for real workers' control to be instituted, more powers for our workers particularly in our nationalised industry, the industry which will act as a catalyst in the forward movement of the working class towards genuine socialism in Guyana. We do not want such nationalisation to take place and the net result is that the workers themselves will say that nationalisation is no good, like some people are saying. The enemies of socialism have the habit of using the examples of state capitalism and its malfunctions In order to throw aspersions on genuine socialism. And we on this side have always maintained that we are for genuine economic emancipation and socialism in Guyana. We urge this should be done. This is what we advocate.

I should like to suggest that if this Government really intends to build socialism in Guyana, and we must confess we have many reservations from what we have seen, nevertheless, if the Government really wants to build socialism and to institute workers' control as I have suggested, I would urge that every effort should be made to encourage workers' delegations to go to countries like the Soviet Union and other socialist countries, in order to see for themselves how nationalised enterprises really work in those countries. Let them see for themselves how socialist industry operates, what are the various social and cultural provisions, what benefits the workers derive, what they control, and how they control.

Let them see real socialism and its possibilities. Encourage the Mine Workers' Union, which is the main workers' union there, for example, and the TUC, and not only officials, but also general rank and file members elected by their comrades. Let them make contacts with their counterparts, workers' unions in socialist countries, and have them pay visits and see for themselves.

We feel that this should be the policy if the Government wants to do real something real about this. But you cannot do what this Government has been doing - it recognises the Soviet Union, establishes diplomatic relations but tells the Russians that they must stay far away.

In order to do all these things which I have been suggesting you will need to develop closer contacts and relationships with countries, like the Soviet Union, Cuba and other socialist countries. You have to get closer to them and then you will be able to carry out such mutually beneficial exchanges - delegations and other forms of assistance which a genuinely anti-imperialist government will need if it is to fight imperialism effectively.

I should like to turn now to the second and final point that I wish to make in contribution to this debate, that is, the whole question of democracy in the fight against imperialism. We have seen from past experience, and this experience has not changed by any iota, that the Government wants us to believe that it is moving against imperialism, that it has taken over Demba. It wants to give us the impression that this is the first stage, this is the clever way of going about things. As my colleague, the hon. Member Mr. R.B. Persaud has pointed out, the attitude of the United States Government is a very important criterion in measuring the degree or the extent to which a government is confronting imperialism. He has referred to the case of Chile only recently where the United States Senate Sub-Committee has stated that it would suspend aid to Chile until the situation is clarified or something to that effect.

We know, too, of other cases where the United States Government, which is keeping back the development of all progressive movements whether it be against racism, whether it be for socialism, for peace or what have you, this arch-imperialist enemy of mankind has always been moving against anyone who attempts to take a little bit from them. They move against you for doing much less than what seems to be attempted in this country today. Is it any wonder that many of us must have our reservations or grave suspicions of what really is going on, what really is the move that this Government is contemplating?

Another point which is vital in this question is the attitude of the Government towards the strongest, most potent anti-imperialist force in Guyana, that is, the People's Progressive Party. I say strongest on two counts: First, on the basis of ideological orientation, the People's Progressive Party is the staunchest force in Guyana which is committed to the struggle for genuine socialism and against imperialism. Secondly, the P.P.P. has the support of the majority of people of Guyana, however, you may twist and turn it. On these points it is most surprising, is it not, that a Government which is really moving against the imperialists, if it has an iota of intelligence - and I do not doubt that this Government has more than an iota of intelligence - will not realise that it is necessary to develop the broadest democratic front of struggle against imperialism.

But what is happening today? The Government is moving all the time against the P.P.P. and its supporters. One would believe that the P.P.P. and its supporters are the biggest enemies of progress in Guyana. Our party has always pointed out that the biggest enemy of the Guyanese people is imperialism. All the puppets of imperialism that do the work of imperialism must also be criticised.

If this Government is really fighting against imperialism, why is it attacking the P.P.P. and its supporters? Why is the Government carrying out harassment against P.P.P. supporters? Why is it using the Police and Security to make it appear as if the P.P.P. is subversive? What do we mean by subversive elements? What does the P.P.P. stand for? I reiterate: The P.P.P. stands for genuine socialism, for economic emancipation, for the better way of life for all the Guyanese people - regardless of race, religion and so on. If this is subversive, well then, the P.P.P. stands convicted.

But in our opinion the overwhelming majority of the Guyanese people will rally to the cause that we have been advocating. It is for this reason we say that if the Government really intends to move in this direction, it must change its policy and do that quickly. The time is ripe for this. Let not the Government leaders, including the Prime Minister, believe that they can get away with little tricky moves here and there. Remember that the imperialist also are

not fools. Remember what has happened to others who have tried to play it in the middle; they have been deposed by imperialism. We call on the Government to express its genuine regard in anti-imperialism and socialism by making the first step and that is, securing a democratic front of struggle, removing all these petty restrictions on the vanguard force of socialism in Guyana - in line of passports to travel, hounding down, arresting P.P.P. supporters, raiding their homes, taking away magazines and things which are not even banned but which give the impression to people that these things are dangerous somehow or subversive.

1.40 p.m.

A lot more is being done. For example, we had it from one hon. Member who, at that time, was a Minister of the Government, making bold statements such as, "As long as I am Minister, we will not deal with the R.P.A, because the R.P.A. is an arm of the P.P.P., we will not deal with the Cane Farmers' Association, and so on. Is it because leading members of associations of famers happen to be members of the P.P.P. that you are going to take such a caustic attitude against the organisation? This is another reason, as I said before, why we are justified in having such suspicions about the Government's real intentions.

If we take the case of Egypt and the late President Nasser, we find a situation where they, being genuine, ardent, nationalists, even though not socialists or Marxists, moved to make Egypt economically independent, to develop, to industrialise Egypt, and once Nasser did this, he found who were his true friends and who were his real enemies.

At first, he was attacking the left forces of the country, but then he realised that in the time of crisis as in the 1967 Israeli attack, an imperialist-backed attack on Egypt, these left forces were most solidly behind his attempts for social progress in that country. But Nasser, one can say, was a genuine Egyptian patriot. He may not have been at the beginning entirely aware of all these things, but he learned rapidly. Can one say the same, sir, in the case of this Government?

As I have said already, in our opinion it is quite clear that, this Government is making no real move against imperialism. It is pussy-footing a bit, shamming a bit. It has been pushed into a position with all the pressures, and it has taken this position. And though we welcome this limited move, we must also watch and warn of the dangers.

In conclusion, I wish to say that this policy of harassing the People's Progressive Party and preventing democratic functioning within the country, even in the Parliament, must cease. The people will demand it. The people are getting wiser today and they will demand that such changes be made in order to bring about a genuine struggle against imperialism. This policy of attacking the democratic forces in Guyana - whom does it help? It helps the imperialists, not the people of Guyana. *So* we throw this out as a challenge to the Government to prove the genuineness or otherwise of its claim. In any event, the voice of the people will be heard more and more as time goes on. *[Applause]*

Mr. M.F. Singh: Mr. Speaker, let me state at the outset, the stand of the United Force. We have always been opposed to nationalisation as a general principle. Unlike the P.N.C., which says different things at different times, we have been consistent in our stand on this matter. However, it is clear that with the support of the P.P.P., the Government will have a majority today, so that despite our opposition, the Bill before the House will become law and, therefore, we hasten to assure the House and the Government that in these circumstances, after we have registered our objection to this Bill and it becomes law, they can expect the full co-operation and support of every member of the United Force in the interest of Guyana in order to make the new bauxite enterprise a success.

As my colleague, the hon. Member Mrs. DaSilva said, we made a similar statement in respect of the changeover to the Republic, and we repeat it now. In the same way that we kept that promise, we will keep our promise in this respect also. We may criticise what the Government does. We may criticise the things which we consider wrong, but we will certainly never do anything to obstruct the Government.

Today, though we are in the minority, we maintain our democratic right to give the reasons why we oppose this Bill, We make two clear points. We agree that Guyana should get more out of the bauxite industry. Definitely and positively so! Point number two. We agree that it does appear – *[Interruption]*

Mr. Speaker: Will hon. Members please permit the hon. Member Mr. Feilden Singh to continue?

Mr. M.F. Singh: We agree it is clear from the hon. Prime Minister's speech that DEMBA's counter-proposals were unreasonable, but we do not agree that it is in the interest of the Guyanese nation to nationalize the industry. We do not agree that the national interest would be best served by the extreme step of nationalisation. Particularly, we object to this Bill because it attempts to change the Constitution in a material respect, to change fundamental rights. The Bill attempts to change the provision as regards protection from deprivation of property as embodied in article 8 of the Constitution, a provision which is heavily entrenched by article 72 of the Constitution.

1.50 p.m.

But more about this later.

To get back to nationalisation. My party feels that there were alternative ways and means of dealing with DEMBA, ways and means *such as* taxation - legislation to increase taxation, legislation to provide such things as community services, She hon. Prime Minister has talked for example, about the use of cassava starch as a flocculent. Surely the E.T.B. can prohibit the importation of flour as a flocculent; it can prohibit the importation of caustic soda to be used by DEMBA and things of that nature. We have got *the* legal brains in *this* country *who* could have *thought about* ways and means DEMBA could have been dealt with instead of nationalisation and the inherent risks in nationalisation for the Guyanese people.

My party has not seen any evidence of the great benefits which we are told will accrue from the nationalisation of bauxite. The statement as regards markets is indeed very vague, and the statement as regards the necessary personnel and expertise; nothing at all has been assured.

The Prime Minister talks about sacrifice and he talks of the obtaining of working capital needed to run the industry. He talks about it in the "vein" of putting a strain upon the national resources of our country. Is this another way of saying that in order to keep the wheels of the industry turning we are going to put the economy of this country, and indeed the country itself, on the verge of bankruptcy? Is it that that we are being told?

If I may be allowed to ask another question if, for example, there is a long break in sales, as indeed seems likely at the present moment, what would be the position as regards wages for the workers at Mackenzie? Will the wages be assured by increased burdens on the entire population of this country? Or will it be by such questionable means of financing as what was told to me by a good friend of mine in the P.N.C. He said to me, "Man, we have a lot of money in the N.I.S." Is it the intention to use that kind of means – the poor man's money – the cents which have been saved at great cost for the small man? Is it that kind of financing that it is intended to use? I sincerely hope that that is not what will happen. And let me ask another question. We talked about our good relations with Canada and the friendly Canadian Government. Has the Government tried to get the good influence of the friendly Canadian Government to bear on her citizen ALCAN in order to arrive at a solution? Was this done at all? If it was done tell us about it so that we will be in the picture.

I submit that in this case emotion has been allowed to overrule reason. Pure emotionalism. If the country's financial benefit could have been assured, as I suggested, in the various ways and means which our legal brains could have thought of, why then was the present structure disrupted? Why then was it necessary to go to the absolute steps of nationalising? If it was not for economic reasons surely it must have been for ideological or emotional reasons. Or

is it because the P.N.C. Government wants to control a big employer of labour, so it takes over DEMBA so that it could have more avenues in which to channel party favours?

Let me ask another question. Let them tell us what enterprises the Government is running which are being run properly? Surely not Global-Agri. I heard one hon. member saying "Congress Place", maybe this is so in respect of the allocation of jobs. But what about the present governmental undertakings? We hear about all the investigations of fraud, and we read in the newspapers of the activities of the fraud squad. Is not this cause for alarm? Only recently all the topbrass of the Guyana Electricity Corporation were kicked out -completely replaced.

We read recently that there has been an actual change at Guyana Marketing Corporation against one of the employees of fraud. Is this the kind of climate which would give people confidence in the Government's taking over of such a big enterprise as DEMBA? I think this is very important: Could the Government not have waited and had its talks with Reynolds before it went into the ultimate step of nationalizing DEMBA? Could it not have had talks with Reynolds, see what was the position there and then make one move as regards what it is really doing? This is piecemeal action with an attempt to adulterate the Constitution. Could this Government not have looked at the overall picture instead of doing what it did? The Government has been able to get away with this only because of emotionalism. That is the only reason and that is why it is so precipitate in rushing these Bills through Parliament.

The hon. Member Mr. Cheeks spoke of another area. One does not even know whether Government has given it its full attention. I understand that transportation is a special problem in respect of bauxite coming down from Mackenzie. There are special shallow-draft vessels built for transporting bauxite. That is why I understand transport charges are so high, the ships have to cross the bar, the shallow Demerara River. Has the Government looked at that? Are the present vessels available to the Government? If they are not, are alternative vessels available? I understand these vessels were specially made.

These are areas in which the Government should tell us what its thoughts are. If the vessels are not there, there is going to be a serious problem as regards transportation of bauxite. No ordinary vessel can really ply up and down that shallow Demerara River.

2 p.m.

Let us forget about DEMBA and let us consider the constitutional changes involved in this Bill. This Constitution is a sacred document. It is the Bible of the land, yet this Bill seeks to amend it in a very material respect, and I note that this aspect of it is being played down generally, even in the Press. The nation must know that, by this Bill, it is being sought to amend our Constitution.

I was there at the Independence Conference in 1965. This Constitution was the document which the P.N.C. legal luminaries hammered out and which the Prime Minister signed and pledged to uphold. What is happening at the moment? We cannot expect the members of the P.P.P. to uphold the Constitution. As I understand it, they have never considered themselves bound by it. They boycotted that Constitutional Conference.

The P.N.C. is bound by the Constitution and the clause which the Government is seeking to amend is a fundamental rights clause, giving protection from deprivation of property. The P.N.C. agreed that this should be heavily entrenched in the Constitution by requiring a two-thirds majority before it could be changed and which it is now getting through the support of a section of the House which was not at the Independence Conference and which did not in fact promise to uphold the Constitution.

More than that! What the Government is doing is cloaking this Amendment to the Constitution in this bauxite Bill, with all the indecent haste, with no consultation with the people of this country. Indeed, there is one school of thought which says that even when it is passed, it will be unconstitutional because the Constitution cannot be amended by legislation coupled with another matter.

I say this *en passant*, but be that as it may, this proposed Amendment strikes at the root of an important constitutional guarantee. The hon. Attorney-General himself has been going around telling people to uphold, the Constitution as, something sacred, and I quote from an item on the front page of the *Guyana Graphic* of the 20th February, 1971, which reads as follows:

"A-G Stresses importance of the Constitution

Minister of State S.S. Ramphal exhorted all Guyana to observe the motto of the nation and to honour, uphold and preserve the constitution of Guyana."

He goes on by saying:

"What the Gita, the Quoran and the Bible are to the Muslims, the Hindus and the Christians, the constitution is to every citizen of Guyana. It is our sacred text; it creates us all; it is above the State because it created the State; it is above the President, the Prime Minister, the Ministers and the Parliamentarians because it creates us all and governs and controls us all."

He ended by saying,

"... the oath which had to be taken by the President, the Prime Minister, the Chancellor, the Chief Justice, the Speaker and the Members of Parliament were in fact a pledge - a pledge to honour, to uphold and to preserve the constitution. It is a pledge that every citizen should make."

I submit that what we are doing today is a mockery of what is said here. Is it not the thin edge of the wedge?

If we amend us the Constitution to permit what we are doing here, what guarantee do we have that the Constitution will not be amended in future to treat any particular case on an *ad hoc* basis? It is striking at the root of one of the constitutional guarantees. Are we not saying that there may be further inroads into this sacred document? If the Government

amends in one particular instance, then it can get into the habit of amending. Every property owner should see this as a threat to his security.

The Amendment to the Constitution embodies the provision that Demba will be paid out of future profits. Let me ask the question. What happens if there are no profits? *[Interruption]* The Guyana Government can do exactly what it is accusing DEMBA of doing. It says DEMBA is fixing prices to its parent company. The Guyana Government can fix prices and sell to an arm of the Government with which it has a deal. The price can be fixed by the Government as a wholesaler to an arm of the Government as a middleman. You can have price fixing to the extent that there are very little or no profits. No profits, no payments, and I see nothing in the Bill which talks about interest.

The value has been set down in the legislation as the book value at 31st December, 1969. We all know that the written-down book value is a value which is always much less than the market value. Anybody with any commonsense knows that. If you sell your undertaking, then in 99.1 per cent of cases it will command higher prices than your book value, so if you have no profits and no interest, considering the written-down book value, you really have expropriation of property. This is what it could amount to.

Can anyone really expect investors, in the light of this, to come to this country? The Constitution at present provides for prompt payment of adequate compensation. Is the Government creating the type of climate which is so needed for investment in the country? After this, even Guyanese will be very worried and afraid to invest their money in Guyana.

We know that what we are doing in opposing this measure is perhaps most unpopular but we believe we are justified in making this stand. In the light of the present situation where there is no money with which to develop our country, we feel we must protest against inroads

into our Constitution and protect the rights of the common man, who, in the final analysis, can be affected by such inroads as we are making today.

We think that time will prove us right and that is why we must object most strenuously to this erosion of our constitutional rights.

2.10 p.m

However, as I said at the outset, if this hon. honourable House passes this Bill today, and indeed this appears certain, then having made our objection, having pointed out the dangers inherent in what the Government is doing today, let me assure this honourable House, the Members of the Government and the Members of the People's Progressive Party that the new bauxite enterprise will have our wholehearted support. We pledge ourselves to work towards making the nationalised industry a success.

Mr. Speaker: The hon. Leader of the Opposition.

The Leader of the Opposition (Dr. Jagan): Mr. Speaker, we are meeting at a most exciting time, not only in the history of our country, but in the history of the world. Time was - and this was not long ago when imperialism could do what it liked willy-nilly. Only about five years ago we saw the landing of 65,000 American troops in a small country, the Dominican Republic. But today we find that other smaller countries - Peru, Bolivia, Ecuador - are standing up against American imperialism - Ecuador seizing American fishing trawlers and Bolivia and Peru nationalising American property.

All these things five years ago would have merited the landing of the marines, trade boycotts, refusal of aid. But the world is changing. And so we come to a changed situation in Guyana against the background which we have just related in only one part of the world.

In some respects, this, therefore, can be said to be a red letter day, not because we are nationalising the bauxite industry, but because the People's National Congress is the instrument for this nationalisation. For, as my learned friend from the United Force said a little while ago in his speech, it was not too long ago that the People's National Congress vehemently argued against nationalization. At the street corners, during the 1968 elections, their ideologists said, "Where are we going to find markets? Where are we going to find the skills?" That was the basis of their arguments.

Last year on Republic Day at a seminar in New Amsterdam, in which my hon. friend Mr. Chandisingh took part, one of the big People's National Congress brains, so to speak, argued against nationalisation. In this very House not very long ago, as we were reminded a little while ago, the People's National Congress said "Nationalisation! For what?" So that is I say this is a very exciting period in our country's history.

Clearly the P.N.C. has been pressured by internal forces, the development of the political situation, their own supporters, the young ideologists in the Young Socialist Movement who in 1967 at their Congress in New Amsterdam, called for the nationalisation of the sugar industry, trade with Cuba, and diplomatic relations with the socialist world.

Now there is a confluence of forces from ASCRIA, the cultural arm of the People's National Congress which sees things in racial not necessarily ideological terms, which rightly condemns white racism at Mackenzie but unfortunately wants to apply in its own good time racialism in reverse; from rank and file P.N.C. members who are feeling the squeeze today because of eroding standards of living, who have been given promises not fulfillment, who have seen **Economic Dynamism** and **New Road** leading to nowhere who have seen the much publicized, the glorious \$300 million Seven-Year Plan (1966 - 1973) shelved before it came to maturity.

These are the people who have been listening from time to time to the People's Progressive Party. At first they were not listening; they had mental blocks. But now that things are getting bad, now that the stomach is growling, the brain is beginning to think and the ear has been listening to what the People's Progressive Party has been saying.

Clearly the P.P.P. is the vanguard party in this country. Its programme is coming out now like a clear beacon, guidance to the people of Guyana, This is why we say that as a result of these pressures the P.N.C. responded. Let us hope that these are the only pressures, let us hope that there are not other pressures.

We have just heard from one hon. Member on this side of the House how in the case of nationalization of the Anglo-Iranian Oil Company by the Mosaddegh Government, how after his overthrow and the denationalization of the Company, which was fully British-owned – the overthrow of which is now an admitted success story of the C.I.A. through its agent Kermit Roosevelt - U.S. imperialism squeezed into the British preserve. Imperialisms at some times work together, but even though they may work together against socialism, nevertheless, as my friend read from Rockefeller's special confidential report to President Eisenhower, the inexorable law of capitalist development results in one imperialism trying to swallow another, even Britain.

2.20 p.m.

We saw from the statement made there that American imperialism which had no share of oil in the Middle East, which was a monopoly of the British, French and others, muscled in and got 40 per cent in a private consortium of companies.

We are nationalising. We have a Guyanese saying, "All skin teeth nah laugh." My friends in the United Force say that the P.N.C. Government is doing the same thing that the P.P.P. wants. Just a little while ago we were told that the P.N.C. did not want what the P.P.P.

wanted, and this is why I was glad that my hon. Friend, Mr. Chandisingh, briefly touched on the question of the different types of nationalisation. I hope that the United Force will do some homework in this respect and not confuse the ideological position of the P.P.P. with that of the P.N.C. This is also the intention of the P.N.C. "There is no difference between the P.N.C. and the P.P.P. Well, then why worry to displace the P.N.C.?- After all the big boys do not like the P.P.P. and Jagan. Why risk all the trouble to put them in?"

Clearly, there is ideological confusion here and tug confusion arises because we are talking about form not substance. The United Force, of course, does not understand dialectics. *[Laughter]* But I will give them an example. In our own country there was nationalisation by the British Colonial Government of the Demerara Railway Company in 1921. That is very clear. The railway was losing money just like the British railways which were nationalised by the so-called "socialist" British Labour Party. How we are going to see nationalisation by the so-called "socialists", the P.N.C.

The nationalisation of the Demerara Railway Company was not done by socialists or pseudo reformists, but by capitalists in the interest of the capitalist class; we pay today and for ever. I hope this Government will take that next on their list and cut it out. We will be saddled forever and ever with the payment of a perpetual annuity of \$84,000 to the former owners.

That was capitalist nationalization and the capitalists are always in favour of such nationalization. The capitalist class in Britain also readily consented to nationalisation by the Labour Government of the coal industry which was losing money.

Thus we have not only capitalist nationalisation, but also reformist nationalisation. Under the Labour Government of Britain there was nationalisation of things which were not paying, which the capitalists wanted to be relieved of or which they wanted the Government to run and subsidise. The capitalist class consented to the nationalisation. Coal and the railways were

losing money; electricity was making money, but my friend read just now from an article "Highlights of Nationalisation, Past and Future" which showed what happened.

The Labour Governments failed there because they did not nationalise the profitable sectors of the economy –the chemical industry, the ship building industry and industry in general. Steel was denationalised later on. But the whole complex - the insurance and shipping companies, the banks etc. - was not taken over. It was a reformist type of nationalization. And what was nationalised was put in the hands of capitalist directors to manage. As my friend said, rates were subsidised, Electricity charges were raised about 40 per cent above pre-war as compared with 172 per cent in general retail prices, 184 per cent for food, 222 per cent for drink and tobacco, 179 per cent for durable consumer goods.

2.30 p.m.

This is why nationalisation failed. But my friends from the United Force would like to quote this failure so as to be able to say that nationalisation is a bad thing. They would like to say nationalisation is a bad thing because it is not paying. Why did it not pay? The capitalist class would like to say, as my friend said a little while ago, "Why do you want to take over? Look, the others are not paying; anything the government is running is losing money". That is why my friend, the hon. Member Mr. Chandisingh, talked about workers' control, not just the appointment of directors who can become bureaucrats, but real genuine involvement to prevent corruption, to prevent bureaucratic management, so that nationalisation would not have a bad name.

Reformist nationalisation failed in England - that is the kind of ideology which the People's National Congress believes in - the social-democratic ideology which influences the British Labour Party. This is *why* they were tossed out, brought back and tossed out again, even though they brought one Harold Wilson who is slick and clever, and who is supposed to be on the Left.

Nearer home, a party led by Pas Estensora in Bolivia, using the name "Nationalist Revolutionary Movement" - words are cheap like "Co-operative Republic" and "socialist" - nationalised the tin mines. But what did they do? The economy was kept within the folds of imperialism. Nationalisation failed because there was also bureaucratic management; there was no workers' control; workers' wages were frozen. Eventually, the Government moved in troops against the miners when the workers fought back to defend their living standards. Similarly, we see the P.N.C. using troops in places where they are managing, like the Rice Marketing Board.

We wish to make our position quite clear. Capitalist nationalisation or reformist nationalisation ends up by helping the capitalist class and not the working class. We are afraid since the general approach of the Government is one not based on ideological convictions but on opportunism and pragmatism, moving to pressures.

But there are not only people's pressures; there are also imperialist pressures. We know that. Why is it we are moving against one imperialism| Canadian imperialism, the junior partner, and not American imperialism? Why? If our friends say they are better tacticians, that they do not want to get all the bricks falling on their heads at one time, one would have thought that they would have tackled the smaller fellow first. But is it because the smaller fellow, Reynolds Metal Company, has bigger connections? *[Laughter]*

As I said, the British Labour Party's reformist nationalisation aided the capitalist class. They have their advanced, capitalist class to deal with; we have imperialism. Is it that our policies are leading to the strengthening of one imperialism against another imperialism? This is why we say policies must be looked at as a whole and not just piecemeal. There must be an integrated anti-imperialist programme.

We have enunciated from time to time - when our P.N.C. friends opposed nationalisation - that there must be nationalisation of the commanding heights of the economy: banks, insurance companies, mines, plantations, foreign trade, owned and controlled by the

imperialists and the comprador local capitalists; by the latter I mean those who associate with the imperialists, defend them and want them to continue to hold sway.

Secondly, in our programme, as my hon. Friend pointed out there should be full participation of the workers - workers' control and an atmosphere of democracy where the people are part of the process, all of the people not just one-third which supports the P.N.C.

Thirdly, aid and trade with the socialist world: All those who have tried to fight imperialism, like Estensora in Bolivia, who called himself a revolutionist, all those who have tried to reform the system the system within the embrace of imperialism have failed. We have seen in Indonesia and in Ghana, leaders who thought they would play smart and sit in the middle. But the lash eventually fell on them and they failed too, principally because the people had not been involved – not only in terms of management but also ideologically.

This is why we say there must be contacts with the socialist world. We are not saying break off from the capitalist world. We say establish genuine contacts with the socialist countries at the trade union level, at the cultural level, for aid and trade.

Who is going to give you the factories to industrialise your country? Almost every imperialist country today, big or small, is faced with balance of payment problems and with a little trade war going on between them. The United States, the most powerful imperialist nation today, is putting up tariff walls because its trade has fallen. These countries do not want countries like ours to become industrialised. Where are you going to get factories? Where are you going to get loans?

That is why the third point in our programme calls for a progressive foreign policy which cannot be divorced from, but which must involve, the socialist world; there must be meaningful participation, to use the words of the Prime Minister.

As I said, you want industries. And if you are going to be blockaded, you will want markets. You also want exchange control, real exchange control. We instituted it in 1962 - it was removed in 1965 - so that monies which can help in augmenting the country's capital surplus will not be sent out. We want rent control, and price control. We want land reform to bring an end to landlordism.

These, taken as a whole, constitute an integrated programme, which can lead us toward socialism. The *ad hoc* measures here and there carried out within the framework of imperialism, within the framework of a Western-aligned foreign policy, cannot suffice. As my friend quoted from Rockefeller's speech showing that the U.S.A. not only muscled in against its friend, Britain, and took away 40 per cent of the oil holdings, but also used aid to direct the foreign policy of Iran, so much so that the Shah could not even appoint a Cabinet member without consulting the Ambassador of the United States. That is what we are talking about.

Trade for us is not just a question of finding markets. What we are talking about is the need for transformation; we want to industrialise our country. One-third of the youths in Georgetown are unemployed. These are urban workers; they grew up in the city. They do not want to do agriculture unless agriculture is perhaps fully mechanised. Put them on a tractor or put them in an agro-industry. But where are you going to get the industry from? And with what agricultural products are you going to diversify?

The question is one, as I said, not only of markets because markets alone are not going to take us out of the dilemma. We are told that there are other markets outside of ALCAN. But you are complaining about the price, not the markets. Tell me how you are going to get out of the manipulated price structure. The aluminum industry is highly monopolised and cartelized. Up to 1940 the Aluminum Company of America (ALCOA) was practically the only company with a few smaller ones here and there with which they made cartel agreements. In 1927, ALCOA set up Aluminum Limited (ALTED) and the Aluminum Company of Canada (ALCAN) in Canada. This was done to evade the anti-trust law, the Sherman Act, in the United States.

What about the price? I remember that one of my first fights in this Chamber in 1948 was against this same kind of price manipulation. The price of everything was going up after the War, but the price of bauxite *was* going down. We were then getting 1½ per cent of the price as an export tax. Sir Frank McDavid was then the financial czar of Guyana. I told him, "Change it from 1½ per cent because these people are manipulating the prices and we are getting blows. Change it." The proposal I made then was 30 cents per ton for raw or crude bauxite, 60 cents for dried bauxite and \$1 for the calcined grade. It took Sir Frank McDavid three years from 1948 to 1951 before he adopted the proposal I made; he raised the export duty to 60 cents and \$1. But then came along the Interim Government which signed an agreement with ALCAN for the alumina plant; all bauxite that went into the making of alumina paid no export tax, so that the increase we got all vanished.

This is the kind of rascality that went on, friend quoted it. Between 1938 to 1950 the U.S. price level went up to 138 per cent and bauxite price in the United States doubled! but Guyana and Surinam bauxite price remained the same between 1938 and 1959.

Therefore, the takeover of the industry is not just in relation to the question of getting markets. That is not what we are talking about. We want to grapple with the problem that one of the advisers to the Prime Minister has made very clear and that is, that we in the Caribbean are producing 86 per cent of the raw material, bauxite, for the North American aluminum industry but we are getting only 4 cent of the net income of all of this integrated industry taken as a whole.

Philip Reno made the point in his book that these boys have manipulated the prices, approximately \$10 (US) per ton for bauxite, \$70 for alumina, \$500 for aluminium. The bulk of the alumina and the aluminium is produced in North America. So it is not just a question of finding markets. What we are talking about is transformation.

My friends of the United Force want to have more discussions and debates to see whether this thing is going to work out. I do not disagree with them. But they are talking about it in a sense different from the sense in which we are talking about it. They are asking, "Do you have managerial skills? Do you know about nuts and bolts and so on?" We assume that you can get that kind of knowledge. You can get it from Yugoslavia, you can get it from India, as the Prime Minister said. You can even buy it from the capitalist countries; pay the boys plenty money and you can get it. But what we are talking about is transformation.

The hon. Prime minister himself in 1966 had a big talk after riding with Johnson's saddle; he went over to ALCAN and the boys gave him a big feast; when he was drinking his cognac he said, "How about the smelter?" The boys put on a googly on him and said, "When you put in the hydro-electric station".

The Prime Minister announced "Aluminium Smelter for Guyana" At that time the Minister of Economic Development, Henry Thomas - poor fellow, he does not know when to keep his mouth shut [*Laughter*] - said "The Prime Minister is talking through his hat; not in my life-time is ALCAN going to build a smelter in Guyana."

The P.N.C. bowled another ball during the last general Elections: a big multi-million hook for the electorate. Even up to last year, as seen in the Republic Supplement, they were blowing this bubble about the Tiboku - \$114.2 million (U.S.) hydro-electric project. This ballyhoo at election time, was to win votes. Now the big boys are talking a different tune, was to win vote. Now the big boys are talking a different story—no demand for aluminium from Guyana smelter. Nathaniel Davis says you are not in the Common Market; Surinam is in the Common Market through Holland and they can sell their aluminium much cheaper than you if you had a smelter here. In other words, they want to dictate your politics, which is another case of neo-colonialism.

Now, the Prime Minister is saying that these people do not want to set up a smelter here. We were saying so all along; we know this from theoretical premises. That is why Marxist/Leninist books are useful to those fellows. Do not tell the Police to seize the books; you must encourage the Police to read too. The truth of the matter is that these people are not interested in industrialising your country and they will not provide you with the finance. Big monopolies and cartels today not only control industries; they control finance and they inter-link. Kwame Nkrumah in his book "Neo-colonialism, The Last Stage of Imperialism" refers to the close tie-up between financial capital and industrial capital; if these boys do not want to set up factories themselves, they are not going to lend you the money to do so whether through the World Bank, the Deutsch Bank or the I.D.A. or elsewhere.

In this book on page 82 Nkrumah quoted Karl Marx:

"The credit system, which has its centre in the so-called national banks and the great money leaders and usurers about them is an enormous centralisation, and gives to this class of parasites a fabulous power ... to interfere with actual production in a most dangerous manner - and this gang knows anything about production and has nothing to do with it."

Karl Marx wrote this many years ago and since then the position has got worse.

So far as centralisation of industrial capital and the merging with financial capital is concerned, it should be known that people like Rockefeller own not only oil wells but also banks, like Chase Manhattan, and insurance companies. Mellon who owns ALCAN has tremendous financial resources. The Prime Minister was talking about how much capital ALCAN has; get; he has not come to the father yet; he is only talking about the grandson. ALCOA is a Mellon enterprise, financed by the Mellon and DAVIS families. Of the two brothers, one of them, the one who was President of ALCOA dies leaving \$400 million (US). How can one man accumulate so much money if it is not by robbery and thievery? Scamps! And the quicker we realise whom we are dealing with the better.

These people do not only control the bauxite industry. They control also the whole banking and credit system and have interlocking directorates. Read Nkrumah's book. The sharks have not only the markets, they have the ships; they also have financial power to prevent you from modernising, from transforming.

The Prime Minister and the Government have vaguely told the -Guyanese nation that they have two, I believe, European countries, which are going to buy half of our bauxite; about the other half, the government is very vague at the moment. We are told that the Government has got it in the bag, that we are dealing with rational people, with intelligent people. We do not share their optimism; we know that if you start a confrontation with imperialism at this level, as Mosaddegh found out when he nationalised the Anglo-Iranian, Oil Company, they are not going to kiss your hands and leave and say, "Goodbye, we are friends."

3 p.m.

Mosaddegh wanted to be a "neutral" nationalist. The Soviet Union was willing to buy the oil from him, but he refused. Meanwhile the oil companies put on a blockade. The tankers did not come to carry the oil. Two broke the blockade; one was seized in Italy; the other was seized in Japan. The owners took the matter to the World Court. They said these were their ships and their oil. We know what happened to Mosaddegh. He was overthrown and died a broken man under house arrest.

When there is an economic blockade, it is not the Government only that is going to suffer; it will not be only these fellows opposite when things break down. It will also be the people, And when the people start marching because they lack political consciousness and are not ideological developed they march against the very Government which they were backing at one time, and then the C.I.A. comes in with money and everything else - rum, liquor, everything.

I am certain that Mr. L.F.S. Burnham, Prime Minister of Guyana, does not want to suffer the same fate as Mosaddegh of Iran. If the Government of Guyana is confronting imperialism, therefore, one would have assumed that the Prime Minister would have had some meaningful discussions with the socialist world, not just Yugoslavia. With all respect to Tito, Yugoslavia cannot solve her own economic problems. It is the only country, which calls itself socialist that has unemployment – over 300,000 Yugoslav in West Germany alone; some are in Austria; some are in Switzerland. How are they going to help Guyana? Where then are we going? What are we looking for? Just a little bit more money? Just a little bit more of the profits when we knew that that is not where the problem is? Dr. Girvan will tell you that is not where the problem is.

The problem facing the country is clear. The Western countries are not going to help you. Therefore, there must be some credence to this suggestion which one hears; namely, that Canada is moving out and America is coming in. In the case of Anglo-Iranian oil, poor Britain was left with 60 percent when she had the whole thing before.

Let us now come to this question of Canada for a moment because I hope in the interest of our nation that we are wrong in this supposition that we are not supporting this measure only to trade imperialist state for another. Everybody knows that Canadians have been champing at the bit for many years about U.S. domination of their economy. When I did a cross-country lecture tour of Canada, I was talking not about Marxism, socialism and communism; I was quoting from Walter Gordon's book "The Choice for Canada". Gordon was Finance Minister in the Lester Pearson Government. What did he say? In his book Gordon wrote:

"Canadians ask themselves whether they have become free of British colonial influence only to fall under the spoil of U.S. economic Imperialism."

Here is another statement by Eric Kierens, Liberal Quebec Minister of Health, Speaking in February 1966 to the Toronto Society of Financial Analysts, he said:

"Canada has passed in the last decade out of inherited political colonialism into a now economic colonialism and we are the only developed nation in the world with no economic autonomy,"

This is not a socialist or a communist talking. Lester Pearson, at one time Prime Minister, himself put it more picturesquely. He asked: "Are we jumping out of the colonial frying pan only to land in the U.S. fire".

He was referring to U.S. control of the economy. Here are the figures: Auto - 97 per cent; Electricity - 66 per cent; chemical - 54 per cent; farm equipment - 52 per cent total manufacturing - over 50 per cent; oil and gas - 50 per cent mining and smelting - 52 per cent; food canning - 90 per cent.

Here is the P.N.C. paper, "New Nation", justifying the DEMBA takeover from Canada on the ground that Canada is calling for a takeover against America. This paper quotes Prime Minister Trudeau because Trudeau is now stopping an attempt by some foreign company to take over a Canadian-owned mining enterprise. When I was going through Canada, a big *howl* was being made because an American Bank wanted to swallow up a Canadian one.

The world today witnesses not only national struggles against imperialism in general, but also big U.S. imperialism swallowing up smaller ones. De Gaulle was not a socialist; he was no communist. Why did he oppose America? Why did he not go along with American foreign policies? Because American imperialism was trying to move in and suppress French capitalism for which De Gaulle was speaking. He was the exponent of that class.

We have a right to pose this question. We are voting for this measure not because we want to strengthen imperialism. Is this Demba takeover due to the fact that Canada is fighting for autonomy, to control her national industries? Incidentally Gordon was not talking about socialism; his theme was that Canadians must buy out all shares held by America in all American-owned subsidiaries operating in Canada. That was his solution. It was not a socialist

solution but a solution within the framework of capitalism. Buy out! Let Canadians raise the money somewhere, but let Canadians own.

3.10 p.m.

A lot of jiggery-pokery is going on in this U.S.-Canadian relationship. U.S. subsidiaries operating in Canada refuse to carry out Canadian governmental policy. The U.S. says to Canada, "Do not trade with China and Cuba." But Canada has got farmers taking their tractors and putting them across the roads and barricading the Quebec Premier's Office. The farmers were in trouble; they could not sell their grains and flour. The Tory Government and the Liberal Government had to respond. What did they do? They agreed to sell wheat and flour. But the flour mills, subsidiaries of American companies, refused. China wanted to buy railway engines and trucks from Canada. An agreement is signed. But Ford Motor Company says, "NO." What is the justification? When the Canadian Government asks for an answer, they say, "If we do we will be breaking the American Trading with the Enemy Act. We can be charged." This is a violation of national sovereignty. Canada, therefore, wants national ownership of her industries.

To get the full picture, let us go back to 1928. To evade the anti-trust law of America, ALCOA, then a world monopoly, not just an American monopoly, set up Aluminium Limited (ALTED) and ALCAN in Canada. All of ALCOA's foreign properties were vested in ALTED.

Nathaniel Davis, head of ALCAN, was asked in November 1969 by Senator Connolly in the Senate Foreign Relations Committee if ALTED-ALCAN was a Canadian-owned and controlled national enterprise; his answer was, "Yes". How? He said the majority of the shareholders were in Canada, but the majority of shares were held in America.

I was referring to the American subsidiary not carrying out orders, Canadian Government orders, thus violating Canadian sovereignty. But there is another side to it. These U.S. subsidiaries get personnel from America which they can get in Canada. They buy components, parts and

supplies which they can get in Canada, This is aggravating Canadian balance-of-payments problems.

In this fight between imperialisms if Canada takes over ALTED and ALCAN which holds all ALCOA's foreign properties, she will get hold of the raw materials all over the world - we have just heard in how many places Alcan has smelters, fabricating and bauxite plants. If ALCAN is to take over all of that, the aluminium industry in Canada will become independent of America and will tie up world-wide resources.

Today there is one policy. Although the two companies are separated technically, two brothers - one called Arthur Vining and the other Edward - were at one time presidents of both companies. Here is a book called "Light Metals Monopoly", a doctorate study in which it is stated very clearly that policies were so manipulated that Canada got a raw deal.

For instance, this is what Canada is complaining about too. In 1932, Aluminium Limited sold aluminium to buyers outside of North America at the rate of £70 per ton, but to Canadian buyers at £80 per ton. Here is a supposedly Canadian Company selling outside at a lower price. Also the price to the largest buyers, in the United States of America, ALCOA was £70 per ton as against £80 per ton to other American buyers; this gave ALCOA an advantage in relation to their competitors.

Here is a statement from this book on page 126, to quote one typical contract between Aluminium Limited and ALCOA, son and father. The 1937/38 contract stipulated a delivered price, including freight and duty of 4½ cents at 17½ cents as compared with U.S. market price of 20.08 cents. The point I am making, sir, is that the Canadian subsidiary was selling to the parent in America at 17½ cents, out of which must be deducted 4½ cents for freight and duty when the price in America was 20.08 cents.

Future Canadian takeover of U.S. resources and Canadian competition, now worry United States imperialism. Why was the aluminium industry sited in Canada? Because of cheap water power. Aluminium produced in Canada is cheaper than anywhere else in the world because

during the war the Allied Governments poured in millions as part of the war effort. The United Kingdom alone advanced in 1940 \$55½ million (U.S.) to ALCAN. The Governments of the United Kingdom, Australia and United States advanced another \$117 million because they needed aluminum for the war effort.

They helped to make Canada, because of its water resources, the cheapest producer of electricity in the world. It is said that aluminium is packaged electricity. Therefore, the cheaper the electricity, the better the competitive position.

This is therefore the problem today. If Canada exercises her sovereignty, takes over ALCAN, divorces it completely from America and takes over all its overseas plants like DEMBA in Guyana, you can see the competitive position of Canada in relation to the United States.

The U.S.A. is gravely concerned about her supplies of raw materials. The Paley Report in the 1950s pinpointed the shortage of strategic minerals for the United States economy. The United States produces about 40 per cent of world industrial goods, but has only about 8 per cent of the raw materials.

3.20 p.m.

In that confidential Rockefeller report to President Eisenhower that my friend quoted from my book, it is said that North American industries every day depended more and more on the raw material of the Western hemisphere.

“These sources are indispensable for the U.S. to maintain industrial production which amounts to more than one-half of the total goods manufactured in the free world.”

The Paley Report made it clear that the U.S.A. must have those raw materials. And here is Canadian nationalism threatening the United States aluminium monopoly by now indirectly

getting control of these world-wide resources. Is the American aluminium monopoly afraid of the completion which may develop the future between Canada and the United States?

I pose this and now I come to my main argument. The Guyana Government must realize – we grant them the credit that they are men of wisdom – the consequences of confrontation. You must start out from the premise that in confronting imperialism you will be attacked. If you have not going to the socialist world to save you from being crushed as Mosaddegh was, whom are you going to? Aluminium producers are few. The United States has Owen Matheson tied with the Rockefeller interests, Reynolds Metals Company, Harvey Aluminium, Kaiser Aluminum and ALCOA. Read Nkrumah's book and you will see the inter-connections with the other aluminium producers all over Western world.

How are you going to escape from their tentacles? How are you going to transform the Industry? You will find it impossible. Therefore we say that we have a case doubts. The Government has not taken us fully into its confidence, has not taken the nation fully into its confidence. It has given some vague assurances. This is not good enough. I am not talking about the kind of assurances my friends are talking about - the skills: those you can buy. But what you cannot get if there is real confrontation are the markets and the capital to transform.

We argued in our time with the bauxite people, with Reynolds and DEMBA and regardless of what they tell you, experts say there is no free market price for bauxite. It is fictitious; it is arranged and manipulated; all the boys get together, meet and hold hands. This is a fact. How are you going to get out of it?

Now, this thing called "compensation": we do not believe in robbing anybody, And I should like to stake a correction for my friends from the United Force, who say it was the P.P.P, policy to take over everything - even every cake shop and barber shop. Let me make a correction: we do not wish to take over everything. We make a distinction between patriotic capitalists and local comprador capitalists, who side with imperialism. We see that the patriotic

business people can play a meaningful role in the transition period and that after a certain while, they themselves voluntarily will become socialists because they will see the advantages of socialism. We are not moving against them. That impression has been created and is still wickedly being peddled. We do not want to move against every small cake shop owner, and take over every little thing. That is not our intention.

And we believe that if you take over you must pay too. The question is: What yardstick you most use? If a man has a house there, he worked hard, he put it down there, he did not steal, he -did not rob anybody, if you take it over you have to pay. But there is such a thing which is called "historical costs", not "nut and bolt costs" and "inflated market costs." And there is a thing called moral justice as against legal justice. To determine moral justice we have to decide how much money these people have taken out before we decide on the question of compensation, that is the quantum.

In this same book, "Light Metals Monopoly", the following is disclosed capital plus undivided profits of \$500,000, that is, half a million dollars in 1890, has expanded by 1939 to \$181 million, an increase of over 3,500 per cent. In addition, cash dividends over the entire period totaled \$181,440,000 and cash payment for retired stock another \$22 million. All of that for half a million dollars! That was only up to 1939. If you come a little later, you will find that these people were making annually about \$75 million (U.S.) net profits every year.

I quote Phillip Reno. He said,

"Profits as a per cent of investment would thus amount in one year to somewhat between 26 and 34 *percent* and as a per cent of value *of* product (about \$200 million) to at least 35 per cent. These figures suggest that this could well be among the most profitable U.S. investment structure in the world."

This is what we are dealing with. Therefore, it is a question whether this industry should not be appropriated. *[Applause]* It is to be considered seriously. I am not talking about this as a matter of joke. The facts are there. My U.F. friend will say this is tantamount to robbery, taking away something and not paying; but Marxists/Leninists say there is nothing wrong with the robbed robbing the robber. *[Laughter]*

3.30 p.m.

We are not robbers, we are only asking for justice. And we can prove to any court, not the bourgeois courts, not the capitalist courts, but people's courts where the people sit in judgement, that these sharks have plundered so much that one shark alone could leave \$400 million (U.S.) when he died, not to mention all that had been given away in different quarters.

We call, therefore, in view of the figures and facts which we have adduced, for the reconsideration of this whole compensation formula. We call, also, for the immediate nationalisation of Reynolds. Why are we separating them? First of all, the Canadian Government can charge discrimination. Secondly, it is politically very bad for this country to come under the full domination of U.S. imperialism. It is better to play with the small boys now, like France, like Canada, like Italy. You will be able to get more because fellows are going down and they are more likely to come to your aid in this period of struggle between competing imperialism. Far better for the third world countries to trade not only with themselves and the Socialist World, but also to deal with the smaller sharks rather than the big one which is swallowing up everybody all over the place.

This I say, we think it is foolish for this Government to go against Canada. The Canadian Government can argue, "Why single us out? Why discriminate against us?" And this would be a legitimate argument. I am not upholding Canadian imperialism. But if we are good tacticians and intelligent politicians, we must play one imperialism against the other, and work with those who are also feeling the squeeze from Yankee imperialism.

We ask the Prime Minister to give an assurance to this House and to the nation that it is the intention of the Government not only to begin talks immediately, but to announce the nationalisation of REYNOLDS soon. I do not see how you can have nationalisation of one company and have the other one either half-owned or three-quarters owned. Since we have gone from "meaningful participation" to "tek all", well, let us "tek all".

The Government must also work out a time-table for the progressive nationalisation of all foreign enterprises in this country. We are not saying that this should be done all at one time, but let us see the formula; let the nation know where Guyana is going. And if you do not have any "boys" in Gajraj, Kendall, Gaskin and Carter, and if they do not know how to talk to the socialist world, send me! *[Applause]* Kind you, I am not looking for a job; I am doing it free in the interest of the nation.

Let us ensure that Guyana will move forward. Let us not move one step forward, only to go two steps backward. Unless, we nationalise Reynolds immediately and work out a time-table for the progressive nationalisation of the enterprises of all imperialists and imperialist sympathisers, and unless we work out meaningful relations with the Socialist world, our support for this measure would have been in vain. I regret to say that we would have been taking one step forward only to go two steps backward later. *[Applause]*

Mr. Speaker: The hon. Prime Minister

The Prime Minister (Mr. Burnham) (replying): Mr. Speaker, I recall that the last occasion on which this House met on Saturday was for us to debate a controversial Bills: It was a Bill which the Opposition did not accept and against the passage of which they had organised a number of pickets. Today, however, we meet in somewhat different circumstances.

Though, speaking for the Government, I do not agree with all of the theses put forward by every member of the Opposition who has contributed, in some cases I agree with none of the theses, it does strike me that everyone who has spoken, including the three members of the United Force, has spoken out of a desire to do the best for Guyana. It, however, happens that

some are limited by their own environment, their own unrecognised, to themselves, ideology, and are frightened by fear itself.

I do not propose to quarrel with anyone but maybe I can be permitted to observe that in the case of the United Force they are like mothers who tell their children "Don't you go into the water until you learn to swim."

3.40 p.m.

(Page 103 of original transcript is missing)

... opposed to it merely because they are fearful. However, I have no doubt that in the same way as they opposed the launching of the Co-operative Republic but subsequently have not been discovered doing anything positive to undermine the Republic, similarly on this occasion they, in spite of their opposition, will make their contribution to the success of this undertaking, for I am reliably informed, and verily believe that our three comrades, our three honourable colleagues have no where to go but Guyana and since this is something on behalf of Guyana and in the interest of Guyana, their latent patriotism at last will come to the surface.

The major section of the Opposition has lent its support to this measure. My hon. and learned friend Mr. Derek Jagan, the-Deputy Speaker, has asked for an undertaking that Government does not propose, having nationalised DEMBA, to hand over the running of DEMBA to another foreign concern. Were I not a politician I would have been hurt that such an undertaking could have been asked for, but I suppose the People's Progressive Party would like as a political party to be able to give certain assurances to its members and supporters. The members and supporters of the People's Progressive Party perhaps do not know me the same way as Mr. Derek Jagan knows me. But what could have been the reason for us facing the wrath of the largest bauxite aluminium multinational in the world merely to hand over to someone else the management and control which ALCAN was asking for and which we refused?

If undertaking is necessary I give the undertaking that this complex will be run and managed for and on behalf of the State of Guyana by a wholly-owned State Corporation. So there can be no question about it.

Secondly, perhaps it is opposite to remark that this new State Corporation to be shortly instituted will enjoy autonomy, will not be subject to political influences or pressures. So much of our economy will depend on it that it is not the sort of institution which can be fiddled with or made a political football.

I was enamoured of the proposal by the hon. Member Mr. Ranji Chandisingh, now a Guyanese citizen, that we should introduce workers' control. What we have been saying is that we propose that there should be workers' participation at all levels, and that Government has already had discussions with the trade union and the workers as to the framework for such participation. Government proposes further to have discussions with the Opposition if they have any ideas or proposals relevant to the circumstances of Guyana.

What my hon. Friend was reading I have read years ago. I have also met members of the Soviet diplomatic corps who seem to think that what he (Mr. Chandisingh) says it means, it does not mean in practice. What I should ask the Opposition to do once we have decided - and there seems to me no difference of opinion on this question that there should be workers' participation of a meaningful nature - is to let us sit down together and though we may learn from what other people have said, what other people have tried, what other people have enacted, let us formulate a system that is native and relevant to Guyana and most likely to work in Guyana. That is the offer I make to the Opposition.

My learned and hon. Friend Mr. Derek Jagan, with his penchant for details has alluded to possible problems which may arise out of claims which persons have or may have against DEMBA. As I understand it, these may fall into one of two categories. They may fall into the category of liabilities which we are undertaking on the date of nationalisation because of the concomitant benefits, in which case the state-owned category, the second category, of liabilities.

They may fall into another category, the second category, of liabilities either of which we are unaware or which we have not accepted. Then DEMBA will continue to be liable and, as a lawyer, my hon. and learned Friend will appreciate the significance of my observation that under the scheme of things DEMBA will still have assets here and if DEMBA were to attempt to go into voluntary liquidation I know that he knows that persons with claims can enter their claims at least then.

And I want to say this further: Though it has not been raised, I think, directly, I want to give the assurance that so far as the corporation's responsibility for the management of the new enterprise is concerned we will not grant to it the protection of the Justice Protection Ordinance whether or not we have time to amend the Ordinance before, I give an undertaking as Head of Government that we will not raise the peculiar defences open to servants of the State or agents of the State in certain circumstances, in cases where claims are made against this new entity.

It is noted, or to be noted, that this Bill proposes that for the time being the employees of the new enterprise be deemed to be employees of the Guyana Development Corporation. We chose the Guyana Development Corporation for the time being until the proper entity has been set up so as to avoid the incidence of protection etc. which accompanies the status of being "public servants". I we did not do that they would have become automatically employees of the State with all that that means. To avoid that we have used the Guyana Development Corporation.

I think that I have dealt with the sort of questions raised with respect to private individuals, with respect to worker participation, with respect to baseless fears. It is proper now, I think, for me to deal with the core of the question, that is, first: What was Government's approach? We may be criticised for having, in the first instance, proposed meaningful participation, but we did mean to have meaningful participation. Maybe the prophets have been proved true and accurate, very prescient of the future, the prophets who said that multinationals like ALCAN will never permit meaningful participation. Those who drew their experience from Kennecott in Chile, may be they were right, but, without any harm to us we are able to say today that ALCAN was unprepared to have meaningful participation by any nation in an industry which is based on that nation's resources.

We were not asking the Canadians to permit us to participate in an industry that is based in Canada or based on the resources of Canada. We were not asking to get a majority share in something that came out of the bowels of the Canadian earth. Perhaps at this stage it is opposite to remark on what in other circumstances I would have described as the naivete of one section of the Opposition that suggests that we should never have stipulated non-negotiables. This was not a case of one company talking to another company, it was the case of a Government, the case of a State making a decision. States do not bargain like private companies in these circumstances. If perchance Mr. Feilden Singh were the head of a State which was prepared to bargain in these circumstances for the repossession of our own resources he could have his way, but I rather think that people would have him out of the way.

We said quite clearly, "Here are six non-negotiables." We, against the background of a declaration of our Government, against a background of United Nations Resolutions, passed from time to time, have decided that we are going to have majority holdings in this enterprise. These are our resources out of which we have got 1.32 per cent of the profit over fifty-three years. We will acquire that in a certain way. We can negotiate, if you want, the quantum of the majority participation, but we are not going to agree to any terms which in any way will

derogate from the six non-negotiables. In other words, there is no point in accepting the non-negotiables and then putting on our backs a management contract which gives you day to day control or the right to appoint a chief executive officer.

Certain things were negotiable. But how could we in Guyana, in this day and age, in the circumstances of our nation, have negotiated with ALCAN as to whether or not we should have a majority shareholding?

4 p.m.

We have now been led inexorably to the position where we shall have to nationalise. "Why ALCAN" asks the Leader of the Opposition. The Leader of the Opposition is entitled to his mythology. He is entitled to say not only "Tek all" in the case of ALCAN, but "Tek all" in the case of Reynolds. But the position of this Government is that we are prepared to discuss first. You cannot assume the obtuseness AND the arrogance of the other party in advance. We are a reasonable Government. We are a peaceful Government. We are cognisant of the historical facts, but we are not here to re-write history. We are here to write the history of the future, not to re-write the history of the past.

This Government will not take the step of nationalising in any case until there have been discussions, but still: Why ALCAN? One must not allow one's superficial learning to lead one to a lack of appreciation of the facts. ALCOA was the mother – *[Interruption]* - the father, if you want, of ALCAN. My father's height was 5ft 11 inches; I am 6 ft. 1½ inches. Let us not bother about ALCOA and all that. ALCAN is not only the biggest bauxite complex in Guyana, it is the biggest bauxite aluminium complex in the world, it has outstripped its father.

Now, in the circumstances, if we want to do something, it is ALCAN obviously that we must talk to first and if ALCAN will not talk, it is ALCAN whose assets here we will have to nationalise paying reasonable compensation.

A word on compensation. I said before, we are not here to re-write the history of the past. We know the thievery; I we know the robbery. If we were to re-write the history of the past the Leader of the Opposition would be spending his time cursing the British who brought his father or his grandfather, or what have you, here as an indentured labourer. I would be spending my time cursing the British who brought my foreparents here as slaves in the hold of some slave-ship.

In the circumstances of today, now that we are prepared to go forward, we agree that there should be compensation and we submit that the scheme for compensation which we are proposing is reasonable in all the circumstances and takes into account all the facts, in the light of the profits that have been made; and at this stage we do not quarrel about the profits: that was part of the system. In the light of the profits which have been made it is reasonable that their assets be valued at written-down book value which also takes into account those concessions which they ought not to have got and got; that they should be at written-down book value for tax purposes instead of replacement value.

It is not a company dealing with a company; it is a people taking what is theirs. But still there must be reasonable compensation. It is reasonable in all the circumstances to say that we will pay you out of future profits, for you have left us bereft of means to pay you on the spot. That is reasonable and I think that we must be reasonable in all of the circumstances. Let us not be carried away, as has been alleged by the United Force, by sheer emotion and emotionalism. Let us be reasonable and that is what we are being.

We have been told about what ALCAN and what the multi-nationals and what the capitalist world can do. Yes, they can apply pressures. We are aware of that. We are not less

learned in history than the Leader of the Opposition. We know what happened to Mosaddegh. We know how companies, multi-nationals, and their native countries have fought but perhaps the Leader of the Opposition ought to remember that we are living in a somewhat different world from that in which Mosaddegh operated.

For instance, according to him, there is the support of the majority of the population. Whether you say the P.P.P. represents the majority or you say the P.N.C. represents the majority, that is immaterial at this stage because whether we are three-quarters X and you are a quarter X, or you are three-quarters X and we are a quarter X, there is no doubt about the fact that together we make X, unless, of course, there is some cynicism about your suggested support. [**Dr. Jagan:** “*What about the United Force?*”] Even they can be of use as you know.

One must appreciate that Guyana's calcined ore is not unheeded in the world. We hear prattle about the contradictions.

Sitting suspended at 4.08 p.m.

4.35 p.m.

On resumption –

Mr. Speaker: The sitting is resumed. The hon. Prime Minister may now continue.

The Prime Minister: Mr. Speaker, at the suspension I was noting that Guyana's bauxite and Guyana's calcined ore are not unwanted in the world and though there will definitely be pressures, we are not, in this game of international economic bridge, without trumps.

The question of markets was raised in two different contexts by two different sections of the Opposition. Those there were who showed great concern and worry as to whether, having lost ALCAN's marketing expertise and marketing contacts we shall be able to undertake the marketing of our products. May I say that we have to learn some time, and if we have to learn at the cost of pain, we have to learn. It is an absence of self-reliance and self-respect, an absence of belief in one's ability, actual or potential, merely to throw up one's hands and say, "Since our erstwhile master had the expertise, we are incapable of developing it."

But as I told the nation - and incidentally, I notice there is an objection to my telling the nation first but I must remark that the nation is my boss, not the United Force - as I told the nation, we must understand that this Government did not opt out of the blue say, "We are taking meaningful participation". We have been making certain contacts with respect to markets. We have good reason to believe that a substantial part of the product can be sold into certain markets, bought by certain nations. And, further, we do not know that, for all purposes, ALCAN's markets will be closed. The purchasers of Guyana's calcined ore from ALCAN still need calcined ore, still need more calcined ore. Enough for that question about markets.

We turn to the other facet of the discussion on markets. Put briefly, the Leader of the Opposition and his colleagues observed that we should look for other markets, that we should not limit ourselves to selling into the conventional western markets. The Government of Guyana does not propose to attempt to play off one bloc against the other. But the Government of Guyana, the People of Guyana, have to live, they have to sell their product, they have to sell the product at the best prices that can be got and I state that wherever the best prices can be got we shall be prepared to sell our product.

Unfortunately, or fortunately, I am not hidebound by mythology and posture. This is something that has to be sold. The United States trades with Eastern Europe; Britain trades with China. I was in Hong Kong the other day; if she did not trade with China, Hong Kong's millions would not eat. The Government of Guyana is not going to be inhibited as to where it sells. It is a question of what are the best markets in the circumstances.

Shipping and other difficulties; What bothers me is not so much the apparent learning displayed on something which every schoolboy knows and that is that ALCAN has her own shipping, but to hear such irrelevancies as talk about boats specially built for Guyana. There are very few boats specially built for our bar. What happens is that large ships come in here and they go out laden about half and then top up at Chaguaramus. There are a few ships with a sufficiently small draft to go right on and come out full. It is not a question of specially built ships; very few of the ships are specially built. We are aware of the fact that ALCAN has ships. We have got an answer to that, an answer which I am prepared to discuss with the Leader of the Opposition and the Leader of the United Force, especially if the latter is agreeable to reasonable argument and does not allow himself to be blinded by, or hindered by, an *a priori* position.

The difficulty which we are going to have, and that is one which we have recognised and identified, one for which we have made provision, is that of the supply of working capital between the time of production and that of sale. We have made provision for it and we appreciate that in making this provision we will be asking Guyanese in some instances to accept certain curtailments of their high import propensity. We hope that this difficulty will not last for long and, according to our calculation, it will not. With the active co-operation of all sections of the community, including the mercantile community, I see no reason why this should be such a great difficulty that it cannot easily be overcome.

The hon. Leader of the Opposition was kind enough to remark that it is not a question of getting a few dollars. That is so. No one knows better than I that we could have got a few more million dollars in tax but it is not merely a few more million dollars out of the bauxite industry.

4.45 p.m.

It is a question of whether or not you dictate the direction in which the industry goes and are able to make the decision as to where it should go in the interest of the nation. We can get a few more million dollars merely by continuing to sell our present product. We could have got a

few more million dollars without a headache merely by accepting a few more million dollars in tax. But it is, as I observed in December - to be precise on December 14th - a question also of creating the linkages in your economy.

We have a flocculent in Guyana, which is twice as good as the imported wheaten flour. If we are in a position to decide, we will use that flocculent thereby providing employment. We use millions of dollars per annum in the bauxite industry in caustic. The production of caustic goes *pari passu* with the production of chlorine. Chlorine is one of the basics in the wood-pulp industry; it is also a basic in the plastics industry. Are we that lacking in imagination, are we that lacking in ability, that we could not go on, having created certain linkages? Have not many of us here attended the same schools as those who are doing it in other parts of the world and done as well as they? Are we suffering from such a great inferiority complex that we are afraid to venture? Have we not even produced our own Bishop in these days? *[Laughter]*

There are number of linkages which can be identified and I have named only a few. Do you not know that under the Bauxite there is some of the finest kaolin in the world for making ceramics? Why must we continue buying Limoges and all that for crockery? And if even we were to sell the kaolin raw the world price of kaolin per ton is five times that of bauxite.

These are the vistas that are open to us when we take control of what is ours. We had hoped that there could have been meaningful participation, that there could have been some arrangement whereby a certain amount of expertise, ready-made, could be lent to the general consortium, but if we have to be on our own, we will be on our own and we jolly well will have to make a success of it or perish! *[Applause]*

We will, of course, hear that any Government-run concern fails; it does not make money. It is so fortunate that observations like these should be made three weeks after Rolls Royce, the by-word of private capitalism, that represents all the excellence of individual initiative, has now collapsed and a Conservative Government in Britain is proceeding to nationalise it to keep it alive!

This is the sort of nonsense which we hear carted by intelligent people and by lawyers, lawyers who have presided at the liquidation, after failure, of private companies.

Private concerns fail; public concerns fail. What is important is the competence of their management, the involvement of the people and their dedication. Those are the elements that go to make the success or failure one way or another, private concerns fail; public concerns fail. But with the support and involvement of the people of Guyana I have no doubt that though we will have to face certain dislocations at the beginning we will succeed the economy of the country will be better and the quality of life of Guyanese greatly improved.

It may be said, and understandably so - for I have been a politician well over 25 years and I understand certain needs that politicians have for their survival as politicians - it may be said that we are merely tinkering; it may be said that there is reason to doubt whether this is capitalist nationalisation or socialist nationalisation or whether we are doing a deal here or a deal there. But time will tell and history will record. But it is my conviction that after we will have nationalised the assets of DEMBA, Guyana will never be the same either politically, economically or socially.

Politically, it is palpable that basically the overwhelming majority of Guyanese, as distinct from the parasites, are prepared to face the consequences and to make a success; and I am in the best position to know in so far as the workers there are concerned. But I am not talking merely of them. I am talking about the whole nation. I am talking about a conversation I overheard on the East Coast between a P.P.P. man and a P.N.C. man. There the P.P.P. man accepted the fact that the P.N.C. man was supporting this measure but thought he was not supporting it with sufficient gusto and it was immaterial to him that his own political loyalty differed from the political loyalty of his friend with whom he was discussing it.

Economically, it gives us the opportunity to do something about our economy, to create the linkages. It will also give us experience in handling other resources like our forestry

resources, like our other mineral Resources. It will give us an opportunity also of carrying on, in this country, our own research. Instead of having to send samples to Montreal we shall send them to Turkeyen.

It gives our young people, the academics, the opportunity for scientific research, whether it be applied research or basic research they are interested in, an opportunity to accept certain challenges. The difference between what we have been able to achieve in the field of research and what has been achieved in the allegedly developed countries is a difference not of intellectual capacity or mental content, it is a difference of opportunity and challenge. This is the challenge which we will be able to offer, a challenge which I am sure young Guyanese can meet.

Guyana will never be the same again, I said, politically; it will never be the same again economically, in each case for the better; it will never be the same again socially in terms of the stake that the workers will have in this industry, the opportunities which the majority of us concede they must have for sharing in decision-making or participation at the highest level. They will be able to recognise, for instance, what is the target and what should the target be, what are going to be the consequences not only for them but for the nation in so far as the achievement of the target is concerned.

These perhaps are insubstantial in a way of speaking, but in terms of our nation's development and growth they are important, they are worth, I think, much more than the few extra millions we may get in the early stages from our running the industry for ourselves and by ourselves.

4.55 p.m.

This decision by the Government to nationalise DEMBA was not taken lightly. It was taken after careful thought; it was taken after weighing all the factors, after identifying the great risks, the opposition which we shall have to face and the pressures which will be applied, but I

am convinced that whatever may be our difficulties in the beginning we *must* win through and we shall be a better people of it. [*Applause*]

Mr. Speaker: She question is that the Bill be read a Second time.

Question put.

Assembly divided: Ayes 46, Noes 3, as follows:

Ayes	Noes
Mr. Cheeks	Mr. Sutton
Mr. Teekah	Mr. M.F. Singh
Mrs. Sahoye	Mrs. Da Silva - 3
Mr. Bholu Persaud	
Mrs. Branco	
Mr. Ambrose	
Mr. R. Ally	
Mr. R.D. Persaud	
Mr. M.Y. Ally	
Mr. Lall	
Mr. Hamid	
Mr. Wilson	
Mr. D. Jagan	
Mr. Chandisingh	
Mr. Ram Karran	
Dr. Jagan	
Mrs. Willems	
Mr. Zaheeruddeen	
Mr. Van Sluytman	
Mr. Saffee	
Mr. Jordan	
Mr. Fowler	
Mr. Corrica	
Mr. Correia	
Mr. Chan-A-Sue	
Mr. Budhoo	
Mr. Bissember	
Mr. Bancroft	
Miss Ackman	
Mr. Aaron	

Mr. Wrights
Mr. Thomas
Mr. Salim
Mr. Haynes
Mr. Duncan
Mr. Joaquin
Mr. Mingo
Mr. Clarke
Mr. D.A. Singh
Mr. Ramsaroop
Miss Field-Ridley
Mr. Carrington
Mr. Hoyte
Mr. Kasim
Dr. Reid
Mr. Burnham - 46

Motion carried.

Bill read a second time.

Mr. Speaker: Hon. Members, the Bill now stands committed to a Committee of the whole Assembly and it has been agreed that consideration in Committee will be proceeded upon at the next sitting on Monday, 1st March, 1971.

ADJOURNMENT

Resolved, "That this Assembly do now adjourn until Monday, 1st March, 1971, at 2 p.m." [The Minister of Trade (Leader of the House)]

Adjourned accordingly at 5 p.m.
