

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

/Volume 07/

PROCEEDINGS AND DEBATES OF THE FIRST SESSION OF THE NATIONAL
ASSEMBLY OF THE THIRD PARLIAMENT OF GUYANA UNDER THE
CONSTITUTION OF GUYANA.

218th Sitting

14:00 hrs

Monday, 1980-04-21

MEMBERS OF THE NATIONAL ASSEMBLY (63)

Speaker

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

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

Prime Minister (1)

Cde. L.F.S. Burnham, O.E., S.C.,
Prime Minister

(Absent – on leave)

Deputy Prime Minister (1)

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

(Absent – on leave)

Senior Ministers (11)

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

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

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

Cde. C. V. Mingo,
Minister of Home Affairs

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

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

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

(Absent)

(Absent)

- *Cde. G. B. Kennard, C.C.H.,
Minister of Agriculture (Absent – on leave)
- *Cde. M. Shahabuddeen, O.R., S.C.,
Attorney General and Minister of Justice (Absent)
- *Cde. R.E. Jackson,
Minister of Foreign Affairs (Absent – on leave)
- *Cde. J.A. Tyndall, A.A.,
Minister of Trade and Consumer Protection

*Non-elected Ministers

Ministers (2)

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

Ministers of State (10)

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

*Cde. H. Rashid,
Minister of State,
Office of the Prime Minister

Parliamentary Secretaries (6)

Cde. M.M. Ackman, C.C.H.,
Parliamentary Secretary, Office of the
Prime Minister, and Government Chief Whip (Absent – on leave)

Cde. E.L. Ambrose,
Parliamentary Secretary, Ministry of Agriculture (Absent)

Cde. M. Corrica,
Parliamentary Secretary,
Ministry of Education, Social Development and Culture (Absent)

Cde. E.M. Bynoe,
Parliamentary Secretary, Ministry of Trade and
Consumer Protection.

Cde. C.E. Wright, J.P.,
Parliamentary Secretary, Ministry of Economic
Development and Co-operatives

Cde. J.G. Ramson,
Parliamentary Secretary,
Ministry of Works and Transport

Other Members (15)

Cde. W.G. Carrington, C.C.H. (Absent – on leave)

Cde. S.M. Field-Ridley (Absent)

Cde. E.H.A. Fowler

Cde. J. Gill

Cde. W. Hussain

Cde. K.M.E. Jonas (Absent)

Cde. A. Salim

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

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

Cde. H.A. Taylor (Absent)

Cde. H.B. Walcott, J.P.

Cde. L.E. Williams

Cde. M. Zaheerruddeen (Absent)

*Non-elected Ministers

Members of the Opposition (16)

(i) People's Progressive Party (14)

Leader of the Opposition (1)

Cde. C. Jagan,

Leader of the Opposition

Deputy Speaker (1)

Cde. Ram Karran,

Deputy Speaker

Other Members (12)

Cde. J. Jagan

(Absent)

Cde. Reepu Daman Persaud, J.P., Opposition Chief Whip

Cde. Narbada Persaud

Cde. C. Collymore

(Absent)

Cde. S.F. Mohamed

(Absent)

Cde. I. Basir

Cde. C.C. Belgrave

Cde. R. Ally

(Absent)

Cde. Dalchand, J.P.

Cde. Dindayal

(Absent)

Cde. H. Nokta

Cde. P. Sukhai

(ii) Liberator Party (2)

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

(Absent)

Mr. M.A. Abraham

OFFICERS

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

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

PRAYERS

ANNOUNCEMENTS BY THE SPEAKERLeave to Members

The Speaker: Leave has been granted to Cde. Reid and Cde. Clarke for today's sitting.

MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE ASSEMBLYAND MOVED BY A MINISTER

The Minister of Parliamentary Affairs and the Leader of the House (Cde. Ramsaroop):
Cde. Speaker, may I seek your leave that we proceed with the second item under Public Business, the Motion to increase the liability in respect of guarantees, and thereafter we proceed, if the circumstances are right, with the other item, the Appropriation Bill.

Leave granted.

INTRODUCTION OF BILLS

The following Bill was introduced and read the First time:

Appropriation Bill 1980 – Bill No. 5/1980 published 21.4.80
/The Minister of Economic Development and Co-operatives./

PUBLIC BUSINESSMOTIONMOTION TO INCREASE THE LIABILITY IN RESPECT OF GUARANTEES

“Whereas in accordance with section 3(1) of the Guarantees of Loans (Public Corporations and Companies) Act, Chapter 77:01, the government may in such manner and on such terms and subject to such conditions as may be agreed between it and a lending agency –

- (a) Guarantee the discharge by a corporation of its obligations under any agreement which may be entered into by the corporation with a lending agency in respect of any borrowing by that corporation that is authorized by the Government;
- (b) Assume such other obligations as may be agreed between the Government and a lending agency in relation to or pursuant to any such agreement;
- (c) Undertake the repayment to a lending agency of such sums as the lending agency may have advanced to or for the benefit of the Government:

And whereas it is provided under section 4(1) of the aforesaid Act, that the aggregate amount of the liability of the government in respect of guarantees given under section 3 of the Act shall not at any time exceed the sum of five hundred million dollars or such greater sum as may from time to time be specified by the Resolution of the National Assembly;

And whereas it has become necessary to specify in accordance with the said section 4(1) of a greater sum for the purpose of enabling the aggregate amount of liability of the Government in respect of guarantees to be increased due to the extended activities of those incorporated bodies to which the Act applies, in accordance with the country's Development Programme:

Be it resolved that this National Assembly approve that the aggregate amount of the liability of the Government under section 4(1) of the Guarantee of Loans (Public Corporations and Companies) Act, in respect of guarantees given under section 3 of the Act, shall not at any time exceed that sum of one thousand million dollars." The Minister of Finance/

The Minister of Finance (Cde. Hope): In presenting the Motion in my name which is really a Motion to increase the liability with the to guarantees for public corporation and public entities, I wish merely to explain that under the Guarantee of Loans (Public Corporations and Companies) Act the Minister has been given authority to issue guarantees up to a maximum of \$500 million. Recently that amount has been reached or is about to be exceeded and, in order to prevent any breach of that particular section of the Act, I am proposing the Motion standing in my name which seeks to increase the outstanding amount guaranteed from \$500 million to \$1,000 million.

As the members know, the number of public corporations has increased, their business has expanded and we have estimated that the Government sector, the public sector is able to control at least 80 percent of the economy, therefore, it is not surprising that from time to time the Central Government will have to guarantee these loans or advances made to public corporations.

I must mention that the guarantees involved are both for local as well as for foreign borrowing by the public corporations, including any suppliers' credit that they happen to negotiate. With that explanation, I wish formally to move the Motion standing in my name, that is, to increase the liability with respect to guarantees from \$5,00 million to \$1,000 million.

Motion proposed.

Cde. Narbada Persaud: Mr. Speaker, over the last two weeks the National Assembly has been meeting to discuss the Budget for the year 1980. During the examination of that speech, particularly by the Opposition, the parlous state of the economy has been the high point in the speech of almost every person who spoke. Before that debate has come to an end, the House

today is being asked to approve this Motion which now seeks to give the Minister the authority to further guarantee loans to the public corporations up to the tune of \$1,000 million.

If I am to go back a little further, in 1971, when the original legislation was passed in this House, it was passed for \$25 million. That was nine years ago. In 1974, on February 9th, by amendment to the Act we increased it by 10 per cent making it \$50 million. Then two years after, on the 18th March, 1976, by way of a Resolution, that amount was increased from \$50 million to \$200 million.

On the 20th March, 1978, again two years later, by another Resolution we moved from \$200 million to \$500 million. Two years later, today being 21st April, 1980, we are being asked once again to approve this Resolution moving it from \$500 million to \$1,000 million or one billion dollars.

I mentioned in the beginning about the examination of the economy and since we have been told – mostly it is a fact – that 80 per cent of the economy is now owned by the Government we cannot examine the public corporations without making reference to the state of the economy as a whole. In 1978 we were told that the public corporations' activities and operations would be brought under more control under the central government and scrutiny also under the central government and as such they would be required to meet certain financial and social targets. That statement was made in the 1978 Budget Speech when for the first time we were told that the type of Budget was going to be different from those that we have had and the public corporations would play a meaningful part. If one remembers carefully, a great deal was stated in that Budget Speech as far as the public corporations were concerned.

As a result of that statement, central monitoring began in the very year 1978 and individual managements of the various enterprises and financial expectations for the year 1978 to 1981 were agreed upon. I referred to some of those expectations in my contribution to the general debate in so far as the public corporations' targets or expectations were concerned. I emphasized minimum growth perspectives were indicated. But what did we find? In the same way the Government goes about managing the affairs of every central government level, in the same manner it goes about managing the affairs of every single public corporation in this country

and despite the prognosis year after year that the economy was going to grow, was going to have positive growth, the economy since 1978 has failed.

In the same way since 1978 when those targets were given, we have seen what the position was at the end of 1978 and here again in 1979 we have just witnessed the colossal failure of all those targets that were set. In 1979, Cde. Speaker, the public sector was to realize \$81 million, but instead of that \$81 million its contribution to the public treasury and the central government was only \$57 million – a shortfall \$24 million.

2:15 p.m.

Capital inflow for the public sector was envisaged to be \$122 million. This was to be mobilized, but instead – and this was from outside – we found that only \$83 million was made available for the public sector from external borrowing during last year, \$39 million less than that which was projected. Internal borrowing was put \$67 million, but reached only \$32 million during last year a shortfall of \$35 million or more than half of what was projected. A sum of \$136 million was to be borrowed from the banking system, but because of all of these failures outlined above, Cde. Speaker, we found that the pressure mounted on the banking system and the \$136 million jumped to \$192 million, \$56 million more than what was anticipated. I pause here, Cde. Speaker, to ask the reason and I particularly wanted to examine the shortfalls as far as the public sector is concerned, when one takes it together, because we were just examining the shortfall in production and the growth as far as the central government is concerned.

Dividends paid in the national treasury by the public corporations during 1979 amounted only to \$18 million when the target was \$24 million. Direct income tax payments from the public sector reached only \$49 million, \$26 million less than the target for the year 1979. What are the projections for 1980? Dividends, we are told, will reach the height of \$66 million compared with a mere \$18 million for 1979. As I said in my presentation during my contribution to the Budget Debate, the Government sets about putting unrealistic targets year after year and when these targets are not achieved, obviously the Government is disappointed, and instead of coming to the House at times and admitting that these figures were unrealistic. We hear the blame put on this oil crisis and on international factors, all of this instead of facing the reality of these figures which are very unrealistic. We are now told that for 1980 \$66 million will be contributed as far as dividends are concerned. Direct taxation will reach the level of \$76 million as compared with \$49 million in 1979.

Cde. Speaker, borrowing or guaranteeing loans for the public sector will not help this state of affairs that I am now referring to. We have been borrowing, I have just outlined the figures starting from 1971 to 1980. From 1971, \$25 million, we jumped to \$500 million in 1978. I would like the Minister, in replying, to state what is the present figure and if he is in the position to state, for the basic Corporation in this country, what is the figure at the moment. Cde. Speaker, because of poor performances, we learnt from the Budget Speech of 1980 that there will be a 33 percent increase in the Corporations like the G.E.C., the T.H.D. and the G.A.C.

There will also be increases in other Corporations – The Guyana Transport Services Ltd., by two cents per mile. What that means, only the people, the small man who has to make use of the Guyana Transport Services Ltd., particularly the buses, can say. When we are to compare 5 percent increase for a man working for an average of \$300, a mere \$15 per month, Cde. Speaker, as against two cents per mile traveling from Parika or from Leonora with the Tata bus every day, coming to town to work that \$15 per month is just eaten up.

This Government came here only recently and told us about this wage package, but what does it mean to the small man? And I have not taken all the other increases. I have only taken the Guyana Transport Services Ltd., two cents per mile traveling from Leonora or from Hague coming to Georgetown and returning and the wage increase of \$15 per month, and thus all the other increases would have to be packed up and heaped up once again on the back of the small man.

Cde. Speaker, Guyana Transport Services Ltd., was expected to make a profit of \$1.6 million in 1979. Unrealistic! and when looking through my Budget Speech, Cde. Speaker, for 1978 I see a mark against that joke. I see all these figures given in 1978 as to what the public corporations would have done in 1979. Instead, what were we told about the G.T.S.L.? It has made a loss. Guyana Airways Corporation was expected to make profit of \$1.5 million in 1979. Instead, it made a loss of \$2 million. Transport and Harbours Department made a loss of \$8 million in 1979. The G.E.C., according to the Budget Speech, is suffering a loss of \$2 million per month - \$24 million a year. Cde. Speaker, I would like the government to say whether borrowing or extending the guarantee from \$500 million to \$1000 million would help this type of thing that has been going on year after year. Will it assist the public Corporations? Will it assist the economy? Will it assist to have the cost of living reduced in this country? The cost of living is increasing rapidly and the recent Budget Speech will again shove it right up again.

Cde. Speaker, what about these Corporations that are running at a loss? I want to ask the Minister, in his reply, to tell us what serious efforts are being made? Are we going to allow the corporations year after year to borrow and borrow and borrow, when figures are given of large sums of profit to be made, and instead of profits losses are being made? As we still going to continue to operate in the same old way, coming to this Parliament year after year to increase the limit or the ceiling of the borrowing or the guaranteeing of borrowing?

Guyana Food Processors Ltd., why should a corporation like that run at a loss? Guyana Marketing Corporation, we know it was being subsidized. All these are operating at a loss. Cde. Speaker, Guyana Broadcasting Corporation operates at a loss. Why when the Government monopolizes now, completely? All the advertisements go to that Corporation like in the Chronicle. Why should these Corporations run at a loss? Guyana Broadcasting Services, the Post Office Corporation, one after the other, corporations are just running at a loss.

2:25 p.m.

We are being told by the Minister this afternoon that the guarantee will cover internal and external borrowing. We have had only recently the Government. We moved it from \$1,000 million to \$1,500 million. Cde. Speaker where will it all end? I have said it in this House over and over again, that any country in any part of the world, after it has achieved Independence will need money for development, but, Cde. Speaker, here we find that we have had Independence since 1966, what was the public debt at that time I could not say now, but I am sure it was less than \$100 million. From 1966 to now, 14 years, we have borrowed all this money. Where is the development? I have said over and over that it is wrong priority.

Cde. Speaker, I do not wish to go into all these figures about all these surpluses that we are supposed to make in 1979 starting with Guymine right through twenty-one corporations, both Trading Group I and Trading Group II. The fact of the matter is something is definitely wrong, because, if according to the figures given, a corporation is supposed to move from a deficit of \$0.5 million to make a surplus of \$1.5 million that is, to move to \$2 million but instead of having \$2 million we are told it incurred a loss of \$2 million, we must ask why. The loss in 1977 was \$0.5 million and here in 1979, when we were told that we were going to have a profit of \$1.5 million we see that there has been a loss. Something is definitely wrong and I do not know.

We all understand that the economy is in great problems but they are coming here and fooling the people, as they have been doing for the past four years, that the economy will grow, that the problem is temporary this year, but because of this and that, which is not the truth, things are going to get better next year. But, comrades, when the next year came instead of getting better, things got worse. The same thing is now being reflected as far as the public sector is concerned. It proves the point that instead of the corporations reducing the prices, the prices will go higher. The I.M.F. came here and demanded that the prices must go up in order that the public corporations can make larger surpluses. That was one of the demands and we saw what happened. Instead of corporations making the surpluses planned, despite the rising prices, despite the 300 and 400 percent mark-ups, they showed losses.

Cde. Speaker, I ask the Government to take a second look. The performance of the economy for the past two years have clearly shown that borrowing will not help, whether at central government level or whether at the public sector level. At the moment, the Government is bankrupt, there is no doubt about that, the figures are all there. The Government should examine all these corporations because I am saying that borrowing will not help the corporations to improve the surpluses or improve their feasibility. Government should really examine the top-heavy bureaucracy that exists in some of these corporations and must see sometimes where square pegs are placed in round holes only because of party loyalty. These things will not assist the corporations, as they have not been assisting the economy. Political directives go down to some corporations. Only recently a very capable manager was dismissed because he refused to do a political favour. Cde. Speaker, so long as these things continue, the corporations will not be able to generate the surpluses and they will not be feasible.

What about the question of corruption? We have been talking about this over and over. The last time I spoke on the Motion to increase the limit of the guarantee from \$200 million to \$500 million, I called for a public enquiry into certain corporations and I named them. Nothing has been done. Everything is being dismissed: that the Opposition is making noise for the sake of making noise, or opposing for the sake of opposing. There is corruption at its highest level within corporations. I informed the ex-Minister of Trade about certain matters. Absolutely nothing has been done, but if the Government feels that borrowing will help it, it can continue. It will be faced with the realities. After four years, 1976 to 1979, it has not come to its senses to realize that it is on the wrong course, but it is obvious the day will come if it continues to ignore the

realities, the Government itself will have to do what Michael Manley is doing now.

The Leader of the Opposition (Cde. C. Jagan): Cde. Speaker, our colleague, the previous speaker has set out in perspective what has been happening in the last few years, since 1970 more particularly. From time to time, we have been warning in this House of direction in which this country is going and the difficulties which will be face by the people. I recall in the beginning they laughed us to scorn, so to speak, we were told we did not know what we were talking about but we are heading, as I said several years ago, more and more in the direction of Latin America where the rate of inflation is growing. Last year it was 51 percent compared with previous year of 41 percent, a 10 percent increase in one year.

2:35 p.m.

In this paper – this is the PRELIMINARY BALANCE OF LATIN AMERICA ECONOMY, 1979, by the CEPAL INFORMATION SERVICE of January, 1980 – it speaks of the problems facing Guyana. It says:

“Furthermore, the rate of inflation continued to be very high in historical terms in Guyana, (18 percent), and Jamaica although in the latter country it declined remarkably from 49 percent in 1978 to 25 percent in 1979.”

That is, Jamaica has declined but in Guyana it says – let me read it again:

“. . . continued to be very high in historical terms in Guyana (18 percent)”.

The problem there is largely due to the fact that this Government has been deluding the people and themselves in talking about development while it is carrying out so-called “development” by deficit financing. Year after year the budget is in deficit and the Government keeps borrowing and borrowing and this is why the rate in Latin America is so high today apart from imported inflation. That is one factor but we must not only refer to imported factors such as oil prices. We have to talk about internal factors too.

Years ago, I remember since the days of the Kubitschek regime in Brazil they were warning about deficit financing when Kubitschek wanted to build the big city in Brasilia, borrow more money and build. Then there was warning. What happened last year? Brazil paid \$10 billion in debt payments and the total exports were valued at \$10 billion. Ten billion dollars’

worth of goods exported last year – the member is shaking his head – and ten billion dollars in debt payments!

This is where this country is heading progressively.

The rate of inflation is growing because of the deficit financing method which we are employing and, further, hiding the reality from the people by lumping together the recurrent budget and the development budget.

What is more alarming indeed in the recurrent budget is the fact that to pay the debts, as we showed last year it was nearly three-fifths of the total revenue. Let him deny that. And that accounts for the continuous decline in the social services, public services and so on and the high taxation and the removal of all subsidies. The Government keeps borrowing more and more. The obvious answer is not to borrow more and more. The answer is to put your house in order. Soon we are going to hear that the public corporations are no good; nationalisation is no good; State ownership is no good. Let us denationalise! Let us sell them all out. That is going to be the next cry.

We do not agree with the thesis that nationalisation is not a good thing nor that the public sector is a bad thing in terms of development because there are some who want to propagate capitalism who put forward this thesis or who want the public sector merely to be an adjunct of State monopoly capitalism under which the State continues to help the monopolies which are growing, the local monopolies and the foreign monopolies. What is to be done? My colleague pointed out that this is not the way. Let me go back to the time of 1971 when the Government was to nationalize DEMBA. It was then said that there would be workers' participation. Mr. Pollydore, the General Secretary of the T.U.C., as recently as 1978, pointed out in his Report that workers' participation was promised and that has not yet been implemented. Why is the Government afraid to allow democratic trade unionism in the country, free and fair elections in trade unions and to have industrial relations which mean dealing with democratic trade unions and not only that, having the workers in the position of decision-making both in management and also in terms of determining policies and plans for the future? That is not there up to today.

Secondly, my colleague spoke about corruption and round pegs in square holes. Why have they, for in stance, refused to allow the Auditor General to have the work of all State corporations and to bring it under the control of the Public Accounts Committee. Why not? The government does not want to do that because it wants to pass on benefits to its friends, so the

organisation such as Stoll, Thomas and Dias – Thomas who was the first Economic Development Minister – could replace the foreigners who did the work before, Fitzpatrick Graham.

In other words, we replaced imperialist capitalists with local capitalists. That is all that is happening and so we have, instead of money flowing down to the people in these corporations and the profits coming to the Treasury, they are being leaked out in all kinds of ways through underhand deals, corrupt deals. That is why the members of the Government do not want the corporations to come under the purview of not only the Auditor General's Department but also the Public Accounts Committee. They do not want the reports to come here. They are developing a new breed of capitalists performing all kinds of services, selling services to these corporations and the time has come to call a spade a spade.

We had a stinking example in the report of the Luckhoo Commission stating that what was the previous firm of the Prime Minister, Clarke and Martin, was not only the legal representative of the Electricity Corporation, which is loading \$2 million a month, but was also the legal representative of the contractor of the Canadian company to the Guyana Electricity Corporation. What a disgrace! And we know that today very few people can come to Guyana and get anywhere unless they first see Clarke and Martin. This is how rackets and corruption are working in this country and that is why these corporations cannot pay.

What is needed is a through examination, not only by people like Lionel Luckhoo but with the Opposition involved. Why did the Government not put the Opposition on the Commission? When the Government nationalized the enterprise in 1971, the Prime Minister said that the Opposition would have two members on the Board of Directors but not one was allowed there. [Interruption.]

[Cde. C. Jagan contd.]

He is saying, “too irresponsible”. They do not want people to see all the dirty things which are going on, not the Opposition, not the workers, and they allow shady deals to continue. Read the Director of Audit’s report, the last one, where he talked about Tender Board procedures being violated, that contracts are being awarded to people whom the Tender Board did not choose. In fact, the Tender Board’s selectees were thrown aside and the People’s National Congress, no doubt, through the Ministry put their own there. I should not say, through the Ministry, through the Minister put them there.

2:45 p.m.

Cde. Chairman, that is the reality and, therefore, I would suggest at this late hour what is needed is a house-cleaning operation and that means immediately the workers through their unions must be brought in to control, not just control operations but look at finances, purchases, sales. How is it, I mentioned in this House, a Vice President of a Rice Action Committee could rent equipment from the Rice Board at subsidized prices and rent out his own at higher prices? They know about it and they do nothing about it, I even mentioned the name of a man named Jaipaul in Berbice. How do you expect the corporations to work well in those circumstances, how? House cleaning, I said, is number one. The workers, through their trade union democratically-elected leaders, must have a right to control and see accounting, as I said not only purchases but also sales.

Some people are getting rich, becoming millionaires now overnight, becoming distributors. One named Sampson in Regent Street. How is it, Minister, answer, how is it there are many half millionaires developing in the country? Yes, there are the rackets which are being operated, and that is why the corporations are losing money. They tell the workers, sanctimoniously, they get up on the platform and say “We are losing money, therefore, sorry, we cannot afford to pay you any increase. Five percent, we are being generous, we are even losing and we are paying, we love you so dearly. This is what they are doing, meanwhile, the rackets continue, therefore, the number one solution, workers’ control.

The second - - /Interruption./ Forget that. You do not want any national front because you do not want to put a stop to corruption. Yes, Mr. Speaker. The second thing is to carry out immediately an investigation into all of these corporations, and the Opposition must be involved.

The Opposition speaks for the majority of the people of this country and they must see what is happening. It is important to see that because if the Opposition is not involved then we cannot know of all the rackets. You remember, Mr. speaker, years ago when I mentioned that flour which was milled, which was supposed to be distributed, the distributor was supposed to be the Guyana Marketing Corporation, a State body, we agree with that, suddenly was not distributed by the G.M.C. A sub-contractor in the name of Greenland Co-operative Society was employed at twenty-five cents per bag and Greenland had no facilities. What was alarming about that was that Greenland had no trucks. We saw the same racket with fisheries where the fishing was given to a Ministry and it was done through the People's National Congress outlet. Flour is now being distributed by what is called K.S.I. – Knowledge Sharing Institute. What they should call it is profit sharing. That is the wrong name. What is being done is a fiefdom being created, a P.N.C. fiefdom using the state to help their friends to get rich and to help themselves to get rich. Therefore, the second proposal of the Opposition is that there must be an inquiry into all these corporations and that the Opposition be represented. That is important if we are to stop corruption. Our Opposition members are not on any Board, as far as I know. In the case, I remember, of the Bauxite Company they went behind the backs of the P.P.P. - -

The Speaker: They had one Cde. Kassim on that Board.

Cde. C. Jagan: Do not worry with that. We know of lots of people who were P.P.P., Chandisingh was there, Teekah was there too, we are talking about the P.P.P. as an organization and as an Opposition. The same way we talk of trade unions, we have to deal with the entity, not individuals, and that is absolutely necessary. Those two things we should start out with.

Mention was made about co-operation. They are willing to co-operate. Well, here is an area where the P.P.P. is prepared to co-operate. Let us forget about National Front and National Front Government. Let us start now on these areas where we are all concerned, the people are concerned. As I have said already, the projection is that we are heading towards a situation as in Latin America where we have not only high inflation rates but a growing debt problem, like Brazil. A few years ago, the capitalists upheld Brazil as what is called the model, they talked about the Brazilian miracle and today all of that is faded. We do not want to get there and reap the social consequences which are illiteracy, for instance, moving from 40-50 to 80 percent, and other social consequences. This can be stopped in Guyana but the only way to do it is to have anti-corruption methods. We are asking the Government also to bring in legislation, integrity

legislation which the Prime Minister promised since 1971. Jamaica, Barbados, Trinidad have enacted legislation since then, on this question to stop corruption. [Interruption.] Yes, you can take it as far back as the fifties, if you wish.

2:55 p.m.

These are our proposals, first, the enactment of integrity legislation, secondly, commissions of inquiry in which the Opposition is represented and the public is involved; thirdly, democratic trade unionism and workers' control in management, decision making and looking into accounts. Only in these ways we feel we will be moving. Lastly, I should say representation of the Opposition on the Boards of management in all Corporations. Those are the four steps which we recommend for Government consideration and if the members of the Government want to talk about co-operation, this is where it should begin.

Cde. Hope (replying): Cde. Speaker, we have become accustomed to the careless exaggerations, careless statements, indeed irresponsible statements from the Opposition, whenever the public corporations are being discussed. It is a standing practice for the Opposition to charge corruption. Perhaps this is corruption in some of the public corporations but Cde. Speaker, the Leader of this Government has said from time to time in public that so far as the Government is concerned it stands ready to discover or unearth corruption wherever it exists in the public corporations and to have those people punished, wherever corruption is proved.

Clearly, Cde. Speaker, it must be a clear indication of an irresponsible position taken if the Opposition can charge that the Government in any way condoned any action which is, in fact, corruption by any member of the public sector. I think the Government's position is absolutely clear in this area. It stands ready, and the Leader of the Party and the Government have stated that, to unearth corruption wherever it is proved. But Cde. Speaker, a question has also been raised. The Leader of the Opposition speaks about a growing capitalism within the Party but, Cde. Speaker, I ask the question, what is Gimpex? Does Gimpex not have all the hallmarks of a capitalist organization, the shareholders, distribution of profits? And who are the shareholders? Cde. Speaker, when we come here and speak, we must be sure that we are clear of the same and we are free of the same impediments about which we charge other people. Gimpex is clearly a capitalist organization owned in part by the same Leader of the Opposition who is speaking and many of his party supporters and senior party members. I think we ought to recognize that.

And then he comes and plugs this idea: Why is it that all the public corporations' accounts are not audited by the Director of Audit? Why should they? If the Opposition says: Why not? Why did they not do it in the case of the G.E.C. or the G.M.C. or the Credit Corporation? To name only three which were public corporations under the direction of the Leader of the Opposition. Clearly, Cde. Speaker, we have these inaccurate unreasonable positions taken in public when in fact the Leader of the Opposition does not believe in these things.

The Leader of this Party and this Government has clearly said what the Leader of the Opposition never said when he was in the Government, that he stands against corruption but Cde. Speaker, any one who had the opportunity of looking at the accounts and activities of the Credit Corporations in the P.P.P. days would have seen all the corruption there. Why is it this Government had to wind up that corporation in 1973? We had to wind it up because it had become so corrupt over the period of the P.P.P. that the accounts were in a poor state, a lot of debts could never have been collected, loans which were granted to people were written off by the Government of the P.P.P., loans granted its supporters with no intention of ever collecting those moneys; the result of this was that the Credit Corporation had tremendous losses and we had to write them off. What we are faced with is a Leader of the Opposition who is charging this Government with faults, which he is not in a position to prove, but which we have been able to prove with respect to the P.P.P. and its Government.

The Opposition has been talking about public corporations making losses but, Cde. Speaker, all the public corporations do not make losses and I think, again the Opposition, which loves to quote, could have referred to some of the statements in the Budget Speeches in the past and in other documents circulated in this House, that the Government will, in the course of discriminating in favour of the poorer groups of people in this country, allow certain public corporations, which are providing a service to the community, to make a loss rather than charge the full cost. This is clearly the case of the Transport and Harbours Department, the Guyana Marketing Corporation, the Guyana Water Authority. These are the Corporations which have been making losses. Even in the G.E.C., the Government has deliberately restrained itself from recouping the full cost of operating that Corporation in view of the rising prices and the rising cost of the fuel it had to purchase.

Cde. Speaker, it is the reluctance on the part of the Government, born of a desire to ensure that the people are not required to pay too rapidly rising costs for services that certain Corporations which are really service corporations have made losses. Telephones have not made a loss, even though G.E.C. may have made a loss. Guyana Pharmaceutical Corporation has not made a loss even though Transport and Harbours has made a loss. The important point is that the Government has said definitely it will accept certain losses in certain Corporations in the interest of keeping the prices of certain services as low as possible, and for as long as possible. I think it is in that context that we need to look at the charge by the Opposition that the Public Corporations are making losses. All the public corporations do not make losses. A number of the corporations do make losses and where they make losses very often it is as a result of a deliberate policy on behalf of the Government.

If one looks at the Corporations for which guarantees will be made, one would observe the same trend. There is clearly no truth or substance in the argument made by the member Cde. Persaud that public corporations are making losses and, therefore, they are borrowing to make up in a sense for their losses. Cde. Speaker, take the Guyana Liquor Corporation. That is one Corporation which is mentioned here whose borrowing has been guaranteed. That corporation is a surplus-making corporation. Take BIDCO, the Bauxite Industrial Development Company. That also is a company for which the Government has issued guarantees and I think the Opposition will not say that that company is not a surplus-making corporation. Take GUYSUCO. GUYSUCO is another corporation which we have mentioned here as a corporation borrowing from expansion and for some of its working capital. A corporation like GUYSUCO – can we argue that it is not a surplus-generating corporation? It may not, in view of the very low prices on the world market for sugar, have made a very substantial profit last year but we all know – I do not think members of the Opposition dare say that GUYSUCO, given reasonable prices on the market, is not and will not be a surplus-making enterprise.

3:05 p.m

These are the kinds of institutions which we have guaranteed. Take the Agri Bank. We have guaranteed loans for that bank. Again those loans were used to on-lend to farmers. Is that a bad reason for borrowing? I could go through this list and find the same story that wherever the loans have been guaranteed it is usually for corporations which are surplus-making corporations that are borrowing for expansion and sometimes for their working capital.

The Opposition also made the point, quite improperly – or sought to – that when the Government made a proposal to give certain wage increases to the workers it was a mere pittance and it was going to be absorbed or liquidated completely by increased costs in other areas, but I think is concentrating on the five percent which the Government had said it would give to workers in the traditional public service, one has missed the point that the whole proposal of the Government is a package. It is a package which envisages that the workers in the traditional civil service will receive a five percent increase. In addition to that, skilled workers will receive a five percent plus another five percent in order to introduce a certain amount of relativity between them and the unskilled workers. For those cases it is ten percent. For workers who are in the directly productive enterprises – is should not say directly productive enterprises but I should say the enterprises in which we expect growth, as in bauxite and in sugar. The increase which is permitted and where we have agreed on is 7 percent. That is only part of the wage package.

There is also the statement which the Government has made that perhaps the bulk of the increases going to workers of this country will come through incentive payments. We have part of the package which says direct income payments and another part of the package which says income payments arising out of incentive schemes which represent the remuneration, wage and salary package to the worker.

The Government's package does not end there because the Government also says that it will give certain increases in the income tax allowances to taxpayers and those allowances can turn out to be quite significant. It will be earned and gained by all workers who are paying income tax at the moment. As a matter of fact, I venture to suggest that as a result of these increases and allowances there will be some, not all, workers who will probably find themselves paying more taxes. I think it is all of that which needs to be taken into account in the Government's wage and salary package to the workers and therefore any effort which seeks to concentrate attention on that part of the statement which says five percent to the traditional Civil Service is obviously inaccurate.

Coming back to the guarantee, the question has also been asked as to what is the outstanding amount guaranteed. Let me explain that the amount outstanding at the moment is in the region of \$480 million when the Act limits it to \$500 million. But I need to say this also: what the Act speaks about is outstanding guarantees. It does not speak of outstanding amounts on

those guarantees. In other words, if the Government has guaranteed, say, \$2 million borrowing by a public corporation and that public corporation over the years had repaid a million dollars, the outstanding guarantee under the Act still remains \$2 million. It does not take into account the fact that payments have already been made so when we come to the House and ask for an increase it is not that the public corporations have outstanding amounts owing of this amount. The Act speaks of outstanding guarantees and those guarantees will cease to be outstanding only when the total loan has been repaid. That is the purpose.

One final point. The Leader of the Opposition says that our public debt – 1980, I assume he is speaking about – is more than three-fifths of the revenue. I am putting the statement in the best form. The figures I have here show that it is not three-fifths.

The Chairman: It is 1979, not 1980.

Cde. Hope: If it is 1979, the position has not changed. The percentage is somewhat between 45 and 50 percent and that is 1979. Not three-fifths. [Cde. C. Jagan: “It was 15 percent 13 years ago. Subsidies have gone. Social services have gone.”] What does that mean? All it means is that the Opposition at that stage was running a donkey-cart economy. That is all it means. Of course, they will say they were not the Government. It was the British Colonial Office that was the Government. That is their standard excuse but that is not true. Once you are in a position where you own a substantial part of the domestic economy this kind of debt which, in the circumstances, was a private debt was bound to be public debt.

The members of the Opposition in 1962 and 1963 were talking glibly of taking over the commanding heights of the economy. Cde. Speaker, we do have now the commanding heights of the economy and this is the reason why we have this public debt. We could not expect the members of the P.P.P. in those days to have it because they did not have the commanding heights of the economy. It was then a mere dream for them. Now it is a reality and this is the real reason.

Those are the answers I would like to give to the few relevant questions raised by the Opposition. [Applause.]

Question put, and agreed to.

Motion carried.

BILL – SECOND AND THIRD READINGSAPPROPRIATION BILL 1980

A Bill intituled:

“An Act to provide for the issue from the Consolidated Fund of the sum necessary to meet the expenditure (not otherwise lawfully charged on the Consolidated Fund) of Guyana for the financial year ending 31st December, 1980, estimates whereof have been approved by the National Assembly, and for the appropriation of that sum for specified purposes, in conformity with the Constitution.” [The Minister of Economic Development and Co-operatives.]

The Minister of Economic Development and Co-operatives (Cde. Hoyte): In terms of article 80 (2) of the Constitution I beg to lay the Cabinet’s recommendation. Cde. Speaker, I move that the Appropriation Bill, 1980, be read a Second time.

Question put, and agreed to.

Bill read a Second time.

Bill read the Third time and passed as printed.

ADJOURNMENT

Resolved, “That this Assembly do now adjourn to a date to be fixed.”

[The Minister of Parliamentary Affairs and Leader of the House.]

Adjourned accordingly at 3.12 p.m.