

HUGH DESMOND HOYTE, S.C.
NATIONAL ASSEMBLY SPEECHES
VOLUME 2

18th December 1973 - 10th September 1980

Hugh Desmond Hoyte, S.C.
National Assembly Speeches Volume 2
Compiled by Maurice B. Henry for the National Assembly, Parliament of
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PREFACE

On the death of Mr. Linden Forbes Sampson Burnham, President, on 6th August, 1985, Mr. Hugh Desmond Hoyte, Prime Minister, acceded to the Office of President. Following the 9th December, 1985 General Elections he was declared President. As his Biographical Summary shows, he held several Ministerial Offices including Vice-President and Prime Minister prior to these dates.

Following the General Election held on 5th October, 1992 Dr. Cheddi Jagan was declared President on the 9th October. Mr. Hoyte became Minority Leader and he held this office until his death on 22nd December, 2002.

This collection of his Parliamentary Speeches over the years 1969 to 2001 is the first step taken in keeping with the Fourth Resolved Clause of Resolution No. 67 dated 7th August, 2008 of the National Assembly, which states –

“Be It Further Resolved:

That this National Assembly calls on the Government to designate a State Institution to be responsible for Historical Research and Documentation to chronicle and archive all of the works of each of the Presidents of Guyana for the benefit of future generations of Guyanese.”

These speeches are recorded in four volumes as follows:

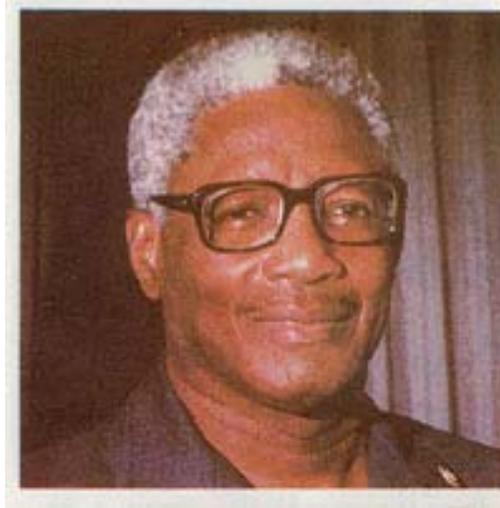
- (i) Volume I - National Assembly of the Second Parliament of Guyana, 1969 – 1970
National Assembly of the Second Parliament of the Republic of Guyana, 1970 – 1972
- (ii) Volume II - National Assembly of the Third Parliament of the Republic of Guyana, 1973 – 1980
- (iii) Volume III - National Assembly of the Fourth Parliament of the Co-operative Republic of Guyana, 1981 – 1985
National Assembly of the Fifth Parliament of the Co-operative Republic of Guyana, 1986 – 1992

- (iv) Volume IV - National Assembly of the Sixth Parliament of the Co-operative Republic of Guyana , 1992 – 1997
- National Assembly of the Seventh Parliament of the Co-operative Republic of Guyana , 1998 – 2001
- National Assembly of the Eight Parliament of the Co-operative Republic of Guyana , 2001 – 2006

Volume III of these speeches contains Mr. Hoyte's addresses to the National Assembly on the Ceremonial Opening of the First and Second Sessions of the Fifth Parliament of the Co-operative Republic of Guyana.

A number of Official Reports (*Hansard*) of the Proceedings of the National Assembly are missing for the years 1969 – 2002. Some of these contained speeches of the Late Hugh Desmond Hoyte, and it seems unlikely that these will ever be recovered.

Biographical Summary:



Hugh Desmond Hoyte was a former President of the Co-operative Republic of Guyana, former Leader of the main Opposition Party, the People's National Congress (PNC) and former Leader of the Opposition in the Parliament of Guyana.

Born in Georgetown, Guyana in March 9, 1929, Mr. Hoyte received B.A. and LL.B. degrees from the University of London. He was a British trained lawyer, a Barrister-at-Law of the Honourable Society of the Middle Temple and a Member of the Guyana Bar. He was appointed a Queen's Counsel in 1969, which designation was changed to Senior Counsel in 1970 when Guyana became a Republic.

Between 1969 and 1984, Mr. Hoyte held many Ministerial offices, including those of Home Affairs, Finance, Works and Communications and Economic Development and Co-operatives. In 1980 he was appointed a Vice President and in 1984 he became First Vice President and Prime Minister.

On the death of the first Executive President of the Republic Mr. Hoyte served as President of the Republic from August 1985 to October 1992. During his Presidency, he initiated far-reaching electoral and economic reforms which strengthened the bases of the democratic culture of Guyana, promoted market oriented policies, and stimulated economic growth.

As a Minister of Government, he had at various times responsibility for African, Caribbean and Pacific (ACP) affairs under the Lomé Convention

and was the ACP spokesman on sugar from 1981 to 1983. His portfolio also included Caribbean Community (CARICOM) Affairs. As a member of its Conference, the Heads of Government of CARICOM charged him with responsibility for promoting freedom of movement within the Community and for coordinating CARICOM's policy on the environment for the Earth Summit in Rio in 1992, and in general. He was also nominated CARICOM's spokesman on sugar.

Prior to his full-time service as a Government Minister, he held many other public offices. He was Chairman of the Legal Practitioners' Committee, a statutory body which deals with disciplinary matters relating to members of the legal profession; Chairman of the Timber Grants Wages Council; Chairman of the Customs Tariff Appeals Tribunal; and a member of the Elections Commission, among other offices. He was also deeply involved in the Trade Union Movement and was Legal Adviser to the Trades Union Congress and several member Unions.

In his ministerial capacity, Mr. Hoyte served as Guyana's Governor on the World Bank, the Inter-American Development Bank and the Caribbean Development Bank and headed many delegations to the Economic Commission for Latin America and the Caribbean; the Caribbean Committee for Development and Cooperation; the Commonwealth Finance Ministers Meetings; ACP/EEC Meetings; and other regional and international conferences on economic, financial and developmental issues. He was Guyana's chief representative at the deliberations which led to the establishment of the Latin American Economic System (SELA), and was a member of the Latin American Council from 1975 to 1983. He had maintained a strong interest in regional and hemispheric affairs and spoke and wrote widely on this subject.

Mr. Hoyte had a keen interest in ecological and environmental matters. In this area, he had worked closely with the London-based Commonwealth Human Ecology Council and had written and spoken on these issues, both locally and internationally. He was the architect of the Iwokrama International Rainforest Project in Guyana, which he initiated at the 1989 Commonwealth Heads of Government conference in Kuala Lumpur, Malaysia.

Mr. Hoyte was a Life Senator and a member of the Supreme Council of the Presidency of the International Parliament for Safety and Peace, which has observer status with the United Nations; a member of the Advisory Board of the Women's Federation for World Peace; and an honorary member of the Board of The Americas United Foundation. He was also a Patron of the Errol Barrow Memorial Trust Fund (a regional Trust established in honour of the late Barbadian Prime Minister) and a Patron of the Commonwealth Human Ecology Foundation based in London.

Mr. Hoyte, who was married to the late Mrs. Joyce Hoyte and had two children who predeceased him, died on 22nd December, 2002.

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**NATIONAL ASSEMBLY OF THE THIRD
PARLIAMENT OF THE REPUBLIC OF GUYANA
1973-1980**

Motion on the Approval of the Estimates of Expenditure for 1974 in Committee of Supply: 18th December, 1973

Head 37 – Ministry of Works and Communications (Communication) Civil Aviation

Question proposed that the sum of \$881,108 for Head 37, Ministry of Works and Communications, Civil Aviation, stand part of the Estimates.

Mr. Hoyte: Mr. Chairman, Subhead 1, item 13 on which the Hon. Member raised a query is very simply explained. If one were to do some simple arithmetic and would see that this works out at about \$300 per month for a Supervisor, that is, for each of the 4 Supervisors provided for in the Estimates. Scale A10 runs from \$203 to \$338 a month. It means that most of these people are somewhere on average in the middle of that scale.

Last year the situation was quite simple. First of all there was a lower salary scale and secondly there were vacancies. So if you take those 2 things into account you will see that the figures explain themselves easily.

Subhead 1, item 17, 'Temporary Clerical Assistance.'

Mr. Hoyte: Here again it is very difficult to anticipate how much temporary clerical assistance a department would need in the course of a year. The Ministry of Finance proceeds on the basis that this type of employee is employed for a very short period of time. Indeed this is so. That is why actual posts are not set out in the permanent establishment section of the Ministry.

There are several reasons why a large figure might turn up. For example, in the course of this year there was a request from the National Insurance Scheme for certain work to be done in examining the payments by the large number of unclassified people who were in the Department of Civil Aviation. This meant taking on people to do the job in a certain time.

Again, there were times when the capital programme of the Department of Civil Aviation had to be accelerated because of weather conditions. A lot of the work is done in the hinterland; therefore one has to work during certain limited periods of the year. So no matter what figure one puts in the Estimates, one is likely every year to be far off the target.

The Hon. Member raised the question of providing an electronic device in aircraft to enable an aircraft which has crashed to be easily located. This is a matter which the Director of Civil Aviation himself has raised since the disaster we had earlier this year. This matter is being pursued by him. I am grateful to the Hon. Member for bringing this matter to the attention of the House.

I am not aware of dissatisfaction on the part of pilots of the Guyana Airway Corporation. If there is, the pilots are highly educated, very articulate people. They have a very active association. I am sure whatever problems they have can be sorted out with the management of the Guyana Airways Corporation.

I should like to say something about the point made by the Hon. Member in connection with search and rescue operations and, in particular, with the operations which was mounted by the United States team in the course of our last disaster.

In the western hemisphere there are search and rescue areas carefully demarcated. Unfortunately, within those areas there are countries like Guyana which do not have the expansive and sophisticated equipment necessary for difficult search and rescue operations. So whenever we have a problem we put out an appeal to all of the people in the region who are likely to help. The first people who come, of course, get into the act and then we stand down the others.

In the disaster which occurred earlier this year Hon. Members will recall that the people who arrived first and did very excellent work were the Brazilians. We are very grateful to them. Indeed, an American team arrived long after and said that they could not have done anything more than had been done by the local rescue party and the Brazilians. In fact, they themselves went back without doing anything.

On this occasion we did the same thing. The Americans arrived first. They, of course, effected the rescue of the one man who survived the crash. Again, Sir, we have indicated to them our own appreciation of their efforts in this operation.

So there is really what one may call an "arrangement"; but we have to understand that search and rescue personnel and equipment are not there sitting down waiting for Guyana to send an S.O.S. Very often when we request assistance the personnel and aircraft are engaged in some operation. Sometimes we do have to wait. I do hope that the time will come, not very far away, when we will be able to have here in Guyana the equipment necessary for search and rescue operations.

[Head 37, Ministry of Works and Communications (Communications) – Civil Aviation - \$881,108 – agreed to and ordered to stand part of the Estimates.]

Mr. Hoyte: Mr. Chairman, the tug and barge referred to under **Subhead 3**. I will deal with that question first. The tug is being constructed by Messrs. Sprostons Limited, the barge is being constructed by Friendship Industries Limited. The tug should be delivered at the end of this year. These ships will be used as freighters for the Georgetown/Essequibo Coast/Essequibo Island run. They will do two things. First of all, they will relieve the vessels which ply between Georgetown and Essequibo Coast of the

necessity to bring cargo, particularly farmers' produce. Secondly, they will enable quicker movement of freight between the two points.

Subhead 6, the provision is for the reconditioning of some of the ships in the fleet of the Transport and Harbours Department which are due for re-conditioning now. Unless we do the necessary maintenance work they are likely to deteriorate rapidly to a point where perhaps they would be lost.

Subhead 7, Miscellaneous Equipment: These are items which range from forklift trucks to draglines and power saws, which are necessary to enable the Department to carry out efficiently the wide range of duties imposed upon it. For example, the Department off-loads cement which comes to this country; obviously there is need, if it is going to do its work properly, to have items like forklift trucks.

With regard to the dredge equipment referred to at **Subhead 13**, it is not possible at this stage to state emphatically the source of foreign financing. The Hon. Member would know that most of the traditional sources from which we get aid have a financial year which runs differently from ours. In the case of the British, it is after April; in the case of the Americans, it is after June. Even though we have certain understandings, we do not have a commitment which enables us to say that we will get foreign financing from the United Kingdom or from the United States. Whenever the legend does not specify, the reason is that we cannot legally say nor can the country which is going hopefully to give us this assistance legally say that we will get it, because their Parliaments have not yet approved. We proceed on the basis of certain understandings, but, of course, we cannot state details publicly until the formalities, legal and otherwise, have been completed in the country from where we are going to get aid.

Subhead 18, Rehabilitation of Timehri: That sum is required to improve and extend the parking facilities for aircraft. We lose a lot of revenue because some aircraft would like to overnight here, but we do not have the facilities. We intend in the course of next year, if Parliament provides the sum requested, to extend the parking facilities so that these aircraft can overnight here and part safely.

Mr. Chairman, the Planning Unit is suffering from not having both a Senior Economist and a Cost Accountant at the moment. The reason is that these people are very scarce and there is a great demand for their services and so we find a great turnover. People come into the Unit, look around quickly and then they are snapped up by some other agency which offers, perhaps, better emoluments or better conditions.

We hope that in the coming year we will be able to staff the unit properly and get on with the very important work which it is intended the unit should do.

In the Building Division, there are several vacancies among the Architects. There is a vacancy, I think, for Chief Architect. We have people acting up, of course, and we have made an arrangement with the UK

Government to let us have, by way of technical assistance, the services of an architect. We hope to recruit another architect through the good offices of the Government of India, and we hope to have one of our own people in training return in the course of next year.

In addition, we have an arrangement with the Guyana Architects' Association whereby they are involved in the work of this Division; as a result, despite the fact that we do have vacancies, we have been able to get on reasonably well with the architectural work we have to do.

I do not agree with the Hon. Member that if we have an increase in the volume of work we necessarily must have an increase in the number of electrical inspectors or other persons in the Electrical Division. What we have done, first of all, is to have increased the mobility of the personnel and ensured that we can deploy them more readily and more effectively by installing radios in the vehicles which they use. I am not sure where the Hon. Member got his information from, but it is inaccurate to say that that Division has only three vehicles. I do not accept this idea in the Ministry of Works and Communications or indeed in the Government system, that a division has vehicles.

As far as I am concerned, the Ministry has vehicles and all the vehicles must be deployed in the service of the Ministry. That is how the Ministry operates. I have had no complaints from the Electrical Division about being unable to get transportation to get to any place.

I will say further, that one must look also at other Subheads which provide for supporting staff for the Electrical Division, for example, Subhead 1, item (134), which provides for electrical assistance. The work of this division is supplemented by people whom we get from the Technical Institute, graduates, whom we absorb into the system and pay from other votes. These people get additional training but, while they are getting this higher training, that is, training over and above the training they got at the Technical Institute, they are useful in doing work of a routine nature under proper supervision.

The Hon. Member did refer to the salary of the Head of the Division. I personally agree with the point of view which he has expressed, and I believe that the officer is taking the necessary steps to have his grading revised.

[Head 38, Ministry of Works and Communications (Works), Establishment - \$8,863,499 – agreed to and ordered to stand part of the Estimates.]

Head 39 – Ministry of Works and Communications Works) Annually Recurrent Question proposed that the sum of \$9,892,028 for Head 39, Ministry of Works and Communications (Works), Annually Recurrent, stand part of the Estimates.

Mr. Hoyte: Mr. Chairman, maybe I can answer the last question first. It is the easiest one. This amount was originally intended to be reflected in the Estimates of the Ministry of National Development and Agriculture since drainage, as a subject, has gone over to the Ministry. It was not reflected there in the end and we have brought it back to the Ministry of Works and Communications.

In respect of the payment of rates on unalienated state lands in the Vergenoagen/Bonasika drainage and irrigation area, two things happened in the course of this year. First, there was a waiver by the Government of large accumulating of rates owing by farmers in that area and, secondly, a waiver of current rates until the work which is being done now to complete the drainage and irrigation scheme has been completed.

It is projected that that work would be completed around 1975. The PPP Government did launch that scheme, I think in 1960, although all the infrastructural work was not completed. The people who farm in that area were not able to make a proper living from farming activities. As I said, arrears and current rates in that area have been waived. The Government hopes to put the farmers in that area in a position in 1975 to make farming an economic activity.

The Hon. Member looked at a book-keeping point in connection with the Quarries Division and concluded that, in-as-much as the expenditure shown here amounts to a certain figure and the deduction of issues amounts to a figure of \$1 less than the expenditure shown, the quarries are an uneconomical and unviable activity. It is not so. First of all, one does not expect that from the capital investment one will get back all the money in a short space of time or right away. What one has to be concerned about is a rate of return over a reasonable period of time.

What is shown here is roughly a balancing item, monies expected, monies received. But there is a proper organisation in the quarries and, although I am in no position to say precisely what the returns from the quarries are in financial terms, I believe that the quarries are not being run inefficiently nor are they unviable.

The difficulty here, of course, has been touched upon by the Hon. Member. Namely, that there is a lot of backup services: Clerks at headquarters, accountants and people like that whose services are not quantified. We really would not be able to do that unless we convert the quarries into a corporation or company or other separate entity and keep the books showing the cost of every item. Whether that is desirable is a nice point, but from the available information and from the work done by the last Cost Accountant before he left us for what he considered to be

greener pastures in another section of the Public Service, it does appear that the quarries are doing personally well.

The Hon. Member will be aware that this kind of operation calls for very heavy investment.

[Head 39, Ministry of Works and Communications (Works) – Annually Recurrent - \$9,892,028 – agreed to and ordered to stand part of the Estimates.]

Mr. Hoyte: Mr. Chairman, we propose to continue our road building activities next year, all of which are aimed at ensuring that the economic life of this country is maintained.

On the East Cost of Demerara, we propose to start building a four-lane highway between Georgetown and Buxton. I think the need for such a highway is obvious to anybody who has the misfortune to be on that road early in the morning or in the afternoon between 4 and 6 o'clock. And beyond Buxton to Mahaica we will be widening the road and straightening out some of those very dangerous bends in the road.

In Georgetown we will continue the widening of Sheriff Street; we will link up Sheriff Street with Ruimveldt Avenue and Princess Street will be upgraded and tied in with the East Bank network so that people coming from the East Coast and beyond can get to the East Bank without having to pass through the very heart of Georgetown.

In East Berbice we hope to continue the work which has already started there right through to Canje to improve the approaches to New Amsterdam, that is, both from the Canje side and the East Bank side, and also to reconstruct the Canje Bridge which is a death hazard in Berbice.

Hinterland Roads: We will, first of all, be starting the road from Wineperu to the Hydropower site in the Upper Mazaruni. That road is an urgent priority because it is along that road that equipment will have to be taken to construct the Hydropower station. As Hon. Members know, we hope to have that hydropower station commissioned between 1978 and 1979. In addition, we will be starting the upgrading of the Lethem/Annai road up to all-weather standard. We will continue to upgrade the Mahdia/Annai National Self-Help Road and we will start upgrading the Crabwood Creek/Orealla Road, another national self-help road. Now that the self-help effort has been completed, we will be starting work on that road to bring it up to the required standard. Also, we will start upgrading the Kwakwani/Ituni self-help road to all-weather standard. Those are the main hinterland roads we will be doing next year.

The Hon. Member asked about the Government Offices we hope to build next year. We will be starting work on a new Custom Building. The present building is very congested and very uncomfortable for members of the Department to work in. The Department has already started to move to temporary quarters so we hope that during the first week of next year we

would start working on a new Custom Building which would give pleasure both to people who work in the Department and to members of the public who have to deal with the Custom Department.

The Hon. Member asked about the Memorial to the late Sir David Rose. It is a little difficult for me to describe the architectural design, but there will be a Monument with appropriate landscaping built at the place where the late Governor General was buried – at the site of the Seven Ponds. Maybe, what I can do for the Hon. Member is to let him have a look at the model which has been prepared by the architect, but I confess that I would not be able to describe the architecture.

[**Mr. Singh:** What is the \$65,000 for?]

Mr. Hoyte: I find that difficult to understand myself and I suspect that there is some error there. It is now being explained to me that originally there was a request for \$65,000, but that was revised to \$85,000 and that accounts for the figure in the Financial Paper. The explanation for the difference between the figure in the Financial Paper and the figure here is that this figure is wrong

Motion on the Second Reading of the Caribbean Meteorological Organisation Bill 1974: 10th April, 1974

A Bill intituled:

“An Act to provide for the implementation by Guyana of the Agreement establishing the Caribbean Meteorological Organisation and for purposes connected therewith.” [The Minister of Works and Communications]

Mr. Hoyte: Your Honour, in accordance with paragraph 2 of article 8 of the Constitution, I signify that Cabinet has recommended the Caribbean Meteorological Organisation Bill 1974 for consideration by the National Assembly.

The Agreement to which this Bill seeks to give legal validity in Guyana marks another stage in the process of Caribbean regional co-operation and integration. Indeed, the Bill seeks to set up the Caribbean Meteorological Organisation, which will be a specialised agency of the Caribbean Community Secretariat, but having functional authority. The decision to set up this regional body arose out of Resolution of the Seventh Caribbean Heads of Government Conference held in 1972, and pursuant to that decision, the existing Caribbean Meteorological Conference resolved that the Organisation should be set up in accordance with the decision of the Heads of Government. The Resolution of the Caribbean Meteorological Conference is set out in the Schedule to the Bill.

The Organisation will have four organs. The Caribbean Meteorological Council, the Caribbean Meteorological Institute, the Caribbean Meteorological Foundation, and the Headquarters Unit. A little later on, I will have something to say about the functions of these four organs.

Membership of the Organisation is open to the countries set out in Article 2 of the Agreement which is annexed to the Schedule of the Bill, and it will be seen that the countries listed there are members of the English Speaking Caribbean Community. But in addition to those members, provision is made for the accession of any State in the region which is willing to join and to abide by the provisions of the Agreement.

The objective of the Organisation are, of course, the promotion and co-ordination of activities in the field of meteorology and allied sciences. For some time now there has been a very great need for greater cohesiveness in the work of meteorology in the Caribbean. For many years, there has been co-operation in this field. Indeed, the first meteorological organisation was set up in the Caribbean during World War II by the British Government and served mainly in the field of weather forecasting for Royal Air Force flying activities in the region, but in 1951 there was set up the British Caribbean Meteorological Service which was intended

to integrate within the Caribbean the work of meteorologists in the several countries.

With the founding of the West Indies Federation, the British Caribbean Meteorological Service gave way to the West Indies Meteorological Service, and when the West Indies Federation floundered, a new organisation came into being, that is the Caribbean Meteorological Service. That came into being on 1st January, 1963.

One unfortunate aspect of that organisation was that meteorological work became decentralised and every country became responsible for its own meteorological service, though there was still a unifying influence in the Caribbean Meteorological Conference, there was still valuable work done since 1963, when that Conference came into being, and there was set up under the aegis of the Conference, a Headquarters Unit, and also, very importantly, a training institute which was known as the Caribbean Meteorological Training Institute.

However, the situation was far from satisfactory but, as I said before, both Heads of Government Meeting in 1972 and the Conference of Regional Meteorologists in the same year resolved that this situation should be corrected and that there should be a single organisation under the aegis of the CARICOM Secretariat, having the function of co-ordination work, having the necessary functional authority to deal with training, and also to implement the decisions taken at a policy-making level.

Guyana has always been a member of the several regional meteorological bodies to which I have referred. Indeed, since 1951, when the first regional body was set up, Guyana became a member and has been a member ever since. Before 1965, the benefits derived by this country were minimal because the older organisations tended to concentrate largely on weather forecasting and hurricane spotting, but since 1965, Guyana has set up a Hydrometeorological Section at present within the Ministry of Works and Communications.

Hydrometeorological work has become a very important feature of governmental activities. The Hydromet Division of the Ministry of Works and Communications has received very valuable assistance from the old regional body.

I have referred to the four organs which will make up the Caribbean Meteorological Organisation, and I should like to say something briefly about the functions of each of those organs.

The Council will be the supreme authority. All member Governments will be represented on it. It will be in fact the policymaking body having general jurisdiction over the other organs.

The institute will be the training body; it will be responsible for training our meteorological officers. In fact already the Institute has a very close working relationship with the University of the West Indies; it trains students of the University of the West Indies who are studying for the B. Sc. Degree in Meteorology. The Institute will be responsible for training,

research, compilation and dissemination of technical data and matters related thereto.

The foundation is a very important body because it will be responsible for attracting the necessary funds from whatever source for the work of the organisation.

This organ has already done very valuable work in approaching many international foundations, many international organisations and other bodies with a view to securing the necessary financial assistance to enable the Caribbean Meteorological Organisation to function as effectively as possible.

The Headquarter Unit is the Standing Secretariat of the organisation and is charged with the task of implementing the policy decisions of the council. The functions of the Headquarters Unit are more fully set out in article 2 of the Agreement which annexed to the Bill before this honourable House.

I should like to dispel briefly a common fallacy which exists among most laymen about the meteorology and the work of meteorologists. By and large the popular concept is that meteorology is concerned with weather forecasting only. We all know that meteorologists are the butts of many jokes. It is true that part of the functions of meteorology is to forecast the weather but that is just one small part of the work of meteorology.

That science is concerned with the atmosphere; it is the science of the atmosphere considered as a heat engine. Therefore it is concerned with climate, weather, optical phenomena and with atmospheric electricity. It has a very vital relationship to aviation, shipping, forestry, commerce, agriculture indeed, as I said, to the whole business activity of a country and as my friend has humorously remarked, to cricket. It is related to the whole field of human development activity. Today proper development planning can take place in the absence of adequate meteorological data.

I thought I would make this point so that Hon. Members would understand the importance of meteorology to the development of Guyana itself. I commend, therefore this Bill to this honourable House, not merely because of the value of this organization which we are now going to set up, but also because the very fact that the Government has brought the legislation before this honourable House demonstrates once more, in a clear and unambiguous way, Government's commitment to the cause of the regional co-operation and regional integration.

[Question proposed.]

[Question put and carried in Committee.]

Clause 5:

[Mr. Singh: Mr. Chairman, for the purposes of information and clarification I wonder if the Hon. Minister would tell us what status these officers would have. This clause 5 is bound up with article 24 of the Agreement:

“(2) The Organisation shall enjoy in each Member State such legal status and legal capacity as may be necessary...”

and

“(3) The Organization shall enjoy in each Member State, such privileges and immunities as may be necessary for the fulfilment of the objectives and the exercise of the functions of the Organization.”

Mr. Chairman, I wonder whether Members of the Organisation will be granted privileges and immunities which are similar to the diplomat privileges and immunities, or something along those lines. I wonder whether the Hon. Minister could amplify this.]

Mr. Hoyte: Mr. Chairman, under the relevant statute dealing with immunities and privileges of diplomats and international organisations and similar persons, there is a provision for privileges and immunities for organisations which are termed international organisations such as, for example, the World Bank, the Caribbean Development Bank and many agencies of the United Nations. Obviously, since these organisations work on the world-wide basis and on a regional basis they can only function if they and their officers are entitled to certain privileges and immunities. The privileges and immunities which are envisaged for certain officers of the regional organisation will be those privileges and immunities which attach by law and international understanding to officers of international organisations. The privileges and immunities will not be as high as those enjoyed by diplomats; but they will be privileges and immunities not necessarily enjoyed by the ordinary private citizen.

Motion on the Approval of Financial Paper No. 2/1974: 3rd July, 1974

Mr. Hoyte: The Hon. Leader of the Opposition raised a question under Subhead 28, Subordinate Staff, Gatekeepers, Watchmen and Cleaners. The question he raised has a very simple answer. Up to the end of last year, the Ministry of Finance made its own arrangements with the Commissioner of Police for security services and paid the cost of the policemen provided directly to the Commissioner. The Ministry, in an effort to have these payments centralised this year, requested the Ministry of Works and Communications to be responsible for the payment of these sums. The Ministry did not make provision within its own votes for payment, but, instead, decided that it would have those funds reflected in the votes of the Ministry of Works and communications.

The Ministry of Housing is now accommodated in a new building in Durban Park and, of course, the services which are required for that new building have been increased.

The explanation which I gave for the Ministry of Finance applies also to the Ministry of Energy and Natural Resources. What has happened here is really a consolidation of individual votes, which were previously reflected under other ministries, within the Ministry of Works and Communications.

The Hon. Member also raised a question under Subhead 33, Rental of premises. I think I could explain that within the past year or so, the staff of the CARICOM Secretariat, formerly the CARIFTA Secretariat, has increased considerably and as a result of the introduction of the Caribbean Community, it was necessary to provide far more space than the Secretariat occupied prior to the establishment of the community.

As a matter of fact, this increased cost really reflects the fact that the Secretariat has taken over the entire fourth floor of the Bank of Guyana Building. But I do not think the Hon. Member should be too concerned about this cost because the Bank of Guyana is a Government institution. Payment to the Bank is in a way passing money from one Government hand to the other Government hand and the Bank of Guyana is the one sure enterprise which makes a substantial profit every year.

On the question of the subsidy to GUYWA, **Subhead 40**, I would like to say a number of things. First of all, the Hon. Member will recall that in October, 1972, the Guyana Water Authority was established as a Public Corporation and staff was transferred from the old Ministry of Works and Communications to this new corporation. During 1973, the Ministry of Works and Communications continued to administer the financial and personnel affairs of GUYWA and it was expected that during 1974 monies which formerly were reflected in the votes of the Ministry of Works and Communications would be reflected in the accounts of GUYWA itself.

However, this was not done because a number of problems arose with the administration of GUYWA.

The Hon. Member will recall that GUYWA was placed under the administration of the Guyana State Corporation. It has been decided that because GUYWA is not really an economic enterprise, in the sense of an enterprise which is geared or oriented towards profit-making, but is, in fact, a service corporation, it was better to have this corporation out of the GUYSTAC umbrella and back in the Ministry of Works and Communications directly under the Minister and the Permanent Secretary.

The result of all this has been that the monies which GUYWA required to function were advanced from time to time pending a firm decision on the status of GUYWA. That decision has now been taken; and I believe that the Bill which will remove GUYWA from the umbrella of GUYSTAC and place it directly within the administrative purview of the Ministry of Works and Communications was published last week.

The amount of \$2 million is roughly the same amount which was provided during the past years under the Ministry of Works and Communications for the maintenance of pure water supply systems in the country. As a matter of fact, during 1973 it was \$2.7 million. So the amount in this Financial Paper is even less than the amount last provided.

The Hon. Member wanted to know what was the state of the arrears owing to the Government by Local Authorities. This amount is in the vicinity of half of a million dollars. It has become virtually impossible to recover that money because since 1970, with the introduction of the new Local Government system, many of the old Local Authorities disappeared, boundaries changed, and many technical and legal problems arose. In the event, the Government has decided to waive this amount of half of a million dollars owing as water rates by Local Authorities, some of which exist no longer. Also, this reflects Government's continuing interest in the health of the community. This Government does not look upon the provision of Pure Water Supply in terms of financial returns to the Water Authority or to the Central Government. We accept that the supply of pure water will have to be subsidised if it is going to reach the community in ample flow and at a cheap rate.

The fact of the matter, however, is that pure water supply is not cheap; it is a very expensive commodity. That is why it is sometimes sad to hear people complaining that they pay twenty dollars a year and they are not getting their money's worth. Twenty dollars a year is an insignificant sum to pay for water supply.

We have spent over the past two years \$15 million in establishing modern facilities for pure water supply from Buxton right down to Soesdyke. We are at present spending \$7.5 million on the Linden pure water supply. We are also engaged at the moment in new studies to take pure water from Buxton right down to Clifton in Berbice. Because of the continuing need to review our water supply in urban areas, our storm

drainage and our sewerage disposal facilities, we are also engaged in studying the needs of the principal urban areas in this country, to wit, Georgetown, New Amsterdam and Linden. What we are talking about is the expenditure of vast sums of money, something in the vicinity of \$25 million to safeguard the health of the people of Guyana. I believe that that money is very well spent.

Motion on the Second Reading of the Debentures (Special Provisions) Bill 1974: 9th October, 1974

Mr. Hoyte: In accordance with article 80(2) of the Constitution of Guyana, I signify that the Cabinet has recommended the Debentures (Special Provisions) Bill 1974 for consideration by the National Assembly.

Mr. Speaker, Government has the authority to acquire property without prior approval of Parliament. However, this power can be exercised only when the property is acquired on a cash basis. If Government wishes to conclude an arrangement whereby that property will be acquired by payment on instalments, the prior approval of Parliament becomes necessary.

Within recent years, Government has been entering into a number of commercial-type arrangements whereby property has been acquired under circumstances in which it is right and business-like to pay for that property in the normal business way, that is, on an instalment or annuity basis, the balance of the purchase price being covered by the issue of debentures.

This Bill before this honourable House seeks to give the Government the necessary authority to conclude arrangements in which property could be acquired by payment on an instalment basis and the issue of debentures without the prior approval of Parliament. In other words, the Bill seeks to put the two kinds of arrangements, that is, an arrangement in which the payment is made in cash and an arrangement in which payment is extended over a period of time, on the same basis.

It will be observed, that under subsection (4) of clause 2 of the Bill, it is proposed, if this Bill is passed by Parliament, that the Act would take effect from the 1st July, 1970. This is to enable the Government to apply the provisions of the Act to the acquisition of Guyana Gajraj Limited and Wrefords Limited, the former proprietors of which businesses have both agreed that payment could be made to them over an extended period, and such sums which may be owing to them could be secured by debentures.

It will be observed too that, under subsection (3) of the same clause 2, a copy of any agreement made in pursuance of this legislation will have to be laid in Parliament. The purpose of this Bill is merely to give the Government a power which has become necessary in the light of the present activities of Government in commercial and economic life of this country. In those circumstances, I commend this Bill to this honourable House.

Mr. Hoyte (Replying): Mr. Speaker, I wish to assure the Hon. Member that the term, 'property', has the fullest legal meaning and is not restricted in any way. I would like to assure the Hon. Member also, that the conclusion

she has drawn from clause 2, subsection (4) of the Bill is quite erroneous. This clause does not seek to validate any wrongful act done by the Government, nor does it signify that arrangements in breach of the law have been concluded and Parliament is being asked at this stage to rubber stamp any such agreement.

In both cases which I have mentioned, that is, the Guyana Gajraj case and the Guyana Wreford case, Government initially acquired a part interest. What is happening now is that the former owners have agreed to relinquish the remainder of their interest to Government so that in both cases Government will be the sole owner. But out of abundant caution, since in the case of Guyana Gajraj the initial transaction went back to 1st July, 1970, it was considered politic, it was considered cautious, to ensure that the entire period of the relationship between the Government and the former owners was covered by this piece of legislation, because it may well be that when one comes to hammer out the final details of the Agreement certain changes in the original position may well be negotiated.

I am not in a position to say what is the rate of interest on the debentures which will be issued to the former owners of Guyana Gajraj and Guyana Wreford, except that I can say this - now I speak from recollection, I do not wish to give any firm figure - that the figure is much lower than the normal debenture interest rate of 7 percent which Government pays on Government bonds. I am certain about that, but what the exact figure is I cannot recall at the moment. That can be easily ascertained.

In Committee: Clause 2

Mr. Hoyte: Mr. Chairman, there is absolutely no justification for any such fear. As a matter of fact, a very careful reading of this Bill will show that it contemplates the acquisition of property by purchase; first of all by the payment of an initial sum, and the payment of instalments over a period, such instalments being guaranteed by the issue of debentures and the debt being charged on the Consolidated Fund. The whole spirit of the legislation revolves around the concept of payment.

Motion on Contract Between Guyana Timber Export Board and Iraqi Ports Administration for the Sale of Greenheart: 9th October, 1974

Mr. Hoyte (On behalf of the Minister of Finance): Mr. Speaker, because of the vigorous efforts of the Government, the timber export trade has been expanding significantly within the past few years. For this year there are contracts worth well in excess of \$10 million, contracts negotiated with countries as far afield as China and Japan, and nearer home with such countries as the Dominican Republic and Cuba.

Recently, the Guyana Timber Export Board has entered into a contract with the Iraqi Ports Administration in respect of the shipment of timber valued at some \$2.25 million approximately. The Iraqi Ports Administration is a parastatal institution which has jurisdiction over certain ports in Iraq. In terms of the agreement between the Timber Export Board and the Iraqi Ports Administration, the Government of Guyana has agreed to guarantee to the Ports Administration that the timber will, in fact, be delivered.

This guarantee has become necessary because the Ports Administration will pay to the Timber Export board 90 percent of the contract price as soon as the timber is loaded at Port Georgetown and will pay the remaining 10 percent when the timber is delivered at Port Basrah in Iraq. This is a normal commercial requirement of a sensible businessman, that having paid such a large sum of money, he would like to have some guarantee that the contract will be performed.

The Government of Guyana is fully satisfied that the Timber Export Board will, in fact, fulfil its contractual obligations and is prepared to guarantee to the Iraqi Ports Administration that those contractual obligations will in fact be fulfilled.

This Motion standing in my name seeks to give authority to the Government to effect a guarantee in favour of the Iraqi Ports Administration in the event of the failure of the Guyana Timber Export Board to carry out its obligations under the contract. I commend this Motion for the favourable consideration of this honourable House.

Motion on the Approval of the Estimates of Expenditure for 1975 - Budget Debates: 12th December, 1974

Mr. Hoyte: Mr. Speaker, Hon. Members, in January this year our Leader and Prime Minister, Comrade Burnham, broadcasted to the nation. He spoke about the crisis which threatened to engulf this country, a crisis not of our own making but resulting from a number of upheavals in the world system, which were affecting all countries in the world and, in particular, developing countries.

He announced a number of tough defensive measures to protect our economy. At that time many people worried. They worried about whether our economy was strong enough to withstand the buffetings and whether we, as a people, were resilient enough to overcome the serious problems which were about to beset us. Now as we come to the end of the year, we can look back with pride upon a year of achievement, for we have not only survived, we have emerged with an economy which is stronger than ever.

The fact that we have survived has not been due to accident or magic, or any fortuitous circumstance. It is a direct result of the policies practised and implemented by the People's National Congress over the period of the last ten years.

[Applause]

Mr. Hoyte: Those policies, may I remind Hon. Members, are based upon, first of all, the hegemony of the Guyanese people in the economic life of this country. They are based upon the need for national self reliance, and they are based, too, upon the ideal of national unity.

Throughout the years we have moved progressively towards the attainment of these objectives. We have moved successfully towards their attainment because of the political leadership given by Comrade Burnham and the People's National Congress. I contend that there is no such thing as economic policies *simpliciter*. Economic policy must be informed by a political content and it is the politics of the People's National Congress which has mobilised the people, which has inspired them, and which has made them perform so magnificently in this year of crisis.

What has been happening is that our policies were being tested during 1974. They have been tested, and they have not been found wanting. As we listened to the Hon. Minister of Finance, Comrade Hope, deliver his Budget Statement on Monday last we realised how successful our policies have been and how right and how valid they are.

I do not propose to traverse the ground covered so admirably and so clearly by the Comrade Minister of Finance. I would content myself, first of all, with reviewing the performance of the economy during the past ten

years when the People's National Congress Government was responsible for the administration of this country; secondly, with looking at the performance of the economy from 1972, that is the beginning of the current Development Plan year to 1974; thirdly, with looking at our Capital Budget for 1975; and, finally, examining what is required of all of us in Guyana if we are to achieve success in 1975.

In December 1964, when the People's National Congress Government acceded to office, the economy of this country was shattered, the people were demoralised, and it appeared as if this country was doomed. After ten years of the People's National Congress Government the people are united, they are confident, the economy is strong and resilient.

I should like to look at some of the indicators of the growth and development which we see all around us today. In 1964 the gross national product of Guyana was \$271.5 million. In 1974 it has risen to \$775 million, an increase of 185.5 percent, which represents an annual growth rate of 11 percent.

[Applause]

Mr. Hoyte: I appreciate that one may argue that such figures may be meaningless since they make no allowance for inflationary effect. But even if we were to make such allowance and consider the figures not at current factor cost, as I have considered them before, but current prices, the annual growth rate would still be in the vicinity of 6 percent. That, judged by any achievement would be a very admirable performance.

A country such as Guyana can only progress on the basis of the commitment of the Guyanese people to development and on their understanding that development is, first of all, a matter for them; that the resources for development must first be garnered and generated by them before they can start looking for assistance from abroad.

But to generate savings internally there must be a climate which inspires people with confidence and with hope. It is such a climate which the People's National Congress Government was able to induce in this country so that over the years from 1964 to 1974 domestic savings in this country have risen dramatically from \$65.6 million in 1964 to \$185 million in 1974, reflecting an increase of 182 percent or an annual growth rate of 11 percent. It will be seen that the growth rate of domestic savings has kept abreast of the growth rate of the gross national product.

But savings have no value in themselves unless they are used for investment, unless they are put into the productive sectors to cause the economy to grow, to create job opportunities and to provide a better life for people. When we look at what happened in the field of domestic investments over the ten years of the People's National Congress Government, we see that in 1964 domestic investment amounted to \$63.6 million, and that sum rose to \$190 million in 1974 which shows an increase of 254.4 percent or an annual growth rate of 13.5 percent. Or if we

look at the domestic investment as a ratio of the gross national product, we see that, prior to the advent of the People's National Congress Government, the level of domestic investment was well below 20 percent and that level has now risen to 25 percent in ten years even though in 1974, the year for which the last figure was given, there was a cut-back in our Capital Programme, a cut-back which restricted the outlay of funds and resulted in rather reduced expenditure.

These, Sir, are the indicators of an economy which has responded to certain political direction and influences, an economy which is producing the goods and services which are necessary for the providing of those amenities which one may describe as 'social' and which are vital for the welfare of people.

The Government has been playing a most important role in the whole process of development. Government's investment, Government's outlays, must derive to a large extent from public revenue and it is in this field that one needs to look carefully to see how the revenues have grown in response to the measures taken by the Guyanese people that they need to make their contribution if they are going to benefit from developments in this country.

That is why I found it difficult to understand the point which the Hon. Member Mrs. DaSilva was making about National Service. National Service is one of the ways in which the Guyanese people are equipping themselves intellectually, physically, and in terms of skills, to make a contribution to the development of this country by first of all developing themselves.

In 1964 our current revenues stood at \$67.2 million; in 1974 revenues rose to \$300 million representing a percentage increase of 346.4. But this increase has been due, largely, to two main factors: first of all, increased efficiency in the collection of revenues, though there is still a great deal to be done and too many people still avoid, or evade, their obligation to make their rightful contribution; and, secondly, the greater yields which have accrued to the public coffers from foreign owned sectors, for example, sugar.

The performance of the economy can be judged by the goods we produce not only for internal use but export. When we look at the performance of the export sector during the past ten years, we find that merchandise export was at a level of \$95.8 million in 1964; but that modest value of our trade rose to \$580 million, representing an increase of 505 percent, or an annual growth rate of 18 percent throughout that period.

We have, over this period, sought to identify many institutions as being necessary, given our historical development, for the attainment of the economic and social objectives we have set ourselves. The Hon. Member Mrs. DaSilva referred to one of these institutions, namely, the cooperative. Her concern was about the performance of cooperatives; how were they doing? I would like to take the opportunity in a general way because I feel that her question would be more properly raised during the

Committee stage when the Minister responsible for cooperatives will be defending his Ministry. But I would like, in a general way, to point to the growth of the cooperative sector during the past ten years and particularly since 1971 when we positively identified the cooperatives as one of the principal instruments for transforming our economy.

In 1964 there were 567 cooperative societies in this country; in 1974 there were 1,306 cooperative societies, showing an increase in the number of societies of 150 percent. Membership of societies in 1964 amounted to 42,551. In 1974, that number has risen to 110,000 showing an increase in membership in percentage terms of 158.5. Share capital over the period has risen from \$2.4 million to \$10 million, showing an upsurge in percentage terms of 316.6.

It is interesting to note that, whereas in 1964 the volume of goods traded among co-operators per annum amounted to only \$124,000, in 1974 the volume of goods traded per annum was valued at \$5 million, representing an increase of nearly 4,000 per cent in that aspect of cooperative endeavour. We have been laying, surely, the foundation for a modern viable State.

In the field of infrastructure, there can be no doubt of the remarkable progress made in providing an adequate road network for this country. That cannot be denied because the works is visible. We have taken this country from a position in 1964 when there was a total of less than 100 miles of modern first-class roadway and have today built 500 miles of first class highways, in addition to over 200 miles of trails, access roads, and farm-to-market roads. There is a road building programme within the context of our Development Plan, designed to facilitate the rapid movement of goods and people, designed to make accessible our rich resources of timber, agricultural lands, minerals, and hydro-power resources, and, also, to help our farmers and settlers who are doing such a magnificent job in developing this country.

Parallel with that development has been the development in the field of telecommunication. In 1964 it was a most difficult thing even to make contact by telephone with subscribers within the limits of Georgetown. Today, thanks to our telecommunication expansion programme, from Charity on the Essequibo Coast southward to Bartica and Linden, and from Kwakwani and Kimbia on to the Corentyne, is served with Direct Distance Dialling. So every community along the coast, where people live in large numbers, has access to a modern telecommunication system. Even as I speak, the technicians of the Telecommunication Corporation are making the necessary arrangements to carry the D.D.D. system to Matthews Ridge.

Postal services have been improved tremendously. There is not a single part of this country which our post offices do not serve. Whether it be at Apaikwa in the Mazaruni, whether it be at Dadanawa in the Rupununi, whether it be on Kaieteur Top, there are postal services available. However our land, water and air transportation services have been improved over the years to serve the interest of the people and to promote the interest of development.

We have also over the years diversified our trade. Today our trading links are no longer only with traditional partners in North America and the United Kingdom, but have been forged with the People's Republic of China, with Cuba, with the German Democratic Republic, and with countries as far afield in the Middle East as Iraq. Those are only a few of the countries to whom we sell our goods and from whom we receive commodities in return.

During this period, there has been a steady growth of employment as all the sectors expand and become vibrant. There has been a progressive absorption of labour so that today I make bold to say that no Guyanese who has a skill can honestly say he cannot find work.

What we need to do is what we have been doing in the field of education, which is, making our education relevant to the needs of this country. We have produced too many people who are quite learned, who have all kinds of fancy certificates, but who can do nothing useful. That is what National Service, for example, is all about: to turn out people who have the skills which can make them earn a decent livelihood in this country of ours.

I should like to turn now to the performance of the Development Plan during the years 1972, 1973, and 1974. I should observe, first of all, that a Development Plan is not a static document. It gives certain broad objectives, but it does not follow that every particular project will necessarily be done at the time projected by the Plan, or in a manner projected by the Plan, or, indeed, at all.

I should like to advise Hon. Members that the current Development Plan is now being revised and updated to take account of the shift in priorities and the changes which have been made either deliberately or as a result of circumstances over which we have no control. As I said, this Plan is not like "*the laws of the Medes and Persians which altereth not.*" It is a living document and it is only in this way it can make sense and fulfil the purposes for which it was designed. But I should like to observe that the revision does not mean any change in what the economists call the macro-aspects of the plan. Changes will affect only particular projects and particular items in the Plan. It must also be understood that the revision does not necessarily mean a curtailment or a deferment.

For example, in the Plan as printed, Hon. Members will see that the hydropower project at upper Mazaruni was really identified as a project for the next Plan period, and the only provision made in the current Plan was for the start of feasibility studies. One of the things we have done is to have changed the priority for the Upper Mazaruni Hydropower Project; it has been advanced, and now it becomes one of our urgent priorities. Hon. Members will see under the Ministry of Works and Housing that a very ample provision of \$25 million has been made for hinterland roads, but of that \$25 million, the sum of \$10 million is related to the hydropower road which we must build to the site of the proposed facility.

In like manner, just as how some projects have been advanced, other projects have taken a lower position in the scale of priorities. For example, some of our other roads have not been abandoned but have been phased to take a longer period and will be rolled over to the next plan period.

[**The Speaker:** Hon. Minister it is now 4.00 p.m. I do not know if it is the wish of the other Members that you proceed to the conclusion of your contribution. Is it agreed that we proceed to the finality of the Minister's contribution?]

[**Hon. Members indicated in the affirmative.**]

[**The Speaker:** Hon. Minister, please proceed.]

Mr. Hoyte: In discussing the performance of the various sectors in the Development Plan for the period 1972-1973, it is important that we remind ourselves of the objectives of the Plan so that we can better understand how the particular performance relates to those overall objectives. The objectives are:

1. the creation of employment opportunities for all Guyanese;
2. the attainment of an equitable distribution of incomes; and
3. the achievement of an equitable geographical distribution of economic activities and the establishment of the foundation for the attainment of self sustained economic growth.

Against that background of objectives, I would like to look at certain selected areas to see how these areas have responded to Government's policies over the past three years. I shall deal first of all with the financial performance and, secondly with the physical performance.

The Development Plan called for the expenditure of \$1.1 billion over the planned period, and the programming of spending was as follows: 1972 - \$127 million; 1973 - \$205 million; 1974 - \$252 million; 1975 - \$254 million; 1976 - \$254 million. For the year 1972 we achieved a 95 percent performance and for the years 1973 and 1974 we achieved a 77 and 75 percent performance, respectively.

Judged by any standard, that performance has been admirable. However, we would have done even better had it not been for the problems identified by the Comrade Minister of Finance when he delivered his Budget Presentation. The Comrade Minister of Finance when he delivered his Budget Presentation identified the adverse weather conditions in 1973, and in 1973 and 1974 the problems with cement, for example, and with certain capital and intermediate goods, and also problems resulting from instability in some of the countries from which we imported those goods having the effect of postponing or delaying the delivery of capital goods ordered.

But apart from those problems, there has been another reason for our failure to do even better than we have done and that has to do with private sector investment. Private sector investment did not respond as fully as was projected in the Development Plan. If we separate the private sector investment from public sector investment we will find that the public sector, over the period, invested \$585 million or 84 percent of its planned allocation over the entire planned period. When we bear in mind that our Capital Estimates for 1975 indicate that the public sector will spend another \$300 million, it is quite clear that the public sector will exceed the allocations made for it in the Development Plan.

When I talk about the failure of the private sector to respond I do not make the remark by way of criticism but merely to be factual. I am happy to note in the press today that the businessmen have said that the investment climate is propitious and that they are about to bestir themselves to take advantage of opportunities which are undoubtedly there.

It is not sufficient to talk about attaining financial targets because the money must be spent to produce certain physical results and it is the physical targets which we need to look at to see really what has been the performance of the economy.

In the Plan it is projected that agriculture should contribute at the rate 8.5 percent per annum to GDP growth. Agriculture has been doing just that and, indeed, been doing much better than that as I would hope to show from looking at the performance of certain crops.

During the period, we have implemented a variety of infrastructure work. Moreover, we have given incentives and encouragement to farmers over a very wide range and the farmers themselves have responded to Government's policies and have been increasing not only their production but also their productivity. The result is seen in the figures. Between 1972 and 1974, the volume of ground provisions produced in this country increased by 15 percent from 62 million pounds to 70 million pounds.

[Interruption]

Mr. Hoyte: You want the farmers to work for nothing? That is a tradition which this Government is about to reverse. The farmer, like everybody else, must get the reward of his labour and must be paid proper prices. Plantains increased from 52 million pounds in 1972 to 60 million pounds also showing an increase of 15 percent. Bananas moved from 15 million pounds to 20 million pounds, an increase of 33 percent; and corn, pineapples, tomatoes and citrus fruit increased by 67 percent, 60 percent, 33 percent and 17 percent, respectively.

We all know the story of rice which increased from 94,000 tons to 168,000 tons in 1974, reflecting an increase of 76 percent. These are the results of careful policies designed to help the people.

In addition, the Plan called for the cultivation of new crops and those new crops are being cultivated, crops such as soya beans, turmeric, cotton, oil palm and peanuts. I may pause for a moment, Mr. Speaker, to inform the Hon. Member, Mrs. DaSilva, who has shown such a great interest in the activities of the National Service, that next year the National Service will increase the acreage it has under cotton cultivation to 5,000 acres.

[Applause]

Mr. Hoyte: That is where the \$11 million is going. When I come to deal with the Capital Budget for 1975 I will indicate to you that the money has been put in productive sectors so that whether it is in National Service or cooperatives, or agriculture, or where have you, the bulk of that money next year will go into sectors which are productive and which will add significantly to the stock of goods in this country.

Fishery has shown commendable improvement under the stimulus of government investment. It was projected that over the planned period \$27 million would be spent in providing onshore and offshore facilities, in providing new vessels and on research. Guyana Marine Foods Limited, for example, has increased the number of its trawlers from five to thirty over the past three years and has consequently increased significantly its catch of shrimp and fish.

In New Amsterdam, the Fish Plant has been renovated and, as a result of the measures taken by the Government and Government agencies to improve the catch of fish off of our shores, we have been bringing to the people of this country large and continual quantities of fish at a cheap price.

We are determined to step up this aspect of fish production and fish distribution. We have made provision in the Capital Estimates for a number of storage and other facilities to enable the Government to fulfil this commitment which it has made to the Guyanese people.

But we are doing more. We are building at McDoom, even now, facilities for shrimp storage and processing. Those facilities will be completed in 1975. Immediately north of those facilities we are acquiring the land to put up fish processing and storage distribution facilities. We have not only acquired the land, the studies have been completed, the drawings are being done, and construction will start in 1975 to enable us to have the facilities not only to store but to distribute fish to the people of this country in large quantities and at a cheap price. That is the progress which is being made. Sometimes progress cannot be seen, but there are times when it can be seen and measured, and I have no doubt that in the area of fishery this progress is visible to anyone who has eyes to see.

I should like to say a few words about forestry. My predecessor Dr. Kenneth King, once remarked that the forest industry showed remarkable

signs of lethargy. It is a sector which can contribute significantly to employment absorption and to the GDP of this country. Unfortunately, the major investment is still being made by the Government. Although there are very many private owners they have not bestirred themselves as vigorously as they ought to have done to improve, rehabilitate and renovate their equipment.

Even though there has been an increase in production in this sector from 6 million cubic feet to 7.5 million cubic feet, the sector is still performing too sluggishly. The internal and external demands are great. The industry has not been able to satisfy our internal demands for building material and it has not been able to satisfy the large orders which this Government has negotiated with the Governments of Cuba, China and Iraq for the benefit of people in the forest industry in this country. We hope that during next year the private entrepreneurs will recognise the bonanza conditions which exist and will make the necessary capital inputs to enable them to produce more and reap a greater reward from their efforts.

On the Government side, the Government will spend \$4 million next year; it has already spent \$6 million in improving Guyana Timbers Limited and the Forest Industries Corporation. This investment has been a good one when one considers the production which has come from G.T.L. and the contribution which the F.I.C. is making.

On the manufacturing side, a great deal of activity is going on. It is going on at the level of small and medium-sized enterprises and it is precisely there, I think, where we need the action to be. We need to get as many people as possible involved in small and medium-sized manufacturing enterprises. Many people are in it; we need more.

We already, during the period, have been processing fish, fruit and vegetables. We have been manufacturing garments, hats, footwear, handbags, leather products, buttons, ornaments, handicraft, greeting cards. Recently we have started to manufacture freezers and refrigerators. Next year, I am told, we will be manufacturing air-conditioners. In addition, we are manufacturing detergents, broom handles and wooden toys. These are significant activities which we need to help along, which we need to stimulate, and which we need to encourage.

There has been during the period new industries coming on stream, such as the manufacture of jewellery and other ornaments from materials such as jasper and agate and semiprecious stones. We have established, too, in this country, facilities for diamond cutting and polishing. But there is great scope still for people in the private sector, and the opportunity which is there to be grasped ought to be grasped at this time when the business people themselves are acknowledging that the climate is good.

I want to say a word about housing. We had projected in the Development Plan the expenditure of \$250 million over the planned period. To date, the sum of \$101 million has been expended and the achievement has been a

credible one – 13,500 new units and extensions and an additional 4,500 units reconstructed or rehabilitated.

I concede that this achievement, although credible is not as high as we would have wanted it to be. But there have been the problems which I have referred to and which the Hon. Minister of Finance has referred to in terms of weather at one time and inputs necessary for house building at another time.

I do not wish to recapitulate what is well known – our achievements in the field of transport and communication, our achievement in education where out of a projected \$50 million for the Plan period we have outlaid \$28 million providing 14,000 new school places, fourteen new schools and reconstructing and rehabilitating fifteen others. Those facts are well known to the people whose children have benefited from our activities in the field of education.

But I want to say something about the institutional land administrative framework, because we have made it clear in the Development Plan that this Plan could not make progress unless we establish certain institutions and provide a certain relevant framework. Very often while people talk about the Development Plan they forget this very important aspect of it.

The list of things which we have done as part of the Development Plan is impressive and I think Hon. Members need to remind themselves of what we have achieved in this field because all the institutions which we have established were projected in the Development Plan as being necessary for its success.

During the year we have established the National Export Council; we have established the Cooperative College at Kuru Kuru; we have established the system of Regional Government and Regional Development Officers; we have established the Guyana Agricultural Cooperative Development Bank; we have established the Guyana Cooperative Mortgage Finance Bank; we have established the Farm Institute in the North-West District; we have established the Forest Industries Corporation; we have established the Timber Export Board; we have established the Department of Management Studies at the University of Guyana; we have established a Transport Planning Unit in the Ministry Of Economic Development; we have established an Advisory Board on Technical Education; we have established a new Primary School Teachers' College; we have established a College of Education for Secondary School Teachers; we have established a National Institute of Dance; we have established a National Trust.

In addition, also as part of this whole business of development and as part of the institutional framework necessary for making a success of our Development Programme, we have instituted National Service, we have established the Agricultural Products Corporation, and the Housing Corporation. These are important achievements because they are the institutions which are necessary if we are going to administer our

Development Programme properly, give the proper motivation, monitor our achievement and give stimulus and encouragement to the people.

I said that I would like to look at the Capital Programme for 1975. That Capital Programme is projected at a level of \$227 million. The allocations have been made in a way consistent with the objectives of the Development Plan with the emphasis on the productive sectors and particularly those sectors which give a high return in a reasonably short time. I would, therefore, to look at a breakdown of the sectors in terms of the money we have outlaid, or we propose to outlay, and in terms of the percentage of that outlay to the whole amount of the Capital Budget.

We will be putting 60 percent of the total Capital Budget in the productive sector. I want to say that many sums also appear in sectors that one may describe as 'administrative'. But those sums are also directly related to production. I have already referred to the fact that we have about \$5 million in the allocation for National Service which is directly related to the agricultural activities of National Service – the planting of cotton, the planting of corn, the planting of other crops such as black-eye peas.

Since I have mentioned National Service again, it might be apposite to remark that the National Service people have acquired a fishing trawler, are catching fish and are servicing the Berbice riverain areas with this cheap and important source of protein. With 60 percent going into the productive sector, we have 16 percent in the social sector and 24 percent in the administrative sector, bearing in mind, as I said, that hidden away in the administrative sector are sums which are directly related to production.

We have also made large allocations for the implementation of projects which are vital to the continued development of this country. We have sums allocated for the Clay Brick Factory at Wales. This is not a dream. The factory is being built now – a factory which will have an output of 10 million solid bricks per annum. There are also sums allocated for the Textile Mill, the site of which has already been selected and the water supply facilities for which are already installed.

I would like to advise the House that the Embassy of the People's Republic of China delivered to me a short time ago the copies of the engineering drawings for the textile factory. The ball is now in our court. We need to move rapidly to have the factory set up and to have it serving the needs of this country. Also, Sir, the hydropower road, to which I have already referred, is vital to the establishment of the hydropower facility in the upper Mazaruni River. This hydropower facility, as Hon. Members know, will have a capacity of some three thousand megawatts which will make it one of the largest hydro power facilities in the world.

[**Mr. Singh:** If it is ever built.]

Mr. Hoyte: We are not afraid to think big. It is not a question, as the Hon. Leader of the Opposition has said, of "*if it is ever built*". It will be built, it will

be built in the same way as we have done so many other projects in this country which the timid and fainthearted said could not be done. It will be built because we have already started to build. It will be built because we have started with our own resources to build the road to the site. And it will be built because it is a project conceived and being implemented by the People's National Congress.

[Applause]

Mr. Hoyte: Given the emphasis in our Capital Programme, next year, we have to ensure that we get the results which we hope for. We need to do many things in this country and in the economy if we are to get those results. In 1974, we were successful because of the skilful management of the economy by the Government, because of the significant, and indeed, magnificent performance of the workers of this country and because, too, of the overall economic and political policies which this Government has been pursuing. We need, therefore, to approach 1975 with a certain caution and a certain humility.

There are, as I have said, several things that we need to do. In the first place we must contain inflation. If we allow inflation to run rampant in our economy we will not be able to do the things we have set out to do. In containing inflation, Government must pursue a vigorous policy of restraining prices of every kind of commodity. Government must ensure that our resources are not frittered away and dissipated on conspicuous consumption. Therefore we, the Guyanese people, have a vested interest in avoiding, as far as possible, foreign consumables, and to buy and use local goods. Government will continue, as it has done in the past, to subsidise a wide range of goods and services to protect the people from the full impact of inflationary effects, most of which we import from abroad.

Next year, as projected in the Budget, Government will be spending \$40 million to subsidise goods and services for the people.

The Hon. Member Mrs. DaSilva wanted to know what would be the effect of Government's subsidy of electricity rates for the people. That question is answered simply. The effect will be that the people will not have to pay increased rates. The rates will remain pegged; but if it were not for that subsidy, because of the continued rapid escalation of the cost of inputs, such as fuel and the cost of capital and other equipment, the price of electricity was bound to go up.

[Interruption]

Mr. Hoyte: The Hon. Member says it has not gone up "*all that much*". Does the Hon. Member know that the cost of fuel has escalated over 100 percent in one year? Does she know that the price of capital equipment has

escalated in some cases over 150 percent? Does she know that the cost of electricity supplied to this country has a large and extraordinary element of imported inputs and, therefore, the Guyana Electricity Corporation cannot control the cost of those inputs? That is why we are making a determined bid to develop our hydropower resources, that is why we must do it, for unless we do it we shall continue to be at the mercy of the inflation which is bedeviling the economies of all the developed countries with which we deal.

I said that we must contain inflation. It is not a matter for the Government alone. It is a matter for everybody – the Government, the trade unions, the ordinary housewife, the man in the street. Given an understanding of what is happening in the world and what could be the adverse effect upon the lives of Guyanese, the Guyanese people, I am sure, will respond intelligently to this plea I make.

We need too to restrain current expenditure. During the Budget presentation, the Comrade Minister of Finance was able to announce a large surplus on the current account. It was the kind of objective we had been dreaming about for many years. Now that we have achieved it, we must never allow ourselves to revert to a situation where either we had a deficit on the current side or we had a surplus which was so derisive that it could do nothing to help our Capital Programme.

We need, therefore, to generate these surpluses for development. Implicit in what I am saying is that we cannot allow, for example the Administrative Sector of Government to expand unduly. We cannot allow Personal Emoluments and Other Charges to escalate in such a way that the surpluses are wiped out because, if we did that, we are back in the inflationary spiral which we cannot control.

What we need to do is not to multiply the dollars which the workers or the housewife received, but to stretch those dollars, to make those dollars buy more. That is precisely what Government's policies have been aimed at. We need, too, to increase production, to improve on the magnificent performance of the economy this year, and to improve not only production but productivity.

Above all, we need industrial peace. We have had a relatively good year. I believe the response of the workers to Government's call for increased production and productivity in 1974 was a recognition by them of the way in which these policies have been beneficial to them. There has been a good rapport between this Government and the trade unions. There has been understanding; there has been sympathy. I believe that, given the same goodwill, we can have another year, 1975, of relative industrial peace, a year dedicated to the development of this country.

We need also – and this is part of what I said before – a total national effort. We cannot allow our time and our energies to be wasted on irrelevant things. We need to be concentrating all of our efforts on producing things, on developing this country, and on achieving the physical targets we have set ourselves in the Capital Programme.

I have referred to our investment over the years and I have tried to say something about the returns. I believe that for the relatively high level of investment we have made over the years, the returns although credible, are not as high as they could be. This is because of many constraints.

First of all, I think we had in the early years to spend an excessive amount on infrastructure, which did not produce noticeable yields immediately, and which sometimes takes a long time to have necessary impact. But another reason has been the fact that as Government gets more and more into production, we need to emphasise to our public officers that they must be more production-oriented.

Public officers have grown up in a tradition which has made them expenditure-oriented. They spend money. But they have not had the training which requires them to look at the other end of the spectrum, to look at the production which that money expended has achieved. We, therefore, hope to correct this attitude in a number of ways, by explaining to public officers who are charged with responsibility for production, by giving them the necessary training, by setting up the necessary controls, and ensuring the necessary monitoring and reports of projects.

I think, too, another factor which has resulted in our not achieving as high a yield as we could have achieved has been that our planning has been inadequate. It has been inadequate because of the shortage of manpower and because, also, we have been getting more and more into new areas where people who have had to cope with the problems of those areas have not had adequate training. These are inevitable consequences. I do not make these remarks to criticise anybody. Indeed I am not criticising anybody. I am identifying a problem because we intend next year to correct it, and one of the ways in which we will be correcting it will be by strengthening our whole planning administration in the public sector.

We have come a long way since 1964. We emerged from the Jaganite terror and mismanagement, confused, irresolute and a beaten people. Under the People's National Congress Government we have grown strong and we have prospered. We gained that self confidence which is the hallmark of a proud, progressive people. We have laid the foundation for national unity. We are now on the high road to the socialist reconstruction of our society, and it is to this task that the People's National Congress calls every Guyanese of goodwill, for under the leadership of our Comrade Leader, Comrade Burnham, and under the aegis of the People's National Congress we shall, in our lifetime, transform the society.

[Applause]

Approval of Estimates of Expenditure for 1975 In Committee of Supply: 16th December, 1974

Head 31 – Ministry of Economic Development

Mr. Hoyte: Yes Sir. I had proposed to deal with **Subhead 1(10), the Statistical Bureau and the Data Processing Unit**, because the Hon. Leader of the Opposition really was asking whether the failure to spend the provision allocated this year resulted from our inability to fill the posts. The answer is, yes. It is very difficult to get people with statistical qualifications and to get the type of people required for data processing.

They are, first of all, rare birds and, secondly, they have such a wide scope for employment that the turnover rate is high indeed.

We are trying to solve the problem by mounting courses at the University of Guyana with a view to turning out a large number of people, so that even if there is wastage we would be in a better position to find people to fill these posts.

The Foreign Aid Unit has been set up to deal specifically with Foreign Aid and with the various agreements which we have with foreign countries for technical, economic and other fields of co-operation and to deal with foreign economic relationships generally.

It has been put separately for tidiness so that we can, at a glance, see the various sections and subsections of the Ministry.

The function of the Foreign Aid Unit is, first of all, to identify the various sources of foreign aid and assistance and co-operation, and that, in itself is an important task. Secondly, it has to analyse the various kinds of assistance given by different countries in the world. Thirdly, it has to advise the Government on the forms of agreements and on the terms of these agreements which, from time to time, we sign with foreign countries. Then, it has the important task of monitoring technical assistance programmes in this country. It has to be able to report at any given time on the status of various agreements and various projects which are being implemented under the Agreement.

Sir, as I said before in the course of my contribution to the general debate, the current Development Plan is not a static document. It is a dynamic document and things are happening about it. Its Programmes are being implemented; its projects are being implemented and priorities are changing all the time. Therefore, now that we are half-way through the Plan-period, it is necessary to update the Plan to take account of things which we have done and changes which we have made in the content of the Plan. This is exactly what is being done now by the Chief Planning Officer of the Ministry and his staff.

I pointed out, for example, that in the Plan, as written, the hydro-power project for the Upper Mazaruni River was really identified as a project for

the next Plan-period. In this Plan-period, all we had hoped to do, originally, was the feasibility study. Now, we have gone far past that. The feasibility study is finished; the engineering drawings are on the board. We are going out now for the financial package to get the project started. In fact, we have started with the building of the road to the hydro-power station site. The project has been advanced and, therefore, we have to bring it into the Plan to show that we have a new, significant project in our current Development Plan.

The revision does need money because we have to get information; we have to use stationery; we have to employ staff for the specific purpose of getting information and data necessary to up-date the Plan. I could not, therefore, agree with my Hon. Friend that this provision of \$10,000 is unnecessary.

Head 33 – Ministry of Regional Development – Interior Development

Mr. Hoyte: Mr. Chairman, the increase in Station Allowance has been due to greatly increased activity by the officers of the Department in connection with the well-being and welfare of the Amerindians. There has been an intensification of economic activities by the Amerindians. For example, there has been greater production of many crops, such as white potatoes. More cabbages and legumes are coming out of Paruima area, and in the Aranaputa Valley; there are peanuts.

What is happening in the hinterland is that the Amerindian communities, under the stimulus of Government policies and under the guidance of Government officers, are making a significant contribution to the economy of this country and are producing more and more of the foodstuffs which we require in this country. Since there is a greater movement of officers among them, well, the allowances which go with travel naturally increase.

Under **Subhead 11, Amerindian Captains**, the amount has been increased, not because Captains were not paid, but because more Captains have now become eligible for the payment of a salary. The principle upon which the salary is paid depends upon the number of people within the settlement and under the jurisdiction, so to speak, of a Captain. Communities keep growing and when communities become sizeable and reach the population which has been determined by the Ministry, then the Captain becomes eligible to be paid. That is what happened, and that is what is happening all the time.

The Hon. Leader of the Opposition asked for details of equipment to be purchased under **Subhead 1**. The Ministry will be purchasing a number of metal filing cabinets, calculating machines, special types of IBM typewriters, electronic calculators. That is the kind of equipment which will be purchased under Subhead 1, the kind of equipment which is necessary for the Statistical Bureau and some of the other technical units

of the Ministry, where large numbers of calculations have to be made rapidly and where a special kind of printing has to be done for reports, particularly reports having a lot of statistical information.

Under **Subhead 2, Industrial Development:** As I said in the general debate, we will be putting most of the money allocated on the capital side into productive fields.

Many of the projects have already started or are at a point where they are about to start. I should like to give some idea of some of the projects which will be attracting this sum of \$24.4 million in the Estimates. First of all, the Guyana Marine Foods Limited will be allocated \$2 million to purchase trawlers to increase the amount of fish available to the Guyanese community. We have said that one of the things we want to do is to be able to supply the Guyanese people with adequate quantities of fish, that important source of protein, at a cheap cost. Already we are providing fish at around 40 cents per lb. and we hope to bring that down to thirty cents a pound and to have it available in large quantities in every populated centre in this country.

The Guyana Transport Services Limited will be allocated \$2.2 million to make initial payments for additional buses which are to be acquired, and also to provide terminal and other facilities at Georgetown, Rosignol and New Amsterdam.

Guyana Food Processes Limited, which is a joint venture between the Government and private entrepreneurs will be allocated \$1.2 million. The project involves the construction of berthing and other facilities at Rome on the East Bank of the Demerara River. That work has started, berthing facilities are being built now and there will be installed next year storage and processing facilities for shrimp. This will put us in a better position to store and distribute shrimp both for export and for the local market.

The sum of \$2 million will be going into the Demerara Fish Plant about which I spoke in the general debate; the Facilities will be established at Houston, a little north of the site where the Guyana Food Processes Limited will be carrying on its activities. We are going to build there, berthing facilities, processing plant, storage plant and distribution facilities for fish. The studies have already been completed; the drawings are in the process of being completed and we hope early next year to start the actual construction at Houston.

Forest Industries Corporation will be allocated \$1 million to promote greater production of wooden furniture and toys in this country; the Clay Brick Factory and Textile Mill will be allocated \$4.4 million between them. Hon. Members will see that we have a large amount for specific finance, \$5 million. Most of the money for the Clay Brick Factory and Textile Mill will, in fact, be specific. Hon. Members know that the Clay Brick Factory is already going up. Preliminary work for the Textile Factory has been done on the industrial site and construction work will start next year. I did tell the House that I have already received the engineering drawings and as

soon as our technical officers have examined them and made their comments, construction will start. The Guyana Agricultural Products Corporation will be allocated \$4 million. That is the Corporation headed by Mr. Maurice Fisher, which will have the responsibility for producing on a large commercial scale crops such as corn, soya beans and so on. We have already established the feasibility of growing these crops and next year we will be growing large acreages, thousands of acres of these particular crops.

The Guyana Marketing Corporation will be allocated \$2.6 million to complete the new Ham Processing Factory which is going up on the East Bank and to do some additional work to extend capacity. Those are some of the main projects which will absorb this large sum of money in the Capital Estimates.

I should make mention, too, of the Small Industries Corporation which will be given \$2.5 million to help small industries in this country. We hope to stimulate production by small people. The Small Industries Corporation was established in February this year and to date it has lent nearly \$900,000 to a wide range of industries, industries which are manufacturing furniture, garments, wooden toys, handicraft, cosmetics, household linen and industries engaged in food processing. It has also lent money to little people who are making condiments and food preserves and things like that, stretching over a wide geographical area: people who are living on the Soesdyke/Linden Highway; people in the Bartica/Potaro area; people in the West Demerara area; people in Essequibo; people on the Corentyne and people in Georgetown. This is precisely the kind of practical encouragement we are giving to people to enable them to produce. As I said earlier on in the general debate, we want to encourage our people to produce things. We do not only want to talk about it, we want to give them encouragement in a practical and intelligent way.

Under the **U.N.D.P. Project, Subhead 3**, there are several areas of training in which we are engaged with the United Nations Development Programme to increase and improve skills in this country and also to produce plans which are important to us for the development of various sectors of the economy. I would like to list some of the projects. They are as follows:

1. we have a Transport Planning Project;
2. we have a Telecommunication Training Project;
3. there is a project for increasing the capability of the Kuru Kururu Co-operative College to deal with the needs of the Co-operative Republic of Guyana;
4. there are projects for physical planning;
5. education planning;
6. management development;
7. forest development;

8. topographic development;
9. agricultural implement manufacture;
10. veterinary services;
11. technical training;
12. technical and vocational training;
13. clay pipe manufacture; and
14. land evaluation.

All these things are being done in this country by this Government with the assistance of the U.N.D.P.

It may be a good point to remind Hon. Members that Guyana has been elected to membership of the Governing Council of the United Nations Development Programme and will be taking its seats on the 1st January. This is another important recognition for the Co-operative Republic of Guyana.

Now, Sir, I will deal with the scheme for Remigration of Guyanese. I am happy to be able to tell the Hon. Leader of the Opposition that during this year we brought back to Guyana twenty-three highly skilled Guyanese to serve their country.

All of these people have been placed in very important areas concerned with the development of the country. Six of them have been placed in corporations such as the Guyana Telecommunication Corporation and the Guyana Airways Corporation. Ten of them have been placed in Government Ministries such as the Ministry of Finance and Ministry of Economic Development. Two of them are with Boards, for example, the Timber Export Board. Three of them are at institutions of higher learning, namely, the University of Guyana, the Kuru Kururu College and the New Amsterdam Technical Institute. One of them has taken service with the Municipality of Georgetown and one of them, the internationally known and famous boxer who many years ago brought great glory to this country by his fistic prowess, Cliff Anderson, has been brought back to this country to serve with the National Sport Council to help in the physical training of our young people.

Under **Subhead 9**, we have the sum of \$250,000 for tourist development. I cannot agree with the Hon. Leader of the Opposition that this country does not have tourist attractions.

[**Mr. Singh:** They are limited.]

Mr. Hoyte: No. I do not agree with him that they are limited either. We have a different kind of attraction from what we usually think about when we think of tourism, particularly in the Caribbean.

I want to say here and now that we do not intend to develop the kind of tourism which has been developed in the Caribbean and in some other countries of the world. We have seen the social dislocation which that kind

of tourism has caused in those countries and we have seen the tremendous social costs to those countries of encouraging the kind of tourists who flock to white sands and blue seas.

What we are trying to do here is to develop our hinterland facilities, first of all, so that we can encourage our own people to enjoy the beauty of Guyana, encourage our public servants, our workers generally, to take their holidays in this country. This of course, does not rule out the possibility of people from outside coming to the country as tourists, coming not to bring and impose their culture on us, but coming to enjoy our country on our terms.

I should like to indicate some of the areas where this kind of development will take place. They are Matthews Ridge, Mabaruma, the Rupununi areas of Lethem, Pirara and Annai, Imbaimadai in the Mazaruni and Kaieteur; and on the coast, No. 63 of the Corentyne, and the Lakes in Essequibo. These are areas that we are not just talking about; we are actually doing the preliminary work necessary for providing at least the basic facilities. It is not good telling people to go into the hinterland on holiday unless the facilities are there for them to be accommodated and to enjoy themselves.

The revision of the Development Plan should be completed around February of next year.

Division XX – Ministry of Regional Development

Mr. Hoyte: Mr. Chairman, the Hon. Leader of the Opposition has raised a number of legitimate questions on the nature of the regional system and I think it is only proper that I should respond to those questions.

What I am going to say is going to embrace everything. Regionalism is an important aspect of the process of reconstructing our society. It is an important institution for the development of this country as we envisage its development. It is concerned primarily with development, and I think that its success or failure will have to be judged in the context of the development of the people and the communities in this country.

At a certain level, it has a number of objectives but these objectives are all part of a larger objective which is development – development of people, development of communities.

The objectives to which I refer, which are part of the larger objective, are, first of all, to ensure prompt and intelligent decision making on the spot; secondly, to ensure co-ordination of Government policies on the ground and effective implementation of Government's programmes; thirdly, to ensure effective deployment and use of Government personnel, equipment and other resources for maximum beneficial results; fourthly, to ensure the involvement of the people in the decision-making process in their communities and in the planning and implementing of programmes for the development of their areas.

It will be seen, Sir, that it is through the regional system that a cardinal principle of development, as Government sees it, can be implemented, that is, the involvement of people. With regionalism there is a great deal of decentralisation, both of decision making and of implementation, As part of our development policy, the regional system is designed to ensure that within the regions we develop people who are self-reliant and confident, and that we develop productive communities, comprising people who understand the process of national development and accept individual and collective responsibility for the development of their communities.

I want, first of all, to destroy the belief that within the regional system there will be room for people from the centre, so to speak, to interfere with the work of decision making and implementation within the region. That is not going to happen. That is not envisaged at all. The Regional Minister has authority over all Government personnel, materials, equipment and resources in the region, so that whether the Government officer belongs to the Ministry of Works or is attached to the Ministry of Agriculture or the Guyana Electricity Corporation, he is under the jurisdiction of the Regional Minister who has authority to give him instructions, who has authority to inspect his file and write in his file adverse or complimentary comments as the case may require. Within the region, all Government activities are one.

We inherited a system where there were little compartments and little empires. The man from one Ministry believed that he was doing something entirely different from a man in another Ministry. That attitude has been a constraint to development because people ran in different directions and very often ended up by obstructing one another. The result of all this was inefficiency, lack of co-ordination and, in the final result, the failure to achieve the objective which Government wanted.

The provision for the establishment of regional councils is to do two things: One, to ensure the proper co-ordination of all Government personnel and activities within the region, and, secondly, to involve the people in all the work which is to be done.

There are going to be three Councils. First of all, the Regional Administration Council, of which the Regional Minister will be Chairman, will bring together all the senior Government personnel and Corporation personnel within the region, They will meet regularly to advise the Minister, to help to plan for the region and to make sure that all their activities are geared towards the welfare of people and the development of the region. In that way, we are not going to have people tripping up over each other, fighting each other and ending up by doing things which are not in the interest of the region as a whole.

The second Council will be the Regional Development Council, where the Chairmen of the third Council, that is, the sub-regional Development Council, will meet to co-ordinate development.

We are now getting down to the people. On those regional development councils we are going to have represented the people's organisations in the

region – trade union organisations, religious organisations, farmers' organisations. Whatever organisations there are which bring people together will be drawn into the Regional Development Council so that they can make plans for the development of the people and of the community.

The region will be divided into sub-regions because these regions are large. A region like the Mazaruni/Potaro Region, of which the Hon. Minister Bancroft is Regional Minister, has an area of 33,000 square miles. These regions will be divided into sub-regions and each sub-region will have its sub-regional development council made up of the people. The people will be involved in planning for their own development; they will be involved in making decisions relevant to their needs and their community's needs; and they will be involved with Government officers in the development of their particular regions.

In the past, people had a belief that the Government official must do all the work which was necessary to develop their communities. We are trying to change that way of thinking, to get people to think that "*we have to do it, working all with the Government officers.*" And Government officers in turn will understand they are the servants of the people and their task is to work along with the people in these regions.

Since the Regional Minister must be put in a position where he can act promptly – because the whole purpose of regionalism is to facilitate promptly intelligent decision-making the Regional Minister must have at his disposal, sums of money. That is what Subhead 6 is all about. If the Minister goes into an area and finds that people's backyards are being flooded because koker needs planks of wood, he has at his disposal money to buy those planks of wood immediately and get the people to repair their koker without having to go through the long winded process of making a formal request to the Ministry of Works, and getting a Warrant, and all that sort of thing.

The Ministry of Works will have its Schedule Programme for the year, but from day to day all kinds of little things crop up and the Regional Minister must be in a position to act promptly. He must have the money at his disposal and he must have the personnel at his disposal, because his job is to be involved with the people. He is not a desk man. He is a man who will be in the backdam; he will be in the rice field. He will be in the provision field; he will be up the river with the pork-knockers. He must know people's needs. People must see him as functioning effectively. This is what the regional system is all about.

The system is working. The fact that it is working has been seen by the great increase in agricultural production this year. Part of that increase has been due to the activities of the Regional Minister and the regional officers. The system, of course, is new, and I am not pretending that there are not problems. There are problems, but the problems are there to be solved. Once we identify them, we must solve them. The system, like all

others, will always have defects. But that is no reason for saying, as the Hon. Leader of the Opposition is saying that it is not working because there are problems. I believe that it can work. I believe that it has already had an impact upon the rural communities. I believe that, with this provision which we are asking Parliament to make to ensure that the Regional Ministers have adequate staffing and adequate sums of money to get on with their work, we will see manifold improvements in the well-being of people in this country.

Under **Subhead 7**, the provision for interior development will in fact be administered by the Interior Development Department. It is intended that the Interior Development Department should control this money and get on with its work.

Motion on the Second Reading of the Vesting of Property (Acquisition by Purchase) Bill: 23rd May, 1975

Mr. Hoyte: Over the years the State has acquired, on behalf of the Guyanese people, a number of on-going business enterprises. Inevitably, given our objective of social and economic reconstruction, the State's intervention in the economic life of this country will become more intensive and extensive as the months and years go by.

In the past, however, every time the State acquired property, particularly on-going business enterprises, on behalf of the people, special *ad hoc* arrangements had to be made in each particular case. Up to this time there has been no comprehensive legal framework which enables the State to acquire this kind of property in a simple and expeditious way. The purpose of this Bill, therefore, is to provide a legal framework which facilitates the acquisition and vesting of property in the State in the name of the people of Guyana. The Bill, therefore, is simple in concept, intention and design and, as I have said, enables the property to vest in the Government without long drawn-out technical formalities.

The scheme of the Bill before this Honourable House is quite simple and straightforward. The relevant Minister, that is, the Minister whom Cabinet has assigned to deal with the particular transaction, invokes the provisions of this legislation by issuing an Order. That Order enables the particular property in question, subject to such modifications and qualifications as may be necessary, to vest automatically in the State or, in the terms of the Bill itself, to vest in the State "*without further assurance*".

It will be seen, therefore, that the particular provision to which I have just referred gives a great measure of flexibility to the State in acquiring the kind of enterprise to which I have referred. Provision is made in the Bill for the assets and liabilities of the vendor to adhere to the State or to the particular legal entity which the State has designated to acquire the particular property in question.

I would like particularly, Mr. Speaker, to draw attention to paragraph (3) of Clause 4 of the Bill which specifically provides that legal proceedings, whether by the vendor or against the vendor, will continue to be in full force and will not abate merely by a change in the ownership of the particular entity. In particular also, I would like to draw attention to the fact that all rights and liabilities which form part and parcel of the enterprise which the State will acquire will be passed on to the State.

Indeed, throughout this simple Bill there is an intention manifest in its provisions to do justice, not only as between the State and the vendor, but as between the State and third parties, who may have acquired vested or other legal rights against the vendor. There is the specific provision in particular clauses which seek to ensure that the rights of these parties are protected.

In the context of the protection of rights of third parties, I think it is appropriate to refer to the provision of Clause 5. That clause seeks to give an assurance to workers that their jobs would be protected and that, whenever the State acquires an enterprise, workers may rest assured that their jobs and their conditions of service will not be adversely affected. My own view is that such a clause is really unnecessary because, by definition, the whole purpose of the State acquiring enterprises is really to protect the worker, to protect him in his job, to protect him in his conditions of service, and more important, to ensure that he gets out of the enterprise greater benefits and greater rewards than he had got before.

However, I propose at the appropriate stage to move a small amendment to Clause 5 merely to ensure that we do not by way of legislation entrench a manifest absurdity which may result in the workers themselves criticising the Government.

This Bill, I believe, is long overdue. It is a simple but very important piece of legislation. It will enable the State to acquire, on behalf of an enterprise in the name of the Guyanese people, on-going enterprises, using a very simple and expeditious procedure. I am sure that Hon. Members will appreciate the importance of the Bill before this House and I commend it for their consideration and approval.

Mr. Hoyte (Replying): Mr. Speaker, may I reply briefly to the charming and wide-ranging intervention by the Hon. Member Mrs. DaSilva. I wish to assure her that the Bill before this honourable House contains nothing which can honestly or reasonably be construed or interpreted as being evidence of evil machinations on the part of the Government or as having any insidious implications.

This, as I said, is a very simple Bill dealing with the vesting of property which the Government may acquire on behalf of the people of this country. It seeks to eliminate the delays arising from technical formalities which usually attend the transfer of properties of all kinds from vendor to purchaser. It also seeks to set out a simple procedure to enable the property thus acquired to vest quickly and simply in the Government.

The Hon. Member made frequent references to the Demerara Company Ltd., and the intention announced by the Hon. Prime Minister on the evening of the 22nd February, 1975, that the State would nationalise the Jessel Holdings in Guyana. While I concede that within the framework of the legislation before this House such acquisition by the State can be facilitated, I decline to be drawn into a debate on a matter which is not properly before this honourable House.

The Hon. Member made a statement which indicates the fundamental differences between the position of the Party which she represents, and the Party of which I have the privilege to be a member. She considers it an act of discourtesy for the Prime Minister of this country to make announcements about matters of great importance to the nation, to the

people of the country, rather than to this Parliament. I do not agree with her. I am certain that the Hon. Members on this side of the House do not agree with her.

While this forum is important, while it is the highest court of the land, we nevertheless acknowledge that the people themselves are the source of all political power and authority. It is their interest we serve. We consider that there is no agency which takes precedence over the people, and that it is their interest which comes first. Because we consider that, because that is part of the whole philosophy of the People's National Congress, we feel that there is nothing wrong; indeed, we feel it is eminently right, that the important and significant announcements affecting the national interest should be made to the people at large.

In the course of her speech, Mr. Speaker, the Hon. Member referred to the need to treat each acquisition of property on its own merit. I do not think that I would wish to dissent from that opinion expressed by the Hon. Member. I would wish merely to point out that this Bill in no way prevents such a course of action from being followed. Indeed, this is a framework which enables and facilitates the acquisition, but this Bill has nothing to do with terms and conditions as such. The terms and conditions which may be agreed on with respect to every transaction would, of course, vary. That is why in Clause 3, provision is made for the Minister to make his order subject to such modifications, exceptions, qualifications, as the case may be.

We cannot agree with the fears expressed by the Hon. Member that enterprises acquired by the State on behalf of the people are, in fact, more inefficient or less efficient than enterprises which are run under the so-called "*free enterprise system*". Our experience has been the reverse of that and I think it is a gross slander on our workers to express the view that they are inherently or congenitally unable to perform efficiently where the enterprise is owned by the people themselves.

Our experience at GUYBAU, at Bermine and at Guyana Timbers Ltd., has been the reverse of these fears which the Hon. Member has been articulating. In all of those enterprises, since the workers themselves have owned the enterprises through the State, production and productivity have gone up significantly and efficiency has improved to a marked degree. This has been borne out by the Annual Reports and various Financial Statements made and also by the remarks and comments of people who have dealt with these enterprises in the past, who are still dealing with the nationalised industry and who are in a position to make intelligent comparisons.

Indeed, we will recall that Guyana Timbers Ltd., was supposed to be an unprofitable venture and that is why the former owners were closing it down. This Government, in order to protect the workers, acquired that enterprise and has turned it into a profitable and viable undertaking. I do not believe that when one examines the evidence about what has

happened in this country, in the industries which are nationalised, such a pessimistic view is really tolerable.

In passing, too, I would refer to the fears expressed by the Hon. Member about private investment in this country. This Government has made it abundantly clear that its position is with regard to investment in this country. Indeed, in the Declaration of Sophia the Hon. Prime Minister and Leader of the People's National Congress adverted to this point and announced the setting up of a committee to report to the Government on the ground rules, so to speak, which would govern foreign private investment in this country.

That committee has been drawn from a wide cross-section of very distinguished Guyanese technicians, people from the University, people from the public sector and people from private life. That committee has, in fact, been working and although it was hoped that it would have made its report by the end of March, this time span has proved to be too short. The committee has therefore requested an extension of time until the end of June. But, we have made our position clear and we have made our position clear within the context of our political ideology, which is socialism.

The Hon. Member seems to be of the view that there are brands of socialism. I think even in today's newspaper there was a report of a speech made by the Hon. Prime Minister at Linden on Wednesday evening in which he pointed out that this was, indeed, a great fallacy. The ideals of socialism are the same all over the world. There are no brands of socialism.

There are no degrees of socialism either. But there may be different paths to socialism, there may be different roads to socialism, there may be different techniques used in achieving the objectives of socialism. But within our socialist philosophy we will be intervening, that is, the State will be intervening and must intervene in the economy, to take control of the critical sectors so that we can change the old, socio-economic system in which profits were more important than people; so that we can establish a system in which the produce of people's efforts is used for the benefit of the people and not for private and individual gain.

I regret that the Hon. Member allowed herself to fall, I believe unwittingly, into an illogical position. The Hon. Member referred to the proposed amendment of Clause 5 of the Bill which has been circulated and, without waiting for an explanation, has decided that unless the amendment is withdrawn she cannot vote for the Bill. Now, surely, one of the greatest principles of democracy is that we should hear the other side. I regret that the Hon. Member should spoil what I consider to have been a very important and valuable contribution in this debate by really taking up a position which is essentially an illogical one.

With those few remarks I would like to assure the Hon. Member that this Bill is one which is indeed necessary. It is one which will enable us to get on with the task of developing this country and bringing under the control of the people important sectors of economic life, a control which is

really necessary if we are going to achieve the development objectives which we have set ourselves.

[Question put and carried.]

In Committee

[The Chairman: Hon. Minister of Economic Development.]

Mr. Hoyte: Mr. Chairman I wish to propose the following amendment to paragraph 1 of Clause 5:

"That the word "may" be substituted for the word "shall" in the fourth line.

*In the ninth line substitute the **full-stop** for the comma after the words "Guyana State Corporation" and delete all the words following thereafter."*

[Amendment proposed.]

[Mrs. DaSilva: Sir, I rise rather surprised because I was waiting on the Hon. Minister, who said that I made the decision to oppose the Bill in an undemocratic manner without having heard what the amendment was all about. I was bowing my head very humbly and waiting to hear what he had to say and he said nothing. I do not know if he would care to take the opportunity to let us have his views.]

Mr. Hoyte: Well, I was giving the Hon. Member an opportunity to raise the point. I did not reply in detail, in the general part of the debate, because I did not feel that that was the proper place to deal with this.

Mr. Chairman, in the course of my speech earlier today when I alerted Hon. Members to the fact that I was going to propose an amendment to Clause 5, I said that we had to make sure that we did not fall in the trap of entrenching manifest absurdity.

It is true, as the Hon. Member Mrs. DaSilva has said, that this formula appeared in the Bauxite Nationalisation Bill which was eventually passed into an Act. In the application of this formula we have discovered real and practical difficulties.

I start off by saying that as far as the workers are concerned this Clause need not at all be in the legislation, because the State's whole purpose in acquiring property is to safeguard and improve the interest of workers. So there is no question of the Government taking over the enterprise to deprive workers of their jobs or to change the conditions of workers to their detriment. In fact, the evidence supports this position and this contention I am making.

At GUYBAU, all the people who remained are in fact in much better positions than they were under Demba and there have been significant

improvements in their condition of service, by which I mean not only emoluments, of every single GUYBAU worker. And, the same has held true for the workers at Bermine and the workers at Guyana Timbers Ltd.

I will give you an example of the kinds of absurdity we will be entrenching if we allow this formula to remain, the kind of absurdity which will cause the workers to take industrial action and rightly so. For example, Mr. Chairman, we know that in large enterprises of the kind we have been taking over, the conditions of service have been geared not to the needs of Guyana but to the needs of expatriates in relation to some metropolitan centre from which they have come. For example, if the former General Manager of Demba, Mr. Norman Fraser, had elected to remain with the new entity, as he was entitled to do under our law, we would have had to supply his house with a variety of exotic liqueurs as part of his conditions of service and the law would have compelled us to do so.

We have found also in another enterprise which we have nationalised, that certain expatriate employees were given a number of allowances including car allowances, when they did not have cars and were not required by the terms of their employment to own motor cars. But this was one way of topping-up their salaries and of enabling them to avoid paying the appropriate level of income tax.

We also found in another enterprise which we acquired on behalf of the people that there were certain selected people who had, as a condition of service, a right to be picked up by a motor car and to be taken to and from work every day, a wholly discriminatory practice which, under this formula here, we would have been bound to continue, because the law says so. Therefore, we seek to get ourselves out of a certain situation where our law compels us to continue certain practices which are discriminatory and which have no relevance in the circumstances of Guyana. Therefore, we say that in the general legislation that formula will be amended.

We say further, Mr. Chairman, that no individual who is willing to continue with an enterprise which the Government has taken over, need fear for his job, his condition of service or his continued employment with the entity. Indeed, everybody knows that a number of non-Guyanese, employees of Demba, continued with the new enterprise and they are still there.

And, on the other hand, some Guyanese left. But the evidence, and evidence without any exception, is that persons have been secure in their jobs and have been given an opportunity to play a continuing role in the development of the particular enterprise to which I refer. And it is really for these reasons that it was considered proper that we should have a formula which is realistic. It does not matter what you put in the law; if the people do not have confidence they will not stay. What we seek to do is to inspire in every worker in these enterprises a sense of confidence in the Government and in the good intentions of the Government as far as their

welfare is concerned. I believe that our performance has in itself given that confidence to people throughout this country.

[Applause]

Financial Paper No. 1/1975 In Committee of Supply: 28th May, 1975

Mr. Hoyte: Mr. Chairman, it is impossible to debate any issue concerning National Service intelligently unless one takes account of the nature of National Service and, indeed, the philosophy behind the establishment of the institution of National Service in Guyana.

May I begin by reminding the Hon. Member Mrs. DaSilva that on 20th December, 1973, the Hon. Prime Minister laid in this House Sessional Paper No. 3 of 1973, being a State Paper on National Service. I do not propose any profound discourse upon the nature of National Service because I would have thought that by now every Guyanese would have read and studied this matter deeply, and would have been well informed on these matters. But I would, by way of refreshing the memory of the Hon. Member, draw her attention to what is stated in the State Paper on page 5 about the nature of National Service. I quote:

“...National Service will prepare citizens to utilise their energies profitably and productively, equipping them both with the knowledge and experience for opening up, developing and living on the rich lands available in the hinterland.”

And again:

“National Service will provide an opportunity for all people, from whatever background they may come, to get to know each other in the course of raining together in work and sport. Its aim will be to produce a truly productive Guyanese citizen equipped with both the skills and the attitudes needed to contribute positively to the economic, social, cultural and political revolution that has already been embarked upon – a citizen who places nation above self.”

In December, 1974, at a Special Delegates Congress of the People's National Congress, the Leader of the People's National Congress made a very important and, indeed, a seminal pronouncement which has come to be known as the 'Declaration of Sophia'. That Declaration has been published in booklet form and is available for study by every Guyanese citizen and, in particular, by those of us who labour in the field of politics. The Leader of the People's National Congress, who also happens to be the Prime Minister of this country, touched again upon this very important matter of National Service because it is fundamental to the kind of social and economic revolution upon which we have embarked in this country. It is fundamental to the social and economic changes which we are proposing for our society. I quote from pages 26 and 28 of the booklet entitled, 'Declaration of Sophia':

“As we husband and seek to develop and exploit our material resources for the benefit of our people, we must at the same time develop and in many cases, reorient, our human resources in the service of the nation.

The party, through Government, has already begun the process of revolutionising the formal education system, a process aimed at eradicating the old colonial and capitalist values and introducing and emphasising new and relevant ones.”

And on page 28 it is stated:

“National Service, which has got off to an excellent start, is part of our total education system.”

It is irrelevant to debate an issue on National Service unless it is debated against a background of those pronouncements to which I have just referred, unless the debate takes place within the context of the philosophy which informs the institution of National Service. And it is because the Hon. Member failed to observe this elementary point of discussion and debate, that she was led into error when she referred to what she alleged to be the relatively small allocations made to Health and Education.

Had the Hon. Member understood the nature of National Service, had she understood the philosophy of the People's National Congress, had she understood what we are trying to do in changing the Guyanese society, she would have realised that it is really naïve – not to say simplistic – merely to look at the allocation for formal education under the Ministry of Education and come to the conclusion that that is the total allocation for Education in Guyana.

We see Education as a broad-based and many-faceted thing which runs right through everything we are doing, which runs right through every Government Department and every Government activity. Millions of dollars have been allocated for the kind of education which we consider to be relevant today. Millions of dollars will be found in the Ministry of Co-operatives and National Mobilisation for the promotion of co-operative and community development work and education; in the Ministry of Agriculture for the promotion of agricultural skills, knowledge and techniques; in the Ministry of Information and Culture, for the promotion of the education of citizens and for the promotion of education through the arts, for example, through the National History and Arts Council and through the National School of Dance; in the Ministry of Works and Housing for the training and retraining of Government drivers and Government mechanics and technicians; in the Ministry of Economic Development, for the training of people in the skills relevant to planning, for example; in the Ministry of Regional Development, for the mobilisation of people in the various regional and sub-regional development councils so that they can understand the process of development and play their

part in national development; in the Office of the Prime Minister which has responsibility and which has an allocation for the training of public officers; and, of course, in National Service which, I wish to say, this Government – notwithstanding the opinion of my Hon. Friend – holds to be a matter of the highest priority.

The fact of the matter is that when the Permanent Secretary of the Office of the Prime Minister and the Director-General of National Service and his staff presented the Capital Estimates for 1975, they actually presented a Programme calling for the expenditure of \$31 million. That Programme, on the face of it, seemed to be ambitious. It was felt by my Ministry – and I take responsibility for this – that we ought to give the National Service people an opportunity to show that they had the capability to spend this kind of money which they had asked for, that they had the drive and the enthusiasm to carry out a Programme of this magnitude.

The undertaking given to the National Service was that initially a sum of \$11 million was going to be provided, but with an understanding that if, in fact, this Programme which had been put up seemed to be feasible, if they were able to show by the middle of the year that they could spend this money and they could implement this very ambitious Programme, the additional money would be provided. I say that this undertaking was well within the parameters of the allocation of moneys for the capital Programme for 1975.

It will be recalled that when we were debating the Estimates for 1975, I said that in 1975 we would be putting the bulk of our capital resources in the productive sector and, if I recall rightly, I demonstrated that we had put something like 60 percent of our capital resources in the productive sector. Once we understand the nature of National Service, once we understand what National Service sets out to do, we will understand why, in the judgment of the Ministry of Economic Development and in the judgement of the Government and of the Party, National Service is one of our most important productive sectors. It is an investment in young people, it is an investment in their training; it is an investment in their skills. We believe that this investment is not only a long-term investment, it is not only a question of turning out people in the long run who have the necessary skills and necessary attitudes, but it is also an investment in the short run because, as these young people work and learn, they are in the process of being productive. They are, in fact, turning our economic goods, the value of which can be quantified and the value of which is very, very high indeed as I will seek to illustrate in a moment.

For this year, National Service had a number of large infrastructural undertakings. For example, they had to develop and complete the facilities at Kimbia; they had to develop and establish a new National Service centre at Papaya; they had to develop Tumatumari into a National Service Centre. (That is why I said that there were more than two centres. There are, in fact, three National Service Centres in Guyana today, the third one

being at Tumatumari.) They had to set up a settlement for the first hundred graduates from the National Service Centre at Kimbia; they had to do all of this infrastructural work together with the work of training the rapidly increasing members of militants in the National Service and to get on with the productive work in agriculture and other fields of training.

Today, there are some 2,000 militants in the National Service and 6,000 members of Young Brigade. By the end of this year, the 2,000 militants will increase to 3,000 and membership of the Young Brigade will increase to 10,000 members. It will be seen, therefore, that the increase in the numbers of people who are seeking this important and relevant education through the National Service is very rapid indeed. Indeed, at present, there are more applicants for membership of National Service than the Service is able to cope with at the moment. That is all the more reason why we must proceed as rapidly as possible to expand the facilities, so that within a foreseeable time, we can absorb into National Service each and every Guyanese boy and girl, to enable our citizens to obtain the best and most relevant education in the context of the revolution upon which we have embarked.

But what have these people been doing? The Hon. Member referred to their uniform, popularly called 'parrot green', but that parrot-green uniform is now a badge of pride. One only has to look at the young people as they walk in their uniforms to see how proud they are of it, to see how they walk tall, to see how confident they are, to see how they understand and appreciate what the Party and the Government are doing for the young people of Guyana to help them to enjoy the heritage which is theirs in this great country of ours.

But what have they been doing? National Service militants already have at this moment 3,500 acres of land under cotton and, by the end of this year, will have 5,000 acres of land under cotton. They have already ordered a cotton gin which will be delivered in a matter of months to enable them to process the cotton into lint, and separate the seed for the making of oil and stock feed.

They have today 100 acres under corn and intend to expand that acreage to 200 by the end of the year. They have 80,000 pineapples on the ground; and by the end of this year will increase that number to 100,000 pineapples. They have 3,500 acres of land under black-eye peas. They have 10 acres under greens; they are self-sufficient in greens; and they have (cultivated) 50 acres of underground provision.

They are already in the fishing industry. They own a trawler. They go out fishing, and their average catch of fish is 8,000 pounds per week. They have 25,000 chickens and intend to increase that number to 100,000 by the end of this year. They are gathering 1,400 eggs per day. All of this produce is being used to feed the members of the National Service and they are also selling to people in the riverine areas and to the Guyana Marketing Corporation. But their endeavours do not stop there, because they are

now making the necessary preparations to raise cattle and they have already started a piggery.

The point I seek to make is that these young people, who, perhaps two years ago, would have been written off as being idle and shiftless, are showing to all of us, indeed to the world, what they can do in terms of developing themselves and their country once they are given the opportunity.

I have referred so far to agriculture, but the training for National Service militants does not stop there. There is a very carefully worked-out programme of training in the mechanical and technical fields and in other areas of skills. The National Service owns and operates a publishing centre at the industrial site, the Guyana National Service Publishing Centre that is doing not only commercial work but is training National Service militants. The work is, of course, printing, silk screen processing, and producing those cinema posters which used to be brought in from overseas.

National Service also has, at Tumatumari, a garment factory which is already being set up to be used for training and for producing these parrot green uniforms of which we are so very proud. They also have at Tumatumari, a sheet metal factory and a tile factory, all to be used for training and for contributing to the economic needs of this country.

May I remind the Hon. Member what was said in the State Paper, that National Service was to equip our young people with the knowledge and experience for opening up, developing, and living on the rich lands available in the hinterland. This is the kind of education we are giving them. To that end, the Service has already acquired sawmilling equipment to enable the young militants not only to acquire sawmilling skills but also to contribute to our Housing Programme.

This, then, is where the money has gone and is going. I myself did not believe that the National Service militants could make a reality of this very impressive and ambitious Programme they had presented towards the end of last year; but I failed to reckon with the drive, the dedication, the ingenuity, the patriotism of the Director-General and the young men and women who are on his staff, and the members of the National Service. They have shown that once there is a commitment, the task, no matter how difficult, can be achieved. And there is that commitment, there is that dedication, that patriotism, in National Service. That is what National Service is all about. These are the qualities we are trying to bring out in the Guyanese young men and women.

We have had recommendations, unsolicited, from people who have had no axe to grind, from people who went and saw and came back satisfied beyond the shadow of a doubt as to the usefulness, the value, and indeed, the necessity of National Service.

We have had overseas Heads of State and Government. We have also had our own Guyanese parents, religious leaders, Members of the Judiciary,

foreign journalists, people of all kinds, who have gone to our National Service centres and who have come away convinced that we are on the right course.

We have seen many demonstrations of what I may call the National Service quality. We have had the Great March from Kimbia to Georgetown and we have seen how, along the way, these young boys and girls spent their time in the villages helping to improve the conditions in those villages, giving of their energy and knowledge in improving the conditions in those villages.

Even today, hundreds of our young National Service militants are in our markets throughout the country helping to clean them, helping to improve their appearances, helping to show people that they have got it within themselves in little ways to improve the quality of their lives.

We are satisfied, on the Government side that this investment is worthwhile and I, for myself, am only sorry that instead of the \$30 million about which the Hon. Member quibbles we did not have \$300 million to invest in our young people. This investment, for us, is a priority. We will continue to invest large sums of money in the training of our young people, through National Service, so that we can bring out their undoubted ability, we can bring out their talents, we can bring out their love of country, we can bring out their love of their fellow citizens and harness all of these qualities in the service of their country.

Motion on the Second Reading of the Widows and Orphans Pension (Amendment) Bill 1975: 28th May, 1975

Mr. Hoyte: Mr. Speaker, this People's National Congress Government is dedicated to the welfare of people. Its whole programme of activities is centred around people, because we believe that the welfare of people is paramount. Among our most worthy people are our pensioners, our citizens who have laboured in the service of this country and of their fellow Guyanese, sometimes quietly, without public recognition and very often beyond the call of duty. Government is always anxious that this particular category of citizens, that is, the pensioners, do not find their pensions swept away by the declining purchasing power of money. That is why every time there is an increase in the salaries of Public Servants the Government also, at the same time, increases the pensions which are paid to Government pensioners.

Bearing this principle in mind, the Government was anxious that those pensioners who enjoyed pensions under the Widows and Orphans fund should enjoy an increase in the pensions which they had been getting. To this end, therefore, the Government employed a firm of actuaries to examine the assets of the Fund to see whether the Fund could bear an increase in the pensions which were being paid and, if so, in what amount and from what date.

The firm of actuaries examined the assets and made certain recommendations to the Government. As a result of those recommendations, which have been accepted by the Government, this Bill is brought before this honourable House. The purpose of the Bill is to increase pensions payable to persons who are eligible for pensions under the Widows and Orphans fund by 15 percent and to make that increase retroactive to the 1st October, 1973. This provision will apply to all persons who were registered as pensioners under the fund as at 31st December, 1968.

I believe that this Bill will find unanimous support in this House and I commend it to Hon. Member. I wish to reiterate that here again we have tangible and positive evidence of the continuing, indeed, the abiding interest of this People's National Congress Government in every category of citizens in this country.

Mr. Hoyte (Replying): Mr. Speaker, I would assure the Hon. Member that when I say that this People's National Congress Government is concerned with the interests of all the people of Guyana, I am not merely mouthing nice and flowery words. I would read for her benefit the first object of the People's National Congress which is contained in Rule 2 of the Constitution of the Party:

“To secure and maintain through the practice of Co-operative Socialism the interests, well-being and prosperity of all the people of Guyana.”

It is a bit astonishing that the Hon. Member should have said that this Government is doing nothing for pensioners, when we are considering a Bill right now to improve the pensions which are payable to one category of pensioners. But, Sir, it is equally erroneous to say that we are doing nothing. Everything we are doing in an effort to revolutionise this society, is in the interest of people, to wipe out ignorance, disease and poverty. But we are only going to do it when we reorganise the society on a socialist basis. The Hon. Member could help if she could only understand that and if she would stop blindly opposing progressive legislation and progressive action to restructure the social and economic bases in this country.

We are moving methodically, maybe for some people too slowly, towards the kind of society in which we will not have to talk about old age pension and whether those pensions should be increased, because the whole structure, the whole organisation, will be such that all of our people will be taken care of.

I would invite the Hon. Member to join in the vanguard of this revolution by, first of all, reading the ‘Declaration of Sophia’; by getting a copy of the Party’s constitution, reading and understanding it. I believe, Mr. Speaker, once she has understood, she will fill in that application form for membership of the People’s National Congress.

[Applause]

Mr. Hoyte: We have already had wonderful success with the Hon. Member and her Party because we have lived to hear her say in this honourable House that her Party supports the *“nationalising of the commanding heights of the economy”*. That is wonderful advance indeed, and I believe there is hope for her. I wish to tell her that when the scales fall from her eyes, we will be ready to receive her into the Party not as a full member initially, but as a probationary member. It will give her an opportunity, Mr. Speaker, to show her sincerity and an opportunity to work for the achievement of socialist revolution in this country.

**Motion on the Approval of Financial Paper No.
2/1975
In Committee of Supply: 25th June, 1975**

Mr. Hoyte: Mr. Chairman, the Ministry of Economic Development is charged with certain specific areas of responsibility by his Excellency the President. More strictly, the Minister is charged with those responsibilities and the Ministry is the agency through which those responsibilities are discharged. It will be recalled that the Ministry has the responsibility for planning and, therefore, it is concerned with the physical plans related to the development of this country and has responsibility for ancillary services and agencies such as the Statistical Bureau. It also has responsibility for industrial development and also for all matters concerned with the economic progress and economic activities of a developmental nature.

The Ministry of National Development has a different kind of responsibility. We contend that development cannot be counted merely in terms of physical or material things. Development is a very complex process. It has many facets. But central to our concept of development is the involvement of people and, therefore, the Ministry of National Development has a peculiar and over-riding responsibility for getting people involved, generating an understanding of, an enthusiasm for, Government's activities and generally mobilising the nation for development.

The Hon. Leader of the Opposition may, perhaps, find some difficulty in understanding this concept of development. But we have said time and again that development really is about people and the real measure or test of development in a country is really the improvement in the quality of life of the people. So that this agency, this Ministry of National Development, is crucial to our whole development process. The Ministry of Economic Development looks at the physical things.

We believe that merely putting physical plans or bringing physical plans into being, recording them on paper, drawing up finely written and scholarly development plans are not sufficient in themselves. Indeed, if we only did that we would be involved in a sterile exercise. We, therefore, have to mobilise people and there must be an agency which mobilises people on the basis of an ideology. You do not mobilise people in a vacuum and you do not mobilise people on the basis of some airy statement about benefits. You mobilise them around an ideology which they understand and to which they are committed. I hope that my explanation serves to shed some light upon the problem which obviously has been besetting the Hon. Leader of the Opposition.

Mr. Hoyte (Replying): Mr. Chairman, may I preface my reply to the Hon. Leader of the Opposition by referring him to the 'Declaration of Sophia' in which the Prime Minister of this country and Leader of the People's

National Congress, set out quite clearly the direction in which this country is going and some of the organisational techniques which we will be using in order to achieve our goals and objectives. And he said that it was necessary to mobilise the nation. It was the task of the Party and of its executive arm, the Government, to mobilise the nation and I quote:

“In every sphere and not merely for periodic elections and in support of specific actions and development and programmes.”

What the Prime Minister was saying, Mr. Chairman, was that in order to develop this country we have to mobilise the people on a permanent basis for the task of development and this was the point I was trying to make when I was explaining the peculiar functions and responsibilities of the Ministry of National Development a moment ago.

The whole regional system is an institution for development. It is, Mr. Chairman, not a mere administrative system, and during the Budget Debate in December last year, I was at particular pains to explain the structure and functioning of the Regional System, and also what we hope to achieve by this System.

The Regional System involves people. It is a System which is built around the involvement and participation of people in the work of development, in planning the development of their particular communities from identification of projects through all the processes of decision making to implementation.

And in the Regional System there are two main Councils which involve the people. One of them is the Regional Development Council which is chaired by the Regional Minister who also happens to be the Party Regional Chairman. On the Council are represented people from all the significant organisations within the region. Farmers' Associations, Housewives' Associations, Loggers Associations, Trade Unions, Religious Organisations, Sports Organisations so that at that level of the region the people can become involved in a number of tasks concerned with the development of their regions.

In the past we have made the mistake of attempting to plan from the centre. People sat down in Georgetown and made all sorts of grandiose plans for people in the North West and in the Rupununi and in the Corentyne. It was the sort of mistake which was made not only in Guyana but in many developing countries circumstanced as they are.

But we have recognised the error and what we hope to do now and what, in fact, we have been doing is planning from the bottom so that the people themselves who know best what their needs are and what their particular regions can produce, have a responsibility for identifying the development needs of their areas and through their various regional and sub-regional bodies, throwing up ideas, suggestions, projects and so on which eventually come through the regional administration, through the

Regional System to the national Planning Secretariat. So that our planners then are in a better position to frame national plans in accordance with the needs, and the aspirations and expectations of people.

Since most regions tend to be fairly large they are divided into a number of sub-regions. So that there are Sub-Regional Development Councils with the specific task of looking at their smaller geographical area and doing substantially the same work as the Regional Development Council except that it is at the level of the sub-region that there is real action. It is there that people will be looking at development on a day-to-day basis and looking at development in terms of the kind of development I have been talking about, development which touches the welfare of people, which improves their quality of life in small areas, perhaps in ensuring that a blocked drainage trench is cleared, in ensuring that some area of land which is fertile but which needs only empoldering, is empoldered; in ensuring that that bridge over the drainage trench which leads to people's farms and which has fallen down is repaired very quickly so the farmers can get to and from their farms.

The Hon. Member says that that is a function of the local authority but the greater part of this country is not under the Local Government system. And in any event this kind of mobilisation of people that we are talking about is wider than the bounds of Local Government. It takes in people who have no opportunity to participate on a day-to-day basis in the work of Local Government and Local Authorities and, in fact, on all of these councils, the Local Authorities are represented because the Local Authorities represent only some agencies of mobilisation.

I have pointed out that you have all kinds of agencies, all kinds of organisations through which people are mobilised – sports organisations, religious organisations, industrial organisations – and these are the organisations whose members we have to reach and whom we have to influence to participate in the process of development.

Now, Mr. Chairman, the members of those councils come from far and wide. They are not paid, but in order to attend council meetings they incur expenses and it is only right that they should be reimbursed their expenses and this provision here is intended to do just that. If a man does not incur an expense because he lives right near to where the meeting takes place, well then, he gets nothing. But if a man has to pay a boat fare or taxi fare to reach a council meeting, well then he is reimbursed.

What we are talking about, Mr. Chairman, is an entirely new, novel and, indeed, revolutionary approach to the whole system of Government and Development.

The Hon. Member remarked that this Regional System has achieved nothing and that many decisions still have to be referred to Georgetown. I would like to advise him that the Regional System has made significant strides since it was first established about two years ago. In fact, at a conference of Regional Ministries which was held at Lethem from 13th to

16th of this month, all Regional Ministers and their officers were able to report that there is now a growing acceptance of regionalism; there is growing cooperation by the governmental and other agencies within the region; and they have been able to point to significant achievements which have resulted from the operations of the Regional System.

The system, of course, is still evolving. There are still many things to be done; but much work is being done. I hope that by the end of this year the Hon. Leader of the Opposition will himself become converted to regionalism and will be able to recognise the importance of this system of Government and development which involves the people.

Mr. Chairman, the Hon. Leader of the Opposition has drawn my attention to the fact that I did not deal with the question he raised on the seven offices of District Administration Officer. It is hoped that ultimately the regional administration will have total responsibility for managing all government personnel, vehicles, equipment, projects, and finances, within their respective boundaries. Obviously, as we move towards this objective, we find that there are many offices and many agencies which provide overlapping or duplicating services. For example the old system of District Commissioner has gone, and the District Commissioners have now been incorporated in the Regional System as Assistant Regional Officers. Similarly, the A.D.Cs will go. They will now be designated District Administrative Officers and themselves come within the ambit of the regional system.

Motion on the Approval of the Estimates of Expenditure for 1976 Budget Debate: 1st December, 1975

Mr. Hoyte: Cde. Speaker, it is traditional to discuss Government's budgetary proposals in the general debate against the background of government's developmental philosophy and strategy. However, that philosophy and that strategy are very well known today. They have been debated inside this honourable House and outside of it, from time to time. They have been discussed at various levels and in various forums throughout the country; and they have been subjected to both intensive and extensive analysis. And, today, it is right to say that the vast majority of people in this country accepts the Government's approach to the economic development of this country.

It would, therefore, be for me a work of supererogation to dilate on these matters today. Suffice it to say, the Government's ideology, the ideology which informs the actions of the Government and the Party is the socialist ideology. In keeping with that ideology our economic policies have been geared to promote both economic growth and people's welfare. It is within the context of these twin criteria that government's policies should be judged and performances measured.

The Cde.. Minister of Finance, in his Budget presentation, referred to the fact that for this year our GDP rose by 22 percent over 1974. While part of that rise was due to prices, the greater part of it, indeed 14 percent, represented an increase in real terms. To put it more accurately, the increase of our G.D.P. in real terms was 14 percent. The Cde. Minister of Finance also referred to another important indicator of our economic vitality and well-being, namely, our export figures. He particularly referred to the fact that exports grew during the year by 33 percent. These figures indicate a magnificent achievement, and achievement which has been the result both of increased production and increased productivity. Therefore, at the outset, I would like to pay tribute to the workers of this country who have understood the importance of Government's objectives, of Government's strategy, and who have during the year put forward their best foot in an effort to ensure that the economic objectives of Government and the Party were realised.

I would like to pay some attention to one or two areas of economic activity to reinforce the point I have made that we have grown in real terms, that we have produced more in many areas of economic activity. Perhaps, it would be apposite for me, in passing, to refer to sugar which has been one area in which there has been some disappointment. Even though in the course of the year the weather and all other factors conspired, so to speak, to facilitate the achievement of a record production, unfortunately, however, the workers in the sugar industry

were misled by a few mischief-makers and the result of the activities of those mischief-makers has been great losses to the sugar workers. In the final analysis, it is the sugar workers themselves who stand to lose from the fact that we did not do as well as we could have done this year in sugar.

It is important to note that our economic strategy dictates that for future years sugar must become less and less important in the total economy. It is no longer tolerable that one sector of the economy should have such a dominance that any upheaval there, any disturbance, should have a serious impact upon the economy as a whole. Therefore, when we look at the way in which the economic strategy has been framed and our Development Plans have been programmed, it will become clear that, as the years roll by, sugar will be reduced in importance, not necessarily in absolute terms, but certainly in relation to other sectors of the economy.

Rice will this year record the highest production ever in the history of this country, namely, 180,000 tones. This represents an increase of some 22 percent over last year's production. Bauxite will record an overall increase of 5 percent on the total mix of all products. Even so, in terms of earning, the \$250 million gross sales earned by our bauxite enterprises will represent some 25 percent increase over the earnings of the industry in 1974.

I would like to dwell a little on the question of the bauxite industry, because there are still a few misguided people who do not understand the vital importance of a nationalised industry to the economy of the country, and who do not understand that countries such as ours must take control of the critical sectors of the economy if we are to make any substantial economic progress.

I would first of all draw attention to the performance of calcined bauxite which, in 1971, amounted to 621,000 tons in production, but which moved in 1975 to 790,000 or an increase of 27 percent from the time the company was nationalised. This is of very great importance when we realise that it is in calcined bauxite that Guyana has a near monopoly and that it is calcined bauxite which is the money-spinner. But more important than that has been the fact that in a world situation in which there has been persistent recession in the major industrial countries in the world, this has led to a softening of the market for aluminium and, consequently, has led to a cut-back in the production of bauxite and bauxite-related products in nearly all countries in the world, except Guyana. On the contrary, Guyana has recorded an increased production. Guyana has recorded increased sales; and, of critical importance to our working population has been the remarkable fact that Guyana has not been forced to retrench in the bauxite industry at a time when retrenchment was rampant in that industry in other parts of the world. This is because the bauxite enterprise is nationally owned. We have been able, through diversifying our markets, to ensure that there was no need for retrenchment and a cutback in production. That alone illustrates the value and the importance of a nationalised industry to this country.

Forestry showed an increase in production from 6.9 million cubic feet in 1974 to 7 million cubic feet in 1975, an increase which, in my judgement, is merely marginal. But even so, the increase in earnings from the forest industry rose by 25 percent because of the excellent prices prevailing in the world market. I should point out, however, that we have been putting massive investments in the forest industry because we consider it to be a sector which is capable of significant growth and of having a significant impact upon the growth of the economy as a whole. What has happened is that that investment is taking some time to yield, and it is expected that in the forthcoming year and in the years ahead we will witness a great increase in production in the forest industry.

Fish production rose from 38.5 million pounds in 1972 to 56 million in 1975, showing an increase of 46 percent during that period. During the same period poultry production moved from 10.8 million pounds to 17 million pounds or an increase of 75 percent in production. Vegetables, greens and fruits moved from 65.3 million pounds in 1974 to 88.7 million pounds in 1975 showing an increased production of some 31 percent. The production of corn moved from 6 million pounds in 1974 to an expected 13.2 million pounds in 1975, an increase of some 120 percent.

I should also draw attention to our efforts in the field of cotton grown by our young militants in the National Service. This year 2,500 acres under cultivation yielded more than 1.5 million pounds of cotton which has been sold for over \$1.5 million. Next year the National Service militants expect to have under cultivation some five thousand acres, that is double the acreage of 1975.

I remark on these figures to reinforce the point I made earlier on about the magnificent effort of our workers in field, in the office and in factory, and to make the point that their efforts require the Government to press on boldly with its policy of introducing a socialist society; a policy which will ensure that every person in this country enjoys a good life, a life based upon the tenets of social justice.

However, Cde. Speaker, while we pay attention to agriculture and to the traditional sectors, we have been making very large, and I would suggest relevant, investments in other areas of economic activity. And I would refer in particular to our investment in hydro-power in the upper Mazaruni. As is well known, the Upper Mazaruni Project is expected to provide a hydro-power facility which will have 3,500 megawatts of firm power. We have been told by some of our 'friends' that we are too ambitious and that such a facility is beyond the ability of this country.

This hydro-power station is vital to the economic development of this country. We have been approached by all kinds of people with all kinds of blandishments. Some have been trying to get us to abandon the Upper Mazaruni Project and develop a smaller project, even though it is clear that the small project could not provide the power necessary for the kinds of economic development we have in mind. We reject these blandishments

and we will press on determinedly with the Upper Mazaruni Project to ensure that we have power in abundance and at a cheap rate which is necessary to provide us with our aluminium smelting complex and with the wide range of industrial complexes which we consider to be vital for the development of this country.

Using our own resources, we have gone a far way towards completing the access road to the hydro-power site. In addition, we are at present engaged in the technical and other studies related to the establishment of a smelter and ancillary economic activities such as a caustic soda plant.

While this is going on, several other areas of activity have been identified. For example, the fish complex, which will process 40 million pounds of fish annually, is now under construction at Houston and the clay Brick Factory on the West Bank of the Demerara River is now virtually completed. This factory will produce 10 million clay bricks annually and will make a very great contribution to our Building Programme.

In the meantime, too, preparatory work for the textile mill at Ruimveldt has begun; a textile mill which will produce 11 million yards of cotton fabric annually. Moreover, the glass factory which will produce 11 million square feet of sheet glass and five thousand tons of bottles and pressed glass ware is fast becoming a reality. Not only have the relevant contracts been signed but the site has been identified on the Linden Highway. This is now being prepared and the engineering drawings are on the drawing board at the moment.

The leather factory also has started with work on the site in New Amsterdam having begun, and orders for the necessary equipment having been placed.

I should like to draw attention, too to other industrial activities such as the fish net factory, the cheese processing factory, the ham and bacon factory, all of which are nearing completion. I am referring to projects which have started, not to projects which we hope to start. In this context, I should draw attention to the radio factory at Victoria which was established this year and which, at peak will be able to produce 20,000 radios, turntables, amplifiers and speakers and units. While this kind of medium-sized industry has got under way, the Small Industries Corporation has been very active among small manufacturers encouraging them to manufacture toys in particular, and other small items which are peculiarly suited to small scale manufacture. This year, Guyanese will see in all stores a large quantity of toys, soft toys and wooden toys, produced here in Guyana by our own Guyanese craftsmen, and at a quality as good as, if not better than, the quality of toys of similar make which were imported in the past.

In 1976, we will see a great increase in industrial activity with the start of the composite textile mill which will be located in West Coast Berbice and which will produce 13 million yards of composite textile; the cement plant, that is the clinker grinding circuit, which will be established at

Makouria, the bicycle assembly plant, the paper recycling plant, and the Upper Demerara forestry project which, funded by the Government of Guyana, the European Development Fund and the World Bank, is expected to double our production of timber when it is completed.

I should refer also to the completion of our First Education Project and the start of the Second Education Project. The multilateral schools are now familiar landmarks all over this country. It is interesting to note that in a little scrap of paper, circulated by a moribund organisation calling itself the People's Progressive Party, and criticising Government's achievements, the framers of this document very studiously avoided any reference to education because that is a field in which the Government's performance has been so visible that it is not possible to issue any untruths about the magnitude and extent of Government's Building Programme in education.

The scheme for the 1976 Capital Programme needs some discussion, first of all, in connection with the way in which the Capital Programme has been framed, because the Programme we are discussing now has a novel feature about it. For the first time in the history of planning a Budget the citizens of this country were directly involved through the Regional System of Administration. I have already, on a previous occasion in this honourable House, explained to members the way in which the Regional Development Councils and the Sub-Regional Development Councils are organised and how they function. This year, a great deal of material, a large number of suggestions and ideas about our Programme came up from the ground so to speak, came up from people who are vitally concerned with and who are going to be vitally interested in our Capital Programme. The Planning Unit had at its disposal the views, the opinions, the suggestions, of a side cross-section of people in this country; and many of the suggestions they put forward, and many of the ideas which came from them are reflected in the context of the Capital Programme for 1976.

We are socialists, and therefore we pay a great deal of attention to people's welfare and to the development of people. That is why, on a careful analysis of the Capital Programme, it will be seen that some 40 percent of the Budget is devoted to people-oriented projects devoted to sectors like education, health, cooperatives and community development in short, to the kind of Programmes which touch people's everyday life, the kinds of Programmes which will have an immediate impact upon the welfare of people. The remaining 60 percent has gone into what we may call productive sectors, that is, sectors in which we expect to see some visible yield from the investment.

I make this point, Cde. Speaker, because there seems to be a fallacy abroad that one can pick up the Estimates and look at a Ministry and find out how much money, for example, is devoted to education, or how much money is devoted to health, or how much money is devoted to training, for that matter. And this is a fallacy to which I adverted in 1972 at a time when certain people were making all kinds of noises about the way in which Government's budgetary allocations were made.

In an address to the 15th Annual Delegates Congress of the People's National Congress in April 1972, I took occasion to deal with this point. In fact, while socialist modesty should prevent me from quoting myself I believe that on this occasion I am fully justified, because this paper was published in the form of a booklet entitled '**A Strategy for Economic Development**' and widely circulated by the Ministry of Information. One would have hoped that people in public life would at least have tried to understand what the Government was saying, and what the Government was doing, and how the Government operates. In that address I referred to this particular point and I said as follows:

"Budgetary allocations for particular sectors or even particular projects are often spread over several ministries, Departments and other agencies. Thus, in trying to assess the total allocation for agriculture it would be a blunder to consider only the sums voted under the Ministry of Agriculture. Vital infrastructural facilities for agriculture such as roads, drainage and irrigation and river and sea defences, for example, would fall to be executed by the Ministry of Works, Hydraulics and Supply." (As that Ministry then was.) "The allocation for such works would be reflected under this Ministry."

Then, I went on to give other examples and ended up with these words:

"Moreover, allocations for capital works in many Ministries are sometimes to be found under the Ministry of Finance. It is important therefore that we avoid the popular error of believing that the total allocation for a particular sector is necessary to be found in the vote for one department or one Ministry."

I make this point, Cde. Speaker, because in the press, I noted a criticism coming from a person who holds high office in the political life of this country. I read a criticism from that person in which it was said that the amount for health was too small. I would draw attention to this point I am making and ask the high political personage to take account of the large allocations for potable water of \$6 million, I believe, under the Ministry of Works and Housing; to take account of the amounts under Office of the Prime Minister for training; to take account of the amounts under the Ministry of Economic Development for contributions to International Organisations concerned with Health; to take account of the amounts under the Ministry of Regional Development for sanitation and other works; to take account of the amounts under the Department of Community Development for works related to the real improvement of the health of the people of this country; and to add all of those amounts together in order to appreciate fully the sums of money which in fact have been allocated to the health sector.

I note that this same criticism is made in this scrap of paper to which I have referred which was issued by this moribund organisation called the

People's Progressive Party. Having answered the high political personage, there is no need for me to say anything more in relation to that particular point.

[Interruption]

Mr. Hoyte: Precisely, Cde. Speaker, that is the point I was making, that it is naive, that it is simplistic to take up the Estimates and look under the Ministry of agriculture and say: "*Well, the total seen here is all the money to be spent on agriculture, when drainage and irrigation, sea defences, are vitally associated with agriculture and the allocations for those works are to be found under the Ministry of Works and Housing.*" It takes a certain perspicacity to understand these things.

May I spend a few minutes rebutting some of the untruths, the distortions, which appear in a document issued by a moribund organisation called the PPP and entitled '**Budget discloses need for a Revolutionary People's Democracy.**' In that document there are so many examples of gross stupidity that if we were not dealing with high matters of state, matters concerning the economy of this country, we could be forgiven if one had come to the conclusion that this document was intended to have some comic effect because the writer of this document, after scribbling many inanities alleges that the debt charges of Guyana will be \$100.8 million and then goes on to make a point about 28 percent of the anticipated current revenue and 25 percent of the current expenditure of 1976.

When the People's Progressive Party was in this honourable House and wasted our time with a lot of irrelevances, my Comrades on the Government benches and I took the occasion to try to enlighten the Leader of that Party and his colleagues on this question of debt charges or debt burdens. We sought to point out to him that the question was really the country's ability to pay, and the real issue was not debt charges in relation to current expenditure or current revenue but debt charges in relation to earnings from foreign trade. We explained that the relevant point was the debt service ratio which was the debt charges *vis-a-vis* the country's foreign exchange earnings.

It seems that our efforts were unrewarded, and these professional oppositionists persist, either out of malice or gross stupidity, in peddling this kind of misinformation to the public at large. In fact, Cde. Speaker, the debt service ratio for 1975 for Guyana is only 4.5 percent and for 1976, the debt service ratio will be 7.6 percent, both of which figures are regarded as being extremely low. Some countries have debt service ratios of 20 percent and 25 percent. I think 4 to 7 percent is very low. It shows that the economy is in a healthy, viable state. Indeed, I should point out that that increase to 7.6 percent next year reflects really a once for all payment in connection with the nationalisation of the Demerara Bauxite Company (Demba) the magnitude of which will not recur in the future years.

There are some other points in this document to which I will allude. Without knowing it, the writer makes the most valid point in support of Government's policies and, in fact, highlights the success of Government's fiscal and other policies during the year 1975. Says the writer:

"The Minister has admitted that the domestic inflation rate in 1974 was 20 percent and in 1975 domestic price levels increased by approximately 6 percent. Import prices on the other hand rose by 25 percent."

It is true that in 1974 there was a sharp up-turn in prices, not only in Guyana but all over the world, because of the tremendous impact of high prices caused by the oil crisis. But this Government took that 20 percent increase and brought it down to 6 percent in 1975, notwithstanding the fact that import prices rose by 25 percent. And the writer of this document believes that he is making a criticism against the Government when, in fact, he underscores the correctness of Government's policies and underscores the great regard of the Party and this Government for the welfare of the people of Guyana. The writer's.... at a 6 percent increase in price levels when the rate of inflation in 1975 in other parts of the world is very, very high indeed.

For example, in the United States of America it is 7.8 percent; in the United Kingdom it is 27 percent; in Canada it is 10.8 percent; in Italy it is 15.2 percent; nearer home in Trinidad and Tobago it is 16.2 percent; in Jamaica it is 16.6 percent and in Barbados it is 18.6 percent.

We of this Party and this Government have a right to feel justifiably proud that through our efforts and through our policies we have been able to contain inflation in this country to 6 percent, which I believe to be a record in this world.

We have not seen out development in isolation, for we recognise that Guyana is an integral part of this region and, indeed, of the world. It behoves us, therefore, to have regard to what is happening in the rest of the world and cooperate as far as possible with countries similarly circumstanced which have an interest in protecting themselves and in developing themselves. For this reason in the course of the year we strengthened our links with our CARICOM brothers, thereby deepening the integration process. One very important point has been the joint corn/soya bean project between Guyana, Trinidad and Tobago and St Kitts, the kind of project which makes sense in the context of CARICOM and which certainly will be one of the important landmarks in the development of the community. Similarly, this year has seen the finalisation of an agreement between Guyana and Barbados for the establishment of a joint cement factory to be sited in Barbados. These are the tangible things which demonstrate our commitment to the Caribbean Community and which demonstrate, despite the fears of the doubters, that CARICOM is alive and vital and is going from strength to strength.

Further afield, Guyana was one of the founding members of the Latin American Economic System which was established by the Convention of Panama last month, an organisation which brings together, for the first time, all of the independent countries of Latin America and the Caribbean to take action for their development, to cooperate for development, and to coordinate their various positions so that they could, as far as possible, speak with a single voice in the international forums of the world; so that as far as possible they can present a united front to the great economic blocs which have arisen in the world within recent years.

Earlier in this month in Havana, Cuba, Guyana also became a founding member of the Caribbean Committee for Development and Cooperation, a Committee which has been set up as a sub-group of ECLA in order that the peculiar problems of the Caribbean may get greater attention and greater understanding and to enable the Caribbean countries to cooperate more effectively to protect and promote their own vital economic interests. In the course of the year we have pursued our policy of Non-alignment, and have strengthened our links with many countries in the world as we expand our economic and commercial relations and as we diversify those relations.

During 1975, we saw links with China being consolidated and new links by way of technical, economic and cultural agreements being forged with Romania, Venezuela, the German Democratic Republic, Cuba and India. All of these developments signify the vitality of our internal and external policies in as much as we contend that foreign policy is largely a reflection and extension of internal domestic policy.

While I have, I believe rightly, identified the achievements of the people of Guyana in 1975, particularly of the workers of Guyana, I must not be interpreted as implying that we do not have problems or that we will not have problems in 1976. In fact, every year brings its peculiar difficulties and for a country like Guyana, there are certain persistent problems which we have to face and overcome. During 1976, I foresee that there will be several constraints to our development efforts, constraints arising from the uncertainty of sugar prices, and therefore the uncertainty of foreign exchange earnings; constraints arising from an ever-increasing demand for skilled man-power and the difficulties of satisfying that demand as our economic activities become wider and wider; and the problems arising from the continuing demand for more and more building materials as our programmes get off the ground and as our projects materialise. I believe, however that these are the normal problems of development. They are problems which we can and will overcome. I believe that in 1976 the workers will respond again to the challenges of development with greater production and productivity, with a sense of dedication and with the patriotism and political awareness which are indispensable for the development of a country.

During 1975, the workers of this country have performed well. The people of this country have performed well. In fact one could write the history of the past 10 years around the continuous improvement in the production of workers; a continuous improvement which is directly linked with the advent to office of the People's National Congress and with the policies which that Party has pursued over the years.

During 1976 there is no reason to believe that a magnificent response from the people of Guyana will not be forthcoming. In fact, we know that it will be forthcoming and we believe that, given the continued leadership of Cde. Burnham, given the continued inspiration of the People's National Congress, given the continued direction of our socialist ideology, the people of Guyana will make 1976 another year of grand effort and great success.

Thank you.

[Applause]

Motion on the Approval of the Estimates of Expenditure for 1976 In Committee of Supply: 2nd December, 1975

Head 32 – Ministry of Economic Development

Mr. Hoyte: Cde. Chairman, the Hon. Leader of the Opposition has raised several very important questions which require some explanation. By raising questions in relation to the post of Research Assistant, **Subhead 1, item (11)**, the posts of Statistical Officer, **Subhead 1, item (39)** and Senior Statistical Clerks, **Subhead 1, item (40)** and on the post under the Data Processing Unit, the Hon. Leader of the Opposition has touched upon the very vexed question of adequate staffing, not only in the Ministry of Economic Development but in the Government Service as a whole.

In all these posts to which reference has been made, there has been...

[**The Chairman:** Cde. Minister, I do not wish to disturb you but probably the same thing is referable to items (52 and (60).]

Mr. Hoyte: Certainly item (60), Sir, but item (52) is a little different. There has been a very rapid rate of turnover of staff. It is not a case of the post not being filled, but of the posts being filled and people leaving shortly afterwards for other posts or to go abroad to study. We are faced with a situation in which the manpower availability is not sufficient for the demands of rapid development. That is why it will be observed that under the several training votes – in the Office of the Prime Minister and in other Ministries – there have been substantial increases in the allocations for training. That is why such great emphasis is being placed upon all aspects of education and upon the diversification of education.

Let us take, for example, the post of Research Assistant. That post requires a person with two 'A' Levels to assist our Economists in research work. We usually are able to recruit people but within a very short time such personnel leave for full-time study at the University of Guyana or abroad. The present situation is that almost everybody with two 'A' Levels is able to get a scholarship of one sort or another. We have had the same problems with even Typist/Clerks who, really, do not stay very long. The people in the Data Processing Unit and people who have relevant skills keep moving very quickly from post to post. There is a great deal of competition for these very scarce skills. We find, for example, in the Statistical Bureau that as soon as we train people they move out to other agencies where the salaries are more lucrative.

As I have said, it is very worrying and it has been a matter of very careful consideration within the Ministry. We are trying to devise ways and means of solving the problem. Basically, the problem is one of

under-supply. We need more and more people in these particular fields, more and more people with skills, more and more people even in the field of typing. The fact of the matter, today, is that no Guyanese who has a relevant skill will find difficulty in getting employment. Our problem is really to find trained people. It is not a problem of trained people not being able to find jobs.

With respect to the Data Processing Unit, I should indicate that the Public Service Ministry will be establishing a centralised system and it is hoped that within this centralised system, it will be possible to offer people better career opportunities and better emoluments. We will get rid of the little units here and there within the several Government agencies.

The Central Transport Planning Unit was formed as part of the Ministry's effort to centralise and institutionalise its planning. The transport sector is, of course, a very important sector of national life and of the national economy. As we build more roads, as we expand into the hinterland, we have to plan for our road transport, our water transport and our air transport. With the assistance of the United Nations Development Programme we were able to set up this unit and a number of Guyanese are being trained in Transport Planning so that when the United Nations Development Programme presence is withdrawn, we will have a fully trained, highly competent group of Guyanese to carry on the planning of our transport needs on a permanent basis. At present, the project manager designate is Cde. Neville Singh, an engineer by profession, who has had a lot of experience in the field of transport. I should say that during the course of the year, the Central Transport Planning Unit has done significant work and, in fact, has produced the draft of a Transport Plan for Guyana, a draft which has been studied very carefully. Various ideas and suggestions have been canvassed and it is now about to be finalised. I regret the oversight which prevented us from presenting the Leader of the Opposition with a copy of this draft and I should like to correct this omission now.

In addition, we are, with the help of consultants, drawing up definitive plans for the three sectors - the air, water and land - and these plans should be finalised within another month or so. So we will have carefully drawn up plans for the development of the transport sectors, plans which are capable of being financed by international agencies such as the World Bank or the Inter-American Development Bank. The Development Secretariat, of course, also has its problems with staffing and there are several posts which are vacant, as the Hon. Leader of the Opposition has rightly surmised. We have been making strenuous efforts to fill these posts. We have recruited several highly qualified young Guyanese and we are awaiting their formal appointment by the Public Service Commission. However, even with the strengthening of the Development Secretariat in this way, I do not believe that the Secretariat will be sufficiently strong and properly structured to do the kind of planning which I consider to be vital to our development today.

At the moment we are studying the proposals from the Permanent Secretary of the Ministry and the Chief Planning Officer to restructure the Development Secretariat in a way which will enhance its authority and enable it to get on with the real job of planning the development of this country.

With respect to the Driver/Mechanic, **Subhead 1 item (52)**, the position is a little different in that the post, in fact, was not filled this year. From time to time we have several consulting teams and we have to provide vehicles and drivers. Of course, the number of vehicles, and the numbers of drivers needed at any particular time vary. Having regard to the assistance we get from other Ministries in the course of the year, it was not necessary to fill this post. If we had filled it, we would have had the position where we would have a Driver/Mechanic but no vehicle. However, next year, because of our obligation to provide transportation for several experts who will be coming to assist us, it will become necessary to fill that post.

With respect to the question on Duty Allowance, Cde. Chairman, I should indicate that the Duty Allowance at **Subhead 1 item (74)** is personal to the officer named. It is part of the financial arrangements made when that officer was offered – and he accepted – the post of Technical Specialist. So this has to have a separate and special provision to give it legal validity. The amount is paid to that officer as of right.

The other amounts at **item (71)** are payable with the consent of the Public Service Ministry. A Duty Allowance is paid to an officer who is required to do some particular job beyond the call of duty – the kind of officer of sufficient seniority who does not get overtime allowance but who has a specific task to do which requires him to work excessive hours and for which work, in the judgement of the Permanent Secretary, he ought to get special remuneration as an allowance. Subject to the sanction of the Public Service Ministry, an allowance to him is usually paid from this particular Subhead and item.

The Technical Specialist unit was created this year, but the post of Technical Specialist existed for some time before that. In fact, the first Technical Specialist was Cde. Narine, now Minister of Works and Housing, and he was succeeded by Cde. Philip Allsopp. Originally, Cde. Allsopp performed the duties of both Technical Specialist and Chief Works and Hydraulics Officer but, obviously, those two jobs were so important and onerous that it was impossible for one person to carry both of them. So the two posts were separated.

Now, the Technical Specialist is the officer who advises the Government in relation to technical matters of an engineering nature. As the Development Programme gains momentum, Government is continuously involved in all kinds of projects which require engineering advice. In fact, every industrial project has a very important technical aspect upon which the Government has to be advised. It has to be advised upon the question of

the soil bearing capacity of the land; where the factory is going to be put; it has to be advised on the kind of technology; it has to be advised on the kind of arrangements one makes with people who are supplying technology and so on. One person cannot do all the work. He needs a team. Note should be taken of how the team is structured: there is an economist, there is an engineer to assist the Technical Specialist and, of course, there must be somebody to do the routine administration.

Division XXI, Ministry of Regional Development

Mr. Hoyte: Cde. Chairman, I will deal with the question on **Land Transport, Subhead 1**. The amount sought here is merely to buy twelve Land Rovers for the six Administrative Regions. I am certain that the Hon. Leader of the Opposition, having got that explanation, would not argue that the number of Land Rovers is excessive. There are Land Rovers in the regions but we do not have a sufficient number of them. We are dealing with very extensive territory. For example, the Cde. Regional Minister for Bartica, Potaro and Cuyuni, as we describe his Region, has an area of over thirty thousand square miles, and in the Rupununi the Cde. Regional Minister there has over forty-five thousand square miles to cover.

The personnel in the regions are expected to be mobile. We are not encouraging desk officers there. The Regional Administrative Officer, the Assistant Regional Administrative Officer and all the various people in the Regional Ministry are expected to work among the people. They have got to be in the farms, in the back-dams, where people are working, and, as I have said, in all the regions there is extensive territory; there is difficult territory which requires people to be mobile; which requires them, particularly, to have Land Rovers.

Last year, we did not make the request for large sums of money because the structure of the Regions was not finalised but that was done in course of this year and the various officers appointed. The same reason must be given for the increase in the allocation sought for Water Transport. Under that we hope to buy 11 boats and engines, because again in all of the regions there are extensive waterways to be traversed. There are some areas that you cannot reach other than by boat, for example, in the Mazaruni Region, the North West and so on.

In the course of this year the various Regional Development Councils were established as I have already explained in this honourable House. The sum of \$300,000 which is allocated this year was used to set up these Councils and to buy equipment which was necessary to enable Councillors to function. This amount of \$30,000 sought for next year is merely to pay stipends which we pay to the Chairman of some Regional Development Councils and to members of those Councils who have to travel far distances and who are out-of-pocket by reason of their travel.

Sometime ago, I think it was in the course of the debate on the Budget last year, I explained **Subhead 6, Minor Development Works**. I explained that this provision was by way of an experiment; that we were making available to the Regional Ministers certain sums of money which they could spend at their discretion on little things that needed to be done urgently in their regions. For example, a Regional Minister in the course of his visit to a farm might observe that there is some bridge which had fallen down but which needed to be repaired immediately if the farmer was to get his rice out or his ground provision out. The Minister therefore had something in the nature of a privy purse, albeit very small, upon which he could draw to have that work done immediately without having recourse to the sometimes long drawn-out procedures inherent in the normal system.

The amount under **Subhead 6** is different from the amount listed under **Subhead 7, Interior Development**. In fact, this money is used to strengthen the economic base of people who live in the hinterland, particularly Amerindian Comrades. It helps particularly in training given to people from the hinterland who win scholarships and who have to come to Georgetown or go to other centres such as New Amsterdam and Bartica. It is this vote which is used to promote handicraft among our Amerindian Comrades. It is used to help in the marketing of that handicraft and in setting up all the machinery and logistics to enable the handicraft to be sold so that they could get the money from the work which they produce.

In fact, for 1976, there is a very wide-ranging programme of work to be done with moneys from this vote in hinterland regions, such as the completion of a Health Centre in the Moruka area; the completion of a bridge at Santa Rosa, the fencing of farmlands in the Nappi/Parishara area; water supply at Kato; improvement of roads at Morawhanna; construction of a storage bond at Ekereku and things like that. For example, next year from the vote we will be paying the cost of training for 67 Amerindian students at the Guyana School of Agriculture, the Government Technical Institute and the Carnegie School of Home Economics. Also, we will be paying the cost of training people at the Police Quarter Master Store in tailoring; the cost of training three nurses, and the cost of training one student in the art of shoemaking.

This is a vote which has a very wide ambit and which is used to help people in the hinterland to develop themselves and to develop the areas in which they live.

Motion on the Approval of the Rent Control (Special Provisions) (Amendment) Bill 1975: 18th December, 1975

Mr. Hoyte: Cde. Speaker, Comrades and Hon. Members, early in 1974 when the awful consequences for this country and other developing countries of the effects of the so-called 'energy crisis' and other disturbances in the international economic system became apparent, the People's National Congress Government took a number of tough and defensive measures to protect the economy and to save this country from disaster. The paramount consideration that influenced the content of that package of measures was the welfare of the Guyanese people and, in particular, the welfare and well-being of our workers. Government was determined that the full impact of the inflationary pressure and other adverse economic consequences would not be borne by the workers of this country. As a result this package was introduced to protect the working people of this country.

An important element in the package was the Rent Control (Special Provisions) (Amendment) Act of 1974, the substance of which was to freeze rents at the level at which they existed prior to the 31st January, 1974. This Act covers dwelling houses and other premises which were protected by the Rent Restriction Act and also land holdings protected by Rice Farmers (Security of Tenure) Act and other agriculture holdings. Today, as we look back upon the effect of the package of measures which the Government adopted, there can be no doubt as to the rightness of those measures and as to the beneficial consequence both to the economy of the country and the welfare of workers.

During the debate on the Rent Control (Special Provisions) Act 1974, the Cde. Minister of Works and Housing indicated to this honourable House that he would set up a Committee to review the operations of the Act and report to him. That Committee has been working assiduously and my information is that it has presented its report in draft to the Cde.. Minister and is at the moment finalising its report for submission.

The success of Government's measure to contain inflation has been widely discussed both inside and outside of this honourable House. But I may remind Hon. Members that what the Government was trying to achieve was to limit rampant inflation and stabilise the cost of living in this country. Hon. Members will recall that in 1974, despite our best efforts, we were saddled with a rate of inflation which was somewhere between 18 and 20 percent. But in 1975 when the full effect of the measures was felt, the results were dramatic indeed. In a world in which the rate of inflation averages somewhere well in excess of 20 percent we, in Guyana, were able to report a rate of somewhere between 5 and 6 percent.

I did mention in the course of the general debate on the Budget some of the figures, and it may be well for me to repeat these figures so that Members of this House could understand how very effective has been the Government's measures in this respect.

From the official statistics published by the various countries to which I will refer in a moment, we have been able to glean the rate of inflation in those countries. For example, in Trinidad and Tobago the rate as reported from 1975 is 6.2 percent, in Jamaica 6.6 percent, in Barbados 18.6 percent, in the United Kingdom it is 25.9 percent, in the United States of America 7.3 percent and in Canada 10 percent. I ask Hon. Members to reflect upon these high rates of inflation in countries which are much more developed than ours and which have at their disposal greater techniques and better means for controlling inflation. Apart from that, Cde. Chairman, during 1975 the rate of escalation of export prices has averaged 20 percent and this has had very grave consequences for us especially as far as the importation of capital goods for development is concerned.

Despite all these difficulties, we have been able to contain our rate of inflation, as I said, to a level between 5 and 6 percent primarily as a result of the package of measures introduced by this Government, an important element of which has been the rent freeze. The projections are that there is no real hope that this trend in the world will be reversed next year. The chances are that inflation will continue to rise and that export prices will continue to escalate rapidly. For us there is another sobering consideration which is that the prices of commodities are not likely to increase but rather are likely to fall during 1976. And we all know that the price of sugar is likely to be well below the average 1975 price in the year 1976.

For these reasons, therefore, there will be a great need to intensify and not relax our efforts to protect the Guyanese workers from the worst effects of inflation. Therefore, because of these considerations and in these circumstances, Government proposes to extend the provisions of the Rent Control (Special Provisions) Act to 31st December, 1976, or to such earlier date as the Minister responsible for Housing may decide.

I wish to indicate that Government considers the interest of the workers to be paramount and this has been the overriding consideration in arriving at this decision to continue the rent freeze until 31st December, 1976.

It has been said in this honourable House in the past when consideration was being given to similar measures that the rent freeze imposes a hardship upon landlords. Now, I think that a statement as broad as that is unacceptable and, in fact, needs to be examined closely. There are two types of landlords. There are the landlords whose main interest is landlordism – those who make a living and, hopefully for them, a fortune out of renting premises to workers. And there are those people, widows and retired public servants, who may have a house or two which they rent and which bring them a small return which enables them to subsist.

It is the latter category of landlords, I submit, which is likely to endure some hardship but, for the others, the Government does not concede that this measure is likely to have any hardship or any calamitous effect upon them and upon their income.

I wish to say, however, that on the other side of the coin, Government has been providing massive subsidies over wide areas of consumption and services to the Guyanese people. Subsidies, as the Cde. Minister of Finance pointed out in his Budget Address, in 1976, will amount to over \$39,000,000 or 11 percent of our total revenues. These subsidies are enjoyed by every Guyanese citizen including the landlords, and yet the cost of the subsidy is borne by the productive sector – in the final analysis by the workers. By no stretch of imagination can landlordism be classified as a productive activity. Thus while the landlords benefit from the subsidies which the Government provides, they do not, in fact, contribute to the cost of those subsidies.

May I remind Hon. Members that the subsidy for food in 1976 will be in excess of \$17 million - for transportation \$4.7 million; for electricity \$9 million; for pure water supply \$3.7 million; for drainage and irrigation \$1.1 million; for school books \$5.3 million.

When we consider the expansion of social amenities, medical services, recreational amenities, all out of the central revenues of the Government, amenities which are subsidised and which are, in fact, enjoyed by all citizens of this country, I think we will agree that whatever small 'sacrifices' the landlord will be called upon to make is not only balanced by the subsidies he enjoys in other sectors but, in fact, is more than compensated by those subsidies.

I should point out, too, that from our investigations, from the inquiries, the increases in rates which the landlord might have been called upon to bear had there not been the Rent Control (Special Provisions) Act, would amount to no more than 5 to 6 percent, that is, between 1973 and now. This takes into account not only increases in rates and taxes that have actually taken place during that period but also such increases as may have taken place as a result of new valuation lists published in Georgetown.

The increases, therefore, which landlords might legally have imposed upon their tenants who are protected by the Rent Restriction Act would have been minimal and would not have been an incentive for them to carry out repairs to their houses.

One of the complaints which this Government has made in the past and which it continues to make is that landlords have failed to keep their tenements in a proper state of repair and have attempted to extract every cent out of the tenant without providing adequate services in return. However, there is still available to the landlord financial support from the Guyana Cooperative Mortgage Finance Bank if he wishes to take advantage of the resources of that Bank to repair his tenements. However, experience has shown that the landlords, by and large, pay little attention to repairs and to improvements to tenements.

In the circumstances, therefore, Cde. Speaker, the Government believes that every section of the community must contribute to the development of this country and must play its part in making the sacrifices which are necessary not only to protect our economy from the ravages of the external influences of inflation but also to ensure that we generate in this country the financial resources so vital to our development and growth. The workers throughout the years, particularly over the past three or four years, have played their part magnificently, both in terms of increased production and increased productivity. We believe that it is not asking too much of that relatively privileged class of Guyanese citizens, namely, the landlords, also to make a contribution to the welfare and development of Guyana. In these circumstances, therefore, Cde. Speaker, I beg to move that the Rent Control (Special Provisions) (Amendment) Bill, 1975, be read a Second time.

Mr. Hoyte (Replying): Cde. Speaker, it seems clear to me that the Hon. Member has misunderstood the intent and purpose of the Bill before this honourable House and, indeed, the original legislation passed in 1974. This Bill does not seek to punish or victimise landlords. I pointed out, when I was speaking earlier on, that this Bill was part of a total package of measures designed to have a specific effect, namely, to contain inflation in this country and to ensure that the full impact of inflationary pressures was not visited upon the Guyanese workers. It is in a sense, therefore, quite wrong to say that the Bill is discriminatory. The original Bill was no more discriminatory than the present Bill before this honourable House is. At the time this Bill was introduced in 1974 every section of society was called upon to make its contribution and to make a sacrifice. Hon. Members will recall, for example, that severe restrictions were placed upon the right of Guyanese to travel abroad, and severe restrictions were placed upon emigration allowances. Extensive curbs were placed upon importation and there were several other measures taken which had their effect upon the workers and upon other sections of this society. My contention is that in the circumstances, it was not only right but eminently so, that this special class of citizens would not be exempt from the sacrifices which all others were being called upon to make.

I made the point, and I wish to make it again, that on the one hand the landlords are asked to make a sacrifice, if it may be called that, by having their rents remain at the December 1973 level, but, on the other hand, they are benefiting immensely from subsidised goods and services. My contention is that the cost of the subsidies is borne by the productive sectors, is borne by the workers, and the landlords themselves are making little or no contribution to the cost of the benefits which they are enjoying.

Cde. Speaker, this is not a matter for the Courts. This is an economic measure. It has nothing to do with the Courts of the land. The Hon. Member is right when she says that Government has stated as a matter of

policy that it intends to house every Guyanese family in the near future. Indeed, housing is a duty of the Government and the Government is proceeding apace with its Housing Programme. That is why in all the circumstances it is important that, while this Programme is going on the worker should be protected from further exploitation. By now it is clear that landlordism has no future in this country and landlords may well consider some proposal for selling their houses on easy terms to their tenants.

Agricultural landlordism also has no future. We believe that the land must be owned and controlled by the tiller, by the people who toil the land, by the people who produce the crops. We therefore shed no crocodile tears for that type of landlord or with their advocates in this honourable House. We believe that this Bill is right; we believe that landlords have nothing to complain about, given the overall policies of this Government; and we believe that it is the patriotic duty of every landlord to shoulder his responsibilities to this country. In these circumstances, Mr. Speaker, I am afraid that the Government benches are constrained to reject the points of view put forward by the Hon. Member Mrs. DaSilva on behalf of her Party.

Motion on the Second Reading of Amerindian (Amendment) Bill: 5th April, 1976

A Bill intituled:

“An Act to Amend the Amerindian Act for the purpose of giving effect to the vesting of lands settled by Amerindian citizens of Guyana in accordance with the recommendations of the Report of the Amerindian Lands Commission and for purposes incidental thereof.”

Mr. Hoyte: Cde. Speaker, Comrades, and Hon. Members, in moving the Second Reading of the Amerindian (Amendment) Bill 1976, it is fitting that I should begin by paying tribute to the monumental work of my colleague, Cde. Hubert Jack. It was he who, as Minister without Portfolio in 1969, charged with responsibility for Amerindian Affairs, initiated the work which had to be done to implement the recommendations of the Amerindian Lands Commission. It was he, Cde. Speaker, who, throughout the long years, had the arduous task of monitoring and co-ordinating the several Government agencies and persons who were involved, and of finding solutions to the many intractable problems which inevitably arose from time to time. That this Bill is today before this honourable House is a tribute to his painstaking endeavours, his pertinacity, and his own deep and abiding interest in the welfare and well-being of our Amerindian comrades.

It is fitting, therefore, that in the annals of this honourable House there should be recorded these facts I have related and this tribute to our respected comrade.

In Guyana Independence Order, 1966, there appears the following unusual provision. I will read it. Section 17 subsection (1):

“Notwithstanding anything contained in the Constitution, Sections 2 and 3 of the Amerindian Lands Commission Ordinance 1966 enacted by the Legislature constituted by the existing Orders, as in force immediately before the appointed day, may be altered by Parliament only in the same manner as the provisions specified in paragraph (b) of article 73 (3) of the Constitution.”

Subsection (2) states:

“Article 73 (4) of the Constitution shall apply for the purpose of construing references in this section to any provision of the Amerindian Lands Commission Ordinance 1966 and to the alteration of any such provision as it applies for the purpose of construing references in the said article 73 to any provision of the Constitution and to the alteration of any such provision.”

The effect, Cde. Speaker, of that rather esoteric and complicated legal jargon was to elevate to the status of an entrenched provision in the Constitution two sections of an ordinary statute, namely, the Amerindian Lands Commission Ordinance, 1966. An examination of the reasons for and the background to this unusual provision in the 1966 Order in Council inevitably leads us to many exciting and dramatic pages in our history, and compels a re-assessment and a re-evaluation of many views traditionally held concerning our Amerindian citizens and the relationship over the years between the Amerindian citizens and other citizens in this country.

Cde. Speaker, at some time in history after the European colonialists had ensconced themselves in this country, when it dawned upon the consciousness of the Amerindian communities that they were no longer free agents but subjected to an alien power, the question of security in the possession and enjoyment of the lands which they had come to regard as ancestral must have agitated their minds. But in the circumstances of the colonial policy which exist at the time, there existed neither forum nor opportunity for such an issue to be articulated or crystallised.

In any event, Cde. Speaker, it was not to be expected that a colonial administration would have had any sympathy with or would even have understood such a notion. In the circumstances, therefore, throughout the long period of colonial administration in this country, the Amerindian communities languished in a condition of insecurity, neglect and despair.

In the 1950's and in the 1960's, with the rise of party politics in this country, the Amerindian question became a fashionable platform for political parties, political factions and individual politicians. For most of them, their position was one of political expediency. It was not that they had any basic sympathy with or interest in the conditions of the Amerindian citizens. They saw in the Amerindians merely as a source of votes since the Amerindians, like the other citizens in Guyana, had become recently enfranchised with the introduction of universal adult suffrage.

From the outset, however, the People's National Congress took a clear and unequivocal position on the Amerindian question and that position was articulated from time to time by our Cde. Leader in many speeches throughout the length and breadth of this country. That position was based upon the principles of social justice and was rooted in the ideology of the Party which required that the welfare of human beings should be at the end of all political and economic action.

When it became clear in the middle 1960's that the people of this country had won the long struggle against the forces of colonialism and imperialism, and that under the leadership of Cde. Burnham and our Vanguard Party we were going to wrest independence from the metropolitan power, this question of title to the Amerindian communities for the lands they had traditionally occupied again came to the forefront. Many opposition political groups and factions again considered it

fashionable to expose the cause of the Amerindian and to call upon the Party now in Government to state clearly its position.

Perhaps, those opposition elements believed that the Party would be embarrassed; but the Party had long taken a principled and consistent position and the Government reiterated its position in unequivocal terms.

Government took the view that the Amerindians, because of the historic injustices which they had suffered, were entitled to special provisions and were entitled, particularly, to have some arrangements made which would ensure them security in the enjoyment and possession of ancestral lands.

So it was that, at the constitutional conference in 1965, Prime Minister Burnham took the view that this matter should not be left merely to statements of good intentions but should be enshrined in our laws. A mere six days before this country became independent, that is, on the 20th May, 1966, Government in fulfilment of its pledge, passed the Amerindian Amendment Act 1966 – in those days called an Ordinance – which provided for the establishment of a Commission to investigate and report on the question of titles to Amerindian Lands. But as a further earnest of the seriousness of the Government on this issue, the Government ensured that there was inscribed in the Guyana Independence Order 1966, section 17 to which I have already alluded.

In August 1969, pursuant to the provisions of the Amerindian Lands Commission Act, the Commission was constituted. Government was particularly careful to select persons who not only qualified by reasons of professional expertise but qualified by reason of their well-known humane attitudes and their knowledge and of their sympathy with the basic aspirations of the Amerindian communities.

It will be recalled that the Chairman of that Commission was Patrick Forte, a well-known and distinguished Guyanese public servant and administrator who had years of experience in the administration of hinterland regions in this country, who had developed a close association with the Amerindian communities and who had a profound knowledge of Amerindian ways of life and culture. His nomination as Chairman of the Commission was widely acclaimed by all the Amerindian communities in this country. The Deputy Chairman was Albert H. Moore, a noted educationist, a man renowned for his humanity and his deep interest in human beings. Other members of the Commission included A. J. Scow, a Canadian lawyer who himself was an indigenous person, being a Canadian Indian, a man who had a great knowledge of the problems and affairs of the Indians of Canada and who had a deep interest in the well-being and aspirations of indigenous peoples in this hemisphere.

here was also Mr. W. H. Seggar, an Englishman, who had spent many years in the hinterland among Amerindian communities as an Assistant District Commissioner, and who, it was said, had brought an enlightened approach to district administration and to dealing with Amerindian affairs.

Finally, Cde. Speaker, there was Umbelina Campbell, herself an Amerindian, the wife of Stephen Campbell, an Amerindian politician from the Pomeroon area, who was active in politics in the 1960s and who was a well-known champion and advocate of Amerindian causes and Amerindian interests.

It is apposite at this stage to draw attention to the terms of reference of the Commission which were set out in section 3 of the Amerindian Lands Commission Act. These terms are extensive but I will crave the indulgence of this honourable House to read them in full in order that a proper appreciation of the magnitude and complexity of the task which faced the Commission may be established.

The Terms of Reference of the Commission were as follows:-

- (a) to determine the areas of Guyana where any tribe or community of Amerindians was ordinarily resident or settled on the relevant date including, in the case of Amerindian Districts, Areas or Villages within the meaning of the Amerindian Act, the part, if any of such District, Area or Village where any tribe or community of Amerindians was ordinarily resident or settled on the relevant date, and to identify every such tribe or community with as much particularity as is practicable;
- (b) to recommend, with respect to each such tribe or community of Amerindians, whether persons belonging to that tribe or community shall be given rights of tenure with respect to the areas of residence or settlement determined under paragraph (a) above or with respect to such other areas as the Commission may specify, being areas in relation to which such rights of tenure would be no less favourable to such persons than similar rights held in relation to the areas determined as aforesaid;
- (c) to recommend with respect to each such tribe or community of Amerindians, the nature of the rights of tenure to be conferred in accordance with any recommendation under paragraph (b) above;
- (d) to recommend, with respect to each such tribe or community of Amerindians, the person or persons in whom such rights of tenure shall be vested; and where the Commission recommends that the legal or beneficial interest in such rights shall be differently held, to recommend the terms and conditions under which such legal rights shall vest and such beneficial rights shall be conferred;
- (e) to determine, with respect to each such tribe or community of Amerindians, what freedoms or permissions, if any, other than to reside or settle, were by tradition or custom enjoyed on the relevant

date by persons belonging to that tribe or community in relation to any area in Guyana, including areas other than those in which such persons were ordinarily resident or settled on that date;

- (f) to recommend, with respect to each such tribe or community of Amerindians, what rights whether by way of easements, servitudes, or otherwise, most nearly correspond to any freedoms or permissions determined under paragraph (e) above, and the person or persons to whom such rights shall be granted in substitution for the freedoms and permissions aforesaid;
- (g) to make such recommendations in relation to all or any of the matters aforesaid as may to the Commission seem appropriate;
- (h) to report to the Minister with respect to the matters set out in paragraphs (a) to (g) above.

Cde. Speaker, those were the terms of reference of the Commission. The Commission was appointed as I have said, in May 1967 and immediately set about its task with enthusiasm and dedication. It read all the laws relating to Amerindians in this country. It studied all the available reports and documents dealing with Amerindian anthropology and sociology and subjects related to Amerindian culture and way of life. It received memoranda and evidence from a large number of organisations and individuals. It visited every Amerindian community in this country and discussed with the leaders and residents of those communities their wishes, their hopes and their aspirations. It discussed with many private organisations and individuals who either knew or purported to know about Amerindian ways of life or Amerindian culture and who had some contribution to make for the guidance of the Commission in its work. After two years of very painstaking and diligent work, the Commission submitted its Report to the Government in August 1969.

As was its wont, Cde. Speaker, in matters of this sort, the Government published the Report, gave it the widest circulation and invited comments and advice. And in particular, the Report was circulated to the Amerindian communities so that they could study the recommendations and arrive at definite conclusions on those recommendations.

In 1970, after due time had been given for the study of the Report, there convened in Georgetown a Conference of Amerindian Captains and Leaders for the specific purpose of discussing the Report. After many days of intensive discussion and debate, that Conference unanimously accepted the broad recommendations of the Report and so advised the Government.

It is true that there were reservations here and there on matters of detail but these were matters of detail and did not affect the substance or the broad recommendations of the Commission. On receiving the advice

of the Amerindian leaders and Amerindian communities, the Government in turn indicated that it had accepted that advice and would accept the broad recommendations of the Commission's Report.

At the Conference in 1970 and at a similar Conference of Amerindian Captains and Leaders in 1971, the Cde. Prime Minister explained to delegates that the work of implementing the Report of the Commission was not a task of weeks or months, but was a task of years. He exhorted the Amerindian Leaders to have patience and to have trust in him.

During the long years which elapsed between the submission of the Report and the introduction of this Bill, many mischief-makers went among the Amerindian communities attempting to suborn and subvert them, alleging that the Cde. Prime Minister would not keep his word to them, alleging that the Party was not to be trusted, alleging that the Government was faithless. It is a tribute to the good sense of our Amerindian Comrades that they rejected all of these mischief-makers and continued to have faith and confidence in the leadership of this country.

When in January, 1969, certain criminal elements in the Rupununi perpetrated certain acts of banditry and murdered a few innocent people at Lethem, they had calculated upon the support of the Amerindian communities. It turned out that they had miscalculated and the Amerindian communities by and large had nothing to do with them and continued to show faith and confidence in this country and loyalty to the State.

It was because of this rejection by the Amerindian communities in the Rupununi that barbarous and criminal 'uprising' as it has been called, failed and the persons involved had to flee ignominiously across the borders where at present they are still languishing with blood of innocent people on their hands and their consciences.

Cde. Speaker, in the event, the work of implementing this Report has taken some six and a half years. The problems involved were difficult and intractable. In the first place, the Commission itself noted that several communities were not living in the areas prescribed as Amerindian reservations under the extant laws, but in fact had removed from those areas and were occupying other tracts of land. It was necessary, therefore, that there should be an investigation on the ground to identify in fact what areas the several communities were occupying.

As that investigation got underway, the task became very complicated. It was found that since the Amerindian Lands Commission had submitted its Report, several communities had shifted locations and other communities had sprung up in other parts of the country. For example, Cde. Speaker, the Commission had recommended for the Amerindian community at Mahdia a tract of land which included Kangaruma, because between 1967 and 1969 when the Commission visited that area there was a thriving Amerindian community at Kangaruma. But when the Government investigating team visited subsequent to 1969, it found that the community

had abandoned Kangaruma and had gone elsewhere. It therefore would have been an act of folly to grant lands to a community when the community was no longer resident there and had for reasons best known to itself abandoned the area and established itself elsewhere. In addition, new communities such as the one at Kurutuku arose in the Mazaruni and Government had to take cognisance of these things which were happening in the country.

Another problem arose from the shortage of surveying skills, not only in absolute terms, but also because of the great and increasing demands made on such skills as our National Development Programme gained momentum. The terrain which had to be surveyed and demarcated was extremely difficult, consisting of high mountains, densely forested areas, swampy territory and rivers which were treacherous and full of rapids. The work therefore was slow and painstaking.

Moreover, Cde. Speaker, there were developments in this country which had an impact upon the recommendations of the Commission. Government decided in the interest of national development to establish a hydro-power facility in the Upper Mazaruni region. Obviously, such a facility would affect areas which had been recommended for Amerindian communities in the Upper Mazaruni. Government, therefore, had to wait until it had taken a definitive decision to establish the facility and further had to wait until it could be advised as to the exact area which would be flooded to provide the reservoir for the hydro-power station. It would have been a mockery to have granted lands to our Amerindian communities one year and have flooded those lands the following year in order to accommodate a hydro-power station. All of these things caused delays, and all of these things caused delays which were appreciated and understood by our Amerindian comrades.

In the end, when all of these problems had been overcome, the legal draftsmen then had their own task of preparing this Bill which is now before this honourable House. Some people might be of the view that six and a half years are an inordinately long time to implement the recommendations of the Report. In point of fact, it is a remarkably short time; for, in paragraph 300 of the Amerindian Lands Commission Report, it is recorded that the Amerindian Association of Guyana had recommended that there should be a target date by which the Report should be implemented and had set as that target date the year 1978. The Commission itself endorsed that date as being a reasonable and realistic date. It is to the credit of this Government that this Bill is now before this honourable House two years before the target date set by the Amerindian Association of Guyana and endorsed as being reasonable by the Lands Commission.

Cde Speaker, as Captain Silverio Fredericks of Waipau said on Friday morning when he was replying to the address by the Cde. Prime Minister at the formal opening of the Fourth Conference of Amerindian Leaders:

"We are happy", he said, "to have found out that we were right to trust him". The trust which the Amerindian Leaders and communities placed in the Cde. Prime Minister, in the Party and the Government has today proved to be fully justified and their confidence completely vindicated.

What is the rationale for the Government's position on this issue? The Government has the duty of implementing the policies of the Party. The Party is committed to a policy of social justice. That is rooted in the Party's ideology. For the Party, social justice is not an intellectual or philosophical abstraction. It has a practical content. It has a pragmatic content. It is not a mere theory. It is a concept which must be capable of application to concrete and objective conditions and which must be capable of redressing imbalances and of restoring to people rights of which they have been deprived.

In the objects of the Party, as enshrined in the Party's constitution, the Party is committed to securing and maintaining the interests of all the people of Guyana. And the Party is committed to ensuring that there is equality of opportunity in the political, economic and social life of the country.

The principles inherent in those objects are not doctrinaire principles. They must be capable of being applied in a real-life situation to correct injustices and to change society in such a way that historic wrongs are removed. These principles require and demand that the Government should manipulate the leavers of power in favour of the poor, the distressed and the deprived. Those principles require and demand that the Government must discriminate unequivocally and unapologetically in favour of the disadvantaged. There can be no doubt that in our circumstances, because of the history of this country, our Amerindian comrades fall within the category of the deprived and the disadvantaged.

During the colonial period, all the peoples of this country who were subjects of the British imperialists suffered heavily from the colonial yoke. All of us have borne scars from those grim and terrible days, but when the colonial era ended the other ethnic groups at least had the rudiments of the skills and knowledge which were necessary to enable them to survive, however peripherally, within a modern economy. They had been taught to read and write; they had some skills in administration; they had some skills in manipulation and operation of modern equipment. However peripheral, however minimal, these skills were, at least they had the rudiments of them.

Our Amerindian comrades were so fortunate. They were left, by and large, to follow a traditional pattern which left them outside the main stream of modern life. It was in those circumstances and it is for these reasons that the Government, in order to put our Amerindian comrades in a position where it can be truly said that the Government is securing and maintaining the interests of all our people and is in fact providing the conditions to ensure equality of opportunity, is now presenting this Bill before this honourable House.

In a sense, all the people in this country have come from migrant stock. Our forefathers were brought from Asia and Africa and the forefathers of some of us have come from Europe. The Amerindians are also the descendants of migrants, the historians tell us, having come into these parts a time long, long ago from Asia via the Bering Straits; but they inhabited this country for such a long time before the advent of the Europeans that they are rightly regarded as the indigenous people of this country.

When the European traders came to this country they found a relatively sophisticated people. It is true that the Amerindian communities in this country did not reach the grandeur of Aztec culture and civilization, did not achieve the glories of the civilization of the Incas, but they did have an orderly political and social organisation and they did understand the basic elements of commercial intercourse.

With the coming of the Europeans their lives changed for the worse. As Schomburgk remarked in his *Travels in British Guiana*, the impact of the Europeans upon the lives of the Amerindian communities was deleterious. The Europeans came first as traders and soon established themselves as colonists; and, having established themselves as colonists, applied the classic principle of imperialism: 'Divide and Rule'. They favoured one Amerindian tribe against the other; they set tribe against tribe, and finally elected the Caribs as the most warlike tribe to wage war upon the other Amerindians in order to provide them with slaves. Slavery was a concept at that time unknown to the Amerindian communities in this country, and it is a fact usually forgotten and glossed over – that the Amerindian citizens were the first people to be enslaved in this country by the European colonists and that Amerindian slavery did not formally come to an end until 1802.

With the introduction of slaves from Africa, the Europeans found a new use for Amerindians. They employed them in the role of slave police and a military rear-guard to the plantation system. Many people who have purported to write the history of this country have seized upon this fact to develop a thesis that, because of the role played by the Amerindians in the days of slavery, there existed a natural antipathy and antagonism between the Amerindians and Blacks and this natural antipathy and antagonism, they claim, has persisted to this very day. In fact, even within recent times, many pseudo-sociologists and many unscrupulous politicians have sought to peddle this myth. But an examination of the extant records, the contemporary records, shows that such a thesis is untenable and that the real condition of the relationship between the Amerindians and the Blacks was one of empathy and compatibility.

The truth of the matter is that in the early days the runaway slaves found sanctuary and refuge in the Amerindian communities as Henry Kirke writing in 1895 in his book *Twenty-five Years in British Guiana* remarked, and I quote:

“These runaway slaves were sometimes not captured but formed settlements in the forests and were known as maroons. These men took Indian wives and their descendants were gradually absorbed in the Indian Stock.”

Kirke’s statement is authenticated by records of earlier times for in 1710 Pieter Van der Heyden Resen, the Dutch Commander of Essequibo, in reporting to his company, the Dutch West India Company, about the incidence of escaping slaves, reported with pride that he had tricked three runaway slaves into returning from their sanctuary within the Amerindian communities on a promise of pardon. He went on to write, and I quote:

“I do not doubt but with the long dry season I shall get hold of still more, but these are somewhat scattered up in the Cuyuni among the Indians.”

It is clear, therefore, that the runaway slaves were received with sympathy and were granted refuge by the Amerindian communities.

How is it, then, that the Amerindian changed his position from one of granting refuge and sanctuary to one of being slave police and bounty hunter? The answer is to be found in the classic techniques applied by the imperialists, the capitalists, and the colonialists in controlling subjects, Laurens Storm Van’s Gravesande, initiated and institutionalized in this country the Machiavellian policy of ruling and controlling the country by force, fear and fraud. It was by this policy of force, fear and fraud that the Amerindians were cajoled, tricked, threatened, and finally driven into this role of slave police and military rearguard.

For the evidence, let us read the words of Laurens Storm Van’s Gravesande himself, the proconsul of the Dutch West India Company in this colony in 1774, when he wrote to the company reporting the measures he had taken, the measures he had institutionalized, to deal with this vexed problem of runaway slaves.

He wrote:

“I am pleased that you approve of the measures taken with regard to well-known deserters. Not only has the desertion cost you much money but in it was an evident danger for this country; for, had they stayed away, their abode would have been a standing refuge for all slaves who might take it into their heads to run away, as only too many had determined to do. This is also the reason why I did not rest and spared no promises or threats to get possession, dead or alive, of the three that remained behind. Through all these means...”

– means through promises, through threats, through bribery, through coercion –

“I at last with great difficulty induced the Indians to attack them.”

It was from the time of Van’s Gravesande that the Indians, through this Machiavellian policy, were coerced into a role, an involuntary role, of slave police and military rearguard. It was this same Van’s Gravesande whom, when I was a boy at school, I was taught to regard as a hero of Guyana. The records in his own handwriting prove him to be not a hero of Guyana, but one of the arch criminals of Guyana.

With the emancipation of the slaves, the Amerindians were no longer useful to the Europeans colonists. They were abandoned and neglected. The Europeans encroached more and more on their lands and they themselves retired more and more into the hinterland. Indeed, in the **Green Interim Report** on Aboriginal Indians in 1946, it is reported as follows:

“It would not be wrong to say,” says the author of this report, *“that large numbers of the Colonists have intruded into the domain of a very large section of the Indian community. This intrusion has been going on for upward of three hundred years and is still going on.”*

In order to salve their conscience for the terrible wrongs they had done to the Amerindian population and for expropriating their lands, in the early days of British settlement in this country, the Combined Court voted annually and ritually the sum of €7,000 from the colonial revenues to be paid as compensation to the Amerindians. Needless to say, Cde. Speaker, not one penny of that princely sum ever found its way into the hands of the Amerindians.

The Amerindians’ condition, as they retired more and more into the hinterland, deteriorated; and the Green report to which I have referred, with disarming casualness, records that there was no record before the Committee to indicate the precise point of time at which the Amerindian ceased to be free agents in this country and became a subject race.

But it is clear, as the learned attorney General (Cde. M. Shahabuddeen) remarked in his distinguished work, *The Legal System of Guyana* that by 1821, in the case of *Fiscal v. Billy William*, the position of the Amerindian as a subject people had become a matter of legal fact; for, in that case, it was argued on behalf of the accused Billy William that he was not amenable to the jurisdiction of the British Court since he was a member of a free nation beyond the British jurisdiction. The court had no difficulty in rejecting that contention and holding that the Amerindians in this country were subjects of His Britannic Majesty.

At the same time, the Secretary of State for the Colonies, Lord Stanley, in writing to the Governor of the colony, Carmichael Smythe, noted that His Britannic Majesty’s Government had no time – no time, Cde. Speaker – to deal with the question, as he put it, of the civilization of the Amerindians.

From that date, the Amerindians were relegated to reservations. They were neglected; they were forgotten. They became wards of the State, and they were considered to be people who had to be insulated and isolated from the mainstream of the development of this country.

Their position deteriorated rapidly. They were ravaged by diseases which they had never known – small pox, and tuberculosis, and diphtheria, which had been introduced by the European colonists. It is reported and recorded that they were relegated to these reservations – which was a euphemistic term for quarantine stations – because it was expected that they would soon die out because they were a vanishing race, and that the colonial administration should do nothing for them because, in any case, they were an anachronism in this world and soon to pass away.

One of the more enlightened colonial Governors of this country, Sir Gordon Lethem, writing in 1942 to the Secretary of State for the Colonies on the subject of the administration of the Aboriginal Indian, wrote as follows:

“It is of course the case that special administrative arrangements did exist in the past and it may well be asked if they were much, if any, advantage. I should find it somewhat difficult to answer this question. Beyond doubt, the arrangements must have operated for the protection and benefit of the Aboriginal tribes and it is very evident that the persons discharging these functions amassed great knowledge of the people and their customs, some of which is recorded. I do not find, however, evidence of any definite constructive policy which has put the Indians of the interior much less than before at a disadvantage in facing the economic and other developments of the country. In fact, one gets the impression that the policy was quite negative.”

Cde. Speaker, that last sentence is a masterpiece of understatement. The policy was not *“quite negative.”* The policy was destructive, and it was stigmatized in the Evans Land Commission Report as a sterile and callous policy predicated on the assumption that the Amerindians were a dying race soon to depart from the face of this earth and whose only usefulness was to be studied by a succession of sociologists and anthropologists, amateur and professional. The libraries of many foreign universities and other institutions of learning are filled with doctoral theses and reports purporting to give scientific accounts of the culture and way of life of our Amerindian citizens.

At the end of the colonial period, there can be no doubt that our Amerindian comrades, in the words of Edwin Markham, were a people *“plundered, profaned, and disinherited.”* It was with the advent of the People’s National Congress to office in December, 1964, that there was a dramatic change in the condition of life of our Amerindian comrades. Up to that date, they were a vanishing tribe; they were a vanishing race. A.R.F. Webber in his *Centenary History and Handbook of British Guiana* estimated that in 1665 there

were 50,000 Amerindians in this country. One hundred years later, their population had fallen to 30,000.

In 1946 at the time of the **Green Interim Report**, their population had dwindled to a mere 12,000 to 14,000 souls, an estimate which was confirmed in 1948 by the Peberdy Report.

Today, because of the constructive policies of the People's National Congress Government, the population of the Amerindian communities in this country has risen to 50,000. What is more, the annual growth rate of population among the Amerindian communities at 3.2 percent is the highest growth rate among all ethnic groups in this country when one has regard to the fact that the national average is 2.3 percent. And yet, many foreign journalists who prostitute their profession and who sell their souls for a few dollars have had the temerity to allege that this country is persecuting its Amerindian citizens, is torturing them, is discriminating against them that, in consequence, they are fleeing in their thousands across the borders. The facts speak for themselves; for the facts speak more cogently, more clearly, more loudly than any words can tell. They speak – if I may borrow a phrase from John Milton – with “*resistless eloquence*.”

Let me refer to some facts in support of this point I have made. It may be said that what I have stated is a Government position and that the Government is blowing its own trumpet. My response would be that, in all the circumstances, the Government is entitled to blow its own trumpet. But for those who take comfort in referring to the opinions (which they regard as independent) of outsiders and foreigners, let me draw the attention of this honourable House to the conclusion of a distinguished Yugoslav Sociologist and Communications expert, Dr. Katja Boh who, in February of this year, completed a report for the Upper Mazaruni Development Authority in which she recorded that over the past ten years the condition of life of the Amerindian citizens in this country has progressed with an incredible rapidity and that, during the period, it was obvious that the Amerindian citizens in this country have become fully involved in every aspect of national life, involved not in a peripheral way, but in an integral way and in a way which provides them with real participation in decision – making.

At the opening of the Fourth Conference of Amerindian Captains and Leaders, Captain Mary Williams of Mainstay Whyaka, in her address of welcome remarked that over the past ten years of PNC Government, the Amerindian communities have made remarkable progress. Coming from such a source, I do not think that it is open to anyone to take a contrary view.

Let me now deal with the main provisions of this Bill. The Bill is very simple in its design and import. It seeks to give title to the several Amerindian communities in this country to lands which they have traditionally occupied. The total area involved is 4,500 square miles and, when one adds to that area two other areas in Baramita and Konashen to

which title will not be given under this legislation but which will nevertheless be reserved for Amerindian occupation and development, the total area reserved for the development, the welfare and progress of our Amerindian citizens is some 9,000 square miles.

Some people might argue that, having regard to the proportion of our Amerindian citizens to the rest of the population, this area is excessive. But that argument, Cde. Speaker, would put the matter in a wrong perspective and would be fallacious. Because the Amerindians were left out of the mainstream of modern life, they follow a traditional way of life in which their economic base consists in hunting, fishing, gathering the fruits of the forests, farming and, in some places like the Rupununi, rearing cattle. For this way of life they need expansive territory. And it must be remembered also that much of this land consists of mountains and dense jungle and of swamps; that the agricultural lands tend to be limited and scattered; and that, even where cattle is reared, the grass tends to be poor.

The land given, we believe, is not excessive, but is sufficient in area to provide subsistence for the Amerindian communities and to provide for their growth and development over the years. Given the economic base of these communities, the justification for granting these large tracts of territory derive from the territorial imperative, derive from the need for *liebenstraum*.

I wish to deal with this Bill under three broad Heads. First of all, the nature of the title which will be given; secondly, the basis of the title; and, thirdly, what I may call, third party rights.

The title to the lands will not be given to individuals, but to the communities. This is in keeping, not only with the recommendations of the Commission's Report, but with the unanimous requests made by the Amerindian communities when giving evidence before the Commission. In fact, during the past two months, I had the privilege of touring all the Amerindian communities to discuss with them the provisions of this Bill and, whenever the Clause relating to communal title was explained, it evoked prolonged and spontaneous applause. It is clear that communal title is what our comrades want and communal title is, for them, the only title with which they will be happy.

Title for the purposes of the law will be vested in the several councils which will be elected to administer the affairs of the Communities; but these councils will be holding the titles for and on behalf of the communities. It follows, therefore, that no individual person will have the right or the power to alienate one square inch of the land.

Secondly, Cde. Speaker, titles are granted to the communities because their members are Guyanese citizens. The basis of title is citizenship. Citizenship implies a duty of loyalty and allegiance to the State. Continued enjoyment of title to the lands depends upon continued loyalty and allegiance to the State. There is nothing unique in this provision. Every Guyanese citizen enjoys rights and privileges in this country because he is

a citizen and every Guyanese citizen has a corresponding obligation of loyalty and allegiance to the State.

Thirdly, I wish to say a few words about third party rights. There are two aspects to this matter. In the first place, because the territory granted will be extensive, it will be necessary for our citizens, from time to time, in pursuit of their lawful occasions, to pass through lands granted to Amerindian communities. The law, therefore, provides that citizens will have the right of passage through Amerindian communities, along rivers and other waterways and along known and defined trails.

You will note, Cde. Speaker, I say "*the right of passage,*" not a right to wander indiscriminately over land, not a right to interfere with or molest members of the community, not a right to interfere with the land or anything growing thereon – but merely a right to pass through peacefully in pursuit of some lawful objective.

The other aspect of third party rights relates to titles which certain persons hold from the State at present in relation to some of the lands which will be granted to Amerindian communities. Many people – and many of them are Amerindians – have leases and permissions from the State for small parcels of land – one acre, two acres, three acres – on which they have built their homes and from which they earn a livelihood. It is not proposed in this legislation to interfere with the titles of these people. But from the moment this Bill becomes law those rights will pass from the State to the Amerindian Councils and the lessees and permittees will hold their leases and permits no longer from the State but from the Amerindian Councils. It follows, therefore, that all their obligations under their leases and permissions will be dischargeable to the Council.

Before presenting this Bill to this honourable House, the Government did its best to cancel, revoke or cause to be surrendered large tracts of land which were held in the areas to be granted title by persons who were not members of that community. In this regard, the Rupununi Development Company surrendered 1,000 square miles from its lease in order to enable the Wapishiana community in the southern savannahs to have an adequate amount of land for future development. And the trustees of the Anglican Diocese surrendered a tract of land of some 50 square miles which they held under a ranching lease. We have tried to eliminate these excessively large holdings. We are not sure that we have identified each and every large lease or other holding. For this reason, I will ask this honourable House, when we come to consider the Bill in Committee, for an Amendment which will enable the Government, within one year of the passage of this Bill, to terminate any such large holdings which it might not have identified to date in the interest of the Amerindian communities.

There is one other Amendment to which I should allude and which I shall ask this honourable House to approve. In the Schedule to the Bill, there are listed sixty-three communities. Since the Bill was published work on the demarcation of two more communities, namely, Mainstay/

Whyaka, and St. Deny's Tapakuma, both in the lake district of the Essequibo region, have been completed. It is therefore possible to add those communities to the Schedule of this Bill.

I should remark at this stage that there are a few more communities which are eligible for title. For one reason or another the work of demarcation of their boundaries has not yet been completed, but we are confident that work will be completed before the end of this year, and before the end of this year every single Amerindian community entitled to a grant of title to their traditional lands will have those titles. Under this legislation there are no formalities for the vesting of title. Titles will vest in the communities without further assurance, without further formality, as soon as this Bill is enacted and His Excellency the President gives his assent.

Cde. Speaker, what is the significance of this legislation? It is not merely that it demonstrates that our Cde. Leader and Prime Minister is a Statesman who keeps his word, who fulfils and honours pledges and commitments solemnly made to the people of this country. It is not merely that it illustrates the way in which the Party interprets the concepts of social justice. It is not merely that it shows beyond the shadow of a doubt, that it is proof positive, that the Government has the will and the capacity to manipulate the levers of power to discriminate positively, unequivocally and unapologetically in favour of the poor, the disadvantaged and the disinherited. It is significant in all these ways. But the real significance of this Bill is that it establishes the practical conditions and creates the legal and psychological environment in which our Amerindian comrades can rightly say that they have advanced from the status of wardship and tutelage to the dignity of free, full, proud and independent citizenship in this great Republic of ours. For establishing these conditions, for creating this environment, the Party is justly proud.

It is my great honour, indeed my humble duty, to move the Second reading of the Amerindian (Amendment) Bill, 1976 and to commend it to this honourable House.

Mr. Hoyte (Replying): Cde. Speaker, I would like to congratulate and applaud the Members of the United Force for the genuine support which they have given to this Bill. There are a number of points which I need to reply to concerning the Bill itself and alleged shortcomings; but, before doing so, there are two matters raised by the Hon. Members on the Opposition benches which caused me a measure of disappointment. I understand the Hon. Member Mrs. DaSilva to suggest or imply that the Amerindian communities or some of them were sacrificing honesty for economic benefits. I would wish to believe that the Hon. Member did not really mean to imply that. But taking her words at face value that was the only interpretation we on this side could put on them.

Secondly, Cde. Speaker, I was gravely disappointed at what appeared to be a defence by the Hon. Leader of the Opposition of the Colonial Administration in this country in relation to the Amerindian citizens. The policy of the Colonial Administration was indefensible and no amount of reference to 'solicitude', can alter that incontrovertible fact.

The Hon. Leader of the Opposition referred to a number of instances which he said reflected 'solicitude' on the part of the Colonial Administrators; but solicitude is not enough. The records show that there was total neglect. The records show that as early as 1833, as I remarked in my statement, Lord Stanley, the Secretary of State for the Colonies indicated to the Colonial Governor, Carmichael Smythe, that His Britannic Majesty's Government could not give much attention to "*the civilization of the Indians*" and that attitude continued to inform the policy of the colonial government until this country became independent in 1966. All of the records point to the fact, and indeed, Cde. Chairman, English Administrators themselves acknowledged that this was so.

In 1942, Sir Gordon Lethem, in the dispatch which I have already referred to, castigated the policy over the years as being negative; and Sir Phillip Stockdale, who was the Controller of the Colonial Development and Welfare Fund, noted in a report dated 9th September, 1942, as follows:

"It seems to me that the Aboriginal Indians in British Guiana require less systematic anthropology which tends to regard tribes sentimentally as interesting museum pieces and more modern applied anthropology which, through a knowledge and understanding of their habits and customs, should be able to guide them towards greater economic achievements and cultural advancement."

And, he went on to say that the days of the Schomburgks and the Roths were over and that – I quote again:

"That approach to the Aboriginal Indian problems has passed and the necessities for the present and future seem to demand a realistic approach to an economic basis."

Stockdale was merely echoing what was stated in the **Green Interim Report** to which I have already referred and to which the Hon. Leader of the Opposition has referred.

I shall note in a moment what was said by the writers of that **Report** which was commissioned by the Colonial Administration. In paragraph 10 of the **Green Interim Report** it is recorded as follows:

"Though Indian Reservations have been declared in various districts of the colony the lands are not vested in the Indians who hold no titles for the land they are occupying. The Aboriginal Indians are in reality the wards of the Government."

A little later on the Report pointed out with a candour which was remarkable in those colonial days "*that it is unfortunate*" and I quote:

“that so little constructive and educational work has been sponsored by the Government in those reservations which have so far been declared. In fact any regulations which have been made have been of an entirely negative character and gives the impression that a reservation is a kind of quarantine where the aboriginals are housed away from other members of the population.”

In the **Evan’s Report**, to which I have referred, that policy was stigmatized in harsh terms and the writers of that Report in 1948 said and I quote:

“that the reservation policy is by itself sterile and an implied relegation of these people to the status of museum pieces ... somewhat callous and unimaginative.”

It is not a question of ‘solicitude’. It is a question of what in fact was being done for them; and our contention is that nothing was done for the Amerindians because they were placed in quarantine station in the belief that they would die out and vanish from the is country.

The Hon. Leader of the Opposition referred to the fact that legislation was passed providing for the appointment of Protectors of Indians and he saw in this legislation another bit of evidence of solicitude of the Colonial Administration; but the fact of the matter is that although the 1902 Act providing for the appointment of a Protector of the Indians was enacted, nevertheless in 1928, on the evidence cited by the Hon. and learned Member himself, the population was declining. Where were the positive results of this solicitude if 26 years after a Protection Act was passed and a Protector appointed the population continued to dwindle? I remarked that both the **Peberdy Report** and the **Green Interim Report** established that in 1948 the Amerindian population had dwindled to between 12,000 and 14,000 people.

The Hon. Member was making a basic mistake in relation to the **Amerindian Lands Commission Report** when he continually said that the Government accepted the Report. The Government accepted the recommendations in the report. I was very careful to say very early in my initial intervention in this debate that the examination of the contemporary records would compel us to a re-assessment and a re-evaluation of some of the views traditionally held about Amerindians and about the relationship between Amerindians and other members of the community. I have pointed to the myth which has been perpetuated throughout the years that there was a natural hostility between the Black population in this country and the Amerindians. I have cited cases from contemporary documents to show that was not so, that throughout the period of slavery there was civil contact between the Blacks and the Amerindians and that, apart from the refuge and sanctuary they received, the Black slaves were frequently to be found in Amerindian communities because they were used as agents by the slave masters in their business transaction with the

Amerindians, as a result of which they were known, they were received, they were welcomed and there was civil contact with them. Our historical records show that at the time of the great rebellion of 1763 two Amerindian citizens served as intermediaries between Cuffy and Van Hougenheim. We must not only accept the traditional views, we must analyse them in the light of new perspectives, bring a Guyanese interpretation to them and reject those interpretations which have been foisted upon us by European and other alien historians.

The Hon. Member Mrs. DaSilva claimed that the increase in the population of our Amerindian citizens, the dramatic reversal of the decline in their numbers, had nothing to do with the People's National Congress Government. I find it a little difficult to understand that, because it seems to me that even as she developed her point she was underscoring the very fact that it was during the period of the People's National Congress Government that the increase took place.

May I mention, in passing, that Guyana is the only country in this hemisphere where the indigenous population is increasing and not declining, a point, I believe, made by my Hon. Friend the Hon. Leader of the Opposition. I had referred to the work by Dr. Boh, the Yugoslav sociologist and communications expert, and I have since obtained a copy of her report entitled **'The Upper Mazaruni Development Authority's Development Support Communication Unit: A Report on the Organisation, Structure and Functions of the Unit with Recommendations'**, dated February, 1976. This is what that distinguished and independent observer had to say at page 48 of her Report:

"The Amerindian communities in Guyana are the only ones on the South American continent which show a significant increase in population due to educational and public health measures and specific programmes of development and integration. It is estimated that the Amerindian population in Guyana has increased to over 40,000"

as I remarked, the population is nearer 50,000 –

"with a population growth rate of 3.2 per cent per annum – a rate which Amerindians throughout the country, as a whole, have maintained over the past decade."

Over the past decade, the Government of this country has been the People's National Congress Government.

Dr. Boh went on to say:

"For the first time in the history, based on the general philosophy of the present Guyanese Government!" –

and let me underscore these words, *"based on the general philosophy of the present Guyanese Government!" –*

“efforts have been made to integrate the Amerindian communities on an equal basis with the rest of the Guyanese society.”

This is not being said by the People's National Congress; this is a report – and I will make a copy available to my Hon. and learned Friend – by a distinguished Yugoslav social scientist.

Let me now deal with some of the specific points raised by the Hon. Leader of the Opposition. In the first place, I think that he has misunderstood the recommendations of the commission when he says that the commission recommended title for Konashen. If you look at the recommendations, you will see that where the Commission recommended Title, they spoke of freehold title to be vested in the communities. But in respect of two communities Konashen and Baramita, it recommended that an area be reserved as a 'District', so that in not granting titles to the communities in Kanashen and Baramita, the Government is merely carrying out the recommendations of the Commission itself and endorsing the advice given to it by the Conferences of Amerindian Captains and Leaders in 1970 and 1971. I think I have already explained that the communities in those two regions have not been communities traditionally occupying lands in Guyana in the context of the Commission's interpretation of its Terms of Reference. But, nevertheless, the Government, without granting legal title, has reserved those areas for the use, enjoyment and development of the communities there.

Secondly, Cde. Speaker, I think that in interpreting Clause 7 (6) of the Bill, the Hon. Leader of the Opposition was led into error. Subsection (6) does not give the Minister the power to alter any of the boundaries of the communities listed in the schedule. Subsection (6) refers to subsection (1) and subsection (1) deals with new areas or districts which in time may be established under the Act. Again, in dealing with (4) (d) of Clause 7 of the Bill, the Hon. Leader of the Opposition expressed a certain uneasiness and felt that the term 'disaffected' could be used in a capricious way to coerce members of Amerindian communities. I have been advised by the law officers and verily believe that the term 'disaffected' has a specific meaning in law which has been the subject of several decisions which have guided, and still guide, the jurisprudence in this country.

With respect to the provision as a whole, I think the Hon. Leader of the Opposition would know that in most countries, and even in the United Kingdom, which so many people still consider to be the fount of all justice, there is the law of forfeiture which applies to persons guilty of treason. But, in any event, this position was put in on the recommendation of the Commission itself and that recommendation will be found in paragraph 302.

I wish to dwell briefly upon the role of missionaries in the Amerindian communities because such heavy weather was made of this by the Hon. Members seated on the Opposition benches. I think that in quoting the

report without careful analysis, one is not doing justice to oneself. I think at this stage of our history we must be deeper in our analysis and we must not blindly accept traditional views and traditional interpretations of our historical past. If one examines even the **Peberdy Report** in which the Hon. Leader of the Opposition found comfort, it will be found at page 35 that the Report was critical of the role of the church in the Amerindian communities. Let me not be misunderstood. It is true that missionaries have from early days pioneered among the Amerindians; it is true that missionaries have been active in giving formal education. But it is also true that through a blind and insensitive approach to these communities, there has been a tremendous destruction of much of values, of much of the culture and much of the civilization of these people.

In the **Peberdy Report**, the author noted as follows and recommended that:

“It should be recognized that the Christianising influence does at first dislocate and very often destroy the normal livelihood of the Amerindian. This would not be so harmful if something was immediately substituted to alleviate the disruption. Unfortunately, the missionaries have not generally been in a position to take up all the material facts...”

In other words, while they catered for the immortal soul of the Amerindians, they did not cater for his material needs. I continue the quotation:

“Therefore, it is unwise, and not in the best interest of Amerindians, for the State to encourage or even permit missionaries to proselytize among the more primitive Amerindians, unless the State can accompany the church and can be fully responsible for material welfare.”

This point of view was reinforced in more recent times by Oxford Sociologist, Nicholas Guppy, who spent some time among the Wai-Wais in the 1950's.

There has been reference made to the Evangelised Field Mission, and I would like to read extracts from Mr. Guppy's book dealing with his conversation with those missionaries who were active in Wai Wai country. And this is an interview which he had with one such missionary. After Guppy had asked him about his attitude towards the Wai Wais he said and I quote – and this is the missionary talking:

“My friend, you miss the point completely. In New York and Georgetown, people have been baptized. Their souls are in danger and we must save their souls for Christ. Our Mission action is concerned solely with work among wild Tribes who have never heard the gospel before. That is why it is called Evangelised Field Mission.” It is inter-denominational.”

Guppy then continued his questioning of the missionary and he says as follows:

"I was silenced for a moment, but I had one final question." "Tell me" he said, 'do you respect the Indians as people?' The answer was conclusive. 'That is completely beside the point. We love them, we love them in Christ. Our object is to save souls. Nothing else matters.'"

The point is one which any average sociologist or anthropologist would know: that in this practical world of ours, one cannot go into a community, destroy the values of that community, destroy the basis of life, and then claim to have done that community some good. A community lives by tradition. It lives by values, and those values cannot be dislocated and disrupted violently without an adverse effect upon the character and the very organization of life within that community. That is why Guppy having noted the evil effects, the adverse effects, of some of the old fashioned missionaries upon the lives of the Amerindians summed up the position as follows: *"Their horizons roll back and they find themselves of no importance in a world which they do not understand, over whose changes they have no control and into which they cannot picture themselves fitting and with no future except that of forming a depressed class of daily labourers."*

He found in 1952 the same thing that was found in 1938 when he remarked that there was no Amerindian in a key position in the economic and political life of this country. What is the position today under the People's National Congress? All of that was changed because under the People's National Congress Government there have been great strides which the PNC has not got to attest to. Let Comrade Mary Williams, the Captain of Mainstay, speak. Let me quote her words uttered only on Friday last:

"Since the People's National Congress came into power in 1964, the Amerindian communities have made great progress in every field of endeavour. They have acquired new self confidence and a great pride of being not only Amerindians but citizens of Guyana. Our progress has indeed been remarkable. Who would have thought 15 years ago that we would have lived to see, in Guyana, an Amerindian Minister of Government, Amerindian Doctor or Dispensers, Amerindian Guyana Scholars, Amerindian Heads of Government, Primary and Secondary Schools, Amerindian University Students? Who would have thought we would have lived to see hundreds of Amerindians boys and girls graduating from Government Secondary Schools and qualifying in a wide range of technical skills, in the field of health, education, agriculture, engineering – just to name a few? All of these things have happened. They have happened under the PNC Government. They have happened because the Cde. Leader, the Party and the Government are committed to a policy and programme of socialist justice for all the people of Guyana."

This is not the People's National Congress, not a Minister of the Government of the People's National Congress, but a member of the Amerindian community, a leader of the Amerindian community on whose behalf the Hon. Member has spoken with such eloquence and at such great length.

Cde. Speaker, the Hon. Member again fell into error in not reading the speech made by the Cde. Prime Minister to the Fourth Conference of Amerindian Captains and Leaders in full. What the Cde. Leader was saying, if one reads the speech in full, is that in the old Act there are several provisions more honoured in the breach than in the observance, which really have no place in a modern society, and that those old provisions, even though nobody enforces them today, must, as an article of faith, be swept away – Cde. Leader could not be saying scrap the Act, because if we were to scrap this Act we would be scrapping the very legislation which confers title upon the Amerindian communities.

Again, Cde. Speaker, the Hon. Leader of the Opposition asked about certain communities which are not listed in the schedule. He referred, for example, to Barabina in the North West District. I remarked in my first intervention that there were other communities whose boundaries have not been demarcated or in respect of which there are some problems. Let me list some of the problems by reference to Barabina. It is true that the Commission recommended title for Barabina. The Government accepted that recommendation; but Barabina falls within the existing Local Authority of Mabaruma and the legal conundrum is, how we are going to have a Local Authority within a Local Authority? It would be as if Bourda were declared a Local Authority within the Local Authority of Georgetown. I have no doubt that the ingenuity of the Law Officers will in time solve this problem. But, at the present moment, they have not been able to come up with a satisfactory solution and that is the only reason why the comrades at Barabina have not had their title conferred by this Bill.

Nevertheless, Cde. Speaker, several practical things are being done to put them in *de facto* possession of the lands which will be allocated to them. The proposal which is now before the Government is to constitute the entire community a co-operative society and vest, by way of lease, the whole area in the entire community. That will be an interim measure which will put them in a no less favourable position as regards *de facto* occupation, use and enjoyment than the other Amerindian communities.

I would wish to touch briefly upon what I understood the Hon. Member Mrs. DaSilva to be saying, namely, that she looked forward to our Amerindian comrades continuing to roam and wander over their expansive territory, hunting, fishing, gathering fruits of the forest. She referred to them as 'simple folk' I submit, with respect, that perhaps unconsciously or subconsciously that attitude reflects a certain patronage which was a colonial feature of the administration, a certain attitude of condescension to our Amerindian comrades. Our Amerindian

comrades are not inferior in any way, intellectually or otherwise, to any other Guyanese citizens. We have proved through the award of scholarships and through our programmes to up-grade their skill that they can compete in intellectual terms with any other Guyanese citizen. We have proved this.

The Hon. Member is saying that she did not say that they were simple folk – I reject entirely and the Government rejects and the Party rejects any description of our Amerindian comrades as ‘simple folk’. They have a high degree of sophistication. The only difference between the majority of our comrades in the Amerindian communities and our comrades on the Coast is that they have not been exposed to the skills which are relevant to an industrialized society; but within their own communities they are highly skilled and highly intelligent people. We do not consider them to be simple; we do not consider them to be inferior in any way. The record has shown that once modern skills have been made available to them, they are able to compete in any field whether it be medicine, engineering, teaching, agriculture, what have you, with any other Guyanese citizens.

Our policy is not one of isolation. I was very disappointed indeed when the Hon. Leader of the Opposition suggested that members of the Amerindian communities who would be getting title to their lands would not be entitled to legal title to land on an individual basis. Let me correct and erase that erroneous impression. Outside of their communities the Amerindian citizens will be entitled to all the rights and privileges of any other citizen; but within their communities they have special rights. We have made special provision for them because we consider that, in all the circumstances and because of the history of the Amerindians in this country, it is right and proper that those special provisions should be made; it is right and proper that we should discriminate positively in favour of them. We are not creating privileged classes of people; we are by practical means placing our Amerindian comrades in a position where they can better achieve an economic life, where they can have a better opportunity to compete on equal terms with the rest of the community, where they can have a better opportunity to take advantage of all the amenities and the facilities which this Government is providing.

That is why the Government did not and cannot accept any situation in which the Amerindian communities or any other community in this country can have a legal right to mineral under the soil. In our conception of state rights, all minerals belong to the state and are for the use of every single Guyanese citizen. The concept under which private people can own mineral rights is a capitalist concept which this Government cannot accept. But we will ensure that every single Guyanese has an equal opportunity to enjoy and exploit the mineral wealth of this country. In fact, this is not only a policy, it is something which is being put into practice even now. My colleague, the Minister of Energy and Natural Resources, has closed the Upper Mazaruni area to mining and through

his Ministry, claim licences will be now issued in such a way as to ensure that the Amerindian residents in that area have a fair share of the number of licences. More than that. The Government will be buying a large number of dredges and will be spending \$800,000 in order to buy the equipment for the Amerindians and to supply the training which will enable them to exploit the mineral resources on equal terms with other people. It is a way in which we see our policy unfolding.

I believe I have dealt with the main points raised and rightly raised by the Hon. Leader of the Opposition and the Hon. Member Mrs. DaSilva. The Hon. Leader of the Opposition did refer to a number of matters which I consider to be matters of detail with respect to spelling and description. I am assured by the law officers that these descriptions were carefully checked by the officers in the Lands Division of the Ministry of Agriculture. It may be that notwithstanding that there are some typographical and other errors, but these will be corrected. The Law Officers have also explained that in some cases the officers of the Lands Division had to make variations in the descriptions given by the Lands Commission because those descriptions did not accord with the facts on the ground.

I think that there can be no doubt that what has emerged from this debate is a measure of unanimity which is salutary, not only in terms of the transactions in this Honourable House but in terms of the future of our Amerindian comrades and the future of this country.

[Applause]

[Question put.]

[Mr. Ramsaroop: Division]

[Assembly divided: Ayes 37, Noes nil.]

[Motion carried.]

[Bill read a Second time.]

Motion on the Approval of Financial Paper No. 5/1976: 29th November, 1976

“Be it resolved that the Committee of Supply approve the proposals set out in Financial Paper No. 5/1976 – Schedule of Supplementary Provision on the current and Capital Estimates for the period ending 15th November, 1976, totalling \$52,904,470.”

Assembly in Committee of Supply

Mr. Hoyte: Cde. Chairman, I am not aware of inadequacy of linen as alleged by the Hon. Member. However, she did point to specific evidence about this. I am sure that the Permanent Secretary of the Ministry will ensure that this inadequacy is correct. I do know that the Amerindian residences in the country have been upgraded considerably. I myself declared open in April the new wing to the Amerindian residence in Georgetown. The rooms are very comfortable and well appointed. There are facilities for families and for single persons and the quality of the service and the accommodation was very high. I visited the residences on several occasions since April and on all these visits I was particularly impressed with the way in which they were being run.

The Hon. Member said the toilet facilities are not being kept up to standard. I do know this. This is a matter which needs to be investigated. I have no other comments, Cde. Chairman.

Cde. Chairman, the Hon. Member Cde. Dalchand wanted to know why the cost of the Research Institute of Applied Science and Technology has been doubled. I am afraid I find difficulty in understanding how he came to the conclusion that the cost of this Institute has been doubled. There is nothing in the legend which says that. Last year the Parliament voted \$300,000 which was the sum estimated at the time to do certain preliminary works, for example, to have the area surveyed and to have the necessary architectural and allied works completed. It turned out that it was possible to do far more work than that which was envisaged and therefore liabilities in the sum of \$262,898 were incurred in addition to the voted provision. That is the simple explanation of this amount here on the supplementary paper. I may inform the Hon. Member that the cost of this building is \$3.5 million. Nobody could put up an Institution of Applied Science and Technology for five or six hundred thousand dollars. A little reflection surely would have brought that home to the mind of the Hon. Member.

A question was raised about the reason for a request for \$277,800 for Co-operatives Development. We have made the point in this House from time to time that when sums are put in the Estimates, they are, at best, the

most reasonable estimation that could be made of the expenditure likely to be incurred. With respect to Co-operative Development it does happen in the course of the year that several projections of one sort or another are started and, as those projects develop, it becomes clear that additional sums will be required if the commitment implied in starting those projects is going to be fulfilled. So, last year, although the sum of \$2 million was allocated in the first instance, it turned out that the total requirement of the Ministry for Co-operative

Motion on the Second Reading of Financial Administration and Audit (Amendment) Bill 1976: 13th December, 1976

Mr. Hoyte: Cde. Speaker, in accordance with article 80 (2) of the Constitution, I signify that Cabinet has recommended the Financial Administration and Audit (Amendment) Bill 1976 for consideration by the National Assembly.

The Financial Administration and Audit Act, then called on Ordinance, was passed in 1961. The Colonial Administration at that time inserted Section 19. The reasons for the insertion of Section 19 do not concern this Government, and I do not propose to speculate upon the motives of the Colonial Administration at that time. Suffice it to say that with the passage of time and certainly with the accession to Independence of this country, Section 19 has become an anachronism and an irrelevance, and it is in those circumstances that this Bill is now presented to this honourable House to repeal section 19. I do not think that it is necessary to advocate reasons in support of this Bill.

I present this Bill for a Second Reading to this Honourable House.

Mr. Hoyte (Replying): Cde. Speaker, I think I have a duty first of all to protest against the scurrilous remarks made by Cde. Narbada Persaud against the Director of Audit, a distinguished and dedicated Guyanese Public Officer. I feel it is quite wrong to use the absolute privilege of this honourable House to make such remarks against a Public Officer who has not got a right of audience here and who has not got a legal redress.

As I understood him, Cde Persaud alleges that a financial irregularity was brought to the attention of the Director of Audit and the Director of Audit refused to take action saying "*you cannot interfere with politicians.*" That is a most serious allegation, a most defamatory statement to make against such an outstanding officer as the Director of Audit. I hope the Hon. Member would have either the grace to withdraw that allegation or the courage to utter it outside the precincts of his hall of privilege.

Having said that, I wish to applaud the Hon. Member on the warmth and vehemence with which he made his contribution. Though I regret I cannot pay similar tribute to his understanding of Financial Administration and of the matters about which he sought to speak in so far as they were relevant to this particular Bill. In fact, he has shown a most pernicious misunderstanding of the purpose of this Bill and of the way in which the Financial Administration of this country operates.

This Bill has nothing to do with control. A former Prime Minister of Great Britain, Harold Wilson, in his recent book *The Governance of England* said that a Prime Minister ought to have a sense of history and I would

apply that dictum to politicians and other persons who have a duty and responsibility for passing the laws of any country. One has to understand history in order to understand how this section came to be inserted into this statute in this country.

The Hon. Member Mr. Feilden Singh said there has to be a reason for this. In fact, there was a reason, that is why in my introduction I made a point which seems to have missed the Hon. Member's, namely, that the Ordinance which is now superseded by this Act was passed in 1961 at a time when the Colonial Administration sought to put certain controls and inhibitions upon the Premier Jagan, and it is as simple as that because what we have here in the old Act is the thrusting of a control function upon the Director of Audit.

There is a distinction between an auditing function and a control function. This is the only country that I know about where you have a legal provision in which an auditor, a Director of Audit or Auditor General, depending upon what you call him in the particular country, has a function of Financial Management and Control.

The thing is an anachronism. It is true that it slipped into the legislation after 1966, but it has worked only because of the very close rapport between the Ministry of Finance and the Director of Audit's Office. But it is inhibitory and it has really no validity.

How does the system operate? A Ministry, having been allocated funds, makes a request to the Secretary to the Treasury for a draw-down of funds from the Consolidated Fund. The Secretary to the Treasury, having satisfied himself about the legality of that request, submits the request to the Minister of Finance who then issues a warrant to the Accountant General. The Accountant General, having exercised his control function to ensure that the funds are there, that the funds are legally drawable and that there is a sufficiency of funds, gives his authentication and sends it to the Director of Audit. The Director of Audit then goes through the same process although he has no control over public funds, then authenticates it and sends it back to the Accountant General.

It is a charade. I make no apologies, and the Government makes no apologies, for saying that it is an anachronism and it is time that we divest the Director of Audit of functions which are not only onerous and time-consuming but absolutely useless. In fact, if all that the Hon. Members have said, if all of those things are true, well then what protective purpose does this section serve if, according to them, there is always squandermania, overspending, corruption and so on? How does it help? In fact, that provision really is out of place and puts upon the Director of Audit, as I have said, a duty which really is not an auditing duty.

It is in these circumstances that this Bill comes before this honourable House. It has nothing to do with control. As far as the Director of Audit is concerned, it is a procedural matter. We contend that the procedure is

cumbersome and irrelevant. The Director of audit has never refused his authentication and, in the circumstances, cannot so long as the Accountant General certifies that the funds are there.

I therefore move that the Bill be read a second time.

Motion on the Second and Third Readings of the Regional Development Authorities Bill 1977: 15th June, 1977

A Bill intituled:

“An Act to provide for the establishment of Regional Development Authorities.”

Mr. Hoyte: Cde. Speaker, I am sure the Hon. Member is speaking to himself, as I understand it, and the Opposition benches. But my intervention will be very brief.

In the course of the general debate on the Budget in January of this year, I remarked that we will need to experiment in a bold, but in an orderly and controlled way, with new mechanisms and procedures for the development of our country. This Bill seeks to enable the establishment of Regional Development Authorities, which is one of the institutions we conceive of as being capable of accelerating the pace of development of this country.

The Bill is simple. It permits a Minister by order to establish a Development Authority in any region of the country and it permits him by way of that order to spell out the composition of the Board of the Authority and prescribe the functions of such Authority. In Clause 5 of the Bill the general functions of the Regional Development Authorities which are proposed are set out. Briefly and in a general way, they are to promote the orderly, balanced and rapid development of the area and to progressively advance the economic and social welfare of the community resident therein. The Bill is, therefore, an enabling Bill. This piece of legislation does not of itself establish any Authority, but it permits the establishment of an Authority along the lines laid out in the Bill and with the procedures set out.

The Authority, of course, will be a statutory authority subject in the usual way to general policy directions, but charged with and having responsibility for the effective and efficient management of the particular part of the country which has been assigned to it for such management.

With those brief and general remarks I move that the Bill be read a Second time.

Mr. Hoyte (Replying): Cde Speaker, I regret that the Hon. Member Mr. Feilden Singh, a member of the learned profession of the law, should have allowed himself to be misled by the spurious and inconsequential arguments of the laymen members of the Opposition. I had hoped that we would have had a debate on the Bill, but we have had interventions which really had nothing at all to do with the subject matter of this Bill. I sympathise with the Members who spoke for the People's Progressive

Party because they had an audience. They obviously had to perform for the benefit of the audience, and in so doing they reduced this honourable House to a comic-opera.

This Bill has nothing to do with Local Authorities. To set the mind of the Hon. Member Mr. Feilden Singh at ease I would assure him that we did send this Bill to G.A.L.A. for their comments, advice and such suggestion as that organisation might have been able to make. So that was done.

We were taken on a world tour by the Cde. Leader of the Opposition. We were taken to Cuba, Poland, to England. We were told about local government elections; we were told about transportation; we were told about Guyana's balance of payment problems, as if the Hon. Member does not know that even the Socialist Republic of Cuba has balance of payments problems and has asked exporters not to export goods lying on their wharves, notwithstanding a balance of payment loan of \$30 million from Japan to our friends in Cuba. The Cde. Leader of the Opposition, I think, was not really being serious. He felt he had to impress the comrades who were sitting in the Gallery.

This Bill seeks to set up exactly what it says, Development Authorities. It does not seek to set up institutions which will be a substitute for, or replace, the local government structure.

The criticism was made that there should be greater local involvement in development. That is precisely what a Regional Development Authority will permit, devolution of decision making and management within a particular area.

The criticism was made that the people who will manage will be a bureaucracy. Cde. Dalchand made a remarkable contribution to the English lexicon by defining the word 'bureaucracy' as meaning "*having plenty money to spend.*" I find it a little difficult to take such a Member seriously even though the Constitution requires that every Member of this House should be literate. But I will pass that over.

There is nothing in this Bill that says, if the Bill is properly read and interpreted, that the Minister will appoint every member. The appointment of the Board, the way in which Members are selected, would be prescribed by order, and that is why I said I regretted that the Hon. Member Mr. Feilden Singh allowed himself to be misled by the points made by the other Members of the Opposition.

It was said also that the employees of a Developmental Board are going to be high-priced people. It was said that you will have to find money to set up these Developmental Boards. With the best will in the world, Cde. Speaker, I do not know how such a notion could have arisen from a proper reading of this Bill. I could not understand how it was that with every passing minute confusion became more confounded on the benches of the Opposition.

Let me give an example of the kind of authority or the kind of circumstances in which a Regional Development Authority could

possibly be established because, again, there seems to be the erroneous notion that when this Bill is passed, we are going to set up Regional Development Authorities all over the country.

We have to take cognisance of the terrain of Guyana. When the hydro-power facility is commissioned, it will be necessary to have an Authority in that area to manage it and that happens all over the world. But that Authority would be considered, not only with the hydro-power facility, but with the development of a large area (which is at present uninhabited) pursuant to certain plans for economic development. Therefore, one wants to have an Authority, an entity, with a responsibility for developing the area, for managing it – as I said when I pointed out the purpose of such Authority – in a balanced and efficient and rapid way. You cannot develop the Upper Mazaruni with Local Authorities; there is nobody there; and yet, if we establish the hydro-power facility, we will then have the growth points from which a host of ancillary enterprises of a developmental character can be established.

Cde. Speaker, I think that I have replied to the points which need to be replied to. I do not propose to follow the Hon. Members into irrelevant matters; but I do say that the Government makes no apologies for applying its own mind and its own ingenuity to developing institutions which are suited to the needs and conditions of our country. We will not be guilty of intellectual laziness by merely going to see what other people are doing and copying it and trying to import it into this country.

[Question put.]

[Bill read a second time.]

In Committee: Clause 19

I beg to propose an addition of sub clauses (3) and (4) to clause 19 in terms of Amendments circulated.

Amendment: That the following be inserted immediately after subsection (2) as subsections (3) and (4):

- “(3) Where an employee of an authority is seconded or transferred from service in an office in respect of which a pension is payable to service in a like office of another authority, in computing the period of pensionable service in the last mentioned office there shall be reckoned the period of service in that office from which the employee was seconded or transferred.*
- (4) The pension payable in respect of the aggregated service mentioned in sub-section (3) shall be discharged by each authority in such an amount as shall bear the same*

proportion to the amount of pension for which the employee would have been eligible had his service been wholly with the authority as the aggregate amounts of his pensionable emoluments during his service with that authority shall bear the total amount made up of such aggregate amount together with the aggregate amount of his pensionable emoluments from any other authority."

[Put and agreed to.]

[Assembly resumed.]

Motion on the Adjournment Report of Near Starvation in the Rupununi: 15th June, 1977

Mr. Hoyte: Cde. Speaker, it is unfortunate that the Cde. Leader of the Opposition should have, in his usual way, spoilt his presentation by referring to "*the Prime Minister's personal helicopter.*" It is my duty to state to this honourable House that the Prime Minister has no personal helicopter. All the helicopters in this country belong to the Air Wing of the Guyana Defence Force. In other words, they belong to the Government of this country. That is in passing.

I note, Cde. Speaker, that the Hon. Leader of the Opposition began his speech by saying that he had had reports and then somewhere along the line, by a kind of verbal *legerdemain*, if I may coin such a seemingly paradoxical phrase, he converted these reports into fact and ended up by asking what the Government was doing to relieve this grave and serious situation facing the comrades in the Rupununi.

Unlike the Hon. Leader of the Opposition, I do not intend to deal with reports but to deal with facts in replying to the matters raised by him. Since 1975, the Government has set up a special committee called the Hinterland Emergency Action Programme, responsible directly to the Cde. Deputy Prime Minister for ensuring the smooth flow and distribution of essential foodstuffs and other essential commodities to all hinterland locations, including the Rupununi. That Committee which is chaired by the Permanent Secretary of the Ministry of Regional Development, includes the Chief Interior Development Officer, the General Manager of Guyana Airways Corporation, or his representative, the General Manager of the Guyana Marketing Corporation, or his representative, a senior representative of the Ministry of Works and Transport and a senior representative of the Ministry of National Development. The Terms of reference of this committee are as I have already briefly described.

In addition to that committee, there is a special sub-committee of the National Food Distribution Committee which is headed by the Cde. Minister of Trade and Consumer Protection, and that committee has a special sub-committee again headed by the Permanent Secretary of the Ministry of Regional Development, to ensure the proper co-ordination of activities. I am setting out at this moment the structure which Government has established to ensure the smooth flow of essential commodities to our hinterland locations, including the Rupununi, then I will go on to deal with the substantive matters as to whether or not there are shortages.

Within the Rupununi, there are local action committees of residents set up to ensure a proper monitoring of the food situation, the essential commodities situation, so that they can give early warning through the regional system of any anticipated or impending shortages.

Furthermore, Cde. Speaker, the Rupununi region has been divided into three sub-regions, in each of which there is a resident or sub-regional Executive Chairman. In the Pakaraima region, there is Cde. Ian Williams, formerly a teacher of St. Ignatius Government Secondary School, himself a Patamora. He comes from Paramakatoi and is at present based at Kato, though he hopes to move his base to another location which is more central in that particular area.

In the Northern Savannahs there is Cde Michael Gomes, who has for years been the Head teacher at Yakarinta Government School, himself of Arawak blood. He is responsible for co-ordinating the work in that area.

In the Southern Savannahs there is Cde. Stephen Gonsalves, former Head teacher of Awarewaunau Government School where he has been Head Teacher for nine years. He is himself married to a Wapisiana woman.

These are all comrades who know the particular areas, who have worked among the people and who are held in high regard and respect. Their particular task is by moving around the communities, to observe and report promptly on problems which may be affecting those particular communities. The work of these comrades in the Rupununi is, of course, co-ordinated by the Regional Development Officer, Cde. Leo Ramotar, who is a competent, experienced and dedicated Public Officer who has given years of service to this country.

In Georgetown, we have three officers, Cde. Walter Beepat and Cde. Thomas from the Ministry of National Development and Cde. Joseph Garraway of the Ministry of Regional Development whose duty is to visit the Guyana Airways bonds every day to ensure that the goods destined for the Rupununi are in fact moving.

There are at the moment, in the Rupununi, Government trade stores at Lethem, Aishalton, Karasabai and Konashen and these trade stores serve the surrounding areas. In addition to the Government trade stores there are co-operative shops at Aishalton, Teperu, Yupukaris, Nappi and Kununuballi. And there are buying clubs at Shea and Achiwuib and Maruraunawaw.

You will notice from that distribution that there are not only trade stores but there are other outlets and I have not even dealt with the private people who still operate there. I am talking about Government and co-operative stores in the Rupununi through which goods are distributed. In order to ensure that there are bonds for the storage of foodstuff and essential commodities, bonds have been built at Kato, Lethem, Annai and Aishalton. At present the bond at Aishalton is being enlarged and a new bond is being built at Maikwak. You will note, therefore, that we have established a system; we have set up the infrastructure years ago to ensure the smooth flow of goods which are essential to the lives of our comrades in the Rupununi.

Today, the Guyana Airways Corporation services the Rupununi every day, on many days making several flights. In addition, there are special

charters; and furthermore, the Guyana Defence Force operates into the Rupununi every day. Goods are transported by the Guyana Defence Force into remote areas like Konashen and within the Rupununi Region where goods need to be shuttled.

As I said, I am not dealing with reports, hearsay and rumour. I am dealing with facts. I have here the Guyana Airways Corporation flight memoranda showing the flight every day into the Rupununi made by Guyana Airways Corporation aircraft. It is there for the whole world to see, including the newsmen.

I have also the cargo manifests, showing Guyana Airways Corporation flights into the Rupununi for every day in May. I have the manifests for June up to the 10th June and these can be examined.

I will now let this honourable House know about the flow of goods into the Rupununi. For the month of May the normal scheduled flights – I leave out chartered flights; I leave out flights by the Guyana Defence Force – carried into Lethem 6,989 pounds of milk; 29,622 pounds of sugar; 12,500 pounds of flour; 21,779 pounds of rice; 4,410 pounds of salt and 27,375 pounds of miscellaneous foodstuff making a total in all of 102,675 pounds of basic foodstuff. I am not talking about other things.

For Aishalton we sent in 698 pounds of milk; 3,399 pounds of sugar; 1,678 pounds of flour; 2,869 pounds of rice; 3,520 pounds of salt and 1,581 pounds of miscellaneous foodstuff making a total of 13,745 pounds of basic foodstuff, sent in to Aishalton. At Sand Creek, a small community of about 700 people, 104 pounds of milk; 1,385 pounds of sugar; 1,150 pounds of flour; 4,570 pounds of rice; 440 pounds of salt; 901 pounds of miscellaneous foodstuff making a total of 8,550 pounds.

To Annai – I pick these at random because they stretch across from the Southern to the Northern Savannahs – 729 pounds of milk; 4,875 pounds of sugar; 3,160 pounds of flour; 9,250 pounds of rice; 1,980 pounds of salt; 2,000 pounds of miscellaneous foodstuff, making a total of 21,994 pounds.

In the bond today, awaiting transportation for Lethem, are 55,000 pounds of foodstuff and, as I have said, the G.A.C. is flying every day and is moving larger quantities of foodstuff since we have acquired the HS748 aircraft. There is in the bond for Aishalton, 30,000 pounds of foodstuff checked today to be moved. On the 10th of this month there was 1,500 pounds for Sand Creek and on the 10th of this month there was 6,000 pounds for Annai.

The Hon. Leader of the Opposition said that there were reports about certain things happening, and indeed there were reports. Let me refer to the *Catholic Standard* of Sunday, June 12th, 1977, in which it was reported, first of all, that a Mr. Basil Rodrigues, the Headmaster of Shea wrote a letter to a friend saying:

“Sadly we’re in the middle of a food crisis. No badi (cassava bread), no ooi (farine). For weeks the people have lived on wild cashew (in abundance until recently), turu – the wild palm fruit and some fish.”

Let me deal, first of all, with that to show the kind of person who masquerades as God's vicegerent here on earth. Basil Rodrigues is, first of all, the Chairman of the People's National Congress Sub-Region for the South. Basil Rodrigues is an Arawak, and it is most unlikely that Basil Rodrigues will write a letter in Wapishiana; these words are Wapishiana words. Cde. Speaker, Basil Rodrigues according to the *Catholic Standard*, spent twenty-five years in the Rupununi. Indeed, he has spent twenty-five years in the Rupununi and that is why he will know that this is not the wild cashew nuts season; you do not get wild cashew nuts in the Rupununi until September. What does he go on to say? This Fr. Andrew Morrison, Editor of the *Catholic Standard*. He said that Rodrigues' letter continued as follows:

"Malaria made matters worse. Last week we had over 30 cases in the village – 17 in School. We are going through a crisis. Pray for us."

This is a most blatant disregard for the truth by a man of God. Dr. Rawana and his team were in the South Rupununi last week. They visited Shea and reported that Shea was now malaria free. Today the microscopist who was living there to help the people guard themselves against malaria has been withdrawn. If Mr. Andrew Morrison wished to maintain that Dr. Rawana is either a liar or a professional incompetent let him write it. I do not know what kind of damages Dr. Rawana is going to get from these people who live so well but yet have this posture of a vow to poverty.

Indeed, realizing that this Fr. Morrison is a Jesuit, I looked up the Shorter Oxford English Dictionary to see what the meaning of this word was, and it is interesting to note that one of the meanings of Jesuit is a "*a dissembling person; a prevaricator*". I didn't say so. Not Hoyte said it, it is the Shorter Oxford English Dictionary said it: "*a dissembling person; a prevaricator.*"

Let us proceed. This is important. He goes on to say that there was another letter from Mary Jones, wife of the Headmaster of Achiwuib in the South; she is living there and she knows that the whole of Rupununi is starving. There is no Jones who is Headmaster at Achiwuib. The Headmaster of Achiwuib is Joseph Jones who is at present out of the South and the acting Headmaster is Leonard Johnson. Again I have to refer to the dictionary to find out the meaning of the word Jesuit. He says that there is no food at Shea; there is starvation. The Hon. Leader of the Opposition rightly said that in the rainy season communities become isolated, and that is why we have spent millions of dollars and I take it that the comrades have been following the Budget allocations and the Capital Programme, over the past three years in upgrading our airstrips to enable more airstrips to accommodate larger aircraft. That is why we have been able to service all of these communities which are central and which enable food to be distributed to nearby villages.

There is no starvation at Shea. In the course of last week – and I said I am not dealing with rumours; I am dealing with facts, figures and names – Cde. Hanario Realine – you can verify it if you will bestir yourselves – who is an employee of the Ministry of National development, distributed foodstuff, basic items – rice, sugar, flour etc. – at Shea and all the surrounding areas.

There was a further report in which this Fr. Andrew Morrison attempted to implicate a public officer, the Chief Interior development Officer, by saying that this public officer told the *Catholic Standard* that he had to send food to Achiwuib and that he was going to send in certain other things. The Chief Interior Development Officer cannot send anything into the Interior. We have a committee, as I said, headed by the Permanent Secretary, and we buy centrally through the Purchasing Section of the Ministry of Regional Development. I do not practice as a lawyer and it is not for me to advise Cde. Harewood. He ought to know what he should do.

Let me come to the most tragic part of this thing where in the *Mirror* of Sunday, 12th June, 1977, on page 16, the newspaper purports to reproduce that mendacious article which the Jesuit gentleman published and then went on to say: “An eight year child of Sand Creek Village has been reported to have died of starvation.” Now note how they hedge all their bets. They do not get the name of the child; they do not say who reported it; they do not give the names of the parents. Why not? Because it is not true and I stand in this honourable House and defy anybody to say that there was any death of any child within recent times in Sand Creek. That area was recently visited by our officers. There was no report of death; there is no report of death! No child died from starvation or any other cause.

I believe I have said sufficient to refute these reports. I would not even want to qualify the reports. I would just dub them ‘reports’. The Government, I can assure the Hon. Leader of the Opposition, has been doing a great deal, not only for the Rupununi but for the hinterland region. We have set up the structure which I have described to this honourable House. We have ensured the movement of goods. We have an officer who visits every day, as I have said, and reports every day on quantities of goods in the bond and on the quantities of goods moved. Every week he prepares a summary and that summary is here to be checked against the manifests.

Cde. Speaker, I wish to say that the Government refutes these statements in the *Mirror* and in the *Catholic Standard*. I wish to say that the Government is doing everything to ensure the smooth and adequate flow of basic essential commodities, not only in the Rupununi, but also in the hinterland and throughout the country. That is not to say that a problem would not arise from time to time. The Leader of the Opposition said, for example, in his usual vague way, that the price of farine has moved from a few dollars a pound to \$20 or something like that. The fact of the matter is that a can of farine weighing 36 to 40 pounds costs \$15 to \$20. That is the

situation today in any Government trade store and in any of the co-operatives. Cde. Speaker, that is Government's response to the matter improperly raised on the basis of reports which are inaccurate about the situation in the Rupununi.

Motion on the Approval of Financial Paper No. 1 of 1977: 21st July, 1977

“Be it resolved:

That the Committee of supply approve of the proposals set out in Financial Paper No. 1/1977 – Schedule of Supplementary Provision on the current and Capital Estimates (Advance made from the Contingencies Fund in 1976) for the period ended 31st December, 1976, totalling \$1,253,397.”

[Minister of Finance]

Mr. Hoyte: Development was \$2.27 million, roughly \$2.3 million.

**Question to Ministers - Loan to Sampson's
Loggers Co-operative Society:
16th September, 1977**

[**Cde. Nokta:** I beg to ask the Minister of Economic Development and Co-operatives Question No. 13 standing in my name on the Order Paper.

- (i) Will the Minister say how much cash was advanced as a loan to the 'Sampson's Loggers Co-operative Society, Ltd.' Registered No. 688, situate at Kimbia, Berbice River?
- (ii) Will he say how many instalments have been paid on the loan and the amount of the balance outstanding; and further what steps are being taken to have the entire amount repaid?
- (iii) Will the Minister say whether the Mill is still owned by a Co-operative Society or by an individual; and if by an individual, what is his name?]

Mr. Hoyte: Cde. Speaker, the answer is as follows:

I:

- (i) Guyana Agricultural Co-operative Development approved a loan and a working capital credit facility for Sampson's Logging Co-operative Society Limited, a duly-registered Co-operative Society.
 - (a) The loan which was approved on 4th August, 1976, in the amount of \$69,000, was for the purchase of machinery and equipment and for infrastructural works in connection with the Society's operation.
 - (b) The credit facility for working capital with a ceiling of \$38, 523 was approved on the said date.
- (ii) The approval of these financial arrangements was in keeping with the Party and Government's publicly stated and unapologetic policy of promoting co-operativism in Guyana and of giving moral, material and financial support to the development of co-operativism. It accorded with the Bank's lending guidelines, after due investigation into the management, operations, objectives and viability of the Society.

II:

- (i) In respect of the loan, the Society has so far drawn down \$65,452,18.
- (ii) Under the provisions of the loan agreement, the loan is to be repaid in thirty-five monthly instalments of \$1,000 to be followed by thirty-four monthly instalments of \$2,000 each.
- (iii) The first instalment was payable on 31st May, 1977. To date the Society has paid all instalments due, owing and payable on the abovementioned loan.
- (iv) The terms of the agreement to provide working capital, the proceeds of the sale of the Society's output are assigned to the Bank which then deducts any amounts due, owing and payable, and releases the balance to the Society.
- (v) To date the Society has met all its obligations and is not in arrears.

III:

- (i) The Mill which is operated by the Society is the property of the Society.
- (ii) The Party and the Government reiterate their unqualified support for Co-operatives and will continue to provide training, financial credits and other forms of support to ensure that Co-operatives are afforded every opportunity to become strong and viable institutions. The Party and the Government are convinced not only that Co-operatives and Co-operativism can have a great impact on the growth of the economy, but also that they can be important institutions for the development of a humane, productive and democratic society in which the people are involved in economic enterprises not as mere wage-earners but as owners, managers and decision makers.
- (iii) It may be of a general interest to note that the Government, as a matter of deliberate policy, is affording the following facilities and concessions to Co-operative Societies:
 - (a) The Minister of Finance has power to guarantee (and does in suitable cases guarantee) loans for Co-operatives, under the provisions of the Guarantee of Loans (Public Corporations and Companies) Act, 1971.

- (b) In accordance with the Party and Government's policy and within clearly defined guidelines, Co-operative Societies are given preferential treatment in respect of the purchase of their products, the awarding of contracts, the lease of land, the procurement of machinery and other equipment, and in many other ways.
- (c) Government and other Public Sector specialists officers, e.g. engineers, accountants, managers, quantity surveyors, provide free technical advice and assistance to Co-operative Societies. These officers are sometimes seconded to work full-time with Societies.
- (d) The Government, through the Ministry of Economic Development and Co-operatives, grants loans on concessionary terms (e.g. with a maximum interest rate of 2%) to certain categories of Co-operative Societies.
- (e) Government, through the Guyana Co-operative Mortgage Finance Bank, grants loans to Housing Co-operatives at concessionary rates of interest.
- (f) Government also provides substantial grants and subsidies to Co-operative Societies from time to time depending upon the nature of the Societies' activities and the circumstances of each case. For example, all Co-operative Housing Societies are subsidised in that no cost is attributed to building and land made available to such societies and only part of the cost of the land development (including infrastructure) is passed on to the societies.

Motion on the Approval of Financial Paper No. 3 of 1977: 9th November, 1977

“Be it resolved

That the Committee of Supply approve of the proposals set out in Financial Paper No. 3/1977 – Schedule of Supplementary Provision on the Current and Capital Estimates for the period ended 31st October, 1977, totalling \$32,781,435.”

[The Minister of Finance]

Mr. Hoyte: Cde. Chairman, I think I will deal with the question in reverse order, dealing with the question from the Hon. Member Mr. Feilden Singh first of all. The Hon. Member must be a little out of touch or else he would not have asked what revenue have flowed from the Matarkai Development Authority. The Hon. Members will know, or ought to know, that this Authority was only recently established under the Regional Development Authorities Act.

Prior to the establishment of this Authority, the allocations for the Matthews' Ridge/Arakaka/Kaituma area were reflected under the Ministry of Agriculture and, for last year, the allocation was \$4 million. This year it was decided that there should be decentralisation of authority in decision making and responsibility and it was decided to set up this Development Authority by law. In the circumstances, the sum of \$2 million was allocated. But obviously in an area where, traditionally and historically, the level of expenditure was \$4 million, it could not be expected that \$2 million would have been adequate; but that sum was provided pending the report of a task force which examined the needs of the area.

That task force was headed by the Chief Planning Officer, Cde. Donald Augustin, and the refinement on the report of the task force was done by the Auditor-General, Cde. P.A. Farnum. The upshot of all of this work was there was some streamlining of the organisation prior to the establishment of the Authority and it was estimated that, with that streamlining, the Authority would need only \$900,000 more to take it to the end of this year. So, one can see that as far as transfers from the Central Government were concerned, there was a significant saving, a saving of \$1.1 million over last year's allocations.

No revenue is projected from Matarkai for next year because the Central Government intends to allocate only a portion of the sums which are realistic for the running of the Authority and it is expected that the Authority, through its various economic activities, will generate the difference between what is required and what will be allocated by the Central Government. Over the next four years the projection is that transfers from the Central Government would be progressively decreased

until the Matarkai Authority becomes self-supporting and, more than self-supporting, surplus generating.

Cde. Chairman, the Hon. Member Mr. Roshan Ally asked a number of questions, made a number of statements and asked whether I agreed with him. My simple response to his is that I do not agree with him in any of the statements that he made. The Hon. Member Mr. Harripersaud Nokta obviously finds difficulty in interpreting the Estimates because he seems to feel that the provision for Regional Offices is a new provision. I have dealt with this matter of the regional system, I believe, on a quick count, on no less than six occasions, in which I explained the structure of the regional system and the way in which it was intended to function.

Reference to the Estimates for last year and the year before will show this item being reflected. All the questions which the Hon. Member asked will be answered by the Estimates: What salary is paid to Sub-Regional Chairman, how many Sub-Regional Chairman there are and things like that. All that happens is that though inadvertence this provision was omitted from the Estimates this year so that there was no legal provision in the Estimates from which the Sub-Regional Chairman could be paid. But they worked and, therefore, the proposal by the Cde. Minister of Finance is merely to rectify what was an omission through inadvertence and to obtain the legal sanction to pay the salaries which are due, owing and payable to Sub-Regional Development Chairmen.

[**The Chairman:** I think there was a question from Cde. Narbada Persaud in relation to electricity.]

Mr. Hoyte: Cde. Chairman, it is not that I forgot that question, but really it is not worthy of an answer. The rates for electricity were increased this year, the subsidy was removed and the Hon. Member is in error when he says that his understanding was that provision was made for the increased rates. One will recall that in January these Estimates had already been prepared. The increase in electricity rates was subsequent to the preparation of the Estimates and surely that is the answer. In addition, there have been hikes in the cost of crude fuel in the course of this year and consequential hikes in the cost of bunker C fuel and other fuels used by the Guyana Electricity. One will see throughout this Financial Paper requests from almost every Ministry for an increase on the allocation for the payment of electricity.

Motion on the State Planning Commission Bill 1977: 17th November, 1977

A Bill intituled:

"An Act to establish a State Planning Commission and to provide for matters connected therewith."

[The Minister of Economic Development and Co-operatives]

Mr. Hoyte: Cde. Speaker, Comrades, and Hon. Members, in the course of the Budget debate, that is the general debate in January this year, I intimated to the House that Government had proposed, in the course of this year, a number of institutional changes in pursuance of Government's objective of initiating certain structural changes in the society agreeable with the Government's political philosophy.

In this course of the year there have been several of these changes and today, before this honourable House, comes the State Planning Commission Bill which is one of the central institutions within the framework of Government's programme and proposals to transform the economy and society.

Central planning is, of course, implicit in government's acceptance of a society organised on socialist lines. Therefore, the fact that this Bill is now before this House ought to come as no surprise to anyone. The purpose or objective of establishing a centrally planned economy is to ensure the mobilization, deployment and utilization of all the resources of the country in the most rational way, to ensure maximum benefit to the people. In this respect the socialist system towards which we are advancing shows a marked difference from societies organised upon the so-called free-market basis.

The objective of the system which we are labouring to establish is to ensure the maximum returns from people's labour, and from public investment, to the people themselves, whereas the motive force for investment in capitalist societies is private profit. But even in countries based upon the free-market system or upon the free-enterprise system, there has been, increasingly over the past years, a host of regulatory devices to control the uninhibited interplay of the market forces.

In a word, the thesis of the 'invisible hand' advanced by Adam Smith has never really, in practice, been found even in the most advanced capitalist societies in the pure theoretical form in which it was propounded.

So, today, Cde. Speaker, the State Planning Commission Bill which is before the House for consideration and adoption marks an important advance in the Programme of the Party for the establishment of a socialist society. The mere fact that one establishes a central planning mechanism of course, does not and cannot of itself bring about socialism. But it is not merely an important instrument for bringing about the establishment or

hastening the establishment of such a society; it is critical or crucial to the maintenance and development of such a society once it is established.

Central planning is a most difficult and complex operation. In every country in which that system has been established there have been problems. And a study of the various problems which have developed as a result of central planning has led irresistibly to the conclusion that one can never concede of central planning as being a rigid and inflexible system.

Additionally, the experiences and problems of several countries are different, therefore, it is unacceptable and not permissible for anyone to believe that in this country we ought to establish a system which is a mere copy of a system which perhaps works well or at any rate has been established in some other country. Surely, we are not so naïve as to believe that we cannot learn from the experiences of others. But in the final analysis, whatever system we establish here must be based upon our needs, upon the objective realities of this country and this society, and upon the native genius of our people. As I have often remarked in this House, merely to copy what other people have done is surely the most marked and the clearest sign of inferiority and intellectual laziness.

The most persistent difficulty in a system of central planning is how to combine centralized control with individual or community initiative. Countries have made the mistake in the past of establishing a system in which the control at the centre was rigid and in which there was an exclusion of other agencies, of communities, and particularly of the people, from the various decision-making, implementing and evaluating processes within the economy.

On the other hand, the imperatives of a socialist society clearly point, first of all, to the need for centralized control, but equally, I contend, to the need for tapping the resources of the people, the wisdom of the people, the creative potential of the people in the country. So the great task is to combine the central power of control and to harmonise it with an involvement of the masses of the people. This is not a simple task and I contend boldly in this House today that no country has satisfactorily solved that problem.

The State Planning Commission Bill 1977, is an enabling Bill. Comrades and Hon. Members will note that it does not set out any structure, but it enables the Cde. Prime Minister, by way of Order duly promulgated, to establish a State Planning Commission. The Bill does, however, set out the functions of such a Commission and the objective towards which the Commission must be mandated to strive. I shall refer briefly to the scope and structure of the Bill, Cde. Speaker, for the benefit of Members of the House.

I have already alluded to the fact that the Order for setting up the Commission will be issued by the Cde. Prime Minister. That is very important for the State Planning Commission will be responsible ultimately to the Prime Minister. The reason for this is to emphasize the

authority of the Commission, to make it clear to all governmental and other agencies, to all officials, to all people within or without the public sector that the authority of the State Planning Commission spans the whole country and pervades the entire system. People, therefore, will be in no doubt as to the authority of the Commission, and its right and its power not only to receive information but to receive accurate information and to receive such information timeously.

In clause 4 of the Bill, paragraph (2) thereof there is set out the essential function of the Commission, and with your leave, Cde. Speaker, I will read those functions as set out in the Bill:

“(1) The Commission shall be responsible for the central planning of the economy within the framework of the socialist philosophy and objectives of the Government.

(2) Without prejudice to the generality of subsection (1) the function of the Commission shall be –

(a) To advise the Government on the planning of –

(i) the orderly, balanced economic and social development of Government;

(ii) the most effective, efficient and rational utilization of the human, material and financial resources of Guyana in order to achieve the most rapid economic growth consistent with the continuous improvement in the standard of living, the quality of life and the general material and cultural well-being of the nation;

(b) to prepare, pursuant to the direction of the Minister, such development plans for Guyana in conformity with the general policies and objectives of the Government;

(c) to monitor, review and evaluate the performance of the national development plans, of the planning mechanism, procedures methodology and strategies and the performance of the national economy;

(d) to pursue such resource as many be necessary to enable it to perform its functions effectively;

(e) to give advice, guidance and directions to all agencies, enterprises and institutions in the public sector so as to ensure their efficient operation within the framework of the national development plan;

(f) to perform such other functions relating to the planning of the development of the resources of Guyana as may be referred to it by the Minister;

(g) generally to do all things necessary to endure the effective discharge of its functions."

The Cde. Prime Minister, in terms of this Bill, may delegate in whole or in the part any of the responsibilities which it is proposed shall inhere in his in terms of the provisions of the bill. The Bill provides for stringent sanction to be applied in the case of default or neglect or refusal on the part of any person either to discharge his responsibility to the State planning Commission or to furnish such information as may be required to enable the Commission to discharge its duties and functions in terms of the provisions of this Bill.

I have remarked that this Bill is an enabling Bill, but perhaps in fairness to this honourable House I should give some idea of the proposed organisation of the Commission which is to be established by Order in terms of this Bill if the Parliament passes it. It is proposed that the State Planning Commission shall comprise several organs. Under the Cabinet and the competent Minister, there will be a State Planning Board which will have a general over-view responsibility to ensure that the executive organ of the Commission, that is, the Planning Secretariat, plans in accordance with the general objectives of the Government and discharges its duties and responsibilities in accordance with the provisions of the legislation.

The Planning Secretariat, as I have indicated, will be the executive organ, to be headed by a Chief Planning Officer and it will be divided into several divisions to enable it to discharge its functions. For example, there will be a division responsible for regional planning, another division responsible for sectoral planning and analyses, and so on. The whole point I seek to make at this stage is that there will be a great deal of flexibility in organizing and reorganizing the Commission to ensure that it responds in a timely and sympathetic way to the real needs and the changing circumstances of the society. But it will be a mistake in our view and in our judgment to have a Planning Commission which consists wholly or primarily of technically-qualified people; and, therefore, as one of the organs, there will be a National Economic and Social Advisory Council in which there will be scope for participation of all national organisations and all strategic groupings within the society. In that National Economic and Social Advisory Council, it is proposed that there should be the representatives of the Trades Union Congress and other mass organisations, political parties, social organisations and, as I have said, all significant and strategic organisations and groups within the society.

The great purpose of such involvement is to ensure that the ordinary people, ordinary comrades, can bring to bear the laymen's and the people's point of view and perspective upon the work of the technical people and can continuously, as it were, feed into the Secretariat, to the Board, or to the Minister – since the Council will have access to the Board, the

Secretariat, and the Minister – information about what is happening on the ground, how the plan is working out in actual detail as opposed to how technicians believe it is working out from their rather limited professional point of view. We propose that this Council will sub-divide itself into committees to deal with specific subject matters such as, for example, education, health, consumer affairs, culture and agriculture.

On the other hand, there will be another organ called the Technical Advisory Committee which will seek to involve technically-qualified people who are to be found inside the country but who are not necessarily working either with the central Government or within the public sector. It is hoped to draw within this committee, which will be a highly specialized committee, the best talent we can find: people drawn from the university and from other institutions and organisations within the country. It is expected this Technical Advisory Committee will bring to bear upon the work of the Commission an objective point of view based upon a non-involvement in the day-to-day work of the Commission, a point of view which is likely to be objective since these comrades will have no vested interest in the work of the Commission other than a professional and patriotic interest. It is hoped that these comrades may use and will use their specialized skills and knowledge to supplement the work of the Commission either generally or in some particular ways.

But, Cde. Speaker, such a structure could not be the end of a State Planning Commission for the Commission has to have roots pervading the whole society. Consequently, the Commission will have links with the various Government Ministries, other public sector agencies and other agencies and institutions within the economy. And, it will also have links with the regions. So, it will be organised in a way which permits and facilitates the iterative principles in which there is a continuous interflow of experience, ideas and information between the Commission and the people, because the work of the Commission of necessity must be continuous in nature. The work of the Commission must be grounded upon information and the felt needs of the several communities in this country. The work of the Commission must be informed by concrete information flowing up from the several communities in this country; for unless the work of the Commission is built upon this principle and upon this organisation, I suspect that it will be labouring in vein.

The Commission, therefore, is structured in a way which hopefully, will involve the masses of the people in the very important decision-making processes which affect the over-all planning of the economy.

And it is the people's involvement in this kind of decision-making which, from the Party's point of view, represents the essence of democracy. We have said time and again that while the narrow legalistic bundle of rights is important, more important in the democratic process is the continuous and day-to-day involvement to people in these decision-making processes.

It is, therefore, for this reason that the Commission is structured in such a way that people at every level and in all the regions and communities of this country can and will have an opportunity to become involved in planning, in implementing, in monitoring, in managing and in evaluating the several projects which will form part of the national plan as conceived and formulated by the State Planning Commission on the basis of information which has flowed up from the people themselves.

What this Bill seeks to do is to advance one step further, albeit an important step, and a large step, in the process of the radical transformation of our society. I would not like Hon. Members and Comrades to interpret me as meaning that the mere establishment of a State Planning Commission will bring about miracles. Obviously, a Commission of this sort has to find its feet, obviously there will be problems in the initial stages, problems of manpower, problems of inadequate knowledge and faulty appreciation of objectives, and problems of one kind or another. But I contend that the important thing is to make a start; and I contend that the problems which we will encounter are not such as to be beyond the intelligence and the ingenuity of the Guyanese people to overcome. I believe already remarked that, as far as the Party is concerned it is unless and a waste of breath to tell us to copy any model which exists in any other part of the world.

In developing the structure of the Commission, we have sent people to several parts of the world, to several socialist countries. We have had advice from planners in several socialist countries, we have had discussions with experts in planning from several socialist countries. Surely, we have taken their advice where such advice seemed to be relevant. But there was one recurrent theme which run through the advice we received from all of the people with whom we spoke, and it was this: in the final analysis the structure of the Commission we set up will have to conform to the requirements of this society, to the stage of development in which we find ourselves and to the genuie and capacity of our people. And in telling us that, those comrades from the depth of their honesty were telling us something in which we ourselves passionately believe.

Today I present for consideration and Second Reading, the State Planning Commission Bill 1977. It represents an important step forward in the structural transformation of our society which is so necessary if we are going to make a reality of the claims we make about ushering in a society based upon the principles of social justice and rooted in the aspirations, the hopes, and the welfare of the Guyanese people. I present this Bill to Comrades and Hon. Members and ask that it be read and Second time.

[Question proposed.]

Mr. Hoyte (Replying): Cde. Speaker, if a high decibel level were evidence of the intrinsic worth of a speech, surely we have today heard the most remarkable speech ever uttered in this honourable House by the ex-Leader of the Opposition, by the Hon. Member, Mr. Feilden Singh. Doesn't Shakespeare somewhere refer to the idiot's sound and fury signifying nothing? Obviously, the Hon. Member made a most disappointing contribution to this debate. I think it is pathetic. In the light of his profession, and I can only ascribe his performance here today to the fact that he has not studied this Bill sufficiently.

The Hon. Member referred to Clause 10 (1) of this Bill and alleged alarmingly that that Clause gives an authorised officer the right to enter United Force Headquarters, for example, and take away any document, when all this Clause says is that where persons are employed in a building, an authorised officer may enter to make enquiries. This is nothing unusual or unknown to our state law. Under the Labour Act, the Labour Officers have even greater power. This clause restricts the authorised officer to entering at reasonable times; whereas, under the Labour Act, a Labour Officer can enter at any time. That is why I say that the Member ought not to allow himself to be carried away by enthusiasm and rhetoric especially when, by reason of his training and profession, he ought to bring a dispassionate and objective mind to the issues which we are debating here in this House.

Perhaps, while I am replying to the Hon. Member, I should deal with the points made by his Party – the total membership of which is in this House this afternoon – and proceed to deal with some of the remarkable things which I have been said here. In the first place, the Hon. Member chose the opportunity not to speak on the Bill but to launch on onslaught against socialism. I find this very difficult in the light of the fact that I know him to be a pillar of the Roman Catholic Church and very near to the apex of the hierarchy, and as I have been understanding the public postering of that organisation, that organisation is advocating socialism in this county.

[**Mr. Singh:** But not your kind.]

Mr. Hoyte: The Hon. Member made no distinction about kinds of socialism; he was attacking socialism *per se*. The leaders of that organisation have been loud in their praise of socialism. I recall, and I am sure that the comrades here will bear me out, that the Hon. Member himself stood up in this House and claimed to be a socialist. I do not understand what kind of socialist he professes himself to be because anyone who has taken the time to try and understand socialism will reject any thesis that there are kinds of socialism. Socialism, properly understood, based upon the writings of Marx and Engels and Lenin, has the same objectives and ideals all over the world; but there is perhaps a subtlety which the Hon. Member finds difficulty understanding, namely, that while the ideals of socialism are

basically the same, while the aims and objectives are the same, there are different approaches to socialism based upon the history, cultural experiences and the objective realities which obtain in every society. This point was made in the final document issued by the meeting of the Communist and Workers Parties of Europe when they met in Berlin last year.

Obviously, the Hon. Member needs some instructions. The Party runs a course called the Developers' Course, and also, courses at the Cuffy Ideological College. We run a number of courses at Party level, and there are courses run by the Ministry of Labour. If the Hon. Member considers himself a worker, then he is free to attend these courses at institutions like the Critchlow Labour College to which I will recommend the Hon. Member.

Perhaps, in passing, I should say that it is quite wrong to say that this country has not benefited – I feel it is my duty to refute the statement made by the Hon. Member – from the Technical and Economic Co-operation Agreement and the Scientific, Cultural and Educational Co-operation Agreement with the Republic of Cuba. We have the benefit of the training of a large number of young people in the fisheries sector. We have had the benefit of expert personnel, including doctors serving this country. We have had people trained – we have had several young people trained as trawler captains, diesel mechanics, fish-net makers and in a host of skills relating to the fishing industry. And, one will recall that several of our young people, bright, enthusiastic young people, who died in the Cubana crash last year were going to the Republic of Cuba to study medicine. So, I feel it is only right and proper that I should refute that allegation which the Hon. Member has so blatantly made in this House.

Although the matter is not relevant I think I should again deal with the question of PNC and socialism. I have heard the Hon. Member purport to reach from the official documents put out by this Party from the time of its inception. Obviously, he believes that politics is a Sunday School game. Obviously, he does not understand the nature of tactics and is unable to distinguish between strategy and tactics. Perhaps, that is the cause of his confusion. I have heard him say that every country has a centrally planned economy. Really, that statement boggles the imagination.

Cde. Speaker, the section of the Bill to which the Hon. Member referred and which he alleged to be oppressive is a very simple, ordinary section. Indeed, the Constitution itself confesses the same powers in relation to matters affecting public morality. The Hon. Member says this is oppressive. His argument is that if a person has legal power to enter a building and seek information in relation to matters of public health, public morality, urban planning, import planning, that is not oppressive. But if an officer seeks to get information vital to the planning of the economy of this country, then the Hon. Member sees that as a repressive act on the part of a repressive Government. I find it difficult to understand his thought processes.

The Hon. Member of the United Force Party, Mrs. DaSilva, found herself in severe difficulty as a result of her limited comprehension. She believed that the Guyana State Corporation was a planning organisation and she saw the State Planning Commission as a duplication of the functions of the Guyana State Corporation. I would merely say that I do not propose to follow her into all the irrelevances to which she indulged, and travel with her to Canada and other parts of the world. I think it is a serious short-coming in an Hon. Member of this House to fail to understand the intent and purpose of a Bill and, also to fail to listen carefully when the person moving the Bill is speaking on the Bill in an effort to clarify and inform.

I did say that this Bill was an enabling piece of legislation. I pointed out that the organisation and form of the Commission would not be found here, that this Bill gives to the Cde. Prime Minister the power, by Order, to establish the Commission. Out of courtesy to Members of this House, I explained what the Government's thinking was as far as the proposed structure of the State Planning Commission was concerned. So it was a little difficult to understand the strictures of the Hon. Member against this Bill based upon allegation that it does not set out the structure of the Commission. I find difficulty with her mathematics.

Says she, "*It is wrong to say that the majority of people in this country have opted for a socialist society.*" The comrades representing the PPP, who, through the Member Cde. Narbada Persaud, claim to speak for the majority, say they support it. We on this side, who in fact speak for the majority, we support it, the PNC and the PPP are supporting the Bill. Yet, according to the Hon. Member Mrs. Elinor DaSilva, there is not a majority in support of socialist re-organisation to pursue it, to a measure of comic relief from the Member. We really ought to be grateful to her!

The Hon. Member Mr. Narbada Persaud is a good debater and made some valuable points in his intervention but, nevertheless, has allowed himself to be afflicted by what some people call "*the butterfly mentality.*" Instead of sticking to the subject on the Order Paper, he went floating here and there upon all sorts of matters, some of which he invited me to reply to. I do not propose to reply other than to relevant matters. The Hon. Member accused me of painting a rosy picture of the Bill. That is a charge which I refute. I pointed out that we were embarking upon a bold and novel experiment. I pointed out that there would be difficulties of manpower, difficulties of implementation, all kinds of difficulties, and that we are approaching this matter, of central planning with courage, with firmness but with a certain humility. That is why I said we did seek the advice and comments of a number of people who have had experience with this kind of activity. But I contend and maintain that in the final analysis the task of making a success of the State Planning Commission lies in the hands of Guyanese.

The Hon. Member who, I believe, knows better, asked “*What kind of socialism?*” The same answer I gave to the United Force is relevant. We do not believe in brands of socialism. We have said, and we stand unapologetically by this position we have taken, that socialism is not dogma and we have chosen the co-operative as the principle instrument for social transformation. We may argue about that but my contention is that you are arguing about techniques and mechanics rather than the objective or of matters of substance. I believe that in making this choice the question is not whether we are right or wrong, the question is our right to choose our own path to socialism and that right has been approved and upheld at the so-called meeting of Euro-Communists last year in Berlin.

I do not know that whatever Marx or Lenin might have said or not said about central planning is irrelevant. Even if they did give direction about central planning, I cannot accept their validity as being universal. Moreover, I challenge the Hon. Member to produce any text of Marx in which he deals with central planning. The Hon. Member must have been carried away by his verbiage when he implied that Marx dealt with the issue of central planning. Moreover, one would remember when Lenin died the whole question of organizing the institutions of the Soviet State was in the process of being concretised.

Certainly he did not live to form a final view as to the form of any state planning mechanism. If one reads, for example Professor, Mari Lavigne’s book *The Socialist Economies* one will find that the Soviets had the same human experience with State Planning as anybody else. They tried many techniques and as they found that these techniques were not the correct ones, they changed. They kept on changing all the time. They did not pull a mechanism out of a hat and by some magical process discovered an appropriate one. They started off by believing that they could establish a State Planning mechanism on the functional principle. Then they found that they had much difficulty and they changed to the regional principle, then they changed to sectoral principle. In the end, the consensus seemed to be that the best approach was to combine sectoral planning with regional planning. Moreover, they have realized that if the planning mechanism becomes static then it is not good, because society keeps changing and the demands of society keeps changing all the time.

The demands of the Soviet Union in the ‘30s and in the ‘40s are certainly not the demands of the ‘70s. Today, there is greater emphasis on production of consumer goods as against the time when the concentration was centred on building up heavy industry at the expense of consumer goods.

The Cde. Lalbachan Lalbahadur, is a technically qualified person, a person who has a good knowledge, a sound knowledge of economics and socialist organisation and structures. He said many things which are accurate. Unfortunately, he spoke as if the State Planning Commission had already been established and functioning. He wanted to know whether

we have set up material balances. This is the work which the State Planning Commission will do. He wanted to know a number of things. It is because we did not have the mechanism to do these things that we have not been able in the past to plan effectively, and I am going to deal with that. The Commission has a lot of work to do, for example to set up the structures, to establish the methodology, prepare the data and establish the systems which, as I have said in my initial contribution, will help to bring about socialism and which will help to sustain the socialist society.

In the past we did develop, but we did not have centrally-planned economy for the simple reason that one cannot have a centrally-planned economy when the greater part of the economy is in private hands. It is only now because such a large section of the economy has passed into the public sector that one is able to plan centrally. In the past, the National Development Plans were at best indicative planning. We are talking about imperative planning. We are talking about a system in which we hope to establish qualitative and productive mechanisms to achieve a certain set of goals. These things are not going to happen tomorrow. I wish to reiterate this point. I don't want anybody coming here next year to say *"Now you have established a State Planning Commission, where is this marvellous development? Where is this Utopia?"* It is going to take time. It is a difficult process. These are some of the facts. We have got to face realities nor to hold out hopes which are not going to be realized.

Cde. Narbada Persaud was concerned about the effectiveness of central planning. I don't share this concern because in Poland they plan centrally. Their agricultural sector is dominantly privately owned, and in the German Democratic Republic the agricultural sector is dominantly co-operatives. In these countries these are the mechanics. In Bulgaria there is a very large co-operative organisation in manufacturing and in agriculture so I don't share his qualms. I say this, that even if there were no examples of an attempt at State Planning in a situation in which one had State-owned enterprises and co-operative enterprises, that should be no reason why we should not face the task with courage and independence.

We have said that in our own economy we have three sectors – public, co-operative and private. That is a fact. It is a fact which we cannot shy away from. I don't understand why members of the United Force are harping upon this matter. The Hon. Members of the United Force want to know how we are going to plan for the private sector. The answer is simple. The private sector like all sectors will have to conform to the national plan. It will have to provide information to the State Planning Commission and will be allocated resources on the basis of what it has been agreed that the sector will do. The private sector will be expected to achieve targets in the same way as other enterprises and sectors within the economy. I pointed out that in European socialist countries they have faced these problems and I don't see why we cannot face the same problems.

Cde. Speaker, I think that generally it is agreed that this mechanism is an important one. It is an essential one. I would feel that even if we were not embarked upon a socialist course, the economic realities of a small developing country with scarce resources would demand some kind of centralised control of the economy, would demand some kind of rational organisation of the economy, would demand that we so organize our economic system that there is a minimisation of waste and a maximisation of the benefits accruing to the individual members of the society and of the society as a whole. For this reason and also because, as I have said, it is essential to the advancement of a socialist organisation, I deem it on my part, for myself, a privilege to have and the opportunity to present this Bill to this House today.

[Applause]

[Question proposed.]

[Bill read a Second time.]

Assembly in Committee:

[Bill reported with corrections; as corrected, considered; read the Third time and passed.]

Motion on the Approval of Expenditure for 1978 Budget Speech: 2nd March, 1978

Mr. Hoyte: Cde. Speaker, there are certain events in the history of a country which historians seize upon as landmarks in the development of that country. Those landmarks are said to indicate the end of an era and the beginning of a new epoch. In a real sense, the Budget Statement read by the Cde. Minister of Finance on Monday is such an event, marking the end of one phase of the development of this country and ushering in a new phase.

In the course of my intervention in the general debate last year, I remarked that 1977 was going to be a watershed in the history of the development of this country. That remark was not by way of prophecy, but was a factual statement based upon a knowledge of the strategy and tactics of the Party and the Government.

Over the years, the Party has sought to follow a well-defined course a development recognising that there were certain tasks to be undertaken – tasks which were necessary for the real development and progress of this country towards goals which the nation had set itself.

Indeed, Cde. Speaker, in his Address to the 15th Annual Congress of the Party in April 1972 the Cde. Leader adverted to this point in clear and unambiguous terms. He said, and I quote:

“The first task we undertook in the PNC, and are still in the process of carrying out, was and is to restore self-confidence and self-respect to Guyanese through self-reliance. Real achievement is impossible if, as a people, we were to feel inferior and incapable while being convinced that all excellence comes from without. To my mind, the most pernicious concomitant and legacy of colonialism is psychological and intellectual subservience which in turn breeds inferiority complex and creates a very real problem. It appears in various forms but perhaps two are noteworthy of mention. The one is exemplified in an attitude of clinging to old colonial habits and regarding the former social structures and institutions as sacrosanct. Property, for example, in such a context is more important than man, instead of property being for the social needs of man.”

It was against that background and in the light of what was, in fact, a policy directive from the Cde. Leader that the Party intensified its activities between 1972 and 1977 in removing those pernicious conditions to which the Cde. Leader had referred, conditions which were inimical to the real development of Guyana. We, in the Party, recognise that development is not only about people and for people, but that development takes place through the instrumentality of people. Therefore, the task of development can only proceed apace and significantly if the political consciousness and awareness of people is raised so that they understand their task and accept the directions and goals which the political leaders indicate.

Cde. Speaker, it was this task to which the Party had set itself. From time to time, there have been criticisms of the pace at which the Party proceeds. Those on the lunatic fringe of the ultra-Left claim that the pace is too slow, and those who are inveterately committed to the old ways, conservative elements in this country, complain that the pace is too fast and that the processes are too radical.

The Party recognises that while it cannot lead from behind like the Duke of Plaza-Toro, it cannot, at the same time, be too far in advance of people. Its task is not to run ahead of the people and get lost, but rather to bring the people along through firm leadership and through clear directions by precept and example.

What has the Party done during the years 1972 to 1977 (and indeed in the period before that from the time the Party acceded to office) to create the environment and climate to which I have referred? It set itself a number of tasks:

- (i) first, to restore and maintain political and economic stability within the state;
- (ii) to inspire in the Guyanese people a spirit of self-confidence, self-reliance;
- (iii) to lay the foundations for the material growth of the economy;
- (iv) to lay the foundations for the cultural development of our people;
- (v) to diversify and expand our international links at diplomatic, cultural, economic and commercial levels, not only to promote our internal policies but also to ensure that Guyana plays its rightful role in the Councils of nations in the great tasks in which so many countries, circumstanced like Guyana, are engaged in an attempt to influence changes in the world economic system.

In all of these tasks which the Party has undertaken through the Government, there has been a continuing pattern of success. But more importantly, Cde. Speaker, the Party laid the psychological foundation for the development of this country by the Guyanese people. The catalogue of achievements is a long one. I would content myself merely with referring to some of the highlights because as we face this new era to which I have referred, it is important to understand the background, to understand the process of development which has preceded it and understand the strategy and the tactics which had informed the policies and programmes of the Party.

The Party, in the face of strong opposition from those who did not have faith in themselves and in the Guyanese people, led this country into independence and underscored the fact of independence by acceding to republican status. Moreover, it inspired in the people a sense of their ability to perform through a process of resuming for the Guyanese people their patrimony which has been given away by the former colonial

administrators. I refer, of course, to the succession of nationalisation policies and activities which led to the eradication from our economy of foreign ownership and control.

There were several supporting policies and programmes in aid of this strengthening of the national fabric. Investments were made over the wide field not only in promoting material growth, but also in strengthening the will of the people, in promoting national culture and in fitting the people psychologically for the tasks which lay ahead. In this respect, the Party played a crucial role as an agent for the mobilisation, education and motivation of the masses.

I stated that during the Party's period of office, there has been systematic growth and development of our economy – and it may be apposite to mention some of the major indicators, to educate those Members of the Opposition who allege, despite their confession that they do not understand statistics and figures, that there has been no growth in the economy. Between 1972 and 1977 – I choose this period as being the period covered by the last D-Plan – the gross domestic product rose from \$531.1 million to \$1,006.5 million at current factor cost, representing a rate of growth of 13.7 per cent per annum.

During that period, gross investment totalled \$1.6 billion of which the public sector accounted for \$1.3 billion or over 81 per cent of that investment. That investment is reflected over the whole field of economic activities in this country: In schools, in housing and health facilities, in electrification, in pure water supply, in agricultural infrastructure, in agricultural development and diversification, in roads, in air, water and road transportation, in social services, in fact, Cde, Speaker, it is difficult not to find in any part of this country the real tangible and visible reflection of the investment made during this period.

During this period, too, gross capital formation amounted to \$1.5 billion, the volume of international trade rose from \$604 million in 1972 to \$1,215.7 million in 1977, reflecting an annual growth rate of 28 per cent per annum. In the various sectors, Cde, Speaker, the growth was equally satisfactory: Agriculture, growing at 15.3 per cent annually and agriculture (excluding the traditional sub-sectors of sugar and rice) growing at even a higher rate of 17.6 per cent, in forestry, the annual growth rate was 12.2 per cent, mining 12.9 per cent, non-traditional manufacture 14.6 per cent.

While there was investment in these productive sectors, there was investment in an equally important sector; that is, the sector of human resource development. There was investment in a whole range of cultural and people oriented activities which, as I said before, were basic to the real development of this country. We saw during the period the construction of the National Cultural Centre, the construction of the Film Centre and Dubbing Theatre, the Sports Hall. We saw too, the establishment of the National History and Arts Council, now renamed the Department of Culture, with its several schools of creative activity – the School of Dance,

the School of Creative Writing, the Burrowes School of Arts and the other activities which cannot be measured in hard material terms, but which have immeasurable and incalculable repercussions throughout the society in terms of raising the consciousness of our people and investing them with a feeling of self-worth, self-respect and dignity.

There were, too, other institutional developments such as the establishment of the complex of financial institutions, the Agricultural Development Bank, the Mortgage-Finance Bank, the Guyana Co-operative Insurance Services which joined the N.B.C.B. in a national complex of financial institutions established to serve the various productive sectors of this country.

I may mention, too, some specific industrial projects which have been completed, which are in production now and which are contributing to the development and expansion of our gross national product. These projects are providing employment, generating surpluses and are not, as the Member, Cde. Narbada Persaud, was alleging a moment ago, unviable enterprises. I would refer, for example, to the Clay Brick Factories, one at Belle Vue which produces some 10 million bricks annually and the one at Coverden, to the Guyana Fish Processors Limited, to the Fish Net Factory which services the Fisheries Industry, supplying some 1500 nets annually; to the Radio factory at Victoria; to the Fish Plant at Kingston, to the Fish Port Complex, Phase 1 of which has been completed; to the Cheese Processing Factory; and to the number of Cassava Mills which are now in production, processing not only cassava but plantain into flour. I would mention too, those industrial projects which are on-going, which were started during the period and are now in the process of construction: Phase II of the Fish Port Complex which, when completed, will increase berthing facilities for forty million pounds of wet fish annually at a total investment of some \$36 million. I would add to the list the Textile Mill at Ruimveldt which, when completed would process 11 million square yards of cotton annually and provide employment for nearly one thousand workers; the Glass Factory at Yarrowkabra on the Linden highway which is well advanced towards completion, it is expected that production should be on stream at the end of this year starting with the production line of bottles and glass containers. The Factory would have a capacity to produce 4,725 tons of glass containers, and 11 million square feet of sheet glass. Moreover, the Upper Demerara Forestry Complex which has been started will double the annual production of lumber in this country; and the bicycle factory, the Tannery, Leather and Shoe Factory in New Amsterdam, the Factory expansion project, into which some \$8 million (Canadian) worth of equipment is being injected in order to modernise and accelerate the pace of production in the factory sector; the vegetable oil plant at Farm, requiring an investment of some \$10 million and having a capacity to produce up to 50 tons per day in vegetable oil; and the Clinker Grinding Cement Circuit with a capacity of 140,000 tons of cement annually – all of these, Cde.

Speaker, are projects which have gone beyond the planning stage and are in the course of physical implementation.

I refer to these matters to emphasise the fact that massive investment has gone on during the period of 1972 to 1977 in major projects which have a great potential for generating jobs, for generating exports and, therefore, earning foreign exchange and for adding substantially to the total stock of goods and services produced in this country. I refer to them, too, to emphasise the point that over the period there has been institutional development taking place, sometimes imperceptibly, but over time becoming quantitatively so large it has reached a magnitude which reflects itself in a qualitative change in the lives of the people. This qualitative change is so deep and extensive that we can rightly say that a period of our history, a period of our development, has finished and a new era has dawned.

The Budget Statement read by the Cde. Minister of Finance and the Estimates presented by him to this honourable House indicated a number of important departures from the past. In the first place we have abandoned the one year type of Budget and have instituted in its place a Financial Programme which coincides with a Development Plan period. The figures presented by the Cde. Minister of Finance obviously are not a Development Programme; they are merely a Financial Programme within the limits of which the Development Programme will be elaborated.

Secondly, Cde. Speaker, the Budget as presented is no longer a Central Government Budget. It takes into account investment not only in the Central Government, not only in the entire public sector but, indeed, in the country as a whole. It therefore ties together Central Government, the rest of the public sector and the private sector. This is significant in the light of the decisions which have been taken to institute a system of central planning and to exercise a more rational control over production and consumption of goods and services in the country. Unlike the previous Budget, this Budget gives information about the sources, quantum and application of the funds which will be allocated over the next four years; indicates the directions which the economy is expected to take; and gives national accounts projections, the investment emphases and the priorities which the Party and the Government have adopted as being essential to achieving the economic objectives which have been set.

But the Budget, Cde. Speaker, is more than a mere Financial Plan, it is first and foremost, in addition, a Programme for economic recovery. Undoubtedly the economy has been buffeted by a number of internal and external factors resulting in certain economic difficulties. In confronting these difficulties we have devised a medium-term strategy aimed not merely at correcting the imbalances which appear at the moment, but at ensuring that the economy gets back on to an even keel and because less and less vulnerable to these external and internal influences to which I have referred.

The Budget Statement sets out a programme for ensuring the stable and systematic development of our country; it indicates the investment emphases, and priorities which are clearly growth-oriented. Notwithstanding our wishes for the development of the social sector we recognise, as all responsible people do, that social services can only be financed out of material production. And, therefore, while not neglecting the development of social and people-oriented programmes, the Budget seeks to put the major emphasis upon the productive sectors in order to ensure the material base capable of continuous expansion to provide not only for the material needs of the people but for their culture and social development.

A brief analysis of the figures will show that the productive sector has been allocated some 66 percent of the total investment outlays. People-oriented and social services sector will absorb 26 percent, and other sectors will take mere 8 percent of the productive sectors, agriculture alone will account for 35 percent more than one-third of the total investment to be made over the Plan period.

This pattern of investment is consistent with the firm view of this Government that the development, the expansion and the continuous improvement of efficiency of the agricultural sector are all vital to the development of the country in the long run.

The Budget sets certain targets and has certain implications which we have to understand, because it is the achievement of these targets and an appreciation of what is implied in achieving these targets which will decide in the long run whether we succeed or not. In broad macro-economic terms, the Investment Programme is intended to achieve a number of things.

[The Speaker: Cde. Leader of the House.]

[The Leader of the House (Cde. Ramsaroop): Cde. Speaker, I beg to move that the Cde. Minister be given an additional 15 minutes to continue his presentation.]

[Question put, and agreed to.]

Mr. Hoyte: It is premised on an annual growth rate at current factor cost of 10 percent or in real terms, using 1977 prices, about 5 percent annually. It is premised upon the achievement of reasonable growth targets in all the sectors, some of which I will mention.

In the agricultural sector, for example, the investment is aimed at achieving an annual growth rate of 18 percent. Forestry is expected to achieve an annual growth rate of 25 percent, manufacturing, excluding sugar and rice processing, 10 percent; mining and quarrying, 15 percent. And, it is expected too that there will be growth in our exports. Exports are

expected to grow at between 12 and 15 percent, starting off fairly sluggishly in 1978 but picking up in 1979, 1980 and 1981 when much of the investment will begin to yield fruit. All of this implies that the rate of average output of GNP will be between 8 to 10 percent between 1978 and 1981.

There have been some criticisms about borrowings. I shall not waste any time to deal with that because every single country owes currency debts of US\$45 billion. I say this not by way of criticism but merely to state a fact: every single country borrows, including the United States which borrows by reason of the fact that its currency is used as an international reserve currency. So we make no defence, we make no apologies for borrowing on the international market. I can spend a long time going through recent – when I say recent, I am talking about 1978 – statements by Ministers of Finance, Heads of Central Banks, in many socialist countries pointing out their own need to borrow on the world markets. Those criticisms by Opposition Members are uninformative and ill-informed.

At the bottom of it is this central fact: that whatever our access to credits and loans might be, we have to start off on the basis of self-reliance. We have to generate our own savings as the first and necessary condition for the development of this country. It is expected therefore (and planned for) that our domestic saving rate will be, during the period 1978 to 1981, at a level of some 16 percent, that is, an average level over the period I have referred to. But savings having been generated must be used constructively. We cannot utilise our savings for consumption and at the same time expect that we are going to have development. Consequently, as a matter of conscious policy and, indeed, as a matter of firm policy, we plan to impose a restraint on domestic expenditure. Domestic expenditure will have to be restrained below 10 percent growth annually, both private expenditure and public expenditure. We must ensure that our savings are channelled into the investment sectors for further growth of the economy.

The Cde. Minister of Finance referred to certain disturbing trends in the national accounts of the country; trends which have developed over the years because of the structure of our economy, a structure which we are about to change by reason for this Programme and by reason for the institutional re-organisation which is ongoing. He pointed to the gaps both in the Central Government Budget and in our balance of payments. This Programme which has been presented to this honourable House is designed to correct that imbalance and progressively reduce both the Central Government budgetary gap and the current balance of payments gap to manageable proportions by the year 1981.

In 1977 the current gap was \$77 mn., which meant that on the current side of Government's expenditure we spent \$77 million more than the current revenues which we collected. That surely is an undesirable, if not an intolerable, situation. Ideally, the current revenue should not only

finance current expenditure but there should be some surplus for investment. At the very minimum there should be a balance between revenues and current expenditure. The total gap on the Central Government Budget for 1977 was \$144 million and the Programme outlined by the Cde. Minister of Finance is designed to eliminate that gap by the year 1981. The balance of payments gap, that is, the current gap which in 1977 was \$235 million is expected to be progressively reduced to the manageable figure of \$59 million by 1981.

I want to say something about the current gap to which I have referred because it impinges upon many of the actions which have been taken recently by the Government and many of the policies and Programmes which will have to be put in place in order to achieve our objectives. Over the years the Government services have been growing at a rapid rate because of the way in which the Public Service, including the whole public sector, has been structured. There was an autonomous growth of personnel within various Ministries, agencies, corporations without control from the centre. The result has been this alarming situation in which the current expenditure ran away from current revenue. But more than that, it led to a situation of massive over-staffing, wrong placement of labour, both within the public sector and within the economy as a whole. For example, personal emoluments in the Central Government rose from \$25.9 million in 1972 or 5.1 percent of gross national product, to \$153.5 million or 16.1 percent of GNP. It is this imbalance which has had to be tackled in a firm and decisive way as one of the means of redressing the imbalance to which I have referred and as an important aspect of the structural transformation which we are making and will continue to make in the economy. It is interesting to note that even today in GuySuCo there are no less than three thousand vacancies for workers. On the other hand, offices are bursting at their seams with clerks and similar types of personnel.

In pursuing this Programme, the major emphases will be upon achieving a number of objectives, the grand objective being to deepen and strengthen the process of socialist transformation in the country by the construction of the necessary material and cultural bases. But specifically, the emphasis will be laid upon, first, creating the foundation for the continued industrialisation of the country; secondly, expanding our industrial and agricultural base to ensure local self-sufficiency and surpluses for development, thirdly, developing a manufacturing capability (a) based upon the use of indigenous raw materials and (b) oriented towards the manufacture of spare parts, small hardware and other items which are necessary for the kind construction and other activities in which we engage in this country; fourthly, the development of a scientific and technological capability in support of our Development Programme; fifthly; ensuring balanced geographical development, sixthly, continuing the process of the greater democratisation of our society; recently, cementing national solidarity through applying a number of mechanisms which will enable

our people to work together, to study together and to build together in this country which belongs to all of us.

Finally, Cde. Speaker, to increasingly pursue the principle of social justice for all the Guyanese people by applying a mechanism which will result in greater production and productivity, a more equitable distribution of income and the creation of certain conditions which guarantee basic socio-economic rights to all citizens, for example, the right to work, the right to education, the right to recreation, the right to adequate health care and similar rights which we accept as being necessary for the development of our country along the lines we have all accepted.

Cde. Speaker, there are, in promoting this policy of development, several techniques —

[The Speaker: Perhaps the Leader of the House may ask for another fifteen minutes.]

[Cde. Ramsaroop: Permit me to move the Motion to enable the Comrade Minister to continue his contribution for a further fifteen minutes.]

[Question put, and agreed to.]

Mr. Hoyte: There are several techniques which we have to adopt to establish the socio-economic relationships, the institutions, the mechanism, the procedures which will enable us to accelerate the pace of socialist construction. We will have to establish those mechanisms which will ensure greater production and productivity leading to self-sustained growth of the economy. We will have to establish the mechanisms which will generate the surpluses from our work and production required to provide the services which are necessary for a decent civilised life in modern times. And we will have to also establish the mechanisms to ensure the harmonious balance between our material resources and our human resources.

In pursuing these basic strategic objectives, we propose to adopt and, in fact, in many cases have already adopted certain principles and tactics. First of all, as a matter of policy, the Programme will be designed to raise the material and cultural level of all the people of Guyana simultaneously. That is not to say that there will necessarily be equal increases in the standard of living and quality of life of every segment of the community. We have already indicated that the more disadvantaged people, the workers at the bottom of the economic scale, must have the emphasis placed on them. There must be active and positive discrimination in their favour.

Secondly, we will institute, promote and strengthen the group or team approach to production, productivity and economic activity. Thirdly, we have to ensure the supply of a minimum set of goods and services consistent

with the welfare of our people, and a continuous supply of those goods and services which are necessary for the basic economic activities in which we will be engaged. Moreover, as an important instrument of policy, we have to develop the cultural heritage of our people. We have to put emphasis upon a proper appreciation of our culture and our cultural roots, we have to inspire in our people a respect for each other's culture, an understanding of these cultural activities and expressions so that, as a result of this interplay of our diverse cultural patterns, we may not only develop a genuine respect for one another and one another's culture, but we will be able to develop, in time, a authentic Guyanese identity based upon an authentic Guyanese culture.

By no means least important is the mechanism for material and moral incentives for our workers. We have already in discussion with and in agreement with the Trade Union Congress agreed on the principle of the establishment of incentive schemes. As a matter of fact, the minimum wage package which was negotiated by the Trades Union Congress with the Government for public sector workers was premised upon an understanding, in fact an understanding which was enshrined in the Agreement, that everybody would take every positive action to ensure that there was greater production and productivity. It was only on the basis of this act of faith – if I may use the term used in the Minimum Wage Agreement – that the new minimum wage scales which were agreed to could be paid and could be improved in the years to come.

As part and parcel of the policy to ensure this greater production and productivity there was an agreement that there should be incentives to workers based upon a number of criteria. The Trades Union Congress, several affiliate members, managers of public sector corporations, public officials, have all been involved in working out details of a National Incentive Scheme. But surely, whatever agreement they arrive at, there are certain cardinal principles which, I believe, must be contained in the Schemes for material incentives.

These principles, Cde. Speaker, are as follows; First, remuneration must be linked to performance; Secondly, criteria and targets for measuring performance must be clearly defined; thirdly, workers' tasks, responsibilities and duties must be defined and allocated to establish accountability with certainty; fourthly, consumer satisfaction, where this is relevant, must form part of the performance criteria; fifthly, profitability, although not a sole or necessarily a dominant consideration, must be a criterion in enterprises where profitability is appropriate; sixthly, punctuality, regularity, reduction of wastage of time, materials etc., team work, general industrial harmony within the enterprise and other work places, must be factors to be taken into consideration; and, finally, the system of criteria evaluation must be understood very clearly by the workers. I believe that these are the principles which are being discussed, principles with which the Government will have no disagreement at all and

principles which, when set in place, can have a dramatic and profound effect upon increasing production and productivity throughout this country.

But economic development does not take place in a vacuum; it does not take place merely as a result of enthusiasm or even motivation or willingness, we have to get the institutions in place and we have to have a set of principles which form a framework within which the whole economy will operate. To this end we have established the State Planning Commission which henceforth will be responsible for the centralised planning of the economy and for controlling and monitoring the investment and other performance of public sector and private sector enterprises. This is very important in the light of the point I made before.

[The Speaker: Cde. Minister, are you going to be much longer?]

Mr. Hoyte: Yes, Cde. Speaker

[The Speaker: Perhaps this may be a convenient time to take the suspension.]

[The sitting of the House is suspended for thirty minutes.]

[Sitting suspended accordingly at 4.p.m.]

On Resumption:

[The Speaker: When the suspension was taken the Cde. Minister of Economic Development was speaking. Cde. Leader of the House.]

[Suspension of Standing Order.]

[Cde. Ramsaroop: I am seeking leave to suspend Standing Order 32(9) which deals with the time limit of speeches of Members. It has been agreed that during the Budget Debate two hours will be allocated to the Opposition and four hours to the Government. It would be necessary to impose time limits on Members' speeches therefore. I therefore, move, Cde. Speaker, that Standing Orders 32 (9) be suspended so that speeches can continue without interruption.]

[The Speaker: Two hours for the Opposition and four hours for the Government benches.]

[Question put, and agreed to.]

[Standing Order 32 (9) suspended.]

[The Speaker: Cde. Hoyte.]

Mr. Hoyte: Cde. Speaker at the suspension I was dealing with the very important institution which has recently been established, namely the State Planning Commission which is central to the Government's policy of stricter management and control of the economy over the next four years and, indeed, in future years.

The State Planning Commission has statutory functions to plan consistently with the socialist objectives of the Government and consistently with the national policy. In pursuance of those functions, the State Planning Commission will ensure the proper allocation of resources and will plan for those resources to be allocated in a way consistent with the developmental emphases over the particular Plan period. But central planning, as we conceive it, is not to be a rigid and authoritarian exercise carried out by a few technically qualified people in the centre. Therefore the Planning Commission has been established with a number of organs and its membership will pervade the entire country.

The Minister having responsibility for the Commission, in terms of the Act, is the Comrade Prime Minister. That function has been allocated to him to ensure that the State Planning Commission has the maximum authority behind it as it proceeds with its task of giving direction and guidance for the development of our economy. The Comrade Prime Minister in terms of the Act may delegate some or all of his functions to a subject Minister but, in the final analysis, he remains the final authority responsible for the State Planning Commission to ensure that nobody, within or without the public sector, will get any notion that he can flout the authority of the State Planning Commission with impunity.

As I was saying, the Commission is structured in a way to provide for maximum involvement and for the iterative process of a continuous flow of information from the Commission to the people, from the people to the Commission – to be instituted. There is a Board comprising technically qualified people who are not employees of the Commission. The function of that board whose membership is drawn from a wide cross-section of the professional disciplines relevant to economic planning will have a general overview of the work of the Commission to ensure that the Secretariat, in particular, discharges its duties and responsibilities in terms of the objectives set by the Government and agreeably with the provisions of the Act.

Because the members of the Board have no vested interest in the Commission, it is expected that they will bring to bear an objective mind; they will bring to bear calm and dispassionate analyses of the operations and functioning of the Secretariat and they will give advice and guidance in a way consistent with mature professional opinion.

The other organs of the Commission are a Technical Advisory Panel, comprising technically qualified people – again not employed by

the Commission – who will form a group of resource personnel to whom the Board, the Secretariat or the Minister, as the case may be, may resort in order to have some specific matter investigated or to have the advantage of an independent advice or opinion.

Then, there is another organ, and to my mind, a very important organ, that is the National Economic and Social Council which I would like to refer to as the people's organ. On that Council will be represented all the major socio-economic and other organizations of a national character known to be functioning in this country. The idea is to have the representatives of as many strategic groups as possible, in fact, as far as it is humanly possible, the representatives of all strategic groups and interests in the country will be involved in the work of the National Economic and Social Council. It is not intended or expected that these representatives will be economists or technicians who will give technical advice or professional advice; but, on the contrary, ordinary people who will be affected by the economic plans and policies devised by the technicians. In other words, this is a layman's forum.

The idea is that the Council will resolve itself into a number of Committees to keep an overview on various sectors and sub-sectors of the economy, for example, Agriculture, Education, Culture, Production and Productivity and Workers' Welfare, Health, Housing and Environment and subjects like that, so that they could feed back continuously to the Secretariat and to the Minister, the laymen's perception of what is happening on the ground. In this way, no matter what the technicians may feel about the effectiveness of their policies and Programmes, we will have from the people themselves a constant flow of information, a constant reporting system to indicate how well or how badly those policies and Programmes are in fact being implemented.

In addition it is expected that the members of these committees of the National Economic and Social Council will themselves initiate ideas, will themselves make proposals, will themselves make recommendations about the whole range of economic activities as they see those activities developing in the country.

On the one hand, therefore, we have the permanent professional group of people, the Secretariat. Then, we have supporting the Secretariat the Technical Advisory Council of independent professionally qualified people who can bring an objective professional point of view to bear; and, additionally, we have large numbers of people, laymen, who will make a very important contribution to the planning process, that is, provide the laymen's perception and the laymen's understanding of what is happening on the ground. In a way, the State Planning Commission further demonstrates the continuing democratisation of our society. This is supportive of our contention that democracy does not consist of merely in holding periodic elections, but rather in the opportunities given to people to take part in the decision-making and management processes at

the levels of the enterprises in which they work, their communities and, indeed, the country as a whole.

The State Planning Commission is an important institution in support of the principle I have enunciated, that is, the principle of strong but not an authoritarian economic management which is vital to the successful implementation of the Programme which I have outlined.

As an aspect of this firm economic management, there will be a strengthening of financial management and the Cde. Minister of Finance alluded to this in the course of his Budget Speech. In fact, several things have already happened to strengthen financial control and management within the public sector. The system of purchase by L.P.O's has been abandoned and Government Ministries are required to purchase cash. The reason for this is that the L.P.O system created possibilities for Government Ministries and agencies to give themselves unauthorised credit. This has happened over the years and, naturally, by obtaining this unauthorised credit, there was a distortion in the Government budgetary allocations resulting in some of the overruns which the Minister of Finance has had to contend with. Secondly, there will be a stronger control over the Public Corporations. The almost autonomous way in which Public Corporations functioned up to now will no longer be permitted. In this connection, the establishment of a State Planning Commission is relevant.

Furthermore, Members of the House will note that the Investment Programmes of all Public Corporations for the next four years have been incorporated in the Budget. That means that all Public Corporations will have to submit their individual Investment Programmes for approval and incorporation in the National Investment Programme. It follows, therefore, that they will be required to operate within the limit of the allocations made and they will be required to pursue the particular investments which have been approved.

The opportunities which hitherto existed for people to "*do their own thing*", so to speak, and pursue policies and investment programmes which may have no priority from a national point of view or which may be wholly undesirable from a national point of view, will no longer continue.

Moreover, for the first time, the Public Corporations have been set financial targets. It is not intended that target-setting should stop at financial targets, but this represents a start. They will be set, in time, production targets. Indeed, there are production targets set but there will be stricter policies with regard to target-setting which will include social targets since we look upon Public Corporations as being not only commercial enterprises but enterprises which would serve a social purpose, particularly within the communities in which they are operating.

In addition, Cde. Speaker, the policy of foreign exchange budgeting will continue to ensure that we make the most effective and rational use of our foreign exchange earnings. The Government will no longer permit the

foreign exchange earnings of this country to be frittered away on the importation of non-essential items, on the importation of mere consumer-type items which may have no relevance to our society. Government will ensure, through foreign exchange budgeting, that our foreign exchange resources are used in support of our Development Programmes and for the purchase of those goods and services which we consider to be essential for the growth, development and well-being of our society.

But economic management and financial management must be complemented by a proper development and utilisation of our human resources. To this end, therefore, the policy of workers' education will continue in the many-faceted way in which that policy has been developed through institutions like the Trade Union Congress and affiliated members, through institutions like the Critchlow Labour College, through the programme of Workers' Education mounted by the Ministry of Labour, through the programmes mounted by the Party, through the programmes mounted by the Central Government at institutions like the Kuru Kuru Co-operative College and the various schools in the country and, in particular, through the programmes which have started and which will be intensified over the plan-period within enterprises themselves. Those programmes are designed to raise the political consciousness of workers, to improve their skills and to fit them more and more for their historic tasks of assuming the management of the enterprises in which they work.

Indeed, there are two points I would like to make in support of what I have been saying about Government's policy of human resource development. The first is that over the past five years the Government has spent \$20 million on training of government scholarship holders. Some of these young people are at the University of Guyana and some are in other parts of the world, being trained in a wide variety of skills which will be required for the development of this country.

The second point I would like to make in this connection is that in the course of last year we were fortunate enough to have returned to us a very able and distinguished Guyanese, Cde. Dr. Aubrey Armstrong, who resigned his position at Princeton University in the USA to come home to develop our Management Training Institute. This Institute will provide and upgrade our management skills and to provide the management personnel whom we need so badly throughout the system. The Management, Development and Training Institute has already been established and will soon be put upon a statutory basis. The Institute is now responsible for management development throughout the whole public sector. In other words, the fragmented approach to management development which has hitherto taken place has now come to an end and this training institution will be the national institution to which every public sector person who has to assume management functions, who wants to assume management

functions, will attend, whether he will be in what we traditionally call the Civil Service or whether he will be in one of the Corporations within the rest of the public sector.

Cde. Speaker, supportive of our development endeavours must be the more intensive application of scientific and technological research. To this end we have established the National Science Research Council which has the responsibility and the task of advising the Government on science policy and on the development of a science and technological capability. There is now in the course of construction at the Campus of the University of Guyana an Institute of Applied Science and Technology where our research scientists will have the opportunities and the equipment to apply their theoretical knowledge to real research, to research relevant to the resources of this country so that we can make more extensive and effective use of the abundant raw materials which we have all around us.

I was reading in the today's newspapers I think, a report of a letter from the Guyana Association of Local Authorities in which that organisation was calling for land reform. On the night of the 22nd February, the Cde. Leader pointed out that this was on the Programme for 1977. Land reform has to be pursued in a systematic and orderly way, not in the way in which some people feel that it should do done by asking that Government should take over this estate because the landlord is a bad man and leave the other landlords to pursue their equally bad methods and practices. It has to be part of a National Programme. I would merely content myself at this time by reminding this honourable House of the statement of the Cde, Prime Minister and of the fact that the development of this Programme in terms of what he said on the night of the 22nd February will be part of the Programme of Economic Development this year. In fact, we see this as not merely supportive of what we are trying to do in the agricultural sector, but as necessary to achieve the goals and target which I referred to earlier on. Forming a background to all of this, indeed providing the necessary framework in which all of these things, all of the institutional arrangements, all of the other arrangements to which I have referred, can take place, must surely be the legal and constitutional institutions which must be put in place in order to accelerate the pace of development. All those matters are implicit in the Programmes which the Cde. Minister of Finance has outlined to this House.

Central to all of our endeavours must be the development of co-operativism. I do not wish to dilate on this point except to say that for us co-operativism is something deeper, more pervasive than the traditional Rochdale type co-operatives. Co-operatives for us is a way of life. It has to do with our national ethos. It has to do with a work ethic which says that we must be supportive of one another. It has to do with a rejection of selfish individualism. It has to do with a national consensus about the way we approach the whole system of production and productivity. And it is this instrument of co-operativism which we contend is necessary for the

development of this country along nationally accepted lines and which must be strengthened and promoted in order to reduce systematically, if not eliminate, the workers' alienation which is inherent in all societies which human beings have devised.

We are not saying, we have never said, that the categories of co-operative endeavour are closed. They can never be closed. There must be continuous research; there must be a continuous evaluation; there must be a continuous experimentation in various forms of human co-operation which enable the people to understand that they are working for themselves, that the decisions they make will redound either to their benefit or to their disadvantage depending upon the effort they put into that decision-making. It is through this mechanism of co-operativism, we hope that people will be inspired to achieve that level of production and productivity which will make for them living in this country a really rewarding experience.

What I am saying is that central to our development strategy, to our Programmes, to our policies, vital to the success of all of those things is the worker. The worker is the most valuable person in the whole country. Over the years the workers of this country have performed magnificently despite tremendous odds. Notwithstanding many difficulties they have always responded to the challenges with which they have been confronted. We believe that given the continuing democratisation of our society, the expanding opportunities for them to be involved in the decision-making and the management processes of the economy, the opportunities given them for improving their talents through our Educational Programmes, the opportunities given them for improved conditions of life through the new minimum wage package, the opportunities given to them to earn incentives both material and moral, through their work – we believe, Cde. Speaker, that given all these opportunities the workers will continue to respond more and more efficiently, more and more effectively in this great task of developing the country. For, in the final analysis, I believe that our workers are perceptive enough and intelligent enough to understand that it is only with a systematic and continuous expansion of the material base in this country that they can really safeguard their own interests and progressively increase their standard of living and their quality of life.

In promoting the development we have undertaken in achieving the goals we have set ourselves, both over the next four years and beyond the role of the Party, is crucial. The Party is not an election machine. In fact, in 1974, the Cde, Leader in the 'Declaration of Sophia' announced that the whole structure and functioning of the Party had changed. It had become institutionalised. It was now a permanent institution, not for elections, but for economic development, for giving directions, for giving leadership to the people of this country in the great march towards a socialist society.

[Applause]

Mr. Hoyte: The next four years and, indeed, the period ahead requires political stability. The Party and the Government intend that there should be that political stability. The Party and the Government cannot and will not tolerate any disruptive elements who may endeavour to prevent the Guyanese workers from reaping the just fruits of their labour. In these tasks the Government, the Party and the working people are at one. We Guyanese are a capable people; we are an able people; we are an intelligent people. We have come a long way. We have had many achievements of which we are justly proud. In the years ahead I believe that the same dedication, the same intelligence, the same ingenuity which we have shown in the past, will enable us to continue our successful advance.

I believe, Cde. Speaker, that because of the institutions which we have begun to set up, because of the institutions which will be set up, because of the opportunities for the involvement of the workers in the task of development, we Guyanese can look forward to resounding successes not only over the next four years but for many years to come. Under the leadership of Cde. Burnham and the Party we have achieved many successes. In the years ahead under the leadership of Cde. Burnham and under the guidance of the Party, we, the Guyanese people, will demonstrate once again that we have a capacity for greatness and by our work and our endeavours we will transform that potential into magnificent achievements in the increasing pursuit of our national goals and objectives.

Motion on the Approval of Small Industries Corporation (Dissolution) Order 1978 (No. 122): 7th December, 1978

“Be it resolved that this National Assembly, in terms of section 63 (1) of the Public Corporations Act, Chapter 19:05, approve of the Small Industries Corporation (Dissolution) Order 1978 (No. 122), which was made on 20th November, 1978, and published in the Gazette on 21st November, 1978.”

**[The Minister of Economic Development and Co-operatives, on behalf
of the Prime Minister]**

Mr. Hoyte: Cde. Speaker, in February, 1974, the Small Industries Corporation was established under the Public Corporations Act. That Corporation took over the assets and liabilities of two corporations which had been dissolved contemporaneously with the establishment of the S.I.C., namely, the Guyana Credit Corporation and the Guyana Development Corporation. In terms of the Order, the function of the Small Industries Corporation was two-fold, first, to promote generally small industries in Guyana and to do all things consistent therewith; for example, to provide advisory service, to provide training services, and to engage in other promotional and developmental activities, and secondly, to act as a financial intermediary, that is, to provide financing for small industries.

Since the establishment of the Corporation, the Corporation has deployed some \$3 million to small industrial and manufacturing enterprises. The loans represented by this amount were made to a variety of enterprises such as enterprises engaged in furniture-making, in toy making, in food manufacturing and food preservation, garment manufacturing, the making of cosmetics, drugs, jewellery and so on. In addition, the Small Industries Corporation acted as the principal Government agency in administering funds which the Government was deploying for industrial development which was the responsibility of the Central Government. For example, the Small Industries Corporation was the agency responsible for the administering the funds for the establishment of the Belle Vue Clay Brick Factory, the Textile Mill and the Glass Factory, just to mention three of them.

However, it became apparent that the Corporation was not having the impact which the Government felt it should have had upon the industrial sector in which small manufacturers operated. Consequently, the Government commissioned two studies of the Small Industries Corporation. The first was a study undertaken by Dr. A.R. Son who is the Industrial Extension Expert of the United Nations Industrial Development Organisation and he submitted his report in May 1977 which was entitled **‘Operational Aspects of the Small Industries Corporation (Guyana) Including**

Extension Services for Small Industries'. There was another study which was going on by experts from the Caribbean Development Bank. That study was submitted in August, 1977 and is entitled '**A Report on the Small Industries Corporation (Guyana)**'. Now, both of those studies pointed to very serious structural and operational weaknesses in the Small Industries Corporation. Without condescending to particulars, I would say that those weaknesses may be classified under three broad headings, first, poor management, secondly, unsound procedures both in evaluating and appraising of projects and in the lending of resources, and thirdly, an organizational problem or perhaps, a conceptual problem which arose out of the fact that the Small Industries Corporation was both a promotional organization and a financial intermediary. But, the sum total of the reports was the Small Industries Corporation as established, as organised, was ineffective and unviable.

Naturally, the framers of the two reports put forward a number of possible solutions to this problem, leaving it to the Government to decide what was the best solution in all the circumstances. Having studied the reports, Cde. Speaker, and having studied the structure and operations of the Small Industries Corporation, the Government came to the conclusion that the best course was to dissolve the Corporation. The rot was too deep-seated for any successful reorganisation based upon the established Corporation.

Perhaps it would be unfair to leave this House with the impression that it was the workers, both management and non-management, who were responsible for the ineffectiveness of the Corporation. To some extent this is true, that a high degree of indiscipline and non-performance did help to put the Corporation in a position where it could not be restructured successfully, helped to make it as unviable as it did become. But that apart, I think that there was a deeper problem which resulted from the fact of the Corporation being both a promotional agency and a financial intermediary. Because it had this dual function, it did not fall properly within the group of financial agencies which are controlled by the Ministry of Finance, and because it was not exactly a commercial enterprise, although it fell nationally within the Guystac Group, it really did not fit in neatly into the organizations and enterprises which came under the Guystac umbrella, so, to some extent it was a hybrid. Being a hybrid, it was difficult to exercise the control which specialized Ministries were exercising over other agencies.

The fact is that the Corporation went from bad to worse in terms of its operational effectiveness. In the circumstances, therefore, the monitoring committee which has been established by the Government advised that this Corporation should be dissolved and this is in keeping with a general policy position of the Government that it will dissolve all corporations and enterprises which are unviable. Un-viability in financial terms will be tolerated only in those corporations which are classified as providing social services and therefore entitled to a subsidy.

I would say that all workers, whether they are in the management category or the non-management category, have a vested interest in ensuring that the corporations in which they work are maintained as viable enterprises because if they are not maintained as viable enterprises the Government will not permit those corporations to be subsidized by the rest of the workers in the country.

This Order, Cde. Speaker, which the Parliament is being asked to approve by an affirmative vote, seeks to transfer the function of the Small Industries Corporation, insofar as those functions relate to financing of manufacturing industry, to the Agricultural Bank, that is, the Guyana Co-operative Agricultural Development Bank, and to transfer the promotional work, the work of appraising projects, evaluating projects, to the Ministry of Economic Development. Obviously, in this particular task the Ministry will be supported by the State Planning Secretariat. The assets and liabilities of the Corporation in terms of paragraph 4 of Order 121 of 1978 will be transferred to the Bank; and it is proposed that the Agricultural Development Bank be re-designed the Guyana Co-operative Agricultural and Industrial Development Bank to take account of the new functions which will devolve upon it in terms of financing small manufacturing and industrial activities.

In conclusion, I would like to say that this decision is an important one in that it gives a clear signal of the toughness with which Government will approach public corporations and public agencies which are expected to be viable. It also gives a clear signal that the monitoring committee which the Government has set up to oversee the economy will not flinch from recommending to the Cde. Prime Minister and the Cabinet that any given enterprise which is malfunctioning ought to be drastically dealt with. I think that this is important at the time when the strictest financial and management discipline needs to be observed if we are going not only to stabilize our economy, but to ensure that the economy advances and prospers. I would say, too, that it is important that there should be some organization responsible for industrial development in this country.

The fact that the Small Industries Corporation has been dissolved does not necessarily mean that in time some new organization might not be established to have responsibility for this particular activity. However, before any such organization is established, the matter would have to be very carefully studied, evaluated, the best advice obtained and the organization established upon a basis which is both operationally and financially sound. I say this because the S.I.C. found itself in a difficult position which is this, if it were to have the impact which one expected it to have, it would have had resources not only from the Government or drawn from internal sources, but it would have had to attract external resources. I said, its structure was such that none of the multilateral financial agencies was prepared, on the basis of its existing structure, to make any loans or advance any money to it. So, in all the circumstances, I think that

this decision is a right one. It is a sound decision and, therefore, I commend for the approval of the House the Motion standing in the name of the Cde. Prime Minister.

[**The Speaker:** Cde. Minister, do you wish to reply?]

Mr. Hoyte (Replying): Yes, Sir. I am reminded of a well known passage from Shakespeare:

"It is the tale told by an ... Full of sound and fury, signifying nothing."

The Member who spoke for the PPP Opposition found himself with a fundamental difficulty, which is a failure to understand the Estimates passed annually by this House, a failure to understand the nature of the organization and function of the Small Industries Corporation and a failure to understand the provisions of the Small Industries Corporation (Dissolution) Order 1978, and a further failure to understand the Guyana Agricultural Co-operative Development Bank (Amendment) Order 1978. Perhaps, I should spent some little time trying to explain to him things which I thought I had said quite clearly in my initial presentation but which he does not seem to understand.

In the first place, it is incorrect to say that the functions of the Small Industries Corporation are being transferred to the Agri Bank. I made it quite clear that it was the function as financial intermediary which is being transferred to a financial institution which has developed the required business discipline and which comes under the administration of the Ministry of Finance. I pointed out that this was the difficulty with the S.I.C., that being a financial intermediary it still did not fall under the discipline, so to speak, of the Ministry of Finance.

Secondly, the Cde. Member averred with conviction that the S.I.C. had undertaken large projects and he cited the Glass Factory and the Textile Mill. Again, I had anticipated this point and explained that the S.I.C. did not undertake these projects. These are Central Government projects, the funds for which the Cde. Member concurred in voting and approving in this honourable House from year to year. These funds are voted under the Ministry of Economic Development in the Capital Estimates. The Small Industries Corporation was a conduit pipe. Being a legal entity it was the agency through which funds were channelled for the disbursement of expense related to those projects and also for the conclusion of contracts which had to be made. Being a legal entity it was easy for that Corporation to make contracts with a host of people, with consultants and with suppliers of goods and services. If the Cde. Member does not understand that basic and simple position, well then all the criticisms he has made really do not make any sense and cannot stand.

I heard him referring to corruption and such things. I heard him say that the S.I.C.'s money was spent to buy ammunition to kill somebody. He knows about killing, his Party indulges in that sort of thing. But I am saying that if he has that kind of information he must publish it and give it to the people whose responsibility it is to investigate crime.

I heard him refer to some Report of the Director of Audit, now called the Auditor General, in which he said there has been allegation of corruption and irregularity. But as usual, these wild and irresponsible statements are made within the protection of the walls of this House. He has not referred to the Report; he has not produced it so that we can know what he is talking about. I will say this, that if the Member has this kind of information showing criminal activity on the part of anybody, he has a duty as a citizen not to keep it in his pocket or locked up in his desk, but to pass it on to the proper authorities so that proper investigation and necessary action could be taken. He ought not to come here and make wild statements.

The Hon. Member seems to find, too, some discrepancy between what I said today and the statement I made in this House in March this year in the course of the general debate on the Budget, that the S.I.C. had performed reasonably good work. I reiterate that here. I said here that within the context of the problems it had, it did reasonably good work, but it did not have the kind of impact we expected it to have, and it did not have the impact for all the reasons I have given. I hope I was quite fair when I said that all the blame for the un-viability and for the difficulties which the Corporation encountered cannot be properly laid against the people who managed the Corporation.

Cde. Speaker, the Member alleged that I said that the Corporation lent about \$3 million. The Member added up monies voted by this House and I think he came to \$4 million. He says, "*how is it we give them \$4 million and they lent \$3 million?*" And the Member who according to the *Mirror* is alleged to be a G.D.R. trained economist does not understand that an entity like the S.I.C. has operating expenses. Some of the money must go to pay staff, some of the money must go to pay for the services supplied to the Corporation. It must have overheads. Therefore, for the Member to raise a niggling point like that, in an effort to show that there is some discrepancy in what I am saying or what the facts are, is really a bit disappointing, to say the least. I do not propose to follow the Member in all the irrelevant things which he talked about such as what is the state of this project and the other project. If he wants to table a substantive question I will answer him. To comment upon a ridiculous statement, that this Government has not been pursuing a policy of industrial development, would really be a waste of breath.

Anybody who takes the time even to read the newspaper, much less to go around this country, would know about the massive investment in industry by this Government represented by the Glass Factory, represented by the Textile Mill, represented by the Belle Vue Clay Brick

Factory, represented by the Upper Demerara Forestry complex, to mention the major ones that are reported everyday in the newspapers. These are developments which you can see. These are projects that are ongoing. You can see the work that is ongoing. So I brush that one aside.

Cde. Speaker, as I have said, the decision as to what to do about the S.I.C. was left to the Government by the people who reported. I said that, yet the Hon. Member gets up and says that the reports advised the Government to close the thing. No person makes a report as dogmatic as that. A person gives possible solutions and it is for the political Government to assess what is the best course in all the circumstances. In this case, the Government has taken what it perceives to be the best course. I don't want to take up too much time following all the little ridiculous points and questions raised by the Member, such as where is the cement project. The Parliament voted money for the feasibility studies which were done. Anybody who has any knowledge of how industrial projects are developed will know that one has first of all to establish the feasibility of the project, one has to get the technical drawings, specifications and so on as a basis for getting the funds to finance the project. If the Hon. Member wants to know I can tell him, we have the study and only today the representatives of one of the multilateral financial agencies indicated that that agency was interested in funding the project.

If he believes that one can talk about a cement project today and get it tomorrow, he is entitled to continue in his folly.

Cde. Speaker, I do not think I should take up any more time of this honourable House. I ask that the question be put for Members to approve the Motion standing in the name of the Cde. Prime Minister.

Local Authorities (Postponement of Elections) Bill 1978: 8th January, 1979

A Bill intituled:

“An Act to make provision for the further postponement of Elections of Councillors of Local Authorities and for matters connected therewith.”

[The Minister of Economic Development and Co-operatives]

Mr. Hoyte: Cde. Speaker, Comrades, Hon. Members, on the 24th July, 1978, the Cde. President assented to the Constitution (Amendment) Bill, No. 2 of 1978, which then passed into our Statute Books. That Bill was a logical outcome of the matter which was put to the electorate of this country at the Referendum. The issue was this question of constitutional change. The people of this country, should devise a new Constitution in keeping with our own historical experience, our needs, the objective realities of Guyana and our own ideas as to the future shape and form of this society. Inherent in the issue, Cde. Speaker, was a proposal not only for the transformation of Central Government and its structure, but for the transformation of Local Government. Indeed, in the guidelines which were put out by the Party in support of its case for constitutional change, the following point was made clearly and explicitly to the electorate of this country:

“The composition of Parliament will be modified so as to include in it a Local Government element. This will ensure a constant correlation of thinking and activity between the Regions and the centre.”

That section of the guidelines went on to give some idea of the thinking of the Party on the question of Local Government transformation. Indeed, Cde. Speaker, since 1975 in my capacity as Minister responsible for Local Government, I had been in discussions with the Guyana Association of Local Authorities, with the several components of that organisations, with individual Councils and Councillors and with people in the various regions of this country on the question of the functioning of Local Authorities.

There is absolutely no doubt that, as organised at the moment, the Local Government system is inadequate to meet the needs of this country, is inadequate to meet the social, economic and cultural and indeed political needs of this country. Several criticisms were made by people in regional and rural areas and there is a remarkable consistency about the nature of the criticisms. There was also a remarkable consistency, indeed, a unanimity on one point; namely that it was useless to tinker with the present system. What was needed was complete structural change. The need to change, as

it were, the base of Government in this country was as apparent as the need to change the super-structure.

Perhaps, it may be useful to indicate some of the difficulties and problems pointed out by people who have spent a lifetime either as part of the system or within the system of Local Government. They pointed out, in the first place, that the Local Government system which we operate today was in no way different from the Local Government system which formed part and parcel of the colonial polity; and, in particular, that the Marshall Plan which formed the basis for the present system of Local Government arose out of criticisms made by the Waddington Commission many years ago, I think in 1954.

Secondly, the system of Local Government was not devised by Guyanese. In fact, it was devised by an Englishman whose knowledge, whose experience, whose outlook were based upon his knowledge of the English Local Government system. He inevitably sought to transpose or transfer his knowledge and his experience to the circumstances of Guyana.

Thirdly, the Local Government system is haphazard. In the first place, it does not cover the entire country. Indeed, it is limited largely to the coastland and, in fact, does not even embrace every piece of land, every area within the coastland.

Fourthly, no logical principle informs the demarcation of boundaries of the Local Government areas, so, as a result, we have a Local Authority which has an area of a square mile and which has an annual income – if it can collect it – of about \$5,000.

Fifthly, Cde. Speaker, because of this haphazard and totally illogical way in which the Local Government system has grown up and in which the Local Government areas have been demarcated, the revenues available to the Local Government Councils vary widely. Development therefore depends upon accidental circumstances, the accidental circumstances of the amount of revenue which a Local Authority is capable of generating within its jurisdiction. The revenues themselves are the result of accidental circumstances. For example, whether or not a Local Authority is able to proceed with developmental works depends upon whether or not it can raise substantial revenues - this depends again upon whether or not it is lucky enough to have a large industrial complex like GUYMINE within its boundaries or a sugar estate or some large entity which it can tax and from which it can obtain substantial revenues.

The result of this is that most Local Authorities, although they have the potential economic base, although they have the resources which would enable them to develop strong economic bases, have been unable to proceed with adequate development because people say, *“Well, we are not going to pay our rates and taxes because you are not providing services, you are not providing developmental works”*; and the Councils say, on the other hand, *“Well, we cannot provide developmental works because you do not pay your rates and taxes.”* So one gets into a circular argument, into the chicken and egg situation.

That is why throughout the country, there is such a large sum outstanding to Local Government Authorities representing arrears of rates and taxes.

Perhaps, Cde. Speaker, there are two very important points which one ought to note. The first is that, because of the way the system is structured, the Development Plans and Programmes of Local Authorities are not integrated into the National Development Plans. Of course, one can understand the reason for this. The system is not geared to enable Local Authorities to plan seriously. Their activities are not coordinated with those of the Central Government and there is no system, legislative compulsion for the Central Government to fund Development Programmes within the Local Authorities areas.

That is the one point. Indeed, in any case, the basics do not exist for the proper application of a principle of Central Government funding for Local Authority projects because those projects would have to be properly examined, their feasibility established, and they would have to be integrated into whatever National Plan is being devised. But perhaps more important than that is the fact that the Local Government system, as it exists at the moment, does not provide for participation of large numbers of people. It limits actual involvement in the formal Local Government system to a few people who say, "*Well we are the Village Fathers, we are the Mayor and Councillors*". The people then look to those few to perform all manner of developmental and other works and to provide all kinds of services, because we have fractured the relationship between the people within the Local Authority area and the system itself. Citizens fail to perceive the fact that they are part and parcel of the whole system and they have a responsibility for management and development of the communities in which they live.

When one has said that the fact that the system does not allow for the formal participation of increases of people, it does not allow for the conferring upon them of duties and obligations, rights and privileges. Such widespread participation would motivate them to accept what we consider to be their rightful role of planning the development of their communities and regions, implementing those plans, evaluating those plans and being in a general way responsible for the management of their areas. For us, this is the essence of democracy, not merely periodical voting at elections, but participation on a day-to-day basis in the task of managing communities and regions in which people live and enterprises in which they work.

Having left the level of rhetoric and theory, one has to establish the institutions, the mechanisms, the procedures which will enable people to become so involved. Consequently, Cde. Speaker, the Party proposed in the guidelines, to which I have referred, that as part of the general constitutional rearrangements the whole system of Local Government should be radically transformed. It should be transformed in a way which would remove those problems to which I referred in a way which would

enable large number of people to become involved in the task of Government.

In 1977 when I addressed the Guyana Association of Local Authorities and its affiliates on the occasion of the 75th Anniversary of the formation of that opening, I suggested that there were nine areas to which we should pay attention on this whole question of Local Government transformation. I would like to advert to those nine areas because I think that this is the way in which the Party sees the transformation of Local Government and this is the way in which, from my conversations and discussions with people who are intimately involved with the Local Government system, they would like to see Local Government transformed. I would refer to these nine principles:

First of all, Local Government system should as far as practicable cover the entire country.

Secondly, Local Authority areas should be geographically extensive.

Thirdly, the development of Local Government areas should not depend upon accidental circumstances, for example, whether or not they are fortunate enough to have a large industrial complex within their boundaries.

Fourthly, the revenue of Local Authorities should not depend merely or primarily on rates and taxes.

Fifthly, the development of Local Authority areas should be integrated into the national development plan and Central Government resources allocated on definite principles for financing such development.

Sixthly, Local Authorities should be vested with the clear and unambiguous duty and responsibility for managing their respective areas.

Seventhly, Local Government management should be development-oriented.

Eighthly, membership of Local Authorities should not be honorific. Every Local Authority Councillor should be assigned some specific work to do in his community and the duties of each Councillor and Councillors collectively should be clearly defined by law. In this connection Councillors and councils should be made accountable for their stewardship to committees representing the communities in which they serve.

Ninthly, the Local Government system should be so structured that it affords an opportunity for larger number of citizens to be involved as members of the system in the work of managing their communities.

In those circumstances, since we are in the process of overthrowing the old Constitution and devising one of our own making, one which represents more definitively the national ethos, we must of necessity pay great attention, serious attention to what I consider to be the fundament of our democratic system, that is, local democracy or Local Government. Therefore, to us, Cde. Speaker, it seems to make little sense to proceed with any elections under the old system when we are about, in the very near future, in a matter of months, so to speak, to transform the whole electoral system into something new and bring about far-reaching changes which will change dramatically the system which we know.

The purpose of this Bill, Cde. Speaker, is to postpone the elections which would normally have been held around this time. This would enable Local Government elections to be held under the new dispensation, so to speak, under a system of Local Government which is more reflective of the ideas which we have of people's involvement and people's responsibility for the development of their country. In other words, as part of our policy and Programme for the ongoing democratization of our society, I suggest that this Bill deserves the support of Members of this House who are serious about social transformation and democracy.

Mr. Hoyte (Replying): Cde. Speaker, it is always a source of profound regret to me when we have serious matters to debate in this House and Members on the Opposition Benches demonstrate an inability to rise to the level of the subject. The Member Cde. Basir said he hoped that I would respond in a calm and dispassionate way. He referred to the fact that my interventions and my replies have a way of varying in tone and temper. I would like to say to him that I accept his observation as being accurate. If there is a courteous intervention, my reply would be courteous. I do not believe in turning the other cheek and I meet a man on the level on which he chooses to contest. That is why I was a little disappointed that such an experienced Member as my friend, Cde. Ram Karran, should have descended to certain depths. I understand that there is an epidemic of diarrhoea around which has afflicted him and he has some problems with his normal aperture so that the waste comes through his mouth. But it is unfortunate that he should have chosen his honourable House to relieve himself of his problems.

In my opening speech, I attempted to examine the present structure of the Local Government system. I identified the problems which were inherent in that system, I analysed the reasons for the problems and I proposed a set of principles which, in the view of the Party, if elaborated

into a system, would resolve the problems, would get to the root of the matter and, in fact, would set up a system of Local Government covering practically the whole of this country and involving broad masses of the people. Then I explained the reasons for the Bill, since such a transformation, such a rearrangement, such a total reorganization was intimately and inextricably connected with the constitutional arrangements which I have in hand.

It was a marked inconsistency for Members of the Opposition, led by the Leader of the Opposition, to allege that we were not proposing a democratic system; we were denying democracy, when the purport and intent of these proposals is to expand considerably the base of Local Government to involve more people. One of the observations I made, arising from criticisms which have been repeated throughout the country, is that there are too few people legally involved in a system of Local Government.

The Party and the Government have been accused of inconsistency, of consorting with the bourgeoisie and the capitalists and in particular with the *"imperialist capitalist USA Government."* We have been accused of having a decorative President who did not have powers of veto and intervention. We have been accused of not being wedded to democracy because we rig elections. All kinds of accusations were made here this afternoon. I think that it is time that we take a stand to expose the hypocrisy of those who get up and put on the mantle of political morality which they are not entitled to wear.

Let us look at the record. In 1964, the People's Progressive Party put out a manifesto, a copy of which I have here with the photograph of the Leader of the Party decorating the front page. Probably some evidence of the pursuit of the cult of the personality. This is what that Party has to say in relation to matters about which they have accused us. I am sure that some of my friends on the other side who have made these allegations do not even know of the existence of this document:

"Under the provision voting at eighteen, the PPP said that if it won the elections" and indeed this was an old plank of that party, "the franchise would be extended to all Guyanese who attain the age of eighteen."

In 1973, we witnessed in this very House, the PPP combining with the United Force to oppose the vote at eighteen and it as the People's National Congress alone, by virtue of its two-thirds majority —

[**Cde. Reepu Daman Persaud:** Cde. Speaker, on a point of order, the Cde. Minister, probably not deliberately, is misleading the House. When that debate took place I was in this House and I contributed and I voted. Our position to vote against it was due to the fact that the PNC had rigged the

registration and excluded people. It was not a fair system. But we still supported the system. It was not a question of the PPP being opposed to voting at eighteen.]

Mr. Hoyte: That was not a point of order, but it has validated my point. Anybody can say *"I'm in favour"* but when put to the test fail to perform. Again, Cde. Speaker, in this very document, what do I find? I quote again from the section bearing the caption 'Private Property', because we are told by the Leader of the Opposition that we are trying to create a new property-owning class, a new class of compradors, businessmen, and all sorts of fancy terms that he has read about. And what did he say in this document? I hope that my comrades there who don't know of this document will get a copy to understand where the inconsistencies, where the serpentine policies and tactics are to be found and where hypocrisy forms part of political policy. Not on this side. This is what he said:

"Contrary to malicious opposition allegations about interference with property rights, the PPP Government has extended the ownership of private property."

And then a little later on he said on 'Private Capital':

"As explained in the introduction, the Party is committed to a mixed tri-sector economy, in which private capital, local and foreign, will have ample scope to develop by itself and also in combination with public capital".

Yet, we are being accused of inconsistencies, we are being accused of consorting with the capitalists, of giving them an opportunity to invest in this country. And not only did they say that they would encourage private capital, they went further to say that it would be protected. And I quote again, Cde. Speaker:

"Adequate incentives to private capital and protection for infant industries would continue to be given. The Party will be prepared to discriminate in the matter of granting concessions in favour of co-operatives whenever concerned with credit marketing or production."

Again, Cde. Speaker, we have been accused of not nationalizing enough or not nationalizing in a revolutionary way. And what do they say here.

"It is not the party's policy to nationalize any industry but if it becomes necessary in the national interest to do so fair and adequate compensation will be made."

We have been excoriated for agreeing to pay compensation for the industries we have nationalized when they have got it written down

here that they will pay fair and adequate compensation. All I would explain for the benefit of the rank and file PPP is that *"fair and adequate compensation"* is a term of art which appeared in our Constitution which meant market value. It was this Government which changed that Constitution to enable it to pay less than market value for Demba, Reynolds and the Bookers interests. Comrades, before you interrupt, listen:

"The PPP reaffirm that it will not nationalize the sugar and bauxite industries but it believes that these industries can make a greater contribution to the economy and the Party will intensify its efforts to bring about this desirable objective."

Who are the inconsistent people? Who are the people attempting to fool the electorate? Who are the people twisting and turning like Chubby Checker? Who are the people gyrating and jumping and hopping from leg to leg like John Travolta? Cde. Speaker, let me continue. Keep quiet and listen and learn so that when Cheddi is speaking you will put your tongue in your cheek because he is laughing at you also. It is not only the people outside he is laughing at. Listen to what he said on 'External Affairs'. Cde. Jagan stood up in this House when he believed that the Soviet Union was opposed to the Non-Aligned Movement at the time we were holding the Conference of Foreign Ministers of Non-Aligned countries in Georgetown and referred to that Conference as a circus. Of course, a little later on when he realized that the Soviet Union was backing it, he did a volte face, a roundabout turn, a twist around like Chubby Checker, John Travolta again.

But what does he say? Listen and discover whether he is talking about colonial times or non-colonial times and I quote:

"On Independence, the P.P.P. will pursue a path of non-alignment."

He criticizes us for being non-aligned and then he went on to say what he meant by non-alignment. So, you will see whether it is misalignment or what kind of alignment.

"By non-alignment we mean:

- (1) *The pursuit of an independent policy based on peaceful co-existence;*
- (2) *The non-participation in multilateral military alliances, for example, NATO, the Warsaw Pact;*
- (3) *The non-participation in bilateral military alliances with great powers, the absence of foreign military bases in the country's territory. In this connection, the PPP declares that it is not a Communist Party."*

You hear that comrades? The PPP declares that it is not a Communist Party! Yet, Jagan went the other day to Moscow to receive a medal for services to the Soviet people, and that is why today he had the effrontery, he had the – I do not know what term to apply to it – to get up in this House and say that he is proud to be a puppet of the Soviet Union. He said so! He stood up and said that he was proud to be a puppet of Moscow! The People's National Congress is not a puppet of any country and no member of this Party will express any pride in being a puppet.

But let us go on to read because we are talking about attacks upon the integrity of this Party and attacks upon its consistencies and policies. The document goes on to elaborate on PPP foreign policy. We were attacked here for allegedly being hand-in-glove with the United States of America. Alright, let us for the sake of argument concede that we are. But what did the PPP state? And I quote:

"The Party will continue its effort to win the goodwill and co-operation of the Government and people of the United States of America."

Listen!

"The Party will disseminate information in the United States to show..."

Listen to this:

"...that the policies which are being pursued are such that the people of the United States have supported them in their own country and which they could support in this country."

What policy do the people in the United States support other than capitalism?

[Cde. Ramkarran: You ever heard about independence?]

Mr. Hoyte: Is that the internal policies you are talking about? Independence? Jagan is talking about after independence! And then he went on further:

"The Party will endeavour to secure increasing technical assistance from the United States to provide more and better facilities, health and social services and to undertake the development of the country's resources. The party will also strive to promote an increase in the number of students receiving education in the United States."

Of course, that was probably for his son Joey's benefit; he wanted to get him there.

I can go on at length. The PPP went on to talk about expanding links with other countries and explained that the Party had already visited Italy, West Germany and France; the Capitalist West, the EEC, and the People's Republic of China. Now where is the authority with which anybody on that side can talk about inconsistency on the part of the People's National Congress? Where can they talk about this Party associating with bourgeois countries when they themselves have expected that they would do so when they became independent. How could they talk about a decorative system?

The PPP talked about rigging, lack of democracy on the part of this Government. We will come to that.

The record shows that during the period of office of the People's Progressive Party Government, for seven years, that Party never held a single Local Government Election. It was not necessary in your time! You had democracy because your party was in!

Then they talked about rigging. I refer Cde. Speaker, to an extract from the *Daily Chronicle* newspaper of Tuesday, April 24, 1972. Balram Singh Rai, a member of the People's Progressive Party and I believe, Chairman of the Party at one time, issued this statement:

"The PPP elections just concluded were the foulest ever held in British Guiana. Fraud and coercion were features. Dozens of genuine delegates from party groups were discredited while others supporting the present clique were accredited while not entitled to delegate status. Several persons were given more than one ballot paper..."

This is a PPP member talking about the PPP.

"...Dr. Jagan viciously attacked those delegates who were supporting me for so doing. Truly Dr. Jagan and other leaders of the PPP should hang their heads in shame. No longer should they speak of democracy; no longer should they complain of unfair elections or gerrymandered constituencies..."

And then he went on:

"...I challenge Dr. Jagan and Mr. Benn to hold fresh and fair elections."

Sounds familiar, does it not?

Cde. Speaker, I do not want to spend further time in showing that the People's Progressive Party spends its time in posturing. The Member, Cde. Ram Karran, made the allegation that my contribution was empty. Perhaps it was; but the fact remains that we have not had a single response at an intellectual and conceptual level from him or his empty colleagues on this question of Local Government transformation.

Cde. Speaker, this matter of Local Government reform is not something which has just been thought about. As I said, for several years now this matter has been agitating the minds of people involved in the Local Government system. The Member Cde. Ram Karran himself has seen many of the Local Government stalwarts sitting in the public gallery listening to this debate because they have an interest. They have not come here because they have time to waste. They have an interest in the transformation, the re-organisation, about which I have been speaking.

I note from my file that in March 1978, there was a meeting between GALA and myself on this whole question of Local Government reform. Prior to that, there had been many discussions; and following that March meeting, GALA wrote on the 8th June asking for a continuation of the discussion begun on the question of the new Constitution insofar as it related to Local Government re-organisation. On the 31st July, 1978, GALA submitted a memorandum setting out a number of far-reaching proposals and principles which undoubtedly would have a major influence upon the kind of structure we eventually come up with.

I regret that I cannot accept the position of Cde. Reepu Daman Persaud that his position is the same as that of his Leader, Dr. Jagan. It is fundamentally different. His Leader is saying that we do not need Local Government Transformation at all, that the system we have is adequate, and that all we have to do is to hold elections. My friend, Cde. Reepu Daman Persaud, has taken a legalistic position. He is saying that the law prescribed a certain time within which elections should be held, and they should have been held even if it meant that in the course of this year, we would have to hold fresh elections. We are saying that that is a waste of time. We cannot accept that.

Dr. Jagan's position was different. His position is that, first of all, we do not need to link the Local Government reform with the reform of the Central Government. On that matter I beg to disagree profoundly. I beg to disagree because, as I have said, in the proposals of the Party and in the proposals from GALA, and in the proposals from people with whom I have discussed this matter at great length, there was strong, persistent criticism about the hiatus between the Central Government and the Local Government systems and the failure to integrate, either economically or politically, the systems. This is crucial to the whole set of reforms we have to put in train. Unless we establish such links that we will labour in vain. That is why these Local Government comrades are here to listen to ideas which, I am sure, they hoped would have flowed from this debate, which would have stimulated them to further thought about the essential issue. There cannot be the kind of democracy that so many members of the Opposition spoke about without expanding the Local Government base.

I have heard here a number of criticisms from the other side which only highlighted the very problems I was talking about, namely, that the Councils do not have money, that a few people were there doing nothing, that there

was no accountability and all that kind of thing. I discussed these matters in my opening speech. I said that they were inherent in the present system. There is nothing we can do about them unless we change the system. If we get the people with the greatest goodwill and ability and put them to run the Local Government system, they would be able to do nothing because of the uncertainty of finances, and because of the fact that even if you put a million dollars into some areas they are not economically viable. In the final analysis, unless the system permits mass participation, we would get back into the same difficulties which we have faced over the years and which we face today. So it is wrong to say that the system only needs more people, it does not only need more people; it does not only need new people. It needs changing and with the changes it needs people, more people, new people, however you choose to describe them. It needs a broader base for participation.

I believe that the very contradictions which were inherent in the contributions made by the Leader of the Opposition have informed the thinking of people who have been urging change. The mistake which is being made on the other side is to think that these reforms, these changes, call them what you will, are being made at the instance of the Government or the Party. They are not being made from the top. They are being agitated for from the bottom by the people who have been attempting to manage the system and who know that it is not working.

Then there is this misunderstanding of the nature of the regional system. The Leader of the Opposition says we have the regional system, why not let that work. The regional system has been explained from time to time in the House and outside. The regional system is not intended to replace Local Government, it is not intended to be a substitute for Local Government; it is not intended to be some kind of overshadowing authority which will dwarf or diminish the influence of Local Government. In his speech to the Second Biennial Congress, the Cde. Leader made this point at page 26 of the published Report. It states:

“The Regional Ministry in any given area must always work closely with and coordinate all the Party and Government agencies at all levels. This, however, must now dwarf or render impotent any other such agencies especially the Local Government ones.”

But what has in fact happened is that as the regional system developed the very dwarfing or overshadowing has been taking place; and the dwarfing or overshadowing has been taking place because of the way in which the Local Government system is structured. So we need a restructuring which will give the local authorities the competence, the responsibility, along with the human, financial and material resources. That is why we say that all these things need to be done. It calls for a lot of work by a lot of people. I know that at the Local Government level, GALA and its affiliates

have been work not only in terms of conceptualising the new system, but in formulating their ideas into writing and debating and discussing them.

I wish to say finally, that the Party is not saying it is going to impose anything. What I have set out as principles here and what we are discussing with GALA are ideas which will form the basis of proposals to the Constituent Assembly. It is the Constituent Assembly in the final analysis which will decide what form we have. The Constituent Assembly has the task of formulating the final set of proposals out of the mass of memoranda and evidence and putting up for consideration of the Parliament a draft Constitution. Parliament could throw it out or change it. But I hope in the Constituent Assembly, the People's Progressive Party will play its part. It is no use standing up and saying, the something or the other is no good, that something or the other is democratic. If you are going to fight for the rights of the people, you cannot do so by merely talking at street corners and hoping to create unrest and confusion. You have got to fight for them in the constitutional forums which exist. This gives you an opportunity to influence and form policies; this gives you an opportunity to create relevant institutions; this gives you an opportunity to set up the mechanisms for the strengthening of the democratic process.

Cde. Speaker, I believe that this Bill is necessary in order to enable us to proceed with the things which are important in this country that is, putting in place the arrangements setting up all the facilities for people to play their part in the work of the Constituent Assembly. We as a nation can devise a constitution which will provide for a guarantee real democracy, that is people's involvement in the management and decision-making functions in the various sectors of national life.

Motion on the Approval of Estimates of Expenditure for 1979 Debate Budget: 21st March, 1979

Mr. Hoyte (Replying): Cde. Speaker, this general debate on the Budget Statement is intended to afford Hon. Members an opportunity to review the economy in the light of the Budget Speech, make in-depth analysis of the economic situation, probe the reasons for non-performance or malfunctions of the economy, and afford members of the Opposition an opportunity to come up with alternative proposals, tactics and strategies for correcting such errors or mistakes as they may allege. But, of course, it takes a measure of intelligence to pursue such a course of debate and, in the circumstances, it is not surprising that we have not had this kind of approach from the comrades on the other side of the House. Certainly, we have had no alternative suggestions from them as to what we should do with the economy. It is unfortunate that Members should have taken this opportunity to indulge in a roving commission and to indulge in lengthy statements about matters which cannot even be described as having a peripheral relationship to the subject. But some of those matters are sufficiently important for me to dwell upon them since this debate was used by members of the Opposition not really for dealing with the Budget, but for making a number of propaganda points which, of course, have no basis in truth.

Obviously, the Hon. Leader of the Opposition would not have repeated everything that was said by one Member or the other from the Opposition benches if he had been here throughout the debate to listen to what was said. Unfortunately and certainly for the political faction in which he is the titular leader, for this country, he chose to be in foreign parts at a time when the most important annual topic to be debated in this honourable House was being debated. So he ends up saying the same things which had been said, only more coherently and certainly with a larger number of solecisms. He had the effrontery to charge this Government with racism. I would say that the facts speak for themselves. If we look at the benches on the Government side and look at the benches on the Opposition side, we have potent and irrefutable evidence, visible evidence, about who is racist and whose approach to racial harmony bears testimony in fact.

The Hon. Leader of the Opposition sought the sanctity of this forum to talk about matters relating to the inter-party discussions in 1976 between the representatives of the PPP and the representatives of the People's National Congress, talks which were aimed at establishing certain areas of contact and the *modus vivendi* between the two Parties. In his usual way he sought to use this forum to show how very poor his memory is or what little regard he has for truth. The talks foundered on the fact that the People's Progressive Party was not prepared to deal with issues,

principles and concepts and spent its time trying to raise niggling matters of detail and matters of detail relating to racial issues. It was the Leader of the People's Progressive Party who said that he could not agree to Indians taking part in the National Service. Hon. Members will recall that the official line of the PPP at first was "*down with National Service.*" And then they were advised by certain non-Guyanese agencies that to oppose National Service was really to oppose something which was socialist. The consequently changed their tactics, they retreated a bit and took the position, "*We are not opposed to National Service but Indian girls must not go to National Service.*"

It was at that point the Cde. Leader said to Dr. Jagan, "*Are you talking race or class? Because if you are talking race you cannot claim to be a Marxist. If you are a Marxist you will be talking class.*" And Dr. Jagan replied, "*I cannot forget the fact that I am leader of the Indians.*" A man like that does not have the right, the moral authority, to stand here and talk about racialism. Let me say that we have verbatim reports of all those discussions.

What is more, the Leader of the Opposition chose to talk about how many places he should get on the Public Service Commission and on some Corporation Boards because, said he, he had members and would like to extend patronage to them. And to show the level of his intellectuality, he said that he wanted 49 percent of the membership of the Public Service Commission. When it was pointed out to him that if he got 49 percent on the Public Service Commission, the Public Service Commission would have to have a membership of 100 persons, he said, "*What you all saying? How much you then give me?*"

And it was the "*give me*" mentality which pervaded the Leader of the People's Progressive Party and those lackeys of his who sat there silently because not one of them could say a word except of course—

There was the member Janet Jagan who, whenever there was a pleasant atmosphere developing, walked out of the talks.

The Leader of the Opposition went on to talk about critical support and the support that he and his Party gave to this Government and to the People's National Congress. That support, as far as he was concerned, was intended to be the support which a rope gives a hanging man. I recall, since he himself raised the matter and prides himself on the fact that he supported the PNC Government's nationalization of DEMBA, the price he exacted. His support was given not out of altruistic motives, not out of socialist convictions, but out of personal greed. What did he want? I have adverted to this matter in this House before and I have written to the press and if it were not so he had the remedy. He wanted the Government to use its authority to get his son, Joey, back to Sir George Williams University in Canada from which he had been expelled; secondly, that there should be an increase in his emoluments as Leader of the Opposition; thirdly, that he should get free transportation throughout the country.

That is what he wanted. He was horse-trading. He was not a mature political leader. He was not a mature socialist. That was no socialist morality; that was the morality of a horse trader and his difficulty is that he has never been able to rise above the level of a political horse trader.

He is wont to quote. He likes quotations. He is always quoting from some book. There is never anything which one can say constitutes an original thought of the Leader of the Opposition. He quotes from a document allegedly written by one Dr. Clive Thomas – I do not know who is the author because the Government and the Party are in receipt of the document, but it bears no signature and is not claimed by anyone; I would hate to think that that document has been prepared by a professional economist because, if it has been prepared by a professional economist, I would say that that economist is incompetent or intellectually and politically dishonest.

The figures quoted from the document by the Leader of the Opposition about the per capita quantity of milk and meat and so on available to the people of this country are based upon what I would call calculated rascality, the misuse of statistics to mislead the unheeding. I would tell you what the author of that document did, he took, for example, in the case of milk, the imports and he divided the imports by the total population, taking no account of the milk production in the country. Similarly, on the question of meat, he divided by the total population. So, according to him, every new born baby is eating meat. Everybody knows that that is not a proper approach to the question of deciding upon the availability of the food and the quantum of food available to people in this country.

The author talks in that document about the fall of production of metal grade bauxite without adverting to the fact that that was a deliberate policy of GUYBAU, as it then was, in reducing the output of the least available of its product stream and accentuating the production of calcined bauxite, which is the most valuable. I would say to the author of that document, whoever he is – I shall say it here at and the street corner – that he is either incompetent or politically and intellectually dishonest.

I would advert again to the point made by the Leader of the Opposition. He said that the Government has blamed the workers at one time for the failure of the economy to grow; and that, at another time, it blamed the civil servants and, at a third time, it blamed the PPP. I refute that allegation categorically, because the Government has always had the most excellent and cordial relationship with the working people and public servants and will continue to have that relationship. It is time to stop cheap political ploys to woo an important section of our community. They are so transparent that they would not deceive an infant.

But certainly the Hon. Leader of the Opposition could not be serious, but could not be so deficient in memory as to say that the PPP has never attempted to disrupt, as a matter of conscious policy production in this country. After the elections of 1964 there was a widespread publicized

campaign to prevent people from planting, particularly among the rice farmers. In 1973, again after the elections, we had the same phenomenon. I recall that gentlemen who is now in Canada, a certain Mr. Ramlakhan, who, while he was going around telling people not to plant rice, was the first man to plant his own rice field and draw the bonus from the G.R.B. The Hon. Leader of the Opposition knows these things and comes here to say that he has always co-operated in an attempt to promote production in this country.

And then, Cde. Speaker, we had some other serious lapses of memory on the part of the Leader of the Opposition. Says he: *"We must not pay compensation for those industries and interests we have nationalized"* and yet it was the People's Progressive Party, in a manifesto drafted by the Leader of the Opposition, which says – that is his face on the cover – *"It is not the Party's policy..."* Cde Speaker, I quote from page 12 of the manifesto:

"It is not the policy of the Party to nationalise any industry but if it becomes necessary in the national interest to do so fair and adequate compensation will be paid."

And he now stands up there brazenly and tells this Government which has taken revolutionary action to nationalize foreign interests in this country and to domesticate our economy, that we must not pay compensation. He has the advantage of irresponsibility, so that he can stand there and say anything and make any claim because his main point is to secure some political advantage rather than to concern himself with the interest of this country. And again he says that we are tied up with the I.M.F. imperialist organization. I don't believe most members of the PPP Opposition were even around the Party when this document was prepared and I don't think that they are knowledgeable of it. I don't think they have read it because it is the same PPP which on page 10 of its manifesto talks proudly about involving the I.M.F., about establishing a Bank of Guyana and about awaiting only the resolution of a few points in consultation with the I.M.F. before doing so. Cde. Speaker, I shall return to this point in a moment. Dr. Jagan talks about private capital. He says that we are allowing private Guyanese bourgeois capital to come back into the economy, that we are allowing imperialist foreign capital to come back into the country. Yet, it is the same gentleman representing the same Party, who in this same document says:

"The Party is committed to a mixed tri-sectored economy in which private capital, local and foreign, will have ample scope to develop itself and also in combination with public capital."

And he says just before that on page 8:

"Contrary to malicious opposition allegations about interference of property rights, the PPP Government has extended the ownership of private property."

And today he stands here forgetful – let me be charitable – of what he has written. He is so prone to write, but he says that we are encouraging private capital, we are encouraging foreign capital, when he says in this document that that is exactly what he intended to do.

And finally, on these, what I call high comedy points of his speech, he accused us of being non-aligned. What a dreadful thing! But one understands this, because he himself stood in this honourable House and said, *“I am proud to be a puppet of the Soviet Union.”* We, on this side, look upon that with shame, that one of our countrymen, a man who has been involved in political life over the years should have come to this sorry pass, where he commits himself and his Party to a State, I won’t say of slavery, I would merely say of wardship, to a foreign country and a political Party in that foreign country. On this side, what distinguishes the People’s National Congress from the People’s Progressive Party is that we are puppets of nobody and we will make our own decisions, worked out by ourselves, in what we perceive to be in the national interest.

Cde. Speaker, let me rebut a few points which the Leader of the Opposition was peddling in this House, either out of lack of knowledge or out of a certain deviousness of mind. He has taken a lot of time debating our membership of the International Monetary Fund and the arrangement which we have made with the International Monetary Fund because, he says, our association is the hallmark of being an imperialist stooge. Well, if that is so, how does he explain the fact that Vietnam is not only a member of COMECON or CMEA, but is also a member of the International Monetary Fund? I repeat, Vietnam is a member of COMECON and a member of the International Monetary Fund, and in 1978 signed a stand-by agreement with the International Monetary Fund under which it received \$72 million (US) at the same time when we were negotiating an arrangement with the Fund.

How does he explain that fact that Romania, another Socialist country, is a member of the International Monetary Fund and in 1978 negotiated a stand-by agreement under which it was entitled to draw down \$205 million (US)? Is it that the Leader of the Opposition does not know? I prefer to believe that - I would not like to believe that he has stood in this honourable House with the intention of misleading his own Members and attempting – and I say attempting because he cannot mislead us – to mislead the Members on the Government benches.

He talked about foreign investment. I have said in this House before that every member country of COMECON, except the USSR, has legislation permitting inflow of foreign private capital and, as late as two weeks ago, Poland liberalized its foreign investment laws permitting foreigners of Polish origin to establish companies in Poland. Prior to that, in 1976, there were laws which handed back to private entrepreneurs all the distribution outlets under an arrangement by which the shopkeepers kept the profits and paid the State a fixed rent. These things are happening in Socialist countries.

Vietnam published a private investment code inviting foreign capital and, in certain circumstances, permitting 100 percent foreign ownership. It is that Leader of the Opposition and those Members who applauded him so vigorously have no knowledge of these things? Is it that they do not read? Is it that they do not know those things which are necessary to enable them to discharge their parliamentary and political duties properly and faithfully?

Let me go further. During the course of this month – and this has been a development taking place in all Socialist countries, I speak about the development of joint ventures between the Socialist countries and capitalist countries – Vietnam established a joint venture in pharmaceuticals with a French Company. This has been taking place. I do not want to take up a lot of time referring to the hundreds of such arrangements in every Socialist country, Poland, Romania, Czechoslovakia, you name them. What is more, last year when Fidel Castro was interviewed for US television and the question of the possibility of foreign capital being invested in Cuba was raised with him, he did not say *“never”*, he did not say *“it is contrary to our political position”*. What did he say? He said, *“we have had no offers as yet, but if such a situation arises we will not take a sectarian view.”* And we know what Castro means by that. In Poland these are the facts. There has been a large number of such ventures established within recent times. I do not want to spend any more time on that.

We have been criticized because it is said we borrow money. I have made the point in this House that every country in the world borrows. If you do not borrow it is because you cannot, nobody is willing to lend to you. And what is the debt position of the Socialist countries? The total indebtedness of COMECON countries as at 30th June, 1978, was US \$42.5 billion. The total borrowing of COMECON countries on the Euro dollar market alone in 1978 was US \$4 billion, and if one wants to get a few illustrated examples of borrowing by COMECON countries one can refer to the £15 million line of credit established by the National Westminster Bank of the UK to Poland in 1978, and a similar line of credit just established by the same bank to Poland. One can point to the fact that even now, using the Bank of America as the lead Bank, Poland is attempting to raise a loan in the United States of \$500 million. Romania has just received a loan from the World Bank for US \$180 million and one can add that loan to the loan of \$882 million US which it received last year.

Let us come nearer home to Cuba. This is a statement by Leon Torres, the President of the National Bank of Cuba. He estimated the Cuban borrowing on the world market last year at \$200 million US. So what is the hullabaloo about Guyanese borrowing? Trinidad borrows because it is prudent to borrow and it is the only way in which the country can proceed with its Development Plans.

Then, of course, the Hon. Leader of the Opposition does not understand this whole concept of debt. He adds together short term internal debt and

long term internal debt with external debt and he does some kind of calculation that makes no sense in financial or economic terms. Since 1971 I have been trying to explain to the Hon. Leader of the Opposition the concept of the debt service ratio. He still cannot understand, and I do not think I will pursue the matter with him any further. It is time he makes himself knowledgeable. He can read and he must read.

Then we are told about foreign banks in Guyana. Doesn't the Hon. Leader of the Opposition know that there are foreign banks in Moscow? Doesn't he know that Chase Manhattan is there? Doesn't he know that the Bank of America is there? Doesn't he know that there are other American banks in the heart of Moscow, and doesn't he know that there are Soviet Banks, notably the Narodny Bank, in several parts of the world? Banking is international and no country can be in the mainstream of international trade and economic activity unless there are reciprocal banking arrangements. What is he talking about?

He sought to spend time criticizing our foreign policy: we are not principled, he says; we have not taken a position on what he calls the Chinese invasion of Vietnam. But let me remind him of the consequences of an unthinking line of 'follow-my-leader' policy. When Stalin was committing his atrocities, he defended those actions. Stalin was right, he said at the time. But, of course, after the thaw and the Soviets themselves began denouncing Stalin, then he denounced Stalin too.

We are not in that game; we think for ourselves. We make decisions for ourselves, and we follow a foreign policy line which starts off with this proposition, articulated by the Minister of Foreign Affairs on so many occasions: that it is the national self-interest of Guyana which comes first.

Why is it that the Soviet Union has never closed its Embassy in Brazil? And yet the Leader of the Opposition gets up and tells us, "*Abuse Brazil! Attack Brazil! Close your Mission there.*" But the Soviets do not attack Brazil. They do not close their Mission there. They keep their Mission there. Why? Because as a market for Soviet goods are so great that Soviet self-interest demands friendly relations with Brazil.

Why is it that the Romanians have not closed their Embassy in Chile, or the Government of the German Democratic Republic? But he wants us to do things that big powers, mighty powers, have considered imprudent.

And perhaps, since he has brought in the Kampuchea/Vietnam/Chinese issue, he may want to explain to us why it is that the Soviet Union never withdrew its support from Lon Nol, reputedly and widely acknowledged to be one of the most fascist Governments which existed at that time. What kind of double standard is he coming here with? One understands it in the light of his statement that he is a puppet. If you are a puppet that is how you behave. As the puppeteer manipulates his fingers you hop and you jump.

I would not wish to go into the whole question of tactics of development. I would merely remind him of two things: the statement which came out of

the Conference of Communist and Workers Parties of Europe, the Berlin Conference in 1976, I think it was, which accepted, after so many years, the position of Marshal Tito and the League of Communists of Yugoslavia, that every country has the right to pursue its own road to socialism. What was accepted and, in the light of that acceptance, even by the USSR, why should we be following anybody else's road? Have we not got the intelligence, the common sense and the creativity to devise our own institutions and mechanisms and to follow our own path?

What they said in Berlin in 1976 is nothing new because Stalin, Molotov and Voroshilov had sent a joint letter to the leader of the Spanish Communist party just before the Civil War in which they had said precisely the same thing when they were urging him to form coalitions with those people who, although not socialists, were nevertheless willing to put their nationalism first in the fight against the impending fascist dictatorship.

I think that when leading Members of the Opposition get up to debate in this House they must debate with certain objectivity, they must debate against a background of facts and they bear in mind, if they claim to be patriotic, that they are dealing with the vital national interests of this country.

I want to say that one cannot debate the performance of the economy in 1978 unless one looks at the wider context of what happened in the world; and the truth of the matter was that in 1978 and, indeed, for some years before that, there had been a significant growth in world trade and world output. In 1977, in the industrial countries of the world, output rose only by 3.8 percent. In 1978 it fell to 3.7 percent and in 1979 it remains at 3.7 percent. Similarly, world trade in 1977 was 4.5 percent; in 1978 it was 5 percent and in 1979 it is 5 percent. These are low growth rates; and if one perchance were to feel that this was peculiar to what one may call the capitalist western countries, the same phenomenon was exhibited in the Soviet Union where in 1977 their output grew by 5.6 percent, which was considered low, well below the targeted projection. The Soviets had hoped in 1978 to get back to the 1977 level, but what happened? Production fell and they recorded a growth rate of only 4.5 percent and it was in this context that there was a meeting of the Council of Ministers of the Soviet Union to consider the state of the economy.

This meeting was held on the 9th February, 1979, and the Council of Ministers of the Soviet Union, having reviewed their economy, noted and I quote:

"That industry, transport, agriculture and capital investment during 1978 and during 1979 appeared problematic."

That is a fancy word to say that those sectors did badly. I continue.

"Some Ministries did not fulfill planned targets in the range of products, did not manufacture the required quality of goods and did not reach the planned target rates in

increase in labour productivity. The plans for oil, coal, raw materials and other outputs were not fulfilled. Rail transport showed numerous problems."

I think Dr. Jagan would have read, even in the local newspapers, how President Brezhnev stated:

"Managers in some sectors were failing to give leadership and to perform and to ensure that their particular sectors grew."

I am saying it is a world phenomenon, and it is no point saying that in Guyana the economy did not spark. No economy sparked. This was true not only of the last year. It is going to be true of this year, even in the Socialist countries, because already in Poland – let me deal generally with the COMECON countries – the position is that the streets are dark and plants are idle now, because of the energy crisis, because of the terrible winter which made the GDR, for the first time in its history, import coal from West Germany. The GDR had never done it before. And because of increasing oil prices this has had an increasing strain upon their economy. Oil prices from the Soviet Union last year went up by 20 percent and it is estimated that they will go up again this year. When one takes into account that those countries get only part of their oil supplies from the Soviet Union and have to go in the world market for the rest, one can imagine in what a tight situation they are.

I speak not only from what I have read, but from discussions with high-ranking officials from some of the countries in Eastern Europe. So let us not fool ourselves that there is some magic formula which is going to cause the economy to grow by leaps and bounds. I will in a moment, Cde. Speaker, come to some of the things that we have to do; but I think that we have to put those things in perspective and we have to understand that what happened to Guyana in 1978 happened to every single country in the world without exception, including the USSR. And one remembers, Cde. Speaker, that when in March last year the Soviet Union announced price increases over a wide range of consumer goods ranging from 30 percent to 50 percent, the Chairman of the Prices Commission said quite unapologetically that, and I quote: *"Rocketing commodity prices in the world market and the increasing cost of oil extraction"* were responsible and that there was nothing that could be done about that. And if that was true of the Soviet Union, if it is true of powerful countries like the United States of America, what makes us believe that we would be isolated and insulated from these very effects which are rocking the world economy?

Cde. Speaker, I think that it is disappointing that the economy has not grown, but the fact that we have been able at least to keep it stable is a matter for some pride and some self congratulations. We need to focus upon the positive things, not to waste our time with rambling talk about whether the foreign policy of the USSR on Kampuchea or Vietnam is right.

Those countries have their problems and they will solve them. We must solve our problems here. In the course of this year we have to ensure a number of things: first of all, that as far as possible there is a climate of reasonable industrial relations and that climate is not going to be created by people going to the street corners and talking about: "*Demand the \$14 wage*", "*The Shah gone and who ain't gone?*" The Shah gone, Gairy gone, but Jagan went in '64. The revolution took place here first, other people are now catching up, not following.

So, Cde. Speaker, let us understand and get down to the real task. This Government has always had the most frank and cordial relationship with the Trades Union Congress and with the workers' representatives, because the whole objective of our efforts is to increase constantly the welfare and well-being of the workers. And it is in this context that we are going to pursue discussions with the TUC, aimed at achieving some solution to the problems which beset us. That is why, Cde. Speaker, as late as this morning, we were able to sit down and discuss in a friendly way, in a frank way, with the leadership of the Trades Union Congress, the whole question of incentives. The Incentive Schemes were an integral part of the minimum wage package which we signed in 1977. For one reason or another, those Schemes were not put in place. We did not agree with the TUC on the central guidelines. It is my pleasure, Cde. Speaker, to report to this honourable House that this morning, as a result of the discussions held with the leadership of the Trades Union Congress, we were able to agree on the national guidelines. That is the approach of this Government, reasonableness and consultation.

The next step is to get the Schemes going, because more and more countries are beginning to understand that if you are going to have improvements in workers' welfare and well-being, if you are going to provide them with more and more purchasing power – not paper, you could print the paper, you could print the paper, that is the point – more and more purchasing power, well then you have to ensure that there is an increase in productivity. Only recently I was reading in an issue of *Latin America Economic Report* that the Cubans have now established a system – in fact, this was agreed to at the 13th Congress of the Communist Party of Cuba, which accepted the principle – of linking wages with output. Such a system has now been introduced in 13,000 work centres. So what we are doing is nothing strange or exotic, is nothing un-socialist; it is, I believe, the essence of economic common sense. But the trade unions understand this; the trade unions accept it. What we have to do now is to follow up the successes of this morning by some hard work aimed at getting the various productivity-linked Schemes in place in the various sectors of the economy.

Next, Cde. Speaker, there has to be a continuing effort to achieve national efficiency at all levels, to prevent the wastage which is so widespread, prevent the losses which need not occur. And finally, Cde. Speaker, there is no doubt that national unity continues to be, as I said in

the Budget statement, the very cornerstone of our efforts at national progress. But national unity does not come about by deals, cannot come about by deals between politicians. It is no use talking about some arrangement under which a few ambitious politicians share power, what I call the formula of "*gie me*" – "*gie me' two and you take two.*" Cde. Leader has dealt exhaustively with this matter and he calls it the uneven truce of wardlords. This is not the way, we have got to deal with the people. We have got to stop going around dividing people, playing upon prejudices, fanning resentment and peddling rumours and untruths aimed at inflaming communities. If we are serious, well then, we will pursue with dedication all those positive activities which make for cementing national unity and ensuring the solidarity of this nation.

Cde. Speaker, what has been the great problem of the Opposition is attempting to debate the Budget Speech. Their great problem has been that this Government has had the courage to lay the facts clearly and plainly before the National Assembly and the nation. This Government has had the courage to give leadership by saying to the people that it is not in the interest of this country to keep multiplying our dollars. What we have to do is to stretch our dollars. We have had the courage to say to the people of this country that we will never take a decision which we honestly know to be economically wrong, a decision which may perhaps gain us some cheap popularity for a moment but which, in the final analysis, would destroy the very foundations of this country. I think people will respect the Government for this. People will understand and people will co-operate. Guyanese people are a competent, able and resilient people. They have always overcome obstacles. No country makes progress without overcoming major obstacles.

We have the tremendously difficult task of achieving economic growth at the same time as we attempt to improve, progressively, the welfare of people. No major country in the world has had that task. We know what happened in the United Kingdom during the period of the industrial revolution. We know what happened in the United States of America. We know what happened in the USSR in the Stalin era, those countries achieved accumulation of capital. We do not have that option; our task is more difficult. That is why we cannot waste our time in petty squabbling. We have to devote our time, our intelligence, our innovative skills to finding all those positive mechanisms which will inspire people, which will motivate them not only to work hard, but to work efficiently. I am sure that the leadership of the People's National Congress has given in the past, the leadership which the People's National Congress gives now, and the leadership which the People's National Congress will continue to give, will inspire and motivate the people of Guyana to rise above the difficulties in which they find themselves at the moment

Motion on the Approval of Estimates of Expenditure 1979 in Committee of Supply: 22nd March, 1979

Head 33 – Ministry of Economic Development

Mr. Hoyte: With respect to the first question about the Permanent Secretaries, we had last year two Supernumerary Permanent Secretaries. The information which the Member, Cde. Narbada Persaud, had to the effect that one of these posts was never filled is wholly inaccurate. One of the Supernumerary Permanent Secretaries is Cde. Bernard Crawford. For some years now he has been seconded to the Upper Mazaruni Development Authority which Authority finds his salary but, for the purpose of continuity of service and preservation of superannuation benefits, one has to keep his post on the Estimates. The other Supernumerary Permanent Secretary was Cde. Worrell.

[**The Chairman:** As this may save Comrades and Hon. Members from asking further questions, may I say that this is the general policy: whenever one is put for some provision, it has to keep the pensionable position of the person who has been seconded.]

Mr. Hoyte: Cde. Worrell was seconded to the National Service and is now substantively the Permanent Secretary at the Ministry of Works.

The post of Chief Economist is necessary because the Ministry of Economic Development is concerned on a daily basis with a wide range of economic discussions and negotiations with the numerous countries with which Guyana has economic and technical co-operation agreements. One needs to have a person with an economic background, and a senior person, to have charge of these negotiations when people of high official rank come from abroad. The Chief Economist functions partly as an economist, partly as an administrator, partly as a negotiator.

The Statistical Bureau is in need of strengthening. In fact, if one is considering seriously national economic planning one has to have an accurate data base, one has to have information flowing continuously and in a timely fashion.

The work of the Statistical Bureau has not been taken over by the State Planning Commission. The function of the Statistical Bureau is to provide the base of information and it is to enable it to discharge this function effectively and in a timely manner that the arrangements have been made to strengthen it and perhaps the very explanation which the Cde. Member seeks, as to why there have not been more publications in the course of last year, is rooted in the fact that the professional staff of the Statistical Bureau

was small. If we are going to have all the information which the Comrade requests, if we are going to have it in a timely fashion and if we are going to have it in an accurate way, then we need to have a very strong and well-staffed Statistical Bureau.

It does not matter, to my mind, where the Bureau is sited. I do not see that there is any magic in sitting it in the same building as the State Planning Secretariat. The important thing is that the Bureau should be in a position to provide the information when required and to provide the information in an accurate way.

With respect to the question on the Data Processing Unit, the answer is that many of the people who were employed in this Unit were employed under the Open Vote so that even though there were the posts, they had not been formally appointed to them. My information is that they have now been appointed and in the course of this year their salaries will be reflected under Subhead 31.

On the question of Library and Publications, I have alluded to that matter already and I do not think I need to touch on it again.

Subhead 8, Labour Force Survey. The answer is that both stages of the work have been completed. What we are doing now is having the information, the raw data, processed, compiled and put through the computer. We hope to publish it in the course of this year.

With respect to contribution to the agencies and organisations to which we belong: like all other developing countries we had a problem with foreign exchange last year and we have been discussing with most of these agencies the possibility of paying all or part of our contribution in local costs. In fact, many of these organisations have agreed that rather than remitting foreign currency we could pay local currency to finance local operations and where they do not have local operations they are prepared to open local accounts. That explains why in many instances we have not paid. It was because we were negotiating these more favourable conditions.

With respect to **Subhead 27, Population Census**, this amount is not to carry out the Census. The Census is due to take place in 1980 but there is a lot of preparatory work to be done and as Cde. Persaud himself observed this is a regional exercise. This sum represents our contribution to the regional expenses for the preparatory work which will lead right up to the actual census-taking in 1980.

There is a slight error in **Subhead 1, item (6)** on page 79, which I have asked you to correct. The word "*Ministerial*" crept in there and should be deleted.

[Head 33, Ministry of Economic Development - \$2,432,039 – agreed to and ordered to stand part of the Estimates.]

Mr. Hoyte: Cde. Chairman, with respect to the question on the Cotton Textile Mill the position is that there is some delay in completion for a number of reasons. One was, as is generally known, because the matter received wide publication in the press, there were labour problems resulting in a shutdown of the project and a reorganisation of the work. Secondly, there were problems with the flow of equipment and materials. For example, one very important part of that project was delayed for several months because we could not get a very special kind of bitumen out of the Netherlands. It took a long time to get it and that was the only place we could get that special kind of bitumen which was required. Then there was the problem of shipping, making the connections, and then the bitumen got caught up with a dock strike in London and all sorts of like that things over which we had no control.

The factory is very well advanced and I would invite the Cde. Member, whenever he so wishes, to go and inspect that project, see what is happening and how far it has advanced. We are hoping that in the course of this year it will be completed. The total cost spent to date, I am not in a position to say off hand but I could supply that information to the Hon. Member. He will recall that this project is being funded through resources provided by the first loan which the People's Republic of China granted this country so that the cost of this mill is being borne by the People's Republic of China.

Head 34 – Ministry of Regional Development

Mr. Hoyte: Cde. Chairman, I can see that both Cde. Reepu Daman Persaud and Cde. Nokta have been misled by the inelegance of this language used to describe this Subhead and in the legend. For that reason I quite appreciate the number of questions which they have raised based upon, as I said, their being misled by the language. What has happened is that the Government has incurred heavy expense directly related to the Jonestown incident. Planes had to be flown in, personnel had to be taken on, medical and other personnel, and, of course, the Government has had to have a presence there, first of all, to complete an inventory of the assets, and secondly, to preserve those assets. It is well known that the Government has filed an action to recover from the People's Temple the expenses which it has incurred so really this Subhead is to provide for the formal recording of those expenses, or, at least, some of the expenses, to enable the Government to have at the national level a record of the cost of this operations to which I have referred.

Only recently, the Ministry of Regional Development had to pay a large sum of money to GAC for GAC's involvement. One cannot say that GAC should be saddled with those costs. The Central Government had to pay and the Central Government has to have a Head in the Estimates, has to have some statutory authority, to enable it to pay these expenses. We hope that when the action is heard- we may be successful – we will be able to

recover all the money from the People's Temple. With your Honour's permission I would seek to amend the legend by striking out the words "Assistance to", by putting a semi colon after the word "complex", and by adding "expenses relating to Governmental presence and activities." I would seek to amend the legend to read:

"To provide for expenses relating to the inventorising and protection of assets."

[**The Chairman:** Cde. Persaud has asked that if you are going to inventories, then he wants to know what those assets are.]

Mr. Hoyte: The inventory is going on now. It is being undertaken by Cde. Emerson Simon. I think somebody wanted to know who were the people we had there.

I cannot tell the Member when the inventory will be completed. I do not know. I know it is on-going.

[**The Chairman:** He asked two things, how soon you intend to complete it and when it is completed if Parliament will be informed of that.]

Mr. Hoyte: I am coming that. I do not know when it will be completed. Secondly, the Government will do nothing illegal. That is in answer to the question as to whether Government will retain assets notwithstanding a court action. We will leave it to the Courts to decide what are the rights of the Government.

With respect to the laying of information before Parliament, I think the Government has announced that it will have a public inquiry and I assume that all relevant information will be laid before the Commission of inquiry showing the whole history of this project right down to the time of tragedy and probably immediately thereafter. I would believe that it is at that forum where all information in possession of the Government, and in the possession of any other person, will be laid and what I am sure about is that Government will lay that report in the National Assembly.

It is not correct to say that there is a police station established at Jonestown. There is a police presence. There is a police station at Port Kaituma and because of the incident which occurred and because of the fact that it is necessary to protect the assets, there is a police presence. We know that people go in and help themselves. There is no magic about the term 'assets'. What we are talking about are the houses. The people have houses there. They have machinery, they have vehicles and they were growing crops. Somebody has to be there to protect these things, to maintain them where they require maintenance and to ensure that such crops as are there are not allocated to go to waste. So that is really what we are talking about when we talk about assets.

There was the question by Cde. Nokta on Matarkai. Matarkai Authority is now a legal entity. This sum here is provided to subsidise the activities of that entity. I did explain two years ago that the Matarkai Authority is expected to become self-sufficient financially on its own and the old excuse which used to be given that people in Georgetown were not acting promptly and that they were being controlled from Georgetown will no longer be available to those persons in charge of the Authority.

This sum of \$1.5 million is a subsidy and if my recollection is correct I think this is the last year this subsidy will be advanced to the Authority. As from next year they are expected to be wholly self-financing and to be not only self-sufficient but to produce sufficient, for export so to speak, outside of the region.

Questions to Ministers

Question No. 31: 27th August, 1979

[**Cde. Nokta:** Cde. Speaker, I wish to ask the Minister of Economic Development and Co-operatives Question No. 31 which is standing in my name.

“Is the Minister of Economic Development and Co-operatives aware that the Motor Vessel AREQUINA which used to render valuable service to the residents in the North West District, especially Amerindians, has been withdrawn from service for over four years, has as yet not been repaired, and that as a result the people suffer hardship?

Is the Minister further aware that the engine of the said vessel was extracted from it and sold to a private individual?

If the answers are in the affirmative, will the Minister answer the following questions –

- (a) Was a Board of Survey held which condemned the vessel as unseaworthy or unserviceable? If so, when was this survey held?*
- (b) If the vessel was condemned as unserviceable, was it, or the engine, advertised for sale in the usual way. If not, why not?*
- (c) How much was the engine sold for and who bought it?*
- (d) Is there any proposal for the replacement of the service with another vessel? If so, how soon?”]*

Mr. Hoyte: Cde. Speaker, the launch of AREQUINA was donated in 1968 to the community of Moruca, North West Region, by the Government of the United States of America through the United States Agency for International Development. The vessel was given into the custody of the Committee of Management of the Moruca Producers' Co-operative Society Limited for and on behalf of the community. The vessel proved to be unsuitable for service in the Moruca River and the owners decided to operate it on the run from Kwebanna to Mabaruma on the Waini River. By 1972, both the engine and the hull of the vessel had deteriorated badly. The engine needed replacing and the hull needed extensive repairs.

In 1972, Government agreed to donate a new engine to the community on condition that the owners effected repairs to the hull of the vessel, and in pursuance of this promise Government acquired an engine at cost of \$6,745 for this purpose. The engine was stored in a Bond at Kwebanna on the Waini River. Two years after Government had acquired the engine, the

owners of the vessel had not repaired the hull, apparently because they had decided that it was uneconomical to do so. In the circumstances, the Government decided to sell the engine.

Those requirements that –

- (i) A Board of Survey should decide whether or not a vessel is unserviceable and should be sold applies to Government property. The vessel AREQUINA was not Government property;
- (ii) In the light of the answer given at (i) the member's question at (b) does not arise;
- (iii) The engine was sold to Comrade Eugene Stoby for \$6,000 who undertook to build a boat to provide the service in the Moruca River. This undertaking was a condition of the sale. Comrade Stoby did build a boat and did provide a service in the Moruca River and continues to provide the service;
- (iv) The answer to the question at (d) is in the negative. As far as the Government is aware, private boats ply in the River. There has been no representation by the people of Morcuca that the existing arrangements are unsatisfactory and, in the circumstance, Government has not contemplated providing a Government service.

Statement by Ministers - Review and Assessment of the Performance of the Economy: 15th October, 1979

Mr. Hoyte: Mr. Speaker, I present for the information of the Members of the National Assembly and, indeed, of the people of Guyana a review and assessment of the performance of the economy for the first half year within the context of the policies, Programmes and targets outlined in the 1979 Budget. This Statement is based upon a more comprehensive and detailed review prepared by the Monitoring Sub-Committees of the Cabinet.

The Budget Statement drew attention to several administrative and other institutional innovations which were aimed at ensuring greater coherence in the co-ordination and implementation of budgetary programmes and projects; in other words at more effective management of the economy. Central to this effort were the activities of the Monitoring Sub-Committees of the Cabinet which have, within their respective sphere, continually monitored economic performance at national, sectoral and enterprise levels and authorised or recommended adjustments to the Budgetary Plans as changing circumstances dictated.

In order to discharge their responsibilities, these Sub-Committees require regular, up-to-date flow of data and, for this purpose, devised and instituted special reporting forms. The Sub-Committees are serviced by the technical staff of the State Planning Secretariat, the Ministry of Finance, the Ministry of Economic Development, the Bank of Guyana and GUYSTAC.

In the event, data were assembled in a more coherent form and with greater promptness than in the past and our data base has improved enormously both in quality and volume. We have thus been able, for the first time in our history, to make a worthwhile analysis of our economic performance for the first half year within a reasonable time after the end of the period. The Government wishes to acknowledge and pay tribute to those public officers who have worked with such diligence, faithfulness and competence to make this report possible.

The Budget Targets:

Mr. Hoyte: The Budget laid great emphasis on achieving selected critically important targets as the basis for a recovery from the doldrums in which the economy had been idling for the past three years. The achievement of these targets was vital to our prospects for renewed growth and significant improvement in national welfare. The principal targets related to: (1) production; (2) Exports; (3) Foreign Exchange Reserves; (4) Capital Expenditure (and Investment). More specifically.

- (a) the economy was initially projected to grow at about 6 percent in real terms - later revised to 4½ percent. (This was a reasonable growth rate since it would merely take us back to what we had achieved in 1976);
- (b) our foreign exchange earnings were targeted to increase by 13 percent over 1978;
- (c) imports were projected to increase by 20 percent over the 1978 level;
- (d) our outlay on our Investment Programme was expected to total about \$294 million in the public Sector.
This programme which spanned agriculture, forestry, fisheries, industry, mining, construction and transportation was designed to maintain some 10,000 workers in employment during the period of their construction. In overall terms, the total projected outlay in the Investment Programme (public and private sector) was equal to 22 ½ percent of the gross national product. This outlay was to be financed by external inflows of foreign savings of about \$140 million or 11 percent of GNP plus \$150 million or 1 ½ percent of GNP mobilised from internal sources;
- (e) the Public Sector was expected to realise a financial surplus of \$97 million

They were the major economic and financial targets of the Budget. The maintenance and indeed improvement in the levels of our welfare were linked with the achievement of these targets.

The Budget Strategy:

Mr. Hoyte: The Budget Speech emphasised that the achievement of these targets depended heavily upon the rigorous pursuit of certain basic policies and Programmes. These included:

- (1) a realistic wages policy which firmly established a linkage between wage increases and production/productivity rises; (a policy of restraining excessive and unwarranted price increases as of course a necessary concomitant);
- (2) programmes to stimulate increased labour productivity, in particular, the introduction of suitable incentive schemes;
- (3) making the fullest use of under-utilised productive capacity;

- (4) making the fullest possible use of local foods, local raw materials and locally produced manufactures;
- (5) the strengthening and extension of maintenance system to ensure greatest returns to investment in existing capital assets;
- (6) the more efficient use of manpower resources by improving the programmes of proper manpower placement;
- (7) reduction of wastage in all areas of economic activity;
- (8) upgrading institutional capability for economic management;
- (9) the maintenance of the highest possible level of investment in the Capital Programme by mobilizing internal and external resources;
- (10) facilitating the positive involvement of the private sector in productive activity in the economy.

The IMF Standby Arrangement:

Mr. Hoyte: In order to guarantee an adequate flow of external resources to support our internal efforts at maintaining equilibrium in the short run and stimulating growth in the economy in the longer term, the Government entered into an Extended Fund Facility (EFF) with the International Monetary Fund with effect from 25th June, 1979. Under this Arrangement, it would be recalled, Guyana would have been entitled to draw from the Fund resources, approximately G\$206.5 million, over the three-year period of the Arrangement. But more important than this was the international creditworthiness which the Arrangement ensured for the country. The main targets of the Arrangement were:

- (a) that in 1979 the economy grow by 4.5 percent in real terms over 1978;
- (b) the current gap of the balance of payments be contained within a level of 10 percent of GNP;
- (c) that there be increased efficiency in the Public Sector to be reflected in a 2 percent increase in surpluses generated (from 6 percent of GNP in 1978 to 8 percent);
- (d) that external commercial arrears be reduced to \$20 million by 26th June, 1980;

- (e) that the gross foreign assets of the Bank of Guyana be increased from \$15 million at 1st January, 1979 to \$200 million at the end of the year.

Additionally, there were ceiling on external borrowing with a maturity of up to 12 years, public sector borrowing from the banking system, and the domestic assets of the Bank of Guyana.

These targets merely reflected the targets upon which the 1979 Budget had been predicated.

The Performance of the Economy:

Mr. Hoyte: January – June, 1979: In attempting to evaluate the performance of the economy during the first half year, we have to bear in mind that we are traversing new ground; that much of the data utilised are refined and tentative and, in some cases, admittedly inadequate. However, there was a sufficient base on which to construct a review which, although it cannot be called definitive, is yet reasonable indicative of the trends.

Physical Output and Sectoral Performance:

Mr. Hoyte: The Budget Speech emphasised the critical importance of increased production (linked with increased efficiency) as the only basis for stabilising the economy and ensuring real growth.

[The Speaker: Just a minute, Cde. Hoyte. Yes, Cde. Jagan.]

[The Leader of the Opposition (Cde. C. Jagan): Cde. Speaker, I do not want to interrupt the Hon. Minister but I wish to raise a point of order. While the Statement being read by the Minister is very welcome, I believe that this is out of order because it is the first time that we are having such a Statement. As I said, we welcome such a Statement but one would have thought that the Minister would have introduced this – it is almost like a mini-Budget – and would have introduced it under some other form of Head and permit a general debate to take place on the economic situation. We would welcome – and I am sure the Government would welcome – such a debate.]

[The Speaker: Dr. Jagan, what is the point of order?]

[Cde. C. Jagan: The present form it is under. There will be no debate and that is what we are concerned about. We are not opposed to his making the Statement. In fact, as I said, we welcome it.]

[The Speaker: What is the Rule on Standing Order he has contravened?]

[**Cde. C. Jagan:** He is reading a Statement.]

[**The Speaker:** He is entitled to read a Statement.]

[**Cde. C. Jagan:** Perhaps I have not made myself clear.]

[**The Speaker:** I understand what you are saying but could you advise me under which rule and/or Standing Order you are taking the point of order?]

[**Cde. C. Jagan:** I am referring to the Statement to this House. This is a very elaborate and comprehensive Statement on the state of the economy which will not permit of a debate in this House.]

[**The Speaker:** Dr. Jagan, you yourself said this is the very first time this has happened. There cannot be any precedent. Precedent means that you are adopting something that occurred before. You yourself just said this is something that is happening for the first time so there can be no precedent and there is no rule to which you have adverted my attention to say he is not in keeping with the Standing Orders. I understand what you are saying. You are suggesting that the proper course, in your opinion, should be by way of a Motion so that the matter could be debated. That is what you are suggesting should be the proper course, but that is merely an observation and probably it may be, in your opinion, the best course but certainly that does not contravene the Standing Orders. The Minister is reading a Statement to which he is entitled. The Rule provides for that.]

[**Cde. C. Jagan:** What I am saying is this: the practice of the House has been that we never had such an elaborate Statement being read in the House before. In that sense I speak about convention and in that sense I therefore speak of the violation of the Rule, the spirit of the Rules. This Head has been used for a specific purpose of making a small announcement or something like that. This is a general review, almost a mini-Budget, which is being presented to the House and that is what I was saying. We have no objection; we welcome it but present it in a form that we can have an opportunity to debate it. That is all I am saying.]

[**The Speaker:** Cde. Hoyte, I do not think Dr. Jagan has raised any point of order.]

Mr. Hoyte: The difficulty in which the Leader of the Opposition finds himself is that he has not got a lawyer on his side.

[**The Speaker:** Cde. Hoyte, let us proceed with your Statement.]

Mr. Hoyte: I am going to help them but I shall proceed. I am going to help him. There is nothing to prevent you from moving a Motion.

Physical Output and Sectoral Performance (cont.):

Mr. Hoyte: The Budget Speech emphasised the critical importance of increased production (linked with improved efficiency) as the only basis for stabilising the economy and ensuring real growth. In this context, the key areas continue to be sugar, bauxite, and rice where the productive forces are most advanced. It was recognised that the undesirable dependency on these three sectors would remain with us until the heavy investment we are making in other productive sectors begin to yield returns. We all therefore have a vested interest in ensuring that our major development projects are completed as quickly as possible.

Since these three areas provide the best guide to the national trends, it may be useful to focus first of all on the performance there. In the Budget Statement sugar production was projected at 360,000 tons (an increase of approximately 11 percent over 1978 figures). In the first half year, sugar production was 110,000 tons, some 50,000 tons less than that comparable period last year. This half year figure indicates quite clearly the original target will not be achieved. The continued viability of the industry demands that it produce this year no less than 320,000 tons – a revised target which the industry is not working desperately to achieve.

Rice Production was estimated at 210,000 tons, that is, 15 percent higher than 1978. The half year figures show a production of 65,000 tons in 1979 as against 58,000 tons for the same period last year, that is 12 percent increase. However, for reasons which will be advanced later, the industry predicts a poor second crop and a 1979 overall production of 147,000 tons or approximately 19 percent decrease on 1978 production.

The projections for bauxite/alumina were as follows: Dried Bauxite/Chemical Grade Bauxite: 1,140,000 tons; Calcined Bauxite: 737,000 tons (approximately 25 percent over 1978); Alumina: 285,000 tons.

The half year showed dried bauxite at 698,000 tons (approximately 53 percent over 1978) and calcined at 327,000 tons (approximately 16 percent over 1978). However, alumina production at 81,000 tons represented a decline of approximately 28 percent over 1978.

The excellent prospects which existed in the bauxite industry for the achievement of its overall targets were destroyed by the protracted strike which occurred in the months of July/August and to a lesser extent to the strike which occurred in January. An assessment of the damage done is still going on. Suffice it to say that the consequences of that strike are going to be very serious not only for the workers and the industry, but for the entire country. All the original targets will have to be revised downwards drastically. An almost superhuman effort will be required to make any substantial recovery of lost ground.

The bauxite strike was a tragedy since recovery and growth this year was expected to be led by the bauxite industry.

Generally the agricultural sector has mixed fortunes. There was increased production of eggs, broilers, meat and fish; but there was reduced production of corn, legumes and pork. The supply of ground provisions, plantains and greens appeared to have been adequate.

In other areas of production the data in most cases are too sketchy and unreliable to enable satisfactory estimates to be made. In the forestry sector, the reporting mechanisms leave such to be desired. It is expected, however, that timber production should at least record last year's level. Stockfeed production has increased. In other areas of manufacturing and processing, there appears to be the same uneven pattern of production: increases in some areas and shortfalls in others.

However, particularly heartening has been the increased production in the manufacture of pharmaceuticals, fruit processing and handicraft, all of which have already shown good export potential.

Data to measure performance in the engineering and construction sectors have proved most difficult to assemble. Traditionally, much attention has not been paid to preparing indices of output. We are in the process of remedying this deficiency. However, since activity in this sector is preponderantly in the Public Sector, it may be reasonable to conclude that, given Government's budgetary constraints brought about by the overall problems of the economy, real output is unlikely to have been much higher than last year's.

Export, Imports and The Balance Of Payments:

Mr. Hoyte: The Budget has projected that the value of our merchandise exports would reach \$844 mn. or approximately 13 percent above the 1978 level. These exports were of course contingent upon the projected increased production. The unsatisfactory performance of bauxite and sugar during the first half year has reduced our foreign exchange earning significantly. Present estimates are that our earnings from exports are likely to suffer a shortfall tentatively estimated to be at least \$75mn.

The fall in export receipts will have two major adverse effects:

First, the expected quantum of external capital inflows will be reduced from \$140 mn. to probably \$40 mn. (This is so, paradoxically, because it is easier for a country like Guyana to mobilise external loans when the economy is growing and its exports are expanding).

Secondly, we will not be able to maintain imports at the levels proposed in the Budget and will be compelled to reduce them by at least \$80 million. Here we have a trite truism being demonstrated. If we do not produce, we cannot export. If we do not export, we cannot earn foreign exchange. If we cannot earn foreign exchange, we cannot import.

Money, Banking and Finance Operation of the Public Sector:

Mr. Hoyte: The first half year was characterised by a very sharp increase in demand for credit from the banking system. Private sector borrowing in the first half year rose steeply, \$25 million compared with \$8.1 million, in the first six months of 1978. The pressure on the banking system was not relieved in any way by money balances held by the private sector which increased marginally by \$5 million and indeed, in July fell back to the level at which it stood at the end of the last year. Thus, there was no increase in savings to offset the increased private sector borrowing. Thus, private sector which normally contributes to the banking system, drew in net terms resources from the banking system. At the same time, borrowing by Public Corporations amounted to \$23 million. The impact of this sharp increase in bank credit fell entirely on the net international reserves which declined by \$21 million during the period.

There are two developments of which particular note should be taken. The phenomenon of net borrowing by the private sector, referred to above, is unique in the experience of the Central Bank and requires further investigation and analysis to understand the underlying causes. Secondly, GUYMINE, normally a net contributor to the banking system, has been forced to draw some \$27 million because of liquidity problems resulting in part from the strike which occurred in the industry in January.

The failure of sugar and bauxite to meet their half year target has already had severe repercussions on the Internal Financial Programme. The financial surplus from the Public Sector is now expected to reduce earnings from sugar, bauxite and rice. Indeed, on the basis of the half year figures, it is estimated that the sugar industry was heading for an operating deficit of \$10 million instead of the \$1.0 million surplus originally projected. However, if the industry could achieve the 320,000 tons target for which it is not striving, this deficit would be reduced considerably and (given a continuation of the upward trend in world prices) might even disappear.

Central Government current revenue for the period showed an increase of 19 percent over the comparable 1978 figures; and current expenditure, with an increase of 14 percent, seems generally to be keeping within the limits of the Budget allocations. Central Government borrowing from the Banking System showed a reduction of about \$1.0 million compared with borrowings of \$51 million in 1978. The current deficit for the half year was \$45 million compared with \$47 million in 1978.

The deficit on the current account of the Central Government, targeted in the Budget for the year 1979 at \$186 million, is now likely to widen to about \$195 million. This is the consequent of increased costs resulting from the sharp rises in the price of oil and other goods in addition to revenue shortfalls, e.g. reduced excise duties.

Capital expenditure was \$65 million compared with \$32 million during the same period in 1978. There was an overall deficit of \$74 million as

compared with \$46 million for the corresponding period last year. The increased deficits, together with the reduced foreign inflows, will compel us to reduce the level of capital expenditure by an estimated \$70 million.

Overall Aggregates of the Economy:

Mr. Hoyte: The performance of the overall aggregates is far from satisfactory and falls short of the Budget targets. From the available data the following conclusions may be drawn:

- (1) The attainment of the real growth target is now problematical. A major intensive effort is required to prevent a decline over last year's poor performance.
- (2) Total investment is likely to fall by about 17 percent from the projected level. Public Sector investment is likely to fall even greater, possibly by 20 percent. The investment ratio of 22½ percent of national income envisaged in the budget will contract to 20 percent on present projections.
- (3) National savings, projected at 11.7 percent of GNP, will probably achieve only 10 percent. The decline is, of course directly attributable to the reduced surpluses which will be generated by the Public Sector.
- (4) The gap in the balance of payments which was projected at between 10 percent – 11 percent of national income is not expected to change, but will be related to a much reduced level of investment and also to a lower level of imports.

Some Factors affecting Production and financial Performance:

Mr. Hoyte: The factors which hindered production were varied and complex. They included weather; labour relations; management and supervision; financial constraints; availability of machinery; equipment and spare parts; institutional weaknesses of one kind or another; continuing low world prices for sugar in particular; the steep increases on the cost of inputs, particularly oil.

The vagaries of the weather have always posed problems for our agricultural production. Hence our massive investment in water control projects like Tapakuma and MMA and the smaller schemes to prevent our farmers being totally at the mercy of the weather.

It is important to understand how unseasonal weather can wreak havoc – and has wreaked havoc this year – with our agricultural production. Agricultural production is programmed to fit into the expected weather

patterns. Thus in the rice industry, for example, farmers expect to reap their first crop and prepare the land for planting the second crop by the time the rains come in mid-May. However, this year, the rains came very early in March and lasted until mid-August. Consequently, there were severe difficulties in reaping the crop in the resulting wet and slushy conditions. A portion of the crop was lost and the quality of the portion reaped suffered. Still, the crops were 65,000 tons or 12 percent higher than last year's first crop. But for the adverse weather conditions, it would have been even higher. However, the worst consequence off the early rainfall was that the preparation of the land for the second crop was severely hampered. As a result, the second crop is likely to be poor and the shortfall will be of such a magnitude that overall production for the year may well be some 19 percent below last year's figure.

Sugar production was equally affected since the rains made harvesting difficult and reduced the sucrose content of the canes.

Industrial unrest proves to be one of the worst hindrances of production. Although the number of strikes during the first half year was less than that during the comparable period last year (129 as against 157), the number of man-days lost was greater (73,400 as against 58,100). The sugar industry registered a sharp decline in the number of strikes this first half year as compared with last year (87 compared with 137) and also in the number of man-days lost (33,400 as against 57,000). In other sectors, both the incidence of strikes and the number of man-hours lost showed marked increases: (41 strikes compared with 20 last year; 40,000 man-days lost as against 1,000 last year). It has not been possible to quantify as yet the amount of wages lost by the workers, but it must be enormous. Guyana is too poor to indulge in the luxury of a high incidence of costly works stoppages. While the strike weapon must always remain available to workers, its indiscriminate use undermines the foundations of the economy, impedes production and, in the last analysis, prevents the workers from achieving the higher standards of living to which they rightly aspire for themselves and their families.

A more regular resort to the existing machinery and procedures for the avoidance and settlement of disputes rather than the use of the strike weapon is necessary if production levels are going to be lifted, growth in the economy attained and tangible, permanent and ever-expanding improvement in the workers' welfare achieved.

Managerial and supervisory cadre are still inadequate both in numbers and quality and were frequently over-extended. Maintenance systems are still by and large inadequate and sometimes non-existent. As a result there is still too much down-time recorded for vehicles and machinery and still too many assets being under-utilised. The problem of the availability of spare parts derived partly from foreign exchange constraints, but more directly from excessively high demand resulting from poor maintenance and from inefficient ordering programmes. Escalations in

cost of imported inputs and limited availability restricted production and squeezed profit margins.

Institutional weaknesses, arising largely from inappropriate structures and mechanisms in the Public Sector, have been a contributory factor to delays and bottlenecks.

These problems have been highlighted, not by way of criticism of any person, group or institution, but by way of reminder that much remains to be done in strengthening, upgrading and re-organising our institutions and procedures if we are to succeed in transforming our country into a viable, modern state.

These are major problems at the very heart of the issue of development. We cannot expect them to be eliminated overnight. Much work has been done and continues to be done to remedy these defects. A few examples of the work being done in institutional strengthening may be useful and instructive. In the course of the year, there have been established the Guyana Forestry Commission, the Guyana Geology and Mines Commission, an Energy Authority for purpose of ensuring rational management and coherent policy formulation for their respective areas of jurisdiction. Additionally, I may mention on the establishment of the Institute of Applied Science and Technology and the strengthening of the State Planning Secretariat. We have also embarked upon many training programmes designed to upgrade skills in the Public Sector and nationally.

The Impact of Oil Prices:

Mr. Hoyte: The steep and unpredictable increases in the price of oil have been, and continues to be, a major factor impacting negatively on our economy. High oil prices have been eroding our foreign exchange earnings, increasing production costs and reducing surpluses in all areas of economic activity. The cost to the economy of oil and lubricants so vitally necessary to production has escalated disturbingly over the past few years. Our bill for 1977 was 16 percent higher than it was for 1976; and for 1978, it was 6 percent higher than 1977. For 1979, it was originally estimated that the bill would be 18 percent over that for 1978. However, revised estimates now suggest that it will be in excess of 32 percent of the 1978 bill. The end is not yet in sight since there have been recent indications that there will be more increases before the end of the year.

Viewed from another angle, the cost of our fuel and lubricants bill has taken a steadily increasing share of the total value of our imports. In 1976 it accounted for 13 percent of the value of our imports, rising to 17 percent in 1977, 20 percent in 1978 and (on present estimates) of some 25 percent in 1979. It will be higher if there are more price hikes this year.

While oil prices have pushed up production costs, most of our major export earners, like GUYSUCO, have not been able to pass these increased costs to their customers. The world price of sugar remains depressed and

well below the cost of production. GUYMINE, on the other hand, which is in a position to pass on some of these increased costs, has been unable to take advantage of a buoyant market because of low production.

If our economy is to be saved destruction as a result of the pressure of oil prices, we must devise speedily and implement rigorously an appropriate energy policy based upon the fullest practicable utilisation of domestic energy sources and strict economy in the use of imported fuels.

Implications for the IMF Standby Arrangement (Extended Fund Facility):

Mr. Hoyte: Needless to say, on the basis of the aggregates for the half year, the reasonable growth and financial targets projected under the IMF Arrangement last year qualified us for the current Extended Fund Facility which was designed to set us once more on the growth path. It is unfortunate, to say the least, that we have unnecessarily undermined our position. In the circumstances, the Government has indicated to the Fund its intention to hold discussions with a view of having the Standby Arrangement adjusted in the light of our changed economic circumstances.

Implications for The Year - Policies and Prospects:

Mr. Hoyte: Although the half-year review indicates a failure to achieve the production and financial targets upon which the Budget was premised, it does however confirm the essential validity of the basic strategy or approach. There is absolutely no alternative to increasing the efficiency and the levels of our production. This is an economic imperative which transcends ideology.

Crucial to the success of our efforts must be a general acceptance of the fact that increased real wages can only be financed from increased production. Similarly, existing jobs can be protected and new jobs created only if we achieve accepted levels of production and productivity. Hence, the need for realism in a wage policy, as outlined in the 1979 Budget Statements, is even more necessary at this point of time. Production levels must be lifted and greater efficiency generated in all sectors of national life. In this connection, Corporations and unions which are in default must treat as an overriding and urgent priority the implementation of the productivity-linked Incentive Schemes. It has taken us much too long to put those in place.

The situation revealed by the review, although disappointing, can to some extent be retrieved. This requires, on the part of all members of the society, a firm grasp of the nature of our problems and a determined effort. There are some hopeful auguries. For example, sugar prices have within recent weeks been showing a heartening upswing (though they still

remain well below our cost of production). Moreover, sugar workers have stepped up production and have been producing a weekly average of about 10,000 tons of sugar for the past few weeks. Bauxite workers have pledged to make an all-out effort to try to reach the original production targets in the industry. There has been a significant increase in the manufacture of many non-traditional products which have good export potential. We continue to prove our ability to provide ourselves with most of the food we need.

In some financial circles, local and foreign, there has already been speculation that we may try to solve our current problems by resorting to exchange rate adjustment. The Government is satisfied that, in our circumstances, this is not a viable option. The key to our problem is to be found in increased production, improved productivity and the intensification of ongoing programmes to strengthen national economic management. Both the short-term and long term solutions are to a large extent within our control. In the short term, we must insure greater efficiency in the use of existing resources; in the long term we must ensure timely and effective implementation of major projects aimed at expanding, diversifying and strengthening of our economic base. In this way, we will reduce the economy's present vulnerability to most of the internal and external factors which constrain our development.

Motion on the Approval of Financial Paper No. 2/1979: 15th October, 1979

"Be it resolved that the Committee of Supply of the proposal set out in Financial Paper No. 2/1979 – Schedule of Supplementary Provision on the Current and Capital Estimates for the period ended 30th September, 1979, totalling \$47,443,468."

[The Minister of Economic Development and Co-operatives]

Mr. Hoyte: Item 18. If we get into a debate on what should be in the legend, we would get into a debate on semantics which would never end. It is true that we had hoped that by the end of this year the Textile Mill would have been completed. There were setbacks having largely to do with the weather. Anybody, indeed any Member of the Opposition, can go and see what is going on there. He will understand that we are dealing with a very large complex, a very large workforce, and that weather conditions are important for getting on with the task.

I did say that during the course of this year that we would have the first output of what I have been told is the correct term, 'gray cloth'. Gray cloth was in fact produced and there was a report in the newspapers. Now the work is very far advanced. We are all hoping that by the end of the year we would be able to have most of it completed to the extent that there may be some production on a much larger scale. During the first quarter of next year we expect that the entire project would be finished and commissioned. This project, (as has often been said in this House, and has been published widely), is one of the projects being financed by the first Chinese loan. We have already spent in local costs to date, an amount of \$18.6 million. But one has to bear in mind that there are large amounts of equipment and machinery, the cost or value of which is not included in the actual monies spent.

The Leader of the Opposition wanted to know whether the Vegetable Oil Plant would be able to handle rice husk, palm oil and other inputs for the production of edible oil. The answer to that is yes. It is a multi-purpose mill which will be able to handle all of these inputs. The total cost of the mill is estimated at \$15.3 million. Again, it must be borne in mind that this is a project in co-operation with the German Democratic Republic which will be providing plant, equipment, and some technical services. I am advised that the output is about 500,000 tons of crude oil annually. That is the output approximately. It is true that palm oil has been produced in the North West. In fact, GuySuCo which has charge of that project has been producing sizable quantities of palm oil, and for years the ordinary farmers who have been growing the crop have been producing by primitive methods, oil from the fruit.

Now, the Glass Factory is very advanced. Again, I would invite Members of the Opposition to go and look around and talk with the consultants and the contractors and see what is happening. That project, too, suffered some delays due to weather and to problems with the flow of materials, for example, as happens in all large projects, and anybody who has had anything to do with large projects would know this. Sometimes when the crates are opened vital pieces of equipment have been found to be damaged or missing. Those problems delay the process of the project. Of course, there are occasions when parts have been stolen – and you will know this as a practitioner.

Cde. Narbada Persaud wanted to know whether this amount is from the Central Government or whether it is part of the loan from the Royal Bank, which was contracted for the project. The answer is that these are Central Government funds which will form part of the equity of the Central Government in the project.

The cotton production is being undertaken largely by the National Service at Kimbia. At the moment, there are 200,000 acres under cultivation. All agricultural projects depend on weather except hydroponic, and cotton production is being stimulated by GuySuCo which again, Comrades ought to know, is being changed from a purely sugar operation into an agricultural complex.

Motion on the Affirmation of External Loans (Limitation Increase) Order 1980 No. 2: 4th February, 1980

“Be it resolved that this National Assembly affirms the External Loans (Limitation Increase) Order 1980 (No. 2), which was made under section 3 (7) of the External Loans Act, Chapter 74:08, on the 25th day of January, 1980, and published in the Gazette on the 26th day of January, 1980.

**[The Minister of Economic Development and Co-operatives on behalf
of the Minister of Finance]**

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

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

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

[Motion proposed.]

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

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

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

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

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

[Question put and agreed to.]

[Motion carried.]

Motion on the Second Reading of the Criminal Law Bill 1980: 28th March, 1980

A Bill intituled:

“An Act to clarify the procedure relating to summary trial of indictable offences and to provide for certain other matters relating to the criminal law.”

[The Attorney General and Minister of Justice]

Mr. Hoyte: Cde. Speaker, I listened with great interest to the contribution of my good friend, Cde. Collymore. I am sure that he did intend to make a point, but somewhere along the line that point escaped him. There is a maxim in Equity which says, *“Equity considers as done that which ought to have been done,”* and since the Comrade intended to make a contribution this debate, I would invoke the equitable principle.

Cde. Speaker, this Bill is not one which is susceptible of emotional arguments. It is concerned with matters of technical law, and, therefore, requires cool, calm deliberation based upon at least some knowledge of the technical principles involved and some understanding of the underlying issue. If we apply that criterion, I would be inclined to think with some justification that the Members on the other side of the House do not qualify to intervene in this debate. My. Good friend, Cde. Collymore, has a long and intimate acquaintance with the law. There are many people, Cde. Speaker, who have a great love for the law, but the law tends to be a coy lady and does not always reciprocate that admiration; and, indeed, sometimes the law has a way of extending her clutches, so to speak, to embrace in a very crushing way those who transgress her rules. I believe that the acquaintance of the Hon. or the Cde. Member with the law must have exposed him to this crushing embrace, an experience which qualifies him not really to speak about legal issues but to speak on the subject of penology. He is a past master in that.

But to return, Cde. Speaker, to the main issue we are dealing with here: this Bill is dealing with a matter of adjectival law as opposed to substantive law. Adjectival law deals with procedure. There is no question of anybody ever having a vested right in the procedure and all the judgements of the court have said that procedural matters do not go to substance. Procedural matters are always susceptible to being changed at any time and at any stage of a trial, criminal or civil. I would have thought that the learned member, Mr. Feilden Singh, in applying his mind to this argument of retroactivity would have reflected upon what is settled law on the question of alleged retroactivity.

Undoubtedly, the judgment of the Court of Appeal in the Apata case has upset settled practice in the application of the adjectival law. No one up to that time when the learned Judges in the Court of Appeal delivered that

judgment ever conceived of the procedure in terms of the criminal jurisdiction being what the Court of Appeal said it ought to be. And therefore it is not a question as to whether the Court of Appeal is right or wrong. The learned Member says we are bound and the Courts are bound by the decision, that is so, but the High Court of Parliament is not bound by that decision. The High Court of Parliament has a duty to ensure that the criminal law and, indeed all the law in this country is administered within the procedural framework which enables the objective of justice to be attained.

The result of the judgment has been, as I have said, to upset settled practice. But more than that, unless the High Court or Parliament declares the law to have been what every lawyer hitherto conceived it to be and declares the law to be what every magistrate in the past has conceived it to be, we would have tremendous problems in our criminal jurisprudence. And are we to accept that all of those cases which have been disposed of by our magistrates on the basis of what was accepted to be the procedural principles – are we to say that all of these matters have been dealt with irregularly? And, if that is the position, well then it is necessary for this Parliament to ensure that the procedures which we have applied and which have worked well are declared to the procedures which the Parliament intended.

An argument has been based upon a deprivation of defences. Now, that argument must arise from a misunderstanding of what is a defence. Let me say outright, Cde. Speaker, that this Bill has nothing to do with defences available to anybody. An issue of jurisdiction is never a defence. If one looks at jurisdiction, one could for purposes of convenience divide it into two categories: the first is a question of jurisdiction arising because a certain offence is statute-barred. In this case, the Court has no competence to hear it, the Police have no competence to bring the charge because the law says we must forget the offence – too much time has passed.

This Bill does not deal with that kind of issue but with the second category of jurisdiction: this second has two limbs: first, where a Court has no competence at all because it is the wrong forum, and, secondly, where the Court does not have competence but a particular procedure being applied is the wrong one. In either of those cases, raising an issue as to jurisdiction is not a defence, because if the lower Court proceeded when it did not have jurisdiction or proceeded along a wrong procedural course, all that happens on appeal, assuming the defendant is convicted, is that the trial is declared a nullity and the superior Court directs a new trial.

It is not a question of any defence. The issue of procedure does not apply to defences and therefore all arguments based upon alleged deprivation of defences are arguments which are based upon a complete misunderstanding of the law and the nature of this Bill before this honourable House. I must say, further, that this Bill creates no new offence and this Bill deprives nobody of any defence. Once one grasps that essential point, one

recognises that the foundation of the arguments, which have been advanced, crumbles completely.

It has been said time and again that the Courts do not exist to preside over games of technicality. We cannot reduce the criminal law of this country to a game of dice. We need to have some clarity and continuity in the way in which Courts are required to administer criminal trials and the fact of the matter is that criminal trials in the lower Courts – I do not want to get into this question of hybrid and non-hybrid offences – criminal trials in the lower Courts of summary jurisdiction offences, have always proceeded in the way in which this Bill declares they ought to be proceeded with.

The Bill confirms settled practice. The Bill does not change anything. The Bill seeks to clarify what the law is with respect to procedure in criminal cases tried summarily. Any changes which threaten to undermine the procedural foundation of the criminal law would be changes arising from the decision of the Court of Appeal. As I have said before, whether the decision of the Court of Appeal is right or wrong, it is not a matter of any moment. What is of concern to the Government and what ought to be of concern to this honourable House is to ensure that we do not import into the adjectival law, within the criminal jurisdiction, uncertainty and confusion. If the law was ambiguous, if the law was unclear, well then the Court of Appeal, the final Court of this land, has its duty and the Court of Appeal has discharged its duty. But the High Court of Parliament also has its duty and the intent and purport of this Bill is to discharge that duty, to clarify the law and to make it clear beyond peradventure that the way in which the criminal procedure for summary jurisdiction offences was applied in our summary Courts is what Parliament intended it to be and what it ought to be.

Motion on the Approval of Estimates of Expenditure for 1980 Budget Speech: 8th April, 1980

Mr. Hoyte: The 16th Annual Budget of the People's National Congress Government is being presented against a background of disquieting international developments. The decade of the 70's has ended amidst the wreckage of the high hopes with which it began for a more stable and just world and for vastly ameliorated conditions of life for "*the wretched of the earth*". Detente between the superpowers has now been metamorphosed into confrontation and a variation on the Cold War theme and the promise of a regime of peace which it had engendered has now been displaced by widespread fears of a major armed conflict. The enormous increase in the price of oil products has jeopardised the viability of non-oil-producing developing countries, regardless of social systems. And, in the developed industrialized countries, high inflation rates of nearly 20 percent, interest rates of over 20 percent and unemployment rates as high as 7.5 percent (and predicted to rise even higher) - all evidence the serious plight of the world economy. The world is in crisis!

The Budget presentation coincides with the end of the celebrations to mark the 10th Anniversary of the founding of the Republic. The celebrations did not consist in mere merrymaking. They had a serious dominant theme. They were for us an occasion to appraise the results of our development efforts over the past decade, to measure our progress as a nation and to assess our moral fibre as a people. The magnitude and quality of our achievements were there for the world to see. We noted them with inward and outward satisfaction. We counted our blessings; but we also took stock of our shortcomings and failures and paused for introspection and self-criticism. And from this exercise we have undoubtedly emerged with a keener understanding of the complex nature and the peremptory demands of nation-building. We have emerged, too, with a clearer perception of our goals, a better understanding of the multitudinous possibilities open to us in our native land; and certainly, Comrade Speaker, with renewed faith and confidence in ourselves and in our capacity to strive and to achieve.

The completion of the work of the Constituent Assembly; the adoption by the Parliament of a new Constitution for Guyana; the proposed re-organisation of the Local Government system; the certainty of General Elections: all these factors have produced among the people a sense of purpose. This will be a powerful asset as we confront the worldwide economic problems which now beset us, with such grave implications for our survival, growth and prosperity.

Budget Preparation:

Mr. Hoyte: Last year the methodology of Budget preparation was adjusted to the fact of a predominantly public-sector economy and to the overriding objective of a more imaginative and dynamic use of publicly-owned resources for the development of the people. The State Planning Commission was required and directed to co-ordinate and harmonise the Budgets and Financial Plans of the Central Government and the rest of the Public Sector to ensure the overall coherence and consistency of Public Sector operations.

The 1980 Budget reflects a refinement of the technique and a deepening of the process outlined in 1979. The format is similar to last year's; but much study has been given to the question of recasting it and some work has already been done in this direction. However, the distinguishing characteristic of this Budget is not so much the more detailed and comprehensive information it contains as the greater care that has been taken to ensure the complementation and consistency of the plans and operations of the various parts of the Public Sector.

Over the past year, there has been marked improvement in the planning, co-ordination and monitoring of Public Sector operations. In consequence, Government was able in 1979, for the first time in the history of this country, to present to the National Assembly and to the nation a half-year review of the performance of the economy.

However, we are still at the beginning of a long process and much more work has to be done. In particular, the desideratum of greater popular involvement in the work of the State Planning Commission has not yet been achieved, and more strenuous efforts to this end will have to be undertaken in the course of this year.

Retrospect: 1979 and the Past Decade:

Mr. Hoyte: The out-turn of our economy in 1979 cannot be discussed in isolation from the course of developments throughout the 70's and cannot be understood except in the context of the major world economic issues.

The 1970's: Main Trends in the World Economy:

Mr. Hoyte: The 1970's turned out to be a decade of global economic upheavals. In its early years, the international monetary system with its regime of fixed parities disintegrated. The complacent belief in the eternal stability of the US dollar was shaken as that currency showed hitherto unsuspected weaknesses and was officially devalued. Devaluations, currency floats and currency manipulations of all kinds triggered uncertainties and confusion, if not chaos. Inflation rates in the industrialised

countries reached the dreaded double digit figure. The average annual growth rate of world output fell steadily from levels achieved in the 1960's; and the volume growth of world trade diminished from about 9 percent a year in the early 70's to about 4 percent towards the end. Indeed, the volume of growth of primary commodity exports of developing countries stagnated since the early years of the decade, and the prices of these commodities behaved erratically and were generally unfavourable to the developing countries. Global food supply failed to measure up to demand and famine ravaged many a developing country. The price of oil soared steeply. The cost of money grew steadily and has now reached unprecedented levels; and recessions of varying degrees of intensity plagued the industrialised countries.

The industrialised countries were the principal markets for the exports of the developing countries and their main source of external capital and technology. Inevitably, therefore, the economies of the developing countries deteriorated seriously throughout the decade. As the terms of trade flowed strongly against them, their balance of payments deficit widened alarmingly. In 1970, the deficit of oil-importing developing countries was less than US \$5 billion; in 1978, it reached US \$25 billion, and in 1980 it will widen to US \$50 billion. In 1970, the external debt of developing countries was US \$74 billion: at the end of 1979 it had soared to US \$370 billion: and to service this debt they had to pay more than US \$60 billion.

The 1970's: Salient Features and Developments in the Guyanese Economy:

Mr. Hoyte: It was in such a decade of uncertainty that the Guyanese people perceived their goals with certainty and pursued them with determination and vigour. We enunciated our basic policy position; namely, that we intended to be masters in our own land and moulders of our own destiny. We opted for political independence and economic self-reliance. We declined to be pawns of any country. And on the basis of overwhelming national consensus, we chose to build our society on foundations of social justice and equity.

In the translation of this policy into action, we domesticated our economy by bringing under Guyanese ownership and control the dominant and strategic sectors. Thus, today, not only is the economy fully, legally and effectively under Guyanese dominion, but the major enterprises are owned by the Guyanese people as a whole and operated for their sole benefit.¹

We also set our social goals and strove resolutely to attain them. We effectively destroyed the monopoly of education and culture by a privileged few by instituting a system of free education (including free basic text books) from Nursery to University; and we began to build the

schools, training centres and other facilities which the implementation of our new policy required.² We extended and intensified programmes of workers' education and other kinds of non-formal training. We trained overseas 2,066 young Guyanese in various skills and disciplines vital to our development³ and thousands of others locally. We established the Guyana National Service, in accordance with new concepts of education, to provide young people with the skills and orientation to become self-reliant, creative and productive citizens who know, love and are committed to the service of Guyana.

We extended the network of health facilities to 47 locations throughout the country⁴, increased the quality and numbers of trained health personnel, and made the health services at public hospitals free. We extended potable water supply systems to 132 rural areas⁵ and carried electricity and telephone communication services to all communities along the coast and to many hinterland locations. We built about 300 miles of first class roads⁶ and extended drainage and irrigation systems and other agricultural infrastructure⁷ to facilitate production, upgrade the quality of life in rural areas and to reduce discriminatory differences between town and country.

During the decade, too, in keeping with a major policy objective "*to house the people*", the Government embarked upon a number of housing schemes, facilitated private housing development for the benefit of the people⁸, and established financial institutions such as the Guyana Co-operative Mortgage Finance Bank to support the Housing Programmes. Amelia's Ward, South Ruimveldt Gardens and Park, Guyhoc Gardens, Meadow Brook Gardens, Republic Park, Melanie Damishana, Tucber, Henrietta and Bartica Housing Schemes are just a few examples of the success of these efforts.

In short, we had initiated the difficult process of transforming our country socially and economically. But, of course, these Programmes to develop the country and improve the conditions of life of the Guyanese people required heavy financial outlays. Over the decade we spent \$500 mn on formal and non-formal education and training; and in 1980, we will spend \$127 mn; technical and professional training of young Guyanese overseas alone absorbed \$60 mn; in 1980, such training will cost \$14 mn. Our expenditure on medical services over the period was \$250 mn; in 1980, it will be \$50 mn. We spent \$200 mn on major road construction, and \$290 mn on drainage and irrigation and sea and river defence projects. In 1980, we will spend \$50 mn and \$99 mn respectively. We spent \$200 mn. on electricity expansion; in 1980, expenditure will be \$21 mn.

During the decade, we effected fundamental changes which were vitally necessary if we were to make any headway towards establishing a viable modern independent state in contradistinction to a mendicant client state. We far-sightedly devised and began to implement a programme to feed, clothe and house ourselves - the FCH Programme. This was an

agenda for self-reliance and survival. Today, this commonsense approach to development has found worldwide acceptance under the name of a 'basic needs strategy' and is being widely imitated.

The implementation of this comprehensive programme of social and economic development required very large investments at a time when costs were rising rapidly as a result of spiralling world inflation. The price of oil increased by 900 percent and the price of machinery and materials quadrupled over the period.

In these circumstances, in order to sustain our Investment Programme, protect existing jobs of our workers and create new ones and maintain and improve the workers' real wages, we would have had not merely to maintain existing levels of production, but to increase them sharply. However, the opposite of what was required happened. Our production faltered during this critical period; and, as a direct result, our export earnings were greatly reduced and our balance of payments position deteriorated badly. 1973, 1976 and 1979 were particularly difficult years.

Our production did rise and our economy did show some growth up to 1975; but in 1976 adverse weather, escalating prices of imported inputs, and the sudden plummeting of sugar prices were among the factors that conspired to depress production.

At this time, too, the steep increases in oil prices began to make their impact upon our balance of payments. The current account deficits in our balance of payments became intolerably large, rising to \$351 million or 33 percent of GNP in 1976. At the end of 1977, we had fallen into arrears of payments due on external transactions in the amount of \$102 million. We were not paying our debts, and we were becoming uncreditworthy as a nation. To put it bluntly, having regard to our levels of production, we were living above our means. We had to put our house in order if we wanted to earn respect as a nation.

In 1978, we took firm action to correct this unacceptable situation, and were able to reduce the balance of payments current account deficit to \$ 67 million or a mere 6 percent of GNP. We also reduced our external arrears by \$20 million. In support of this effort to restore equilibrium, we entered into a one-year Standby Arrangement with the International Monetary Fund which provided us with an inflow of resources totalling \$45 million. This Arrangement yielded successful results in that, on the financial side, we were able to restore to the economy some measure of balance. Thereafter, for continued stability and growth we needed to lift, the levels of our production.

We survived in 1978, and survival was the immediate and pressing objective. What sustained us, despite the stringent reduction in imports, was the fact that we produced so much of our own food. This is a fact little noticed and little publicised. But it is time that we take note; for it is upon the continued and expanded production of food that the stability and safety of this country will depend, not only at this time but for many years to

come. No more cogent evidence can be required to justify the correctness of the policy of self-reliance in food production which the Government implemented at the beginning of the decade.

Over the years our investment in drainage and irrigation and other infrastructure in support of our farmers' efforts has been massive. In the circumstances, it is the height of folly to snub our own farmers by squandering our money on imported foods. Given the volume, variety and high nutrient quality of local foods, it is a serious contradiction that we should be still spending \$35 million annually on the importation of wheat. Moreover, Government has controlled the prices of wheaten flour at an unrealistically low level. This has encouraged a widely-ramified smuggling trade and has resulted in the Guyanese people enriching a few rascals, subsidising foreign consumers, and impoverishing themselves. It has also made it more attractive to buy the imported item and downgrade local foods.

Government will therefore discriminate unapologetically in favour of Guyanese farmers and local foods and will cease to hold the price of wheaten flour at its present unrealistic level. Although the commodity will continue to be subject to price control, its price will be allowed to find a more realistic level to make smuggling unattractive and to establish a reasonable price relativity with locally produced foods.

Our agricultural policies during the decade stimulated the production of many food items enormously. For example, the output of ground provisions increased by 53 percent; plantains by 34 percent; cabbages by 160 percent; pulses by 260 percent; pineapples by 500 percent; pork by 59 percent; shrimp by 60 percent; fish by 60 percent; eggs by 33 percent and poultry meat by 50 percent.

The processing of fruits, vegetables and other agricultural produce received a strong fillip. There was a great increase in the manufacture of preserves, and condiments, jams and jellies, syrups, wines and cardinals.⁹ This marked growth in the production of small agriculture has been paralleled by marked real growth farm incomes, if the housing and other physical assets of farmers are a useful index of their improved circumstances and well-being.

Our policy of self-reliance was reflected also in other areas; for example, the manufacture and use of clay bricks and other clay products for housing and other construction.

We placed great emphasis upon maximising the use of our manpower resources and encouraging as many people as possible to become involved in direct productive activities. In the pursuit of this objective we abandoned many orthodox and traditional ideas as being irrelevant to our circumstances. Thus, in the educational system, farms have been integrated into many school complexes; agriculture has become a part of the curriculum; and work study programmes have been introduced to permit the children to mix class-room theory with practical work and, in

the process, become directly productive. The Guyana National Service has re-established the cotton industry in Guyana and is one of the largest producers of legumes in the country. Apart from its agricultural activities, the Guyana National Service is engaged in quarrying, gold production, fishing, logging, sawmilling and the manufacture of garments, furniture and other wood products. The People's Army is engaged in rice and provision farming, cattle ranching, poultry and pig rearing and fishing. And the People's Police have established a large farm at Kibilibiri where they produce peanuts and legumes among other crops. Government has insisted that Prisons should be active in the production drive. The Prison Farm at Mazaruni, with its prize pigs and its dairy cows, is an excellent model for productive activities. Prisons have been cultivating rice on the East Coast of Demerara at such places as Lusignan and Melanie Damishana. Moreover, they have become self-sufficient in green vegetables and produce surpluses for sale.

The decade witnessed the emergence of a new breed of entrepreneur in the private sector. They are, by and large, able and energetic young Guyanese who are interested in manufacturing, as opposed to mere buying and selling. They have shown great initiative in establishing manufacturing enterprises which are consistent with Government's overall development strategy and have made an important contribution to our economy and to our foreign exchange earnings. Government has supported and will continue to support their efforts. Like all other patriotic Guyanese, they too recognise that our present stringencies will of necessity pose them some problems and require of them some sacrifices. But the initiative and ingenuity they have shown so far will certainly help them to cope successfully.

During this period, too, we paid constant attention to the dignity, welfare and personal development of the Guyanese working people.

The Government introduced a system of social security through the National Insurance Scheme; instituted and funded a programme of workers' education and supported the TUC's programme by an annual subvention to the Critchlow Labour College. Government consistently promoted the principle of worker involvement and participation in managing the enterprises in which they worked, and passed many important laws to protect or advance the interests of the workers.

During the decade, the Government kept under constant and anxious review the wages of the workers and acted promptly and resolutely to improve their wages as the circumstances dictated and the economic realities permitted.

On accession to office in December 1964, Government immediately revised the basic minimum wage from \$ 3.04 per day to \$4.00. In 1969, the Government granted workers a lump sum relief equivalent to an increment of 4 percent on the basic rate; and thereafter, in 1970 and 1971, granted interim relief of 6 percent and 7 percent respectively on the basic rate.

In 1973, as a result of the job evaluation exercise, the basic rate was increased to \$5.50 per day. As from 1st January, 1977, the basic rate was further increased to \$8.40 a day, being an increase of approximately 53 percent; and as from 1st January, 1978, the basic rate was again increased to \$11.00 a day, being an increase of 31 percent on the 1977 rate. The workers basic wage rate has increased by 100 percent since 1976.

It is against this background of world issues, domestic developments and Government's consistently demonstrated solicitude for the welfare of the working people in the 70's that the performance of the economy in 1979 must now be assessed.

The Performance of the Economy in 1979 - Production Out-turn:

Mr. Hoyte: In terms of what was possible and achievable, the performance of the economy in 1979 was disappointing and fell far short of the targets which had been set. The programme of recovery had rested squarely upon the sugar, bauxite and rice targets, but most critically upon bauxite.

Unseasonal rains affected rice production; and in combination with smut and rust diseases and too many strikes in the industry, adverse weather conditions also prevented sugar from achieving its target. During the second crop, the sugar workers did try very hard to retrieve the situation, but by that time the damage was too great and the original target was out of reach. The failure of bauxite production was due principally to a prolonged strike in the industry. Subsequent efforts by bauxite workers to repair the serious damage were unavailing.

The actual production and export earnings of these major industries compared with the original projections tell the story graphically:

Industry	Tonnage		Export Earning	
	Target	Actual	Target	Actual
Sugar	360,000	298,000	G\$mn 250	G\$mn 226
Bauxite/Alumina	2,182,000	1,808,000	G\$mn 390	G\$mn 327
Rice	210,000	142,000	G\$mn 100	G\$mn 81

The Self-Defeating Nature of Strikes in Publicly Owned Enterprises:

Mr. Hoyte: The strike in the Bauxite Industry was a tragedy for two reasons: first of all, the 1979 Recovery Programme had been constructed on the expectation of a strong performance in that industry; and, second, the strike took place at a time when the price of bauxite products was high and the demand was buoyant. In the favourable demand conditions, BIDCO could not honour many of its contracts to supply bauxite products and its

reputation as a reliable supplier suffered. GUYMINE lost opportunities for earnings estimated to be well in excess of \$40 million.

Guyana, the Guyanese workers and, most of all, the Bauxite workers are too poor to suffer such losses with equanimity. These losses meant that in 1979 many new jobs that might have been created were not created; many new benefits which bauxite and other workers might have earned, they did not earn; many vitally needed items (including spare parts) could not be imported. In this kind of situation, nobody gains anything; but every Guyanese is a loser. The industry does not belong to foreigners or to private investors; it belongs to the Guyanese people and its profits are deployed for their sole use and benefit.

It is important for all Guyanese - and particularly bauxite workers - to note that powerful new bauxite producers like the People's Republic of China are now entering the market. The near monopoly we once had of calcined grade products is now being vigorously challenged. The future of the Bauxite Industry, the jobs of the workers and the safety of our economy depend upon our ability to produce the volume and quality of product necessary to enable us to fulfil our contracts faithfully in a fiercely competitive world. In an economy like ours which is so delicately balanced, it is always a major premise that any Programme to shore up and strengthen the economy will founder unless the number of lost man-days is reduced to a minimum, particularly in the critical production sectors. The validity of this premise was reinforced last year. The number of man-days lost in the major sectors resulted in a low level of production and thwarted our economic recovery efforts. In 1979, the number of strikes and work stoppages was 219 as against 300 in 1978; but the number of man-days lost was 324,473 as against 75,291 in 1978. In 1979, workers lost \$6.4 mn in wages as a result of strikes as against \$1.0 mn in 1978. In the sugar and bauxite industries the figures were as follows:

Industry	1978		1979	
	No. of Strikes	No. of man days lost	No. of strikes	No of man days lost
Sugar	241	72,875	158	139,091
Bauxite	14	4,557	15	173,449

The Fate of the Extended Fund Facility:

Mr. Hoyte: Following our successful 1978 Arrangement with the International Monetary Fund, we negotiated on exceptionally favourable term. An Extended Fund Facility which would have guaranteed us over

the three-year period, 1978 to 1981, a much needed external inflow of G\$204 mn. to ensure the uninterrupted supply of spare parts, raw materials and capital goods so vital to our economic well-being. In addition, on the strength of the Facility, we would have been able to have access to additional resources to finance the levels of investment required by the planned growth in the economy.

However, in order to remain eligible to receive the in-flow and the additional resources one of the obligations we had to fulfil was to increase our production over that of 1978. The disruption of the bauxite and sugar industries made it impossible to reach reasonable production levels. We therefore had to withdraw temporarily from the Extended Fund Facility - and, of course, have less access to the financial resources which it had guaranteed.

Growth, Export and Imports and Balance of Payments:

Mr. Hoyte: In the circumstances of low production in 1979, the growth, export and financial projections were not realised since they were all interrelated and hinged upon the production expectations. The economy obviously could not and did not grow. In fact, it suffered an estimated decline of over 2 percent from 1978 levels.

Instead of the projected G\$844 million, merchandise exports earned only G\$737 million at a time when the prices for our major export commodities were increasing on the world market. As a result, we had to restrain merchandise imports to \$785 million which was well below the ceiling of \$816 million originally budgeted. Net payments for services amounted to \$136 million, which was \$8 million higher than estimated.

We therefore ended the year with a deficit on the current account of our balance of payments of \$184 million or 15 percent of GNP instead of the \$100 million we had planned. This deficit was financed mainly by a net capital inflow of \$60 million and by running down our international reserves to the tune of \$124 million. We also endangered our creditworthiness by postponing the payment of a backlog of international commercial debts.

Public Sector Financial Performance:

Mr. Hoyte: The financing proposals in our 1979 Programme were based upon our being able to realise a surplus of \$81 million in the whole public sector, our mobilising net capital inflow of \$122 million in addition to routine internal borrowing in the amount of \$67 million, and recourse to the banking system for the residual requirements estimated at \$136 million.

The shortfall in production and the consequential dampening of business activity reduced the public sector contribution to \$57 million.

Net external capital receipts amounted to \$83 million and internal borrowings yielded \$32 million. As a result of these shortfalls in receipts, public sector pressure on the banking system was greater than projected. Banking system borrowing increased to \$192 million or \$56 million above what was planned. However, much of this bank borrowing was attributable to increases in the working capital of corporations. These working capital increases were inevitable because of the severe depletion of the corporations' stocks in 1978.

Central Government Revenues and Expenditure:

Mr. Hoyte: Current revenues estimated at \$401 million were on target actually yielding 8396 million. Current expenditure estimated at \$587 million was restrained to \$581 million. The current gap was therefore \$185 million as estimated in the Budget.

An examination of revenue performance reveals some large variances between budgeted and actual revenue receipts from dividends paid into the Treasury by Public Sector Corporations. A shortfall of \$6 million from the projected \$24 million dividend receipts is attributable mainly to weak profit performances by GuySuCo and GUYMINE. Similarly, direct income tax payments from Public Sector Corporations amounted to \$49 million, a far cry from the projected \$75 million. However, there were compensating increases which enabled total company income tax to reach \$97 million, this is, only \$4 million below the budgeted figure.

On the current expenditure side, personal emoluments were held to \$178 million, that is \$4 million less than \$182 million projected; while Other Charges expenditure increased by \$9 million. However, this was compensated for by a fall of \$9 million in Public Debt payments. Subsidies mainly to the Transport and Harbours Department were \$3 million higher than projected and subventions paid to Local Authorities increased by \$1.3 million.

On the capital side, the Budget had projected expenditure totalling \$282 million. This expenditure had to be cut back to \$207 million. The Capital Programme and the current gap were financed by internal and external borrowing totalling \$268 million. In addition, borrowing from the banking system amounted to \$137 million or \$32 million more than projected.

Physical Achievements in 1979:

Mr. Hoyte: The Capital Programme for 1979 achieved impressive results. It had as its main objectives the intensification of work on ongoing projects, the restarting of many projects on which work had been suspended in 1978 and the rehabilitation of many public buildings and facilities. Among the projects restarted were the factory buildings for the leather tannery

and shoe factory at New Amsterdam, the Customs Building in Georgetown, the extension of the library at University of Guyana and several housing projects.

By the end of the year, a large number of these projects had been completed. These included Phase I of the Fish Port Complex at Houston; the Housing Schemes at Cane Grove, Queenstown and Boeraserie; Pure Water Supply Schemes at Calcutta, Good Faith and No. 7 Village and other areas; the construction and rehabilitation of many buildings (including such as Corentyne High School, Sheet Anchor, Fort Ordinance and Vryman's Erven Government School, Teachers' houses and other ancillary facilities); 13 wells in the Rupununi Region; 5 stelling in the Pomeroon, at Port Kaituma and Leguan, and a large number of community projects throughout the country; the emergency unit at the Georgetown Hospital; the West Demerara Road system; the East Coast Demerara Road Project and the Institute of Applied Science and Technology at Turkeyen. These represent only some of the projects in a long list. In the meantime, work proceeded steadily on many other projects to speed them towards completion.

We have much to be proud of in the solid achievements of 1979.

Facing 1980 and the New Decade:

Mr. Hoyte: All countries in the developed and developing world are facing the 1980's with a measure of uneasiness, and many with trepidation. The developed countries for the first time since 1972 are facing a total decline in economic activities. For non-oil-producing developing countries, the prospects are bleak. The magnitude of their oil bill oppresses them like an incubus. It has recently been estimated that these countries suffer a permanent annual loss of real income of more than US\$10 billion as a result of the impact of oil prices alone. To meet only the increment in the price of oil, they would have to increase their exports by at least 15 percent. In addition, the slow growth and high inflation rates being experienced by the industrialised countries have had an impact on the economies of developing countries as serious as that of the increased oil bill; and the terms of trade have continued to flow strongly against them.

If the gloomy predictions are accurate, many developing countries may not survive the 1980's as politically independent states. In order to continue to exist formally, they may be forced to surrender any pretence they may have to sovereignty and political free will and seek a client relationship with some more economically powerful state. A country which cannot feed itself and which does not or cannot produce enough to pay for its essential imports cannot, in the final analysis, sustain its independence.

We in Guyana are in an exceptionally fortunate position. It is within our power to avoid the grim fate which threatens to engulf many a developing country. We have the resources and the capacity to stabilise

our economy, to survive and to prosper. How well we manage will depend upon how well we grasp the real issues, mobilise our resources and organise ourselves for the task.

Guyana's Economic Survival and the Oil Bill:

Mr. Hoyte: The most pressing problem we have to keep constantly in mind is our oil bill. The magnitude of this bill is a fact of life: no one can escape its effects. We need therefore to accommodate all our policies and Programmes to this reality. There is no way in which we can avoid paying higher prices for oil-related goods and services.

We cannot run the Guyanese economy (for the time being at any rate and for some time to come) without large imports of oil. The Sugar Industry, the Bauxite Industry, the Electricity Corporation, the buses, the trucks, the motor vehicles - all use large quantities of oil. We must import oil; and cheap oil went out of fashion more than half a decade ago. Today, there can be no cheap electricity, cheap transportation or cheap telecommunication services, to name a few of the facilities to which we have grown accustomed.

Every Guyanese must therefore understand the problem of our oil bill. In 1970, our oil bill was G\$23 million. This represented 8.2 percent of the total value of our import \$ and 8.7 percent of our total export earnings. In 1979, it rose to G\$230 million. This represented 2903 percent of the total value of our imports and 31.2 percent of our total export earnings. In 1980, it is estimated that it will rise to G \$390 million; that is, about 1600 percent over our 1970 bill.

Our export earnings last year amounted to 178 percent in money terms over our 1970 earnings. If we achieve the 1980 export earnings target of \$1.125 billion, our earnings will have increased by about 325 percent over our 1970 earnings in money terms. But the oil bill will have increased by 1600 percent over that period. The 1980 bill will represent some 30.0 percent of the projected value of our imports and 34.0 percent of our projected export earnings. If we do not get production going and as a result do not realise those export earnings, then our oil bill is likely to be in excess of 50 percent of our export earnings. It is easy to see that we will be working merely to pay for oil! In these circumstances, the absolute necessity of achieving our production target is manifest.

The figures are sobering; and moreso when we consider that, on present forecasts, our oil bill may double during this decade. That ought to persuade all Guyanese to a serious contemplation of their duty in field, office, factory - and in the home. We cannot meet and overcome the challenge thrown out by these numbers except by a collective effort of sustained efficiency in everything that we have to do.

Our Energy possibilities:

Mr. Hoyte: We have enormous possibilities in Guyana. At this very moment, exploration for oil is going on in the Takatu Basin in the Rupununi Region. The seismic work done so far has yielded promising results and there is a good chance that drilling operations may begin later this year.

In the meantime, the Institute of Applied Science and Technology will intensify research into developing our potential of bio-gas, charcoal, peat and wood-gas and wind power for meeting our urgent needs.

Moreover, significant progress has been made with the Upper Mazaruni Hydro Project. The World Bank has now broadly accepted the feasibility of the project and is collaborating with our officials in finalising a Report. The Report would form an acceptable basis for putting together a financing package for the implementation of the project. The most viable development option we have is one of energy development linked with the processing of our abundant bauxite resources to the stage of metal. Small hydro power schemes cannot provide the energy needed for such development and are not a solution to our developmental problems.

New Development Prospects:

Mr. Hoyte: On the basis of our known natural resources, the prospects for new developmental activities are exciting. In the course of this year, the Government will be cooperating with the Yugoslavs in reactivating the goldmines in the Konawaruk area; and a programme in cooperation with the USSR will concentrate on developing and exploiting other auriferous areas in the country. Further exploration for oil offshore and onshore will be undertaken. Ongoing exploration for uranium will be stepped up as will be exploration for other significant minerals.

It is time, too, that we capitalise on the scenic grandeur of our country. We are in the process of commissioning a comprehensive study of our tourist potential but meanwhile we have begun construction of the Anna Regina Tourist project adjacent to the beautiful Mainstay Lake. This facility is being built primarily for the benefit of Guyanese workers and holidaymakers.

Consultation with the People:

Mr. Hoyte: The Government has always recognised the importance of keeping in close contact with the people and tapping their collective wisdom. This Governmental style will be maintained. For this reason, the Government places great value on consultations with the TUC. Such consultations have proved to be of great benefit in the past years; and they will be continued on a more systematic basis and cover a wider spectrum of issues in 1980 and the years ahead. Similarly, dialogue with

manufacturers, producers and other businessmen in the private sector will be intensified to preserve amicable relations and to seek out more imaginative and effective ways of complementing public and private sector activities. We will continue to organise Farmers' Congresses, Face-the-Community sessions and similar activities to harness the experience and expertise of the people and motivate them for superior effort. The People's Congress, which was held for the first time in 1978 with such marked success will be organised again this year. It is proposed that this Congress be institutionalized and be held biennially.

Some Policy Considerations:

Mr. Hoyte: During the 1980's, we will remain firm in the pursuit of our economic and social goals. Self-reliance will continue to be the cardinal principle of our economic strategy. The provision of the basic needs of the people (food, clothing, housing) will continue to be a first claim on our energies and our resources, as will be the relief of the poorest and most disadvantaged sections of our society. We are not prepared to make any concessions to those who wish to re-establish the old system of privilege and vested interests which disfigured our society in the past. Equally, we are not prepared to compromise on an important article of our political faith; namely, that the task of improving the conditions of life of the most needy must be undertaken now and cannot be postponed. We cannot preoccupy ourselves with achieving mere economic growth at the expense of people's welfare. We will seek to harmonise both objectives.

Import and Pricing Policy:

Mr. Hoyte: In our present circumstances, we have to manage our foreign reserves with the greatest caution and skill. For this purpose, the Import Budget introduced two years ago will become a normal instrument of economic policy and management. The Import Budget will be linked to an Import Policy designed to ensure an equitable allocation of scarce foreign exchange among competing import claims. It will also be linked to a Pricing Policy designed to ensure fair and reasonable retail prices to the consumer. The Ministry of Trade and Consumer Protection will be re-organised and appropriately staffed to discharge its increased responsibilities in the course of this year.

Co-operativism:

Mr. Hoyte: We will continue to foster co-operativism in all its many-sided aspects as a major instrument for national development. The concept of co-operativism embraces forms of self-help and other community and co-operative activities which unite people to work for their common

benefit. Cooperative societies, as formal economic entities, represent one manifestation of a wider and more complex concept. They have a pivotal role in our social and economic organization and development. We will not waver in our support for them or in our view as to their importance. For a number of reasons, they have not yet realised their full potential for growth and for exercising a dominant influence on our society and economy. There have been some outstanding successes; but success cannot as yet be claimed for the cooperative sector as a whole. Initially, there was perhaps an excess of enthusiasm and a deficiency of planning. There was almost certainly too much paternalism. And there was a lack of systematic training of co-operators in the basic business and management skills necessary for the success of their economic activities.

Within recent years, however, we have been attempting to correct the shortcomings which have inhibited the growth of this vital sector. In the past, we transferred large sums of money to stimulate it. This technique has not proved to be essentially sound. What is more important is to help co-operators to organise themselves and mobilise their resources for business-like, shared activities which will strengthen their own economic base and promote development. To this end, the Government has established the Kuru Kuru Co-operative College as a specialised institution for the training of co-operators and has helped in establishing a number of regional co-operative Unions to assume responsibility for co-operative development within their Regions. The objective of a strong and vibrant co-operative sector in the economy has not changed. In the 80's, we will intensify our endeavours towards the achievement of this objective.

The 1980 Budget: Targets and Assumptions:

Mr. Hoyte: The Budget has been put together within the context of world and domestic realities and in the confidence that that the Guyanese people understand these realities and wish to do everything in their power to survive with dignity.

Production and Growth Targets:

Mr. Hoyte: The Comrade Prime Minister, in his New Year's Message, has already given the targets in our major production sectors which we must achieve if we are going to survive this year. These are as follow:

Sugar	- 335,000 tons
Calcined Bauxite	- 800,000 tons
Dried and Metal Grade Bauxite	- 900,000 tons
Alumina	- 300,000 tons
Rice	- 200,000 tons

These tonnages do not represent any numbers that are extraordinary. We have achieved and surpassed most of them in years gone by. There is no reason why we cannot do so now.

We also project an overall increase in the other non-traditional areas of production. Plantains, ground provisions and green vegetables are expected to increase by 15 percent. The production of refrigerators is expected to increase from 20,000 in 1979 to 30,000 in 1980; while a new export product, gas stoves, will make its appearance later this year with an initial production of 15,000 units. The timber and fisheries sectors are expected to show marked improvement over last year's performance. On the basis of the above production, our GDP at factor cost should rise from \$1,170 million to \$1,400 million. This would represent a real growth of slightly over 8 percent. This growth may appear to be high; but, since we are starting from a low base and are aiming for production levels achieved before, it is in fact reasonable.

Export and Import Targets:

Mr. Hoyte: On the production assumptions, merchandise export earnings are expected to reach \$1,115 million from the low 1979 level of \$737 million. Sugar prices are showing an upward trend after four years at very depressed and unprofitable levels. Sugar exports should yield \$310 million. Given reasonable weather, rice should contribute \$110 million, a significant increase on last year's poor performance of \$81 million. Bauxite/alumina should rally from last year's catastrophic results and taking advantage of the buoyant prices, should earn \$560 million. This level of earnings represents a high increase over the earnings in 1979; but, again, the increase is on an unusually low base in 1979. Other exports are projected to earn \$135 million, an increase of \$32 million over the 1979 figure.

Terms of Trade Considerations:

Mr. Hoyte: On the basis of present trends, it is expected that in 1980 import prices will rise on an average by about 37 percent; on the other hand, export prices will not rise by more than 20 percent. On these calculations, the terms of trade will be reduced by 15 percent. In other words, our exports would buy in 1980 only 85 percent of what they would have bought in 1979. Even though our exports are planned to increase by G\$378 million, the terms of trade will take away about G\$180 million of the export value.

To achieve this level of exports, the economy would have to grow by about 8 percent (or G \$120 million) in real terms. It will be seen therefore, that the projected steep increase in output will not match what we are likely to lose from the adverse terms of trade and that we have to work a lot more efficiently in 1980 just to maintain our 1979 standard of living.

These calculations have been spelt out at length, perhaps tediously so, to make it plain that our standard of living problem cannot be solved magically by increases in pay packets. The only solution lies in lifting our production and export earning levels very significantly and in speeding up the rate of development in the regions. In the context of these objectives we need to increase the rate of investment to one of 29 percent of Gross National Product from that of 25 percent in 1979. This implies the difficult task of raising the national saving rate from \$126 million or 10 percent of the Gross National Product in 1979 to one of \$305 million or 19 percent in 1980. The gap on the current account of the Balance of Payments is therefore projected to be reduced to about \$155 million or 10 percent of the Gross National Product in 1980.

Merchandise imports are projected at \$1,090 million. Of this amount, oil imports are projected at \$390 million and imports of other merchandise at \$700 million. The increase in the latter category will accommodate the projected increase in the value of imports and possibly small additions to import volumes.

During 1980 capital expenditure will emphasise the projects identified in the 1978-1981 Investment Programme. The phasing of some of these projects will have to be adjusted to take account of cost escalations, and some of them will have to be modified or redesigned. Careful attention will also be paid to Programmes of maintenance and rehabilitation of existing infrastructure, equipment and machinery. Priority will be given to the completion of projects already started and to investment which will facilitate the efficient operation of public sector entities and other services.

The accent will continue to be placed on the following sectors: Agriculture (including Fisheries); manufacturing and industry; and the Social sectors of Health, Education and Housing. The following sectoral breakdown of capital expenditure will give a good idea of these emphases. Of public Sector capital expenditure, net of transfers, (projected at a total of \$434 million), agriculture has been allocated \$121 mn or 28 percent; manufacturing and industry \$38 mn or 9 percent; and the social services some \$60 mn or 13 percent.

A word of explanation needs to be said about the capital allocation in the Estimates for housing. The allocation does not reflect the total resources available for Government housing development. This amount has been allocated specifically to enable the completion of 222 low cost houses which were incomplete at the end of 1979. The Housing Ministry's Programme is normally financed by the Guyana Co-operative Mortgage Finance Bank which has on hand for utilisation by the Ministry some \$3 mn., representing mortgage financing for housing schemes already completed. The sum will be available for the start of new projects as soon as the mortgage formalities have been finalised with respect to completed schemes. Moreover, the Housing Authority operates a revolving fund for housing which now

stands at \$7 mn. Additionally, public sector enterprises, such as GUYMINE, operate housing loan/grant schemes to enable workers to improve or acquire their own home. GUYMINE, for example, also funded the first phase of the Wisrock Housing Scheme at Linden, and will be financing a second phase this year. The activities of the Sugar Industry Labour Welfare Fund Committee in providing housing for sugar workers are well known. Government will continue with its strenuous efforts to ensure that the housing conditions of workers are progressively and significantly upgraded.

In the course of this year, several major projects are scheduled for completion. These include the Textile Mill, the Glass Factory, the Vegetable Oil Mill, the Leather Tannery, the Mabura Hill Road, the Hospital at Aishalton, the Onverwagt Water Control Scheme, Contract 1 of the Tapakuma Scheme, Phase 1 of the Coldingen Mechanical Workshop, the Mechanical Workshop at MARDS, various housing schemes at New Amsterdam, Golden Grove and other parts of the country, the water treatment facility at Caledonia, East Bank, Demerara; and numerous wells, pumping stations and pure water supply extension schemes in coastal and hinterland areas throughout the country; a number of schools, teachers' houses, and several rural training centres. In addition a large number of community projects will be completed. Work will continue on other major projects such as the Upper Demerara Forestry Complex; the Tapakuma Scheme; the Mahaica/Mahaicony/Abary Scherne; Black Bush Polder Scheme; phase 2 of the Demerara Fish Port Complex; phase 2 of the Coldingen Mechanical Workshop Complex; the East Bank Berbice Road; the Pure Water Supply Projects at Linden and Bartica; the Anna Regina Tourist Facility; the Bicycle Factory at New Amsterdam; the Guyana Transport Services Depot and Workshops; the Hinterland Airstrip Development Programme; the Health Care Delivery System; a new Teachers Training College and several schools and training centres under the Second Education Project; and several housing projects.

The Capital Programme for 1980 is a large one, comprising over 300 projects.¹⁰

1980 Financial Programme:

Mr. Hoyte: The Budget reflects a total public sector Capital Programme amounting to \$14 million. When financial transfers within the public sector are netted from this total, the resulting Capital Programme amounts to \$400 million or 26 percent of GNP. Of this amount, \$260 million is attributable to Central Government projects. This amount represents 17 percent of GNP. The capital expenditure of public corporations will amount to \$140 million or 9 percent of GNP. For the year 1980 the Central Government current expenditure is estimated at \$638 million. With current revenues projected at \$477 million (before proposed personal

income tax adjustments are netted off) there will be a current deficit of \$161 million. Additional expenditure this year will include the cost of implementing proposals in respect of wages and salaries, pensions and awards payable in respect of productivity-linked Incentive Schemes in the Public Sector. This cost will be \$48 million. The total financial requirements of the public sector for 1980 will therefore be \$1,086 billion. We have to find additional resources amounting to some \$198 million in order to bridge the financing gap. These additional resources will have to be obtained by way of further external inflow, from the local banking system and from an effective fiscal performance. The Government would wish to see public sector borrowing from the banking system kept within a ceiling of \$125 million and will make strenuous efforts to achieve this result.

Financing the Programme:

Mr. Hoyte: Government Corporations have been targeted to contribute \$142 million to the Treasury, i.e. \$76 million by way of direct taxation and \$66 million by way of dividends. Their projected surpluses including depreciation funds will amount to \$196 million. Net current revenue from sources other than direct contributions of corporations are targeted to yield \$319 million. In addition, financial institutions, provident funds and other private sources are expected to subscribe \$47 million by way of debentures, and external inflow is expected to amount to \$244 million. These resources total \$948 million. Allowance has to be made for working capital increases which will cost \$60 million leaving a wide gap of \$198 between the net resources of \$908 million and the resource need of \$1.068 billion.

I have already emphasised that there is no way in which we can escape paying higher prices for oil imports or for goods and services the supply of which is heavily dependent upon the use of oil. Corporations which provide services internally and which have large oil bills are facing heavy losses as their costs escalate. The losses have led to cash flow problems which have seriously hampered their efficiency. These corporations cannot continue to be subsidised. The prices for all services which are heavily dependent on oil will have to be adjusted to take into account the steep increase in cost.

It is important for all Guyanese to understand the factual situation. This year, Guyana Electricity Corporation's fuel bill will rise from \$33 million in 1979 to \$57 million i.e. an increase of 73 percent. On the present tariff, the Corporation is suffering current losses of \$2 million a month. Transport and Harbours Department is experiencing current losses of \$600,000 a month. Last year that Department made an overall loss of \$8 million. Guyana Airways Corporation whose services are so vital in servicing our far-flung regions has borne losses totalling about \$2 million last year. Guyana Transport Services Limited is in an equally parlous position financially.

We therefore have to adjust the tariffs of these Corporations realistically in the light of high and rising fuel costs. The rates of these corporations will be adjusted in the coming weeks. It is proposed to increase the tariffs of the Guyana Electricity Corporation in phased quarterly amounts so that the average tariffs will exceed those prevailing at December 1979 by about a third. Fares on the buses run by Guyana Transport Services will be increased by a penny a mile while fares on the Transport and Harbours Department and on the Guyana Airways Corporation will go up on average also by a third. The proposed increase in Guyana Electricity Corporation's tariff will not be sufficient to put the Corporation in a break-even position, but will merely reduce its losses by \$15 million. In the case of Guyana Airways Corporation, the increase is expected to put that Corporation in a break-even position this year; and Guyana Transport Services Limited will also be expected to achieve a break-even position. Transport and Harbours Department is expected to reduce its losses by \$3 million. The tariff adjustments will increase these Corporations' resources by \$20 million.

Government proposes also to restructure the consumption tax arrangements to achieve a two-fold objective: first, to spread the incidence of this tax more equitably and secondly, to facilitate the introduction of a Pricing Policy for Public Corporations.

Basically, consumption taxes will be adjusted upwards and Corporation mark-ups will be revised downwards. The overall effect will be to bring down the prices of many categories of commonly used goods, remove extraordinary fluctuations in these prices and ensure that any movements in these prices are related to movements in cost and are justifiable.

With effect from 14th April, 1 980, there will be an 8 percent *ad valorem* consumption tax on all imports into Guyana whether or not they are subject to import duty. This tax will not apply to and will not affect the prices of (a) goods which are price-controlled and (b) imports by GUYMINE, GuySuCo, Guyana Liquor Corporation, Guyana Electricity Corporation, and the shipbuilding operations of Guyana National Engineering Corporation and (c) imports for capital projects being executed by the Central Government. The increased excise and the consumption taxes are expected to yield a net \$15 million when allowance is made for the reductions in the surpluses of the Corporations as they reduce their prices. The specific effect on prices of this link between the consumption tax arrangement and mark-ups will be detailed later on.

Finally, it is proposed to increase the excise tax on tobacco from \$9.43 per lb. to \$12.89 per lb. with immediate effect. This will raise the price of cigarettes by 18 cents per pack of 20 cigarettes i.e. less than one cent per cigarette.

From internal efforts, therefore, there will accrue to Government resources totalling \$946 million, as follows: Net Current Revenue, \$319 million; Public Corporations' direct income tax, dividends and surpluses

(including depreciation), \$338 million; Debentures, \$47 million; external inflow, \$244 million; increased resources to Corporations from adjustment of tariffs, \$20 million, increased Consumption Taxes of \$15 million, increased excise receipts, \$3 million. These receipts total \$986 million, but allowance should be made for the projected \$60 million increase in the working capital of Public Corporations. After this internal effort we are still left with a financing gap of \$160 million which an additional external inflow of \$38 million is expected to reduce to \$122 million. Given the proposed ceiling of \$125 million on Public Sector bank borrowing, the Financial Programme is balanced. Obviously we would have to look internally for any shortfall in external receipts, if we want to maintain a programme of this size.

A Wages Package for 1980 - Rewards and Incentives for Those Who Produce:

Mr. Hoyte: Last year's Budget Statement explained in some detail that real increases in workers' wages depended upon real increases in production. In circumstances of no growth or negative growth in the economy, the possibilities for such increases are eliminated. The Government, during the course of last year and in this year, always anxious and concerned about the welfare of the workers, maintained contact and dialogue with the Trades Union Congress on this issue. The purpose of the discussions was, among other things, to discover ways and means of alleviating the cost-of-living problems of workers, notwithstanding the fall in production and the consequential financial difficulties. The Government would like to pay tribute to the leadership of the TUC for the constructive, courteous and objective way in which they approached these discussions.

I now announce that the Government will increase salaries and wages of public sector employees (or permit such salaries and wages to be increased as the case may be) in accordance with guidelines to be issued. All increases will be retroactive to 1st January, 1980. Government's proposal for increases and adjustments in the salaries and wages of public sector employees owes much to the ideas, suggestions and insights with which the TUC team illuminated the discussions to which I have referred.

What the Government proposes is a wages package with several components which have to be taken together in order to appreciate the full overall impact. No component can be taken in isolation. The objective of the package is to increase the after-tax (take home) pay of the worker and to enable him to have a greater command over a wide range of basic goods and services. The package has the following broad features:

- (1) There will be an upward adjustment of the wages of certain skill categories in the traditional Public Service to redress the problem caused by the virtual removal of differentials between the remuneration of those categories and that of unskilled workers.

- (2)
 - (a) There will be an across-the-board increase of salaries and wages for designated categories of workers.
 - (b) There will be increases in salaries and wages of categories not included in the across-the-board adjustment referred to in (a) above, in accordance with guidelines to be issued.
- (3) There will be Income Tax relief for all. Taxpayers by way of increases in personal income tax allowances.
- (4) There will be awards payable under productivity linked Incentive Schemes being implemented throughout the Public Sector (including the Teaching and Nursing Professions and the disciplined services)

In addition, in order to ensure that workers can avail themselves of basic essentials which we refer to as "*a minimum set for basic existence*", Government will introduce a Pricing Policy (in the first instance for Public Sector Corporations) to control the mark-ups on a designated range of commonly used, basic commodities to:

- (a) ensure fair and reasonable retail prices to the workers;
- (b) prevent wide fluctuations in these prices; and
- (c) restrain unjustifiable price increases.

This Pricing Policy is the first phase of a more comprehensive regime on which work is being done.

The Specific Proposals:

Mr. Hoyte: I will now spell out with some specificity the wage benefits which Government proposes for Public Sector workers this year.

(1) Adjustment of Skill Differentials

Within the traditional Public Service, the wages and salaries of certain categories of skilled workers will be adjusted upwards by five percent (5%). The list of some 100 skill categories includes electricians, boat captains, dental aides, carpenters, chauffeurs, drillers, mechanics, plumbers, photographers, seamstresses, shipwrights and steel benders, to name a few.

(2) (a) Across-the-board Adjustment for the Traditional Public Service

The wages and salaries of all employees in the Public Service will be adjusted upwards by 5 percent. With respect to the skill categories referred to in (1) above, this 5 percent will be in addition to the 5 percent adjustment already mentioned.

(b) Adjustment for the Rest of the Public Sector

(i) Within the rest of the Public Sector (i.e., excluding the traditional Public Service), increases in wages and salaries will be permitted within guidelines to be issued.

(ii) With respect to these guidelines, it may be said generally that in the sugar and bauxite industries, wages and salary rises will be permitted up to a ceiling of 7 percent on negotiated basic rates and associated scales existing in 1979, subject to the guidelines.

(iii) In the remainder of the Public Sector (i. e. other than the traditional Public Service and the bauxite and sugar industries) where there are negotiated rates and associated scales, the ceiling on any rises will be 5 percent, subject to the guidelines.

(iv) In other cases where there are no negotiated salary scales, incremental procedures will apply. Increments will not be paid automatically but only in accordance with proper appraisal norms and practices and subject to the guidelines.

General Information and for the avoidance of all doubts, I wish to make it clear that all Public Sector Corporations and Agencies will be bound by the salaries and wages guidelines. No Manager or other person will have the authority to breach or ignore them directly or indirectly.

(3) Income Tax Relief

(a) In the course of the Budget Speech last year, it was indicated that Government was examining representations which had been made by the Trades Union Congress, by some affiliate unions and by workers for increases in income tax allowances. Government gave careful and sympathetic consideration to the representations on behalf of the worker so I now announce that as an integral component of the wages package there will be a 25 percent increase in personal tax allowances, with effect from 1st January, 1980, as follows:

Personal Allowance	Present Entitlement	New Entitlement
Personal	\$1,000	\$1,250
Wife	\$1,000	\$1,250
Working Wife	\$ 400	\$ 500
Child	\$ 400	\$ 500
Dependent	\$ 300	\$ 375

(b) With respect to income tax allowances, workers and their unions have made repeated and earnest representations on the question of reputed wives and children born out of wedlock. Government has listened with attentiveness to these representations and regards them as being meritorious. I therefore announce that, subject to the rules to be issued by the proper authority, a worker will be entitled as from this year to claim income tax deductions with respect to his reputed wife and also children born out of wedlock that he acknowledges and is in fact maintaining. The new Constitution has outlawed discrimination against children on the grounds of their being born out of wedlock and the Government is not prepared to wait for the New Constitution to be formally promulgated to do something demanded by humanity, justice and sheer commonsense.

The wages package is weighted unapologetically in favour of those who produce. Hence, productivity - linked Incentive Schemes are now being put in place throughout the Public Sector as the cornerstone of the Programme of stabilisation and recovery based on significant production and productivity increases. Maximum rewards are linked with these Schemes under which workers, by achieving agreed levels of efficiency, can augment their incomes by as much as 33 1/3 percent on their basic earnings in some cases. All incentive awards will be tax-free. Since efficiency in the service sectors is as vital as in the so called direct production sectors, employees in the traditional Public Service and such categories of workers as Nurses, Teachers, Policemen and Soldiers will be included in the Schemes and can qualify for incentive awards. Payments will be strictly monitored by the State Planning Secretariat and will be made promptly to all who qualify in accordance with the agreed criteria.

The overall effect of these proposals will be to increase the take-home pay of typical-case workers by 8-10 percent on average, exclusive of any payments made under the Incentive Schemes.

The total cost of implementing this wages package (exclusive of incentive payments outside of the Central Government) is estimated to be about G\$63 million. This figure does not include reductions in revenue of Public Sector Corporations (and therefore of the Central Government revenue), as a result of implementing the Pricing Policy to which I will

refer in a moment. The total employment costs alone for the Public Sector will increase by more than G\$50 million to about G\$580 million in 1980.

Pricing Policy:

Mr. Hoyte: In support of the Wages package, the Government has adopted a pricing policy which will remove the flexibility which Public Corporation hitherto had in fixing their mark-ups on goods. The mark-up structures will be adjusted to ensure reasonableness and these will be linked with the consumption tax arrangements announced earlier.

Without going into technical details, this policy will enable the Government to exercise closer supervision over the level of the retail prices of goods sold by the Corporations. Mark-ups on various categories of goods will be standardised. This would result in most cases in a decrease in the mark-up levels.

At the same time there will be an upward adjustment of consumption taxes on imports. The overall effect of adjusting consumption taxes and revising mark-ups downward will be, as already explained, to bring down the prices of many categories of commonly used goods, remove extraordinary fluctuations in these prices and ensure that any movements in those prices are related to movements in cost and are justifiable.

By way of example, the retail prices of selected household items will be reduced by at least 15 percent; the price of shoes by between 15 percent and 20 percent; the price of automotive spares by about 25 percent; the price of paperback books between 15 percent and 25 percent; motor car, motor cycle and bicycle tyres by about 25 percent; bicycles and accessories by at least 15 percent; certain items of toiletry and cosmetics by about 25 percent and selected items of drugs and pharmaceuticals sold over the counter by about 25 percent to 30 percent. A detailed list would be published in due course.

The necessary instructions will be issued to Corporations through the Vice President of Guystac and this Pricing Policy will take effect from 14th April, 1980.

Price Control :

Mr. Hoyte: In the meantime, the price control regime which affects over 60 categories and items of basic everyday commodities will continue to be enforced rigorously.¹¹

Review of Salary Structures in the Public Sector:

Mr. Hoyte: There is little doubt that, in general, employees in the traditional Public Service are at a disadvantage, in terms of their

remuneration, when compared with employees in the rest of the Public Sector. They have none-the-less persevered in their work with zeal and dedication. The Government acknowledges their continued devotion to duty and pays tribute to them. But they also need tangible recognition of their efforts.

In the circumstances, therefore, the Government is satisfied that the time has come for a comprehensive and thorough review of the salary structure in the Public Service against the background of the higher salaries being paid in the rest of the Public Sector.

In view of the urgency with which the matter is being regarded, Government has already consulted the unions representing the workers in the Public Service and has already established the nucleus of the Committee to undertake the review assignment.¹² Consultations are continuing and work has already begun in compiling basic data. Government is anxious that justice be done to our hard-pressed Public Service workers.

Increase for Pensioners:

Mr. Hoyte: The welfare of pensioners and citizens in receipt of Public Assistance has not been overlooked. Government will increase pensions payable to Government Pensioners appropriately in the light of the increases granted to the Public Service. The differential in Social Assistance payments based upon whether the recipient resides in rural or urban areas will be abolished. The minimum payments will be standardised at the higher urban rate and, in addition, all recipients will be granted an increase of a little over 25 percent. All these increases will take effect from 1st January, 1980.

Incentives for Rice Farmers:

Mr. Hoyte: Finally, consideration has also been given to incentives in the rice industry. Government is satisfied of the need for rice farmers to sustain their strenuous efforts to increase production yields in the face of difficult weather and other conditions. Last year, Government increased the prices paid to rice farmers with effect from August 1979. This year, Government again increased the price with effect from 1st January, 1980. And yet again, Government increased prices paid to rice farmers with effect from March 1, 1980.¹³

Comrade, Speaker, Government will keep rice production and the prices paid to rice farmers under close scrutiny and continue to give rice farmers appropriate and timely incentives.

Comrade Speaker, our economy is basically sound. We have the resources to feed ourselves and the infrastructural capacity to meet our production and export targets. We have a reasonable programme for stabilisation and economic recovery. Within the limits of the country's financial resources, workers have been ensured increased monetary rewards and enhanced take-home pay packets. They have an opportunity to earn even higher incomes by way of the tax-free awards payable under productivity linked Incentive Schemes. To enable the worker to benefit maximally from their wage increases, the Government will continue to enforce price control regulations over a broad range of basic commodities and will control the mark up policy of public sector corporations by instituting a Pricing Policy.

In these circumstances, then, the stage is set for us to defend our economy and win the battle for production, survival and eventual prosperity.

Comrade Speaker, we Guyanese are made of tough moral fibre. We have never been known to be losers; and we dare not lose now.

And, Comrade Speaker, I am sure that I echo the broad sentiments of this nation when I say, that under the leadership of Comrade Burnham and the People's National Congress, we cannot lose.

References:

Mr. Hoyte makes reference to the following Appendices, although their contents are not included within this collection of speeches.

¹ Appendix I: List of Public Sector Corporations and Agencies i.e. Corporations and Enterprises owned and operated by the people of Guyana and whose surpluses are deployed for the people's sole use and benefit.

² Appendix II: Data on Educational Institutions built.

³ Appendix III: Data on Training Programme.

⁴ Appendix IV: Data on Training Programme, Hospitals and other Health Facilities.

⁵ Appendix V: Data on Pure Water Supply System.

⁶ Appendix VI: Data on Roads built.

⁷ Appendix VII: Data on Investment in Drainage and Irrigation.

⁸ Appendix VIII: Selected data on some phases of Low-cost Housing Development.

⁹ Appendix IX: Guyana Pharmaceutical Corporation's role as a Food Processor and Manufacturer.

¹⁰ 10 Appendix X: List of Ongoing Projects and New Projects to start 1980.

¹¹ Appendix XI: List of items subject to Price Control.

¹² Appendix XII: Terms of Reference of Committee to Review Public Service Salaries.

¹³ Appendix XIII: Table showing Recent Price Increases granted to Rice Farmers.

Motion on the Approval of 1980 Estimates of Expenditure Budget Debate: 16th April, 1980

Mr. Hoyte: Cde. Speaker, when I was leaving the Parliament Chamber last week Tuesday after having read the Budget Speech, a female comrade approached me with a question. She wanted to know whether a female partner in the common-law union could claim income tax relief in respect of the male partner whom she has to maintain for reasons of incapacity, either through old age or infirmity. I would like to give the answer to that question this afternoon publicly. The answer to this question is a thunderous and unambiguous "Yes". We have said, as a Party and as a Government, that we intend to end discrimination in all its forms in this country – discrimination based upon every irrelevant factor, discrimination based upon geographical locations, discrimination between urban and rural areas, discrimination against children, discrimination against women. And we have been doing this in a systematic and pragmatic way. In so doing, we are advancing concretely the socialist ideology to which we subscribe. Maybe this is the problem with my good friend Mr. Feilden Singh, who, in his intervention, castigated the Government Benches for not having used the word 'socialism' in the Budget Speech.

Socialism does not consist in talking; it does not consist in rhetoric. It is a philosophy of action. Indeed, Marx himself told us that the difference between the socialist philosophers and the philosophers who preceded them was that the latter sought to explain the world but the former wanted to change the world. It is this process of change now taking place in this country that represents for us socialism in action and the progress of this country toward the attainment of the ideal which we have set for ourselves.

I would have hoped in the course of this general debate to have heard from the Opposition Benches serious attempts to come to grips with the issues raised in the Budget and with the strategy and the tactics outlined not only in the Budget presentation, but in the Government's overall policy position. Having attempted to come to grips with these matters in the context of the Government's overall policy, the Opposition Members, I would have hoped, would have examined the tactics and strategy inherent in the Budget Statement, dissected the proposals, scrutinised the Financing Programme, commented on the emphases and generally, Cde. Speaker, analysed not on the Budget but our economy with a view to making helpful and constructive criticisms, and preparing recommendations in respect of parts of the Budget proposals with which they disagreed, and, in the event of a total disagreement with the whole of the Budget proposals, to have come up with the alternative strategies and an alternative Programme. But, we did not get that. I do not say that my

Comrades on the Opposition Benches are incapable of dealing with the Budget. I merely say that they did not so deal with the Budget. I leave the public to judge.

By and large, there were four main thrusts of criticism coming from the Opposition Benches and all of which were advanced by Dr. Jagan, the Leader of the Opposition, and, as it were, supplemented by the speakers who intervened after him. First of all, it was alleged that the picture painted of the world economic situation was false. And then, that general and unqualified allegation having been made, there seems to have been a slight contradiction in that even the Leader of the Opposition himself seemed to vary slightly from that thesis and to say, *"Well, it is only the western capitalist world that is in crisis but all is well, all is fine, with the socialist world."* We had variations on this theme from the subsequent speakers and I got the impression that they were all trying to talk the same language but not succeeding in doing so.

The second criticism was that our oil bill was not an over-riding factor disrupting our economy that in fact we were using the oil bill as a scapegoat to explain away mismanagement and corruption and all the allegations which we hear so frequently from the Opposition.

Third, there was a particular emphasis from the Opposition Benches on agriculture, and the general thesis was that there was no growth, or no significant growth, in agriculture because of mismanagement and a number of other factors which our comrades referred to in the courses of their speeches.

Finally, the Opposition speakers said that, really, our economic problems arose from the fact that we were 'western-oriented', whatever that means. The Leader of the Opposition referred to the Budget as being 'western-oriented'. He alleged that this Government had abandoned socialism and had fled into the arms of the capitalist West. As evidence of this, he referred to our dealings with the World Bank, our dealings with the International Monetary Fund, our use of western credits, our use of western technology. Implicit in everything he was saying was an averment that the western countries were facing serious economic difficulties, but that the socialist countries were not. Therefore, he was urging us to try and find the magic formula which our friends in socialist countries have discovered, and apply that magic formula to the circumstances of Guyana and, in that way, solve our economic difficulties.

The hard facts of the world cannot be wished away and I would like to spend some time dealing with this persistent error on the part of our 'friends' – I use that word out of an abundance of charity – in trying to mislead the people of this country into believing that the world as a whole is not being troubled by serious economic problems, trying to mislead people in believing that one can divide the world into hermetically-sealed compartments, one compartment being capitalist and the other compartment being socialist. The world is not capable of being divided in

that way; the world in an economic sense is a unity and revolves around the principle of economic and commercial interdependence. This fact is acknowledged, notwithstanding the statements of the Leader of the Opposition, by both western countries and the so-called COMECON bloc.

I would like, therefore, to touch briefly upon the economic situation in the world because unless we come to grips with that reality and unless we have the courage to tell the people of this country what the world really is, we would not make any progress, we would not be going any place. In the Budget Statement I referred to the contraction of world trade and I gave some other indicators of the fact that the relatively high growth rates which were achieved during the 1960's were not repeated in the 1970's. For example, Cde. Speaker, the average annual growth rate, in percentage terms, of the industrialised countries – and I am talking about their GDP – fell from about 4.9 percent in the 1960's to 3.4 percent in the 1970's, and in the socialist countries that growth rate fell from 6.8 percent per annum to 4.2 percent. The forecasts for both groups of countries are to the effect that there will be a further decline in the 1980's. In fact, Cde. Speaker, to illustrate the seriousness of the problem I may point out that the OECD countries last year forecast that in 1980 their growth rate would be one percent. Since the last round of the oil crisis, that forecast has been revised and the present projection is that the rate will only be 0.3 percent.

Let us see, therefore, Cde. Speaker, what has been happening first of all in the major industrialised countries of the world, countries which traditionally have had very strong economies, countries which have shown remarkable resilience after encountering economic problems. I would start by referring to what is undoubtedly the most powerful economic nation in the world, the United States of America. In *Time Magazine* of April the 7th, the following report on the American economy appeared and I quote, Cde. Speaker,

“Government figures released last week showed that the Consumer Price Index leaped up at an annual rate of 18 percent in February which was as bad as the figure which rattled the nation in January. Worse, prices rose so much faster than wages that the purchasing power of a typical US urban worker after tax pay dropped 1.4 percent.”

I pause here, Cde. Speaker, because a little later I would want to talk about the problem of wages in the various economies of the world in light of what the Government is trying to do for wages by focusing upon the worker's after-tax or take-home pay.

Again, Cde. Speaker, if we were to look at the Federal Republic of Germany, among the western industrialised countries admitted to be the most powerful growth economy, in 1978, the trading account of the FRG showed a surplus of 18 billion Deutsche Marks. Last year, Cde. Speaker, that surplus turned into a deficit of 9 billion Deutsche Marks. And what was the reason for this? I refer to the German *Tribune* of the 16th March, 1980

in which it is explained that the main reasons were cost of oil and other raw materials. The *Tribune* went on to say this:

“The good surplus days are over for the time being. The change is not due to any slackening by German entrepreneurs but to the price ratio which we have to charge our buyers abroad and which has shifted in our disfavour. Most of the current deficit is accounted for by the higher oil bill and other raw materials.”

And then this gloomy forecast, Cde. Speaker:

“Our current account position will deteriorate still further this year, 1980, as prices continue to rise.”

Cde. Speaker, in the United Kingdom, output decline of 2 percent is forecast for 1980 and the balance of payments deficit between December and February – December last year and February this year – increased by £676 million (Sterling) which represented an increase which was higher than the deficit during the second and third quarters in 1979. The *Financial Times* of March the 28th, 1980, analysed the situation and pointed out that there were two significant reasons for this: first the increasing oil bill notwithstanding North Sea oil; and secondly, Cde. Speaker, the adverse terms of trade which were being experienced by the United Kingdom.

But let us look finally at a country which has had a history of prosperity, growth and economic stability. I refer to Switzerland. In the economic survey of Switzerland for the 1979 issued by the Union Bank of Switzerland there was this interesting commentary upon how the Swiss economy behaved in 1979. It is recorded that the increasing demand for goods and services were covered abroad to a far greater extent than in 1978 and this development not only meant that the 1979 Current Account surplus dropped by about 50 percent but it also resulted, Cde. Speaker, in the virtual stagnation of the Swiss GNP. And the reason again in the analysis was quite clear. The doubling of import prices for petroleum products was one of the major factors which brought an end, in the words of this survey, to the price stability which had prevailed for the past three years.

Cde. Speaker, the Leader of the Opposition may retort: but that is exactly what I am saying, those are problems of industrialised, capitalist countries. But is that so, Cde. Speaker? I have contended time and again in this honourable House that economic problems are not divisible and the fact of the matter is that inflation, contracting trade, slower growth rates are phenomena which affect the entire world, the entire world economy. They are not restricted to West or to East, to capitalist countries or to non-capitalist countries. So let us see what has been the fate of some socialist countries.

My good friend, Cde. Narbada Persaud, read the 1979 Budget and he said, Cde Speaker, that in 1979 the Government admitted that the 1978 output was low, that there was no growth and that it had forecast an increased growth rate for 1979. Then he said that in the present Budget Speech it was said that there was no growth in 1979, but again there is a projection of increased growth in 1980. What he said is true; but let me refer him to the case of Hungary. In 1978 December, Cde. Speaker, when the Minister of Finance of Hungary was presenting his State Budget for 1979, he said this. I want my friend to listen because what he said about Guyana applies equally to a socialist country and in fact to many socialist countries, but I select this one for illustration. The Minister said before submitting the State Budget for 1979:

"We have thoroughly and critically analysed the position of our economy as well as the economic processes characterising the last three years. Those processes which are called to permanently lift the efficient development of the national economy failed to materialise despite our efforts."

He was being perfectly frank. He went on:

"In the past three years and also in 1978, the actual national income did not quite cover internal utilisation"

- the same as Guyana,

"thus the gap had to be filled from import surplus backed by credit."

No different, Cde. Speaker, from our domestic situation. Then he went on to say that in 1979, Hungary had counted on 3 to 4 percent growth of production and the national income that is less in 1978. In other words, in 1979, its growth rate had been moderated. He was saying that he was pitching it at a lower level than in 1978. Cde. Speaker, let us see what happened when he presented his Budget for 1980 in December 1979. He said:

"The realisation of our aims was hindered by the fact that both industrial and agricultural output was lower than estimated."

In other words, in '79 growth was lower than in '78 which was lower than in '77. So what is the basis for criticism in this country for an allegation of mismanagement, when we are perceiving a phenomenon which is affecting so many non-oil producing developing countries in the world, socialist and non-socialist alike. And the Hungarian Minister went on to say this – a warning that we would do well to take to heart considering the current trends of the world market:

“It would be erroneous to suppose that either the world market proportions or the actual market situation will change in our favour in the near future.”

Cde. Speaker, in Poland at the recently held Congress of the Communist Party, the General Secretary pointed out that the Polish economy was suffering the worst setback ever and his statement was backed up by the statistics issued by the General Statistical Office which indicated that Poland had registered an unprecedented 2 percent decline of its national income last year, a fall in industrial production, a fall in agricultural production and in explaining the fall in agricultural production, he said last year's bad harvest contributed to a 1.4 percent drop in agricultural output. Cde Speaker, when we suffer in Guyana adverse weather conditions, that fact is blamed upon the People's National Congress Government.

Again Cde. Speaker, one can go through a whole series of documents coming out of the socialist countries themselves pointing to the fact that they are going through a traumatic experience and that their economies are in trouble; but the Leader of the Opposition, and some Members of the Opposition Benches who spoke, denied the major influence of increase in the oil bill in destabilising economies. Last year March in the USSR, the price for gasoline used internally was doubled and the Chairman of the State Commission on Prices pointed out that this was inevitable in the light of rising production costs in the USSR. When one bears in mind that the USSR does not supply COMECON countries with their total fuel needs, one realises two things; first, that the increases in the price of oil on the world market of necessity affects all the non-oil producing COMECON countries – their costs go up, they have to buy in the world market; and, secondly, the price of oil sold by the Soviet Union to members of COMECON is influenced by the world price. That price moves on a three-year rolling average in sympathy with rises in the world price for oil.

Cde. Speaker, I find it difficult to understand a contention that oil is not a major factor in the economic problems of this country. Apart from the Leader of the Opposition and some Members who spoke after, I do not know of any other person who has been bold enough to make such an assertion. In the East, in the West, people are pre-occupied with this problem of increasing oil prices because they feel their impact. They see what is happening to their economies, and even if the leaders were blind and insensitive, the masses feel the impact. For example, last year both in Czechoslovakia and in Hungary there was the largest increases for a decade in the price of fuel, electricity and related services. For Czechoslovakia, fuel and electricity prices shot up by 50 percent. Home-heating oil went up by 125 percent and in addition to fuel, energy, postal and telephone increases, Czechoslovakia, because of pressure upon the system, was forced to abolish the traditional subsidies on children's clothing.

The Minister of Power, Industry and Electrification in the Soviet Union, in an article written in the *CMEA New Bulletin*, issued in January last year, disagreed profoundly with the position of the Leader of the Opposition because he said in this article that the energy and fuel problem is one of the most acute in the world. He then went on to say that this problem must be the focus of attention of the representatives of all fields of research – economists, sociologists, technologists, system analysts, environmental specialists – everybody has a duty to pay attention to this very important problem of energy. The reason was clear, and he gave it. He said that the further development of the world economy and the economic growth rates of individual countries are and will be determined by the state, scale and prospects of the development of the fuel and energy economy. Yet the Leader of the Opposition stands here and says that this is not so. He purports to speak on behalf of the Soviet Union, but a Soviet Minister profoundly disagrees with him.

I would not wish to labour a point which is so clear and manifest. I would merely say that for the Leader of the Opposition, the Deputy Leader and the other minor leaders, or would-be leaders, to stand in this House and deny the critical nature of oil in relation to the economies of countries like Guyana is really to be completely ridiculous.

The Leader of the Opposition said that agriculture in Guyana did not increase. There are two things we must look at: first, we have to differentiate between sugar and rice and other crops. I have pointed out in the Budget Statement that other crops have increased significantly over the years, but sugar and rice are so dominant that even 100, 200, 300, 500 percent increase in the output of other crops would not significantly affect our overall volume or our overall value of agricultural output. So the problem has been with sugar and rice.

Agriculture is notoriously a difficult sector. One of the problems of the 1970's has been a failure of agriculture to grow even in the Soviet Union. Indeed, Mr. Kosygin himself, in his address to the 25th Congress of the CPSU, admitted this. Having referred to substantial progress made overall and in the agricultural sector he said this:

“By and large, the output of farm produce fell short of the Five-Year Plan target and this could not help affecting the growth rate of the food and light industries.”

Yet we hear bland and senseless remarks from the Comrades on the other side to the effect that these problems do not affect socialist countries, these problems do not affect the Soviet Union.

I will not bother to refer to the massive grain purchases by the Soviet Union because that in itself explains and demonstrates the failure of the agricultural sector to meet planned targets.

I make these points not to criticise any country, but to point to the facts, the facts which cannot be gainsaid, the facts which the Members of the

Opposition would like to wish away. I would like to point to the fact that in our country the expansion and diversification of the agricultural sector requires heavy investment and takes time to yield results. Anyone who has examined our Investment Programme will see how the emphasis has been on agriculture, how large investments are being put into water control schemes like Tapakuma, M.M.A. and Black Bush – these are ongoing projects. One has to understand that the process of development is slow. It takes time but the important thing is to ensure that that process continues. I would highlight the fact that in this year's Budget for our Capital Programme, out of a total public sector expenditure of \$434 million, we will be spending \$121 million or 28 percent of that total on the agricultural sector. One would have thought that this was the kind of analysis that our Comrades would have been engaged in to see whether the emphases were right, to see whether we were putting our investment in the areas which accorded with sound economic strategy in the circumstances of Guyana.

Now, Cde. Speaker, we were told that we were abandoning socialism. I will not respond to that because the facts speak for themselves. What does free education from nursery to university mean? What does the expansion of the health services mean? What does the steady increase in workers' wages as set out in the Budget Statement mean? I pointed out in the Budget Statement that since this Government came into office it never told the workers: not a cent more. It was Dr. Jagan who said that. I have stated in the Budget Speech, Cde. Speaker, and I would wish to repeat, that we have increased workers' wages progressively over the years, from \$3.04 per day to \$4 immediately on coming into office and, Cde. Speaker, now to the present minimum wage of \$11, which is going to be made more effective by the wage package which we have introduced. The Leader of the Opposition and his Deputy claim to be trade unionists, claim to be socialists, claim to understand, Cde. Speaker, the relationship between wages and output, and yet the Leader of the Opposition and his Deputy do not seem to understand the difference between nominal wage and a real wage. In the final analysis, no Government can increase the wages of workers. It is the workers who increase their own wages by real increases in output and every employer is merely an agent for transferring that real output to the worker.

Let me educate the Opposition Members, including Cde. Belgrave, who claims the minimum wage should be \$14.00 per day. A Government can pay a million dollars per day. All it has to do is print the paper. But is that going to help the workers? The answer is no, because the nominal wage has nothing to do with the real wage of the worker, which has to do with his purchasing power. I want to educate the Opposition about what is happening on the question of wages in the socialist countries which they tell us to emulate.

Cde. Speaker, when the Finance Minister of Hungary was presenting his Budget Speech for 1979, he said this about wages:

“The rule relating to the increase of wages and income will be drawn tightly on the one hand. We want to prevent the general wage increases from surpassing the planned level. On the other hand, growth in wages should be closer adjusted to production.”

In other words, what he is talking about is simply this: workers are not going to get any wage increase unless there is a real increase in output. He returned to the theme when he was presenting the 1980 Budget and he said, Cde. Speaker, *“that wages will not depend in future on the outcome of a single year.”*

General Secretary, Mr. Gierek of Poland, was more forthright and he made no bones about it. He said, Cde. Speaker, at the Party Congress which was held at the end of last month, that increases in wages will be tied to increases in productivity. Last year, Cde. Speaker, when Raul Castro was speaking in Santiago, Cuba on the state of the Cuban economy, he spoke about the spectre of starvation and unemployment resulting from a depressed economy, resulting from the fact that the economy was experiencing problems, not merely because of the world situation to which he referred, but also because of a decline in labour productivity. The Chairman of Cuba’s Planning Commission, Umberto Perez, pointed out also that in 1979 there were growth problems because the planned productivity increase of 4 percent did not materialise. In fact, the country achieved only 0.8 percent.

Let me, Cde. Speaker, continue to educate my friends. They talk about cost of living. Let me read to them what Mr. Gierek said:

“Poland faces five years of economic austerity.”

You understand the word; do you understand its meaning? He warned the Poles that the country faced higher energy and raw material prices, difficult international trading conditions, and the need, Cde. Speaker, to link future salary increases to rises in productivity gained through more efficient use of existing resources. Throughout the socialist world and throughout the capitalist world there have been steep increases in prices. I referred to the price increases in Czechoslovakia and Hungary. I can refer also to price increases in Poland. It is no use sitting down and saying, *“Oh, but they get wage increases.”* I have been to those countries and you have been there. Have you seen the austerity in those countries? Have you seen the difficult conditions of a people who are bent on developing their country by accumulating capital and not squandering it? Those are the facts of life in those countries.

Cde. Speaker, we were told that we were Western-oriented, that we dealt with the World Bank, that we dealt with the IMF, that we dealt with

capitalist countries for technology. Let me just pause a minute, because I am satisfied, that it is not mere hypocrisy on the part of the Opposition speakers. A person is not capable of such massive hypocrisy. I am sure that such statements come from a lack of knowledge about what is happening in those countries in which these Comrades claim to have a peculiar interest, countries for which they have appointed themselves as spokesmen. Let me read. **'Romania guarantees West German investment'**, *Financial Times* of October 12, 1979. **'Angola states terms for investors'**, *Financial Times* of 11th July, 1979. **'Poland to allow foreign joint ventures'**, *Financial Times* of March 8, 1979. **'Bulgaria passes foreign investment law'**, *Financial Times* of April 2, 1980. Let me just pause on this one, Cde. Speaker, to quote further:

"Bulgaria: Legislation on foreign investment allowing companies unlimited equity in joint ventures was passed by decree last week by the State Council."

Let me read about socialist Vietnam:

"Regulations of foreign investment in the Socialist Republic of Vietnam: Article 1: the Government of the Socialist Republic of Vietnam welcomes foreign investment in Vietnam."

And now about China from the *Peking Review* of 20th July, 1979:

"The law of the People's Republic of China on joint ventures using Chinese and foreign investment."

These are the facts; they have nothing to do with socialist or non-socialist thrust. They have to do with recognition of a single fact, namely, that the world is inter-linked. No country can isolate itself from the world economy; no country can do that. If my friends on the Opposition Benches are willing to read and to understand, they can read the *Foreign Trade Journal* of the USSR, number 11 of 1978, where in an article on page 33 the writer makes the point that the socialist countries cannot – indeed, no country in the world can – operate in isolation from the main stream of world economic activity.

I want to make this point because so often we hear statements to the effect that if we trade with socialist countries, somehow or the other we will get cheaper prices. Maybe so, maybe not so; this depends upon cost of production. But in this article, it was pointed out that under the CMEA regulations, even for intra-CMEA trade, the basis for fixing prices is world prices. Cde. Speaker, I think it is necessary to make these points, to prevent our friends from continuing to mislead the Guyanese public, from continuing to give an impression that there is some country somewhere in this wide world which is enjoying unalloyed prosperity, which has no

problems and which somehow or the other has found a magic formula for permanent economic well-being.

We have been regaled with direct or indirect pleas for national unity. Again, it is so easy to mouth the words. It is so easy to talk. Some people believe that these things come about by sitting around a table and maybe drawing up articles of agreement and signing them. Unity does not come about that way; and nobody is going to be fooled by a document signed between two politicians or two political parties. It is only by a real demonstration of an interest in the working class that that kind of process can begin. Today, what is the issue? The issue is the welfare of the working people of this country.

At this time, Cde. Speaker, there are people who believe that they can do harm to this Government and to this Party by destroying the economy. Let the PPP not get in a corner and whisper: "*We are not involved in acts of sabotage.*" That is not sufficient. If they are concerned, as they allege, in the interest of the working class, it is in their own interest to get among those workers and point out to them that activity calculated to disrupt the economy is anti-working class, anti-national and can only result in undermining the welfare of the working class. It is not sufficient to crouch in a corner and disavow involvement in attacks upon workers and their families. This attitude will not produce the kind of unity that people are talking about. Only constructive seeds will do so – not mouthing rhetoric, not making pleas which have no basis in real positive intentions.

I say, Cde. Speaker, that today this country is enjoying the fruits of hard work put in by the people. Notwithstanding numerous difficulties, there have been significant increases in the well-being of people. We do not need to spell these out. They can be seen; they are visible, they are tangible benefits. There is no way in which these benefits can be maintained and improved other than by lifting our production. And production can be lifted. But production can increase if there is an understanding by everybody in this country of the absolute necessity for ensuring this; because, if it does not happen, Cde. Ram Karran can talk about \$21.00 a day till doomsday, he would not get it, nobody would get it. There will be no way in which he or anyone else can pay that as a real wage. That is why he is doomed to sit there muttering. He and his ilk are not prepared to face and come to grips with reality and get out among the workers and tell them the truth.

Now, this Party, Cde. Speaker, has over the years pursued a policy which has been clearly articulated and widely disseminated in this country. Everybody knows that policy. Everybody has seen that policy being translated into action. Today, Cde. Speaker, we face the implementation of the 1980 budget. We have had a debate in which, as I have said in the beginning, there was no contribution from the other side which was worthwhile. The Leader of the Opposition said it is an election Budget, in other words, Cde. Speaker, that the Government has gone out of its way to

give 'goodies', so to speak, to working people. Now, it is not a question of an election Budget. This country cannot make progress except on the basis of policies which are clearly outlined and vigorously pursued.

The PNC has outlined its policies clearly, the PNC will pursue those policies vigorously; and whether or not the People's Progressive Party has the will and the courage to join in that effort, the People's National Congress will continue to lead this country and strive after the ideals we have set ourselves until we transform this country into a place where people can have a decent life, where people can enjoy the benefits of a modern society and where they can look forward to ever-increasing increments in their welfare and well-being.

Motion on the Second Reading of the Local Democratic Organs Bill 1980: 18th August, 1980

"A Bill intituled:

An Act to make provision for the institution of a country-wide system of Local Government through the establishment of organs of local democratic power as a vital aspect of socialist democracy, for the election of Members of the National Assembly by Regional Democratic Councils and the National Congress of Local Democratic organs, for thereby and otherwise enabling the Constitution set out in the Schedule to the Constitution of the Co-operative Republic of Guyana Act 1980 to function on and after the day appointed for the coming into operation of that Constitution, and for purposes connected therewith."

[The Minister of Economic Development and Co-operatives]

Mr. Hoyte: Cde. Speaker, the Local Democratic Organs Bill 1980 has been presented against the background of the People's New Constitution which was adopted in this honourable House on the 14th February, 1980, and the State Paper on the re-organisation of the Local Government system in Guyana which was laid in this House on Tuesday the 5th August, 1980.

Both of these documents relate to and, in a sense, have their genesis in two policy statements which were made by Cde. Leader and Prime Minister of this country at a Special Congress of the Party on the 14th December, 1974, in an address which has come to be known as the 'Declaration of Sophia'. In the 'Declaration of Sophia', the Cde. Leader and Prime Minister made two very important statements arising from the consensus of that Congress. The first was a conclusion that the time had come for the mobilisation of this nation on a permanent basis for development and not merely for periodic elections and in support of specific Programmes and activities.

The second statement was that the time was propitious at our stage of history that a new Constitution be introduced to take account of the national ethos and the goals and objectives of the society. These statements were interconnected.

It is not surprising, therefore, Cde. Speaker, that the People's New Constitution lays great emphasis upon the democratisation of our institutions to enable the massive involvement of people in the task of managing their communities and developing the areas in which they live. In particular, it envisages the people being involved in a day-to-day manner in the various decision making processes which affect their daily lives.

The People's New Constitution, therefore, identifies the Local Government system as the foundation of the democratic organisation of the State, and as a major institution for mobilising the people for, and involving them in,

the task of national development as envisaged by the Special Congress of the 14th December, 1974.

The Constitution, therefore, sets out some specific provisions with respect to Local Government. Article 12 prescribes that the Local Government system shall be an integral part of the democratic organisation of the State. It does remove Local Government from the peripheral role which it held under the colonial system and, indeed, under the existing arrangements, and places it at the very centre of our national life. Indeed, Cde. Speaker, these provisions in the new Constitution have assigned to Local Government a pivotal role in the political, economic and social life of our country.

Article 71 reinforces Article 12 in that it describes Local Government as a vital aspect of socialist democracy and directs that Local Government should be so organised as to involve as many people as possible in the task of managing and developing the communities in which they live. All of this is important in the context of Article 13, which sets out the objectives of the political system of the State. This objective, which is to extend socialist democracy is described and defined in terms of "*people's involvement.*" Article 13 requires the political system to provide ever-increasing opportunities for the involvement of people in the management and development of the areas in which they live and in the various decision making processes of the State.

It will be noted from the principles outlined in the New Constitution and from the provisions which have been made for Local Government, that the New Constitution sees the Local Government system in an entirely different way from the way in which it was seen hitherto. It describes its scope in an entirely different way and it prescribes its functions and duties in ways which can only be described as revolutionary.

It follows, therefore, that the New System outlined in the New Constitution would require that the existing system be wholly dismantled and swept away. There can be no idea of tinkering with the present system or attempting to reform it; it has to be replaced entirely; it has to be removed, root and branch.

And the Local Democratic Organs Bill which has been presented to this House seeks to give legal effect to the Mandate contained in the Constitution. Undoubtedly, Cde. Speaker, the old system has proved to be inadequate in the passage of time and, more so, with the introduction of new institutions and new mechanisms and an entirely new political framework. For many years, persons, who have seen intimately involved in the existing Local Government system, have made recommendations and representations about transforming the system. They pointed to defects, they pointed to inadequacies; but the sum total of all their complaints was this; that whatever useful purpose that system might have served in the past, the time had come when it was no longer compatible with the changes which had taken place in the society; the time had come then for it to go.

And what were the limitations? What were the inadequacies? These were legion, but the most common ones that people spoke and complained about related to the inadequacies of their own powers, the haphazard boundaries, the unavailability of Local Authorities, the way in which the very organisation of Local Authorities inhibited them from exercising a management function over some of the vital facilities which were so important to their very existence. Essentially, however, the real problem which was submerged by all of these more minor complaints was the fact that the Local Government system was cast in a colonial mould and obviously was geared towards a colonial conception of its role.

In this regard, we bear in mind that the existing system was an implementation, although partial, on the Marshall Report of 1955. On re-reading that report Cde. Speaker, I could find in Marshall's conception of Local Government, nothing which assigned to Local Government a developmental role. He continued to regard it in the way in which it had been regarded throughout the colonial period, as a peripheral institution, an institution which was relegated to a maintenance and regulatory function, an institution which was not an agency of development, but which was expected to come into play after development had taken place.

As a result, we find a classic colonial situation in which the internal institutions of the country reflected the external relationship between the country and the metropole. The rural areas which ought to have been the principal beneficiaries of a vibrant Local Government system were relegated to a role of dependence, relying upon the Central Government for any major developmental initiatives. This relationship of dependency had its inevitable consequence, namely, that the Local Government could never develop an independent and self sustaining life on its own! Central Government which kept alive the Local Government system by patronage and largesse. Again Cde. Speaker, because of this dependency there could not be the development in non-urban areas which ought to have occurred as a result of the activities of Local Government agencies.

So, the end result of the system we operate is that throughout the country, the forces of production are not liberated but are in effect locked up. I also noted in passing, that Local Government was confined to the narrow coastal ribbon and was never intended under the old system to cover the entire country. The purpose of the present Bill is to revolutionise the Local Government system and remove all these inhibiting factors to which I have referred. Local Government now, in terms of the New Constitution and the State Paper, will be the very centre of our national life and will be a major instrument for mobilising the people for development and for the practical exercise of the concept of socialist democracy, which the Constitution in Article 13 directs us to have operating in the society.

It is interesting to note, Cde. Speaker, that throughout the history of this country, we have never, as a people, applied our own minds to the

devising of a Local Government system. This was one of the main criticisms which we made against the old Constitution; it was equally valid against the Local Government system. Indeed, until recent times, people could not see that in our country and in our situation we needed to develop our own institutions, we needed to devise our own systems. It was natural, I suppose, that in colonial times we should follow whatever happened in the so-called 'mother country'. It was natural that our people who had been trained in the metropole to come back believing that everything which was done in the administering countries should be applied here. That is why in his excellent book, *The Approaches to Local Self Government in British Guiana*, that distinguished public officer, Allan Young, felt that this country had not benefited sufficiently from the Local Government changes which had taken place in the United Kingdom. Page 91 of his book says this – a very interesting commentary on the way our most distinguished people were trained to think – “*what this means,*”

“...is that local government in British Guiana has had all along the tremendous advantage that its development has been taking place over a period of time when the minds of men in Britain were directed as never before to the systematic organisation and development of their country’s institutions of local government.

Has this advantage been reflected adequately in the corresponding development in the colony?”

Clearly, Young was bemoaning the fact that this country, at that time British Guiana, had not taken what he called “*sufficient advantage*” of what was being done in Great Britain. To my mind, perhaps, it was a good thing and in any case, I dispute any assertion that to have copied what was happening in Great Britain would have been of any value to us. Indeed, Cde. Speaker, Young made another point which was equally interesting in the light of his own perceptions of what we should do about developing institutions in this country. He said that the Amerindians of this country had made no contribution to the development of the Local Government system. Obviously they could make no contribution because the administering powers at the time did not believe that the people of this country could have made any contribution to the development of their institutions, proceeding as they did on the assumption that everything which was going to be done in this country had to be imported from abroad, including our own thought processes.

What this Bill seeks to do, Cde. Speaker, is to give effect to the Mandate of the Constitution both in spirit and in letter to completely revolutionise our Local Government system, sweep away the remnants of a colonial institution and put forward in place a set of mechanisms which, we believe, will allow us to proceed with the development of this country and enable our people to participate in that development in many-sided and meaningful ways.

Cde. Speaker, the Bill itself establishes ten regions for the purposes of Local Government. But those ten regions have not been established willy-nilly but on the basis of certain clear principles. The State Paper has outlined the guiding principles for Local Government transformation, and I will summarise those principles and seek to show how what we are attempting to do in the Local Democratic Organs Bill gives effect to those principles. In the first place, the Constitution, on Article 71 thereof, directs that we should establish a country-wide system in place of one of which was confined primarily to the coast. Secondly, the Constitution directs that Local Government areas should be economically viable. This provision bore in mind, so to speak, the complaint of so many Local Authorities, that they were unviable and that nothing in the existing arrangement could be done to make them viable, that they would remain poor, they would continue to be backward and they would continue to be underdeveloped, unless we did something about the entire system.

The Constitution directed that the Local Government system should be so organised as to involve as many people as possible in the task of managing and developing their communities. This relates back to Article 13 which sets out the objective of the political system of the State, to which I have already referred, which is to extend socialist democracy by ensuring the involvement of as many people as possible in the various management and decision-making processes of the State. But because Local Government was considered to be merely tangential to the economic and political system in the past, because it was looked upon as an institution merely to maintain roads, clean trenches and canals, and in effect, it confined itself to maintenance and regulatory functions, the Constitution gave a clear direction that the New Local Government system should be development oriented. Consequently, its tasks had to be wider and deeper than the tasks that had been assigned to it under the old system.

Thus, one important principle therefore is that the new Local Authorities, indeed, the whole system should be geared to the task of national development. In the past, there has been no formal link between the Central Government and the Local Government. From time to time, there have been Ministries responsible for Local Government or within a Ministry, a Department was set up for dealing with Local Government matters; but one will see, Cde. Speaker, the unacceptability of that kind of mechanism in the context of the New Constitution. A Ministry of Local Government or a Department of Local Government is really a Central Government institution of control. It is *par excellence* the indicator of that relationship of dependency to which I have referred, because it is through the Department or the Ministry that the Central Government in the past controlled, directed and otherwise inhibited local authorities and ensured that they kept their specific role, and that they kept within the very narrow boundaries which had been prescribed for them.

As a result, the Constitution not only directs that power, authority, responsibility should be conferred upon Local Authorities but, Cde. Speaker,

that there should be a formal institutional links between the Local Government System and the Centre which would ensure that there is proper co-ordination between them; that there is a harmonization of efforts; and that Central Government agencies and Local Government agencies all go in the same direction, towards the same goals. As the State Paper puts it, Cde. Speaker, this relationship has nothing to do with the old relationship between Central and Local Government systems; it is an entirely new relationship of equality, a symbiotic relationship, in the words of the State Paper, in which each system supports and enriches the other. So, following the spirit and the letter of the Constitution, the Bill seeks to ensure that there is real devolution and decentralisation of large areas of Central Government activities; that there is handed over to the people in their various communities the power and responsibility for doing a wide range of things which the Central Government at the present time does inadequately and inefficiently, and which, because in the very nature of the things, which it cannot do adequately or efficiently.

It is against these principles, Cde. Speaker, that the Bill before this House, has been designed to give effect to what the Constitution says must happen in the Local Government field. This Bill, therefore, establishes the structures of the Local Democratic Organs, setting out more specifically the structure of the Regional Democratic Councils, the tasks and duties of those Councils and their framework for providing the enabling legal powers for the establishment and organisation of the other Local Democratic Organs which will be administering and managing the various sub-divisions of the regions.

Article 72 of the Constitution gives a direction that Local Government areas should be economically viable, should have an adequate resource base for development and for the revenues. To enable this objective to be achieved, it should be divided into ten large geographic regions. The Bill therefore prescribes the boundaries of those ten regions. The boundaries of the regions have been drawn pursuant to the direction of Article 72 of the Constitution, which says that in demarcating the boundaries of the regions we should have regard to and take into account population, physical size, the geographical characteristics, the economic resources and existing and planned infrastructure of each area as well as the possibilities of facilitating the most rational management and use of such resources and infrastructure, with a view to ensuring that the area is, or has the potential for becoming, economically viable.

It will be found, therefore, Cde. Speaker, that the boundaries of the ten regions are natural boundaries following rivers or watersheds, and that each region is both a planning and development region, having an adequate resource base to enable that region to develop and to prosper as a result of planned development and efficient implementation.

The Bill empowers the appropriate Minister to make sub-divisions of the large regions, thus giving effect to Article 72 (1) of the Constitution

which requires the involvement of large numbers of people in the work of Local Government. And so there will be in terms of the State Paper and as at the moment contemplated six sectors of Local Democratic power in each region, which will involve some 16,000 people in this country in the direct work of Local Government. This is a far cry from the present system in which a handful of people who are described as 'Village Fathers' are expected to carry on this tremendous task of developing and managing their areas.

But I have said Cde. Speaker, that the Constitution has established a symbiotic relationship between the Local Government system and the Central Government and provides the formal institutions for the co-operation between the two systems. The Constitution therefore establishes the National Congress of Local Democratic Organs for the purpose of coordinating the work of the Local Authorities. At the present time such coordination is attempted by the Central Government agency, by a Ministry in the past, at the present time by a Department of Government. What is proposed is that the Councillors themselves, through their National Constitutional Body, should organise and coordinate their work nationally for the development and well-being of the Local Government system. Formal links between the regions and the Centre are also to be seen in the fact that there will be direct geographical representation of the regions through the election of the representatives from the Regional Democratic Councils, to sit in the National Assembly. What we seek to do, Cde. Speaker, is to ensure that every region has a link with this National Assembly through the election of one of their Councillors who themselves have been elected by the people in the region.

And finally, the Supreme Congress of the People is an institution where a joint meeting between the Central Legislature and the Local Government Organs represented by the National Congress of Local Democratic Organs can take place.

The great point about that, is that we are attempting to correct a situation in which we drew a differentiation between Local Government and Central Government, in which, throughout the years, this Central Government was looked upon as being the major instrument for governing and for development, and in which Local Government was relegated to a position of no importance, having no direct or formal link with the Central Government. All of that will go because the Local Government Organs will have tremendous responsibilities both in terms of range of duties and nature of tasks.

Clause 6 of the Bill sets out these duties and responsibilities and Clause 6 of the Bill, Cde. Speaker, relates back to Article 74 of the Constitution, which effectively, as it were, lays the foundation for the exercise of real power and authority by the Local Democratic Organs. I wish to make the point, Cde. Speaker, that these duties, these responsibilities, are enshrined in the fundamental law of the State. They are not left to chance; they are

not left to be promulgated by inferior legislation; they are embedded and concretised in the Constitution itself.

And the Constitution says that in a general way that the Local Government system must change its focus from being merely maintenance-minded and regulatory-minded and become action-oriented and development-oriented.

For this purpose, it imposes a clear duty on Local Democratic Organs and that is the duty to ensure the efficient management and development of their areas and to provide leadership by example. And then it goes on, Cde. Speaker, to amplify these general directions by directing that Local Democratic Organs shall organise popular co-operation in respect of the political, economic, cultural and social life of these areas and shall co-operate with the social organisations of the working people. Thus, seek to facilitate and emphasise the co-operative character of the Local Government system which is organised for co-operation between the system as a whole and the Central Government, and co-operation within the various areas administered by Local Democratic Organs.

The whole purpose of the Local Democratic Organs is to manage and develop their areas well in the interest of all the people who live within their boundaries. If that is so, Cde. Speaker, the system cannot tolerate negative and disruptive activity. Therefore, all councillors will be required to have as their overriding objective, the duty of cooperating among themselves and with others to make sure that the people get the best service and enjoy the best arrangements for their welfare and well-being. Cde. Speaker, these tasks, these duties, these responsibilities conferred upon Local Democratic Organs is wide ranging. They have no limitation.

A Local Authority will have power to do anything which it considers necessary for the development of its area and the welfare of its people. It can, since it has a duty for economic development, become involved in economic activities. It has to be involved in training. It has to be involved in activities to ensure that people are not exploited, it has to be involved in work to encourage the people to take charge of the various areas of activities which impinge upon their welfare and well-being. For that purpose, Cde. Speaker, I repeat that there will be absolutely no inhibition on the power of a Local Authority to become involved in economic or other activities. This new system with its requirements of participation, involvement and self-management, will enable the production forces in the region to become liberated, for it will generate local enthusiasm, it will stimulate local initiative and will contribute powerfully to that real development of the areas.

It can be seen, if I look back to Article 74, that the duties conferred upon Local Authorities and expected of Local Authorities are widely ramified. There is no aspect of national life which cannot be enriched by the involvement of the Local Democratic Organs, co-operating, as they are directed to do with the people and the people's social and economic organisations. And so in Article 74, we find a spelling out of some of the

duties of these organs, namely, "to maintain and protect public property, to improve working and living conditions, to promote the social and cultural life of the people, to raise the level of civic consciousness, to preserve law and order, to consolidate socialist legality and to safeguard the rights of the citizen." Cde. Speaker, those are wide powers and responsibilities.

What we do hope to achieve, what we do expect of the re-organisation of the Local Government system is simply this, to create self-reliant, productive and prosperous communities of people who understand the nature of national development and accept individual and collective responsibility for the task.

Cde. Speaker, it has become quite popular in recent times for certain political factions to utter slogans about "power to the people." What the Local Government system and this Bill seek to ensure is that there is "power to the people", not in a wild anarchical way, but through the people's representative organisations. For power in the political process can only be exercised through institutions. The Constitution has provided a range of institutions for the involvement of people and for the exercise of the sovereignty which inheres in them. Through the institution of the Local Democratic Organs, this power will be crystallised; and it will be exercised for and redound to the benefit of the very people in whom it inheres and who exercise it for their own benefit.

In the final analysis, Cde. Speaker, we are talking about people, we are talking about the control of their very lives by the people of this country, we are talking about a democratic process which for us consists not merely in periodic elections but in the involvement of people, in a meaningful way in the management and development of their communities, and their participation in various decision making processes in the State and their communities. I see therefore, Cde. Speaker, a grand result from this new system of Local Government which the Local Democratic Organs Bill 1980 introduces. I would like to borrow and adopt some words from the Cde. Leader, which he used in the 'Declaration of Sophia', words which I feel adequately and powerfully, Cde. Speaker, represent the purpose and objective of the new system of Local Democracy in Guyana. For the Councillors and their Councils, Cde. Speaker, co-operating with the Government, co-operating with the working people's social organisations as directed to do by the Constitution, have in the words of the Cde. Leader,

"the task of revolutionising our economy and society, removing remaining traces and incidence of poverty and exploitation, building a new system and State in place of the old, which have welfare proved inadequate, and developing Guyana into a prosperous and just society, where the people's and happiness are transcendental."

Thank you.

Mr. Hoyte (Replying): Cde. Speaker, I am sorry that my good friend the Hon. Member Mr. Ram Karran is not in his seat. I understand the great

feeling with which he spoke about the Telecommunication Corporation cutting off telephones, but I refuse to believe that the Deputy Leader of the People's Progressive Party, the General Secretary of the Guyana Agricultural and General Workers Union, a substantial shareholder in GIMPEX, and a Director of GIMPEX, did not have the wherewithal to pay his telephone bill and I can only conclude that in his case it was a case of sheer forgetfulness.

Cde. Speaker, to get on to the subject of this debate, I would like to make a few general responses before dealing with some specific matters raised by Members on the Opposition Benches. The great difficulty, of course, is to separate those matters which are germane to this debate from the matters which really had little nor nothing to do with the Bill or the State Paper. The Hon. Member Mr. Reepu Daman Persaud chided me with dealing with concepts, principles and ideas and I must plead guilty to that charge for I would have thought that at this level we were debating concepts, principles and ideas and I refuse to believe that in a general debate we should descend to the level of talking about which typist was better than another typist and who was drinking rum.

There seems to be also, Cde. Speaker, a refusal on the part of the Members of the Opposition to accept that we Guyanese are an intelligent people with a capacity for thinking for ourselves. Members of the Opposition kept wondering what was the precedent for the State Paper. Where did we copy some of the proposals from, and the Deputy Leader of the Opposition went so far as to suggest that we had modelled these proposals on some system in Tanzania. I wish to assure the Member that these proposals as was said in the State Paper, have come out of the research, discussing the ideas of the Guyanese people themselves, and this brings me to the question of consultation. Several Members alleged that there was no consultation in the preparation of the State Paper and in conceptualising the proposals which are contained in the State Paper. That is not in accord with the fact.

On my part, as far back as 1974, GALA approached me on the matter of Local Government reform. Indeed, this matter was agitated even before that time, but I speak of the time during which I was personally involved, and from 1974 there was a series of discussions and debates between the Ministry and the representatives of GALA, between the Ministry and individual councillors and persons who have had long experience in the Local Government system, and between the Ministry and individual Local Authorities. We thrashed out this problem at many meetings, many seminars. Many of these were reported in the press, but the major consultations out of which these ideas crystallized took place in this Constituent Assembly which considered proposals for a new Constitution and it is to the discredit of the Members of the Opposition that they boycotted this very important forum for constitutional reform. One could not consider the new Constitution in isolation from Local Government reorganisation.

In this very House, many individuals, private persons, submitted oral evidence and memoranda on the question of local government and within the Assembly itself the representatives of GALA were particularly strenuous in discussing ideas, in discussing proposals relating to Local Government reorganization. As a result of their ideas which were crystallized in the Constituent Assembly, the broad outline for Local Government reorganization was contained and enshrined in the new Constitution. After that, Cde. Speaker, the discussions continued. There was one of the largest meetings of Local Government Councillors held at Uitvlugt in January this year where the draft paper, which eventually became the State Paper, was discussed, where Councillors from all over the country, including Mr. Roshan Ally's area – if he was really concerned with what was happening in his area he would have known these things – attended that meeting and took part in a very fruitful and interesting discussion.

Subsequently, Cde. Chairman, there were meetings held all over the country and, indeed, almost every weekend since January, the representatives of GALA and interested representatives of individual councils have held seminars, briefing sessions with Local Government and other people throughout the length and breadth of this country. I would like to take this opportunity to pay tribute to the President and officers, to members of GALA, and to those persons who, despite great difficulties, have endeavoured to keep the Local Government system running in this country.

I should not, Cde. Speaker, allow a very serious mis-statement directed by the Deputy Leader of the Opposition to my learned colleague, the Attorney-General, to pass unanswered. Cde. Ram Karran said that the Attorney-General has averred in this House that they had based the new Constitution on the French model. Now, that is wholly untrue and anybody who takes the opportunity to compare our Constitution with the French Constitution will see that there is no comparison at all. I remember clearly the point which the Hon. Leader of the Opposition misrepresented so grossly. It had to do with Article 10 which enshrined the right of political parties to exist. There was some discussion about the part of that Article which says that political parties shall be required to recognise democratic principles, and people were saying there was something sinister about that. Then the learned Attorney-General pointed out that there was a similar provision in the French Constitution and nobody could allege that the provision in the French Constitution had inhibited the growth of political parties, because you have a multiplicity of political parties operating in France.

This leads me on to the allegation made, first of all by the Hon. Member Cde. Collymore and repeated by so many of his colleagues, that the proposal can be construed as paving the way for a one-party State. Now, I find that allegation to be alarming and ridiculous on two scores. First of

all, I do not understand, even if it were true, why the Members of the People's Progressive Party should be worried about the establishment of a one-party State for, as I understand it, the model which they admire and which they advocate is the Soviet model and that is the country in which there is a one-party State. But, of course, there is no justification in the conclusion drawn by their Members or in their statements which they have repeated over and over again in the course of their contribution.

In the first place, Cde. Speaker, Article 10 establishes the right of political parties to exist and this is the first time in any Constitution in the country that political parties have been given the constitutional right to exist. Secondly, if one looks at the State Paper, and I have serious doubts as to whether the Members of the Opposition have really taken time to read the State Paper carefully, one will see that the whole electoral process as set out in that paper envisages a multi-party system. Elections to the Regional Democratic Councils are based upon a presentation of lists by political parties and this whole system of political parties presenting their lists, acquiring their symbols and taking part in Local Government Elections is set out quite clearly at section 5 of the State Paper from pages 14 to 15. In the light of that I find it difficult to understand what is the basis for that allegation and I can only dismiss it as being ill-advised, ill-conceived and ill-founded.

Cde. Speaker, the Hon. Member, Mr. Reepu Daman Persaud took issue on the establishment of the National Congress of Local Democratic Organs and claimed that on a particular ground, which was to the effect that the Congress would be required to carry out the policies and Programmes of the Government. Now, my colleague, the learned Attorney-General did reply to that but I would like to make this point in support of what my colleague said. Mr. Reepu Daman Persaud quite rightly read what was in the Constitution, that the Congress shall be guided in the discharge of its duties and responsibilities, and immediately he made a quantum leap from 'guided' to 'carry out'. Now those are two entirely different things, poles apart. As a matter of fact, between the two concepts there is an unbridgeable gulf.

I wanted to say something more about this. This whole system of Local Government which we have devised is designed to ensure that Local Government does not become a cockpit for petty rivalry, for personal conflicts, for people to wrangle among themselves. The system has been devised to promote co-operation, to get people to understand that whatever political party they may belong to, whatever political party they may have fought elections under, their task, having been elected, is to come to grips with the problems of their communities, to work together co-operatively, to work together by consensual arrangement, to collaborate with one another in the interest of the people, to make sure that those little drains are cleaned, to make sure that the koker is locked on time and opened on time, to make sure that those access roads are

developed, to ensure that the little drains and irrigations system that people need, that farmers need to secure their livelihood, are in place and functioning properly to give people an opportunity to come to grips with the resources in their areas and to develop them for their own direct and immediate benefit.

In those circumstances, I think we can better understand why it is that we seek to ensure a harmonization of effort within the Local Government system and between the local system and the Central Government system.

I did not quite follow, too, the stricture which the Member made against the power given to the Minister to settle the boundaries of the various Local Authorities. I think we should bear in mind that we are talking about a Local Government system. Up to now nobody has ever complained that it was the Minister or some particular governmental functionary who drew the boundaries of Local Authorities. That is done now because the primary thing you are dealing with is settling the boundaries of the Local Authorities. It is only in a secondary way that those boundaries are also boundaries for the electoral process but the elections are not the primary purpose for drawing the boundaries of Local Authorities. That is why the Constitution itself says that the boundaries shall be so drawn to ensure that you have viable Local Authorities, that there is an economic base. I did refer to the fact that in drawing the boundaries of the ten regions we complied with the directions in the Constitution, Article 72 (2), to the effect that we should take a number of things into account.

If you look at the boundaries of the ten regions you will see that they cannot be faulted on economic grounds or on planning grounds, because they take into account a certain geographical entity. The boundaries are natural boundaries, rivers and watersheds and within each region there is the resource base which could be developed without reference to any other part of the country. I think that once the Member understands the principles upon which the boundaries are neither here nor there in terms of development because internal boundaries will be designed to ensure that people have reasonable geographical areas to manage.

If you look upon the Local Government system in the old way as giving an opportunity for people to have power and to have honorific posts, well then you would be really perceiving the whole thing in the wrong perspective. You have to look upon the new Local Government system as a system which gives people an opportunity to work to develop their areas, to do the things for their areas which, as I have said, at the present time Central Government agencies are doing and, of necessity, doing inefficiently.

The Member also said that the councils will be under the absolute control of the Government and in support of this allegation he pointed to the provision of the Bill which provides for full-time Chairman. Then he went on to say that the Central Government will pay these Chairmen. If

the Member did not say that, then it was said by some other Member because I did make a note of it, but whether the Member said that or not I wish to make the point that there is nothing in the Bill which says that the Central Government must pay anybody. I wish to make the further point that we are talking now about development and you cannot run these councils we are talking about on a part-time basis. The Chairman of a region, the Chairman of a sub-region, must devote his full time to the management and development of his region. So he is responsible. The people know whom to look to and it is interesting that Members missed an essential point in the Bill which is that councils for the first time in the history of Local Government in this country will be made accountable to the residents in their areas. They will be made accountable by being required to give an account of their stewardship periodically between elections to those people who elected them and they will be made accountable because there will be provision for the people to recall them.

In that context not only councils will be given by law particular duties and responsibilities but individual councillors so that you can pinpoint people. Nobody will be able to escape from discharging his responsibilities under the general cloak of saying that the council did not do this and the council did not do that. Sure, the council will have responsibilities but the individual will also have responsibilities.

I was a little amused and very interested to note the divergence of opinion between the Hon. Member Mr. Dalchand and the Hon. Member Mr. Collymore. Mr. Collymore said that the State Paper was impeccable, that my presentation in moving the Second Reading was faultless and that the Bill could not be questioned. They were all good and he could not fault them. Mr. Dalchand said that the Bill was useless and should be scrapped and we should proceed to Local Government elections under the existing system.

[Cde. Collymore: I did not say that the Bill was faultless. I said that the State Paper is good and the Minister's presentation was good. I never said that the Bill was faultless. The Bill was totally wrong.]

Mr. Hoyte: I stand corrected, but it makes no difference, because the Bill flows from the State Paper. All right. I shall not dispute the point.

I concede the point made by the Member. I am not prepared to break a lance over that. The point is that there is a profound difference of the opinion between the two Members of the People's Progressive Party. I would be inclined to believe that the Hon. Member Mr. Collymore perceived the situation to be alright and his support for the State Paper was right because no matter what some of his colleagues might have said the principles for Local Government reform set out here cannot be faulted.

They meet the problems which have arisen over the years in attempting to operate the existing Local Government system.

Now many points were made by the Hon. Member Mr. Dalchand. I do not think that his points were really directly related to the Bill except that the Member assumed the role of Cassandra and made a number of prophecies but the basis for those prophecies I found very difficult to find. I would wish to say to him that we cannot accept his proposals or his suggestions that first, the existing Local Government system is adequate and, secondly, that we should proceed to elections in the Local Government areas under the existing system.

Now I found it difficult, too, Cde. Speaker, to understand the allegation of Mr. Collymore the Hon. Member that neither the State Paper nor the Bill made any reference to the electoral system in Local Government. The whole of section 5 of the Paper deals with electoral system, it deals with elections to the Regional Democratic Councils, it sets out what will happen for the time being in urban areas, it deals with the Amerindian Councils at the moment existing under the Amerindian Act and it says what will happen in the case of other organs of local democratic power, and I could only come to the conclusion that in reading the Paper the Hon. Member somehow or the other missed that point. But I was particularly interested in his statement that we were by this system creating a number of mini-States and fiefdoms. I would say that that statement can only arrive from a profound difference of opinion between the Member and, I suppose, the Party he represents, and the Members on this side of the House as to the role of the people in the democratic processes of the State.

This system has been devised to ensure the involvement of as many people as possible. Sure, we want large numbers of people, sure, we want Local Government authority and in the whole country; sure, we want, as I said, some 16,000 people being directly involved in the Local Government system, so that if to have a multiplicity of Local Authorities with people managing their areas from the smallest area and spreading out to the regional councils it is considered to be setting up mini-States and fiefdoms, well, we on this side are happy to set up those mini-States and fiefdoms which give the people a chance to be involved in a dynamic way in the actual processes of managing their communities. At first, I was inclined to the view that the Hon. Member proceeded from a position of contempt for the people but on reflection I would say that his view originated in lack of appreciation of what it is we are trying to do by this system of local democratic power.

Cde. Speaker, I would like also to refer to an allegation he made which has absolutely no substance, namely, that the elections will take place on the basis of the old electoral lists. That is not so, the Hon. Member would know that in the course of last year we had a new registration and I wish to give him the assurance that elections will take place on the basis of a new electoral list which will be posted up in due course and it will comply

with all the provisions of the law to give him and his Party the chance to scrutinise the list and to make the necessary representations in accordance with the law.

Cde. Speaker, equally monstrous was the allegation of the Members that people will be nominated to this National Assembly. That has been a *canard* which Hon. Members on the Opposition Benches have indulged in not only in this House but in the media which they control and at street corner meetings. The Constitution itself makes it clear that elections at Local Government level and at Central Government level, and the filling of positions in those institutions which have been established by the Constitution, will be by an elective process. The State Paper makes the point following the Constitution, and this Bill itself speaks of elections in the case of people from the Local Government councils who will sit in this House. They will be subject to a double electoral process whereas some people will come here on the basis of the direct vote of the people. Comrades from the Local Government area will go through a double screening, the direct vote of the people and the vote of their colleagues in the Local Government area where they are councillors. There is absolutely no truth in the statement and no justification in the statement that anybody will be nominated to a Local Government council, to the National Congress of Local Democratic Organs or to the National Assembly.

Cde. Speaker, Cde. Roshan Ally entertained us as usual with matters which provided some relief in this very serious debate but he discovered a new breed of people in this country, people who have nothing to do with politics. I wonder where we find them. Where do we find these people in Guyana who have nothing to do with politics?

And then, Cde. Speaker, we had the contribution of Mrs. Janet Jagan who affected a great deal of adjective. Yes, I must thank her for her courtesy in describing me as a gentleman. I reciprocated by describing her as a lady. But, she referred to this Bill as a stupid Bill and I would have thought, Cde. Speaker, that that adjective would apply to her description of the Bill, because this Bill, accepted by other Members of the Opposition as being of fundamental importance to the political organization of the State and to the democratic processes of this State, is a Bill which is going to affect the lives of every persons in Guyana whether he or she likes it or not, and to dismiss it out of hand as being stupid is something which I, if I may put it my way, ins unworthy of a Member of this House.

The Hon. Member, of course, did not spend any time on the Bill. She regaled us with her experiences of the Elections Commission. We are not debating the Elections Commission, but I would say this, that the points made by the Hon. Member Mr. Reepu Daman Persaud, in which he attacked certain legal provisions, were adequately and comprehensively dealt with by the learned Attorney-General and I would have thought that that was an end to the matter and it does not help for someone to come

after to repeat the very points which have been so fully rebutted by the Attorney General.

The Deputy Leader of the Opposition, the Hon. Member Mr. Ram Karran, was his usual entertaining self and sought not really to deal with the Bill but to deal with some peripheral matters relating to the wider economy, I do not think that it will be fruitful at this time to deal with those matters but he made a very interesting statement which I noted here because I want to do some research on this concept. He said that neither the State Paper nor the Bill was a democratic document. Now, I do not know what is a democratic document and I would really like to educate myself a little further.

Mr. Abraham asked a question whether the elections of Captains and Councillors in Amerindian areas will be modified. I think the Hon. Member would know that the Amerindian Act talks about the nomination of Captains and Councillors but that for many many years Councillors have in fact been elected, the Captains have been elected and once they have been elected they would be installed so to speak, by the appropriate Governmental officials. We do not intend to immediately change that system except of course, to make it quite clear in the law that the electoral system shall prevail. In other words, what has been happening in practice will be legalised, but at the present time these proposals do not intend to sweep away those traditional councils where people directly elect their representatives. Those councils will, of course, be linked with other councils so that the whole concept of Local Government will include all local bodies to which people have been elected.

Cde. Speaker, I would just say in closing that I detected in the statement of the Hon. Member Mrs. Jagan something in the nature of threat. I would merely say that this Government does not accept threats, this Government will not really be influenced by any threats implied or otherwise because we are the only organised political force in the country at the moment. We have given political leadership in the past, calm leadership, intelligent leadership. We have placed our faith completely in the people, we will continue to do that and I am sure that the provisions of this Bill if implemented by this honourable House will go a far way towards strengthening the solid support of this Party throughout the length and breadth of this country.

Motion on the Approval of Financial Paper No. 2/ 1980: 10th September, 1980

Mr. Hoyte: Cde. Chairman, like the Hon. Member Mr. Reepu Daman Persaud, the Government is particularly keen that these enterprises should be managed as efficiently as possible. I think, however, that the Member is splitting hairs when he makes a differentiation between completing and construction. To set his mind at rest, I should tell him that the Textile Mill is completed. As the Paper indicates, these sums were advanced from the Contingencies Fund to provide monies for the construction and completion. The Textile Mill is completed, it requires working capital and the Member has shown a shrewd appreciation of the nature of working capital. It is to buy the inputs to enable the Company to operate.

The Textile Mill is a Company incorporated under the laws of Guyana. It has its Board of Directors and it has its management, technical and other staff, as any other Company would have. Similarly, the Glass Works is a Company with its Board and staff.

The Glass Factory is virtually completed, the works are virtually completed. We are awaiting now firm indication from the Guyana Electricity Corporation as to the date when it would be able to supply the power which is needed for the operation of the works. Members will appreciate the fact that glass works would be an energy-intensive operation and a twenty-four hour a day operation. It is like the bauxite industry. Once stove furnaces are heated and the operation starts, well then, operations continue from day to day without stopping, so one has to be quite sure that the power is available. We are waiting on GEC to indicate when power would be available and to make the necessary connection.

I think that Members of the Opposition do themselves a disservice when they stay away from functions which are of a national character, particularly functions which are designed to give members of the public an opportunity to understand what is happening in the developmental sphere of the country. I would like to extend an invitation to the Hon. Member and his colleagues to visit the Glass Works, the Textile Mill and indeed any developmental project at any time they so desire. The Government will be happy to make the necessary arrangements so that they could see for themselves, they could ask questions and apprise themselves of all the facts and obtain all the information which they desire.

