

Guyana Turns To The Comecon

On Jan. 19 Guyana applied for "formal association" with the Council of Mutual Economic Assistance at the Havana executive meeting of that organization. After a year in which Guyana's long-term economic problems were drastically exacerbated by extensive flooding which devastated crops and mines, the country is looking forward to increased production and new export markets in 1977 through trade and credits from the Comecon.

To facilitate Guyana's integration into the Comecon, the government is taking steps to upgrade the population's ability to meet the challenge of an expanding economy. In a recent speech Prime Minister Forbes Burnham called on university students this week to place emphasis on science and technology "which have a direct relationship with the national reality."

Guyana will also establish a **State Planning Commission** to coordinate investment in domestic economic development projects. The government has stressed that the move for association with Comecon does not mean that Guyana is abandoning its traditional trade relations with developed capitalist countries. As a former British colony, Guyana's trade has always leaned heavily toward Britain and Canada, with the U.S. emerging in the post war period as a trading partner equal to Britain and Canada combined. The expansion of trade to Comecon countries will broadly diversify these patterns of trade.

Due to the crisis which began with this year's abnormal weather, moves to mobilize the labor force behind Guyana's development plans are being accompanied by an emphasis on consumer **austerity**. Imports, particularly consumer imports, are being cut, and the Prime Minister announced a (G)\$546 million (G2.55:U.S.\$1), austerity budget for 1977 this month which includes a reduction in capital provisions from (G)\$42.2 last year to (G)\$14.9 million this year. Current spending is cut from (G)\$14.9 million in 1976 to (G)\$9.7 million this year.

The nation is struggling to recover from the effects of the floods, which crippled production of the country's major sources of foreign exchange earnings, bauxite and sugar. Sugar output was 20 per cent below the 1976 target of 368,000 tons, and the second rice crop was virtually washed away, leaving total rice yield at 48,000 tons down from a projected 70,000 tons.

Preliminary estimates place the country's bauxite output at 30 to 40 per cent below last year's 3.2 million long tons, and alumina production is also expected to be down by about 20 per cent from 1975's 330,000 long tons.

Guyana's development program is centered around ambitious plans for expansion of its bauxite production and aluminum refining capacity. The major projects in this area are:

(1) The construction of the planned Mazaruni Dam and a major aluminum refinery in Guyana to be powered by the dam. The refinery is planned to produce .2 million tons of aluminum withh 420 megawatts of power.

(2) The development of an already planned — but not actually initiated — major expansion of the Guri Dam in Venezuela from 1,800 to 9,000 megawatts and the export of a portion of this energy to Georgetown, the capital of Guyana, to power an addition major aluminum refinery. Within five years, depending mainly on the enlargement of the skilled workforce, as much as 2,000 megawatts could be imported to Georgetown — enough to power 1 million tons of aluminum capacity and employ 20,000 workers.

In other areas, funds for a variety of projects, including a cement plant and a paper mill, are coming from such countries as Barbados and China. Typical of the government joint-ventures underway is a recent investment by Nichimo Company of Japan, which ventured 40 per cent equity participation with the government organized Small Industrial Corporation to make fish nets.