

LEGISLATIVE COUNCIL

THURSDAY, 1st MAY, 1947.

The Council met at 2 p.m., His Excellency the Governor, Sir Charles Woolley, K.C.M.G., O.B.E., M.C., in the Chair.

PRESENT :

The President, His Excellency the Governor, Sir Charles Campbell Woolley, K.C.M.G., O.B.E., M.C.

The Hon. the Colonial Secretary, Mr. W. L. Heape, C.M.G.

The Hon. the Attorney-General, Mr. F. W. Holder, K.C.

The Hon. the Colonial Treasurer, Mr. E. F. McDavid, C.B.E.

The Hon. F. J. Seaford, C.B.E. (Georgetown North).

The Hon. C. V. Wight, O.B.E. (Western Essequibo).

The Hon. J. I. de Aguiar (Central Demerara).

The Hon. H. N. Critchlow (Nominated).

The Hon. F. Dias, O.B.E. (Nominated).

The Hon. Peer Bacchus (Western Berbice).

The Hon. C. R. Jacob (North Western District).

The Hon. T. Lee (Essequibo River).

The Hon. A. M. Edun (Nominated).

The Hon. V. Roth (Nominated).

The Hon. T. T. Thompson (Nominated).

The Hon. W. J. Raatgever (Nominated).

The Hon. G. A. C. Farnum (Nominated).

The Clerk read prayers.

The minutes of the meeting of the Council held on the 25th April, 1947, as printed and circulated, were taken as read and confirmed.

ANNOUNCEMENTS.

PRESIDENT'S VISIT TO ESSEQUIBO DISTRICT.

The PRESIDENT addressed the Council as follows:—

I have no special announcement to make to Members, but I think perhaps, it

may be of interest if I said a word or two about my recent visit to the Essequibo District, from which I returned yesterday evening. It was strenuous and we were out from 8 o'clock in the morning most days until late in the evening, but it was indeed most interesting and, from my point of view, most instructive. I received numerous addresses, not only extending to me a warm welcome but showing a lively appreciation of the Colony's affairs and quite rightly and properly bringing to my view particular needs of the District. They were many and varied.

It is as well that we should appreciate, in dealing with problems in that part of the Colony, that there is a big change going on down there. There is a change from wage-earning economy to what I might call farmer-producer economy. The wage-earning economy, as far as I can see and from what I heard, has very largely disappeared with the abandonment of the sugar estates and some of the people there are finding it rather difficult to adjust themselves to the new economy. This economy makes them more dependent on what they themselves can produce out of the land, be they owners, tenants, or occupiers. I think, in this big change which is taking place quite definitely the people need a great deal of encouragement and help as far as we are able to give it to them, and it should be in proportion with their own efforts. Some of them are not finding it easy and, in more than one instance, it was remarked to me that it might be a good thing if they had a sugar estate or two back but, of course, I do not think that is a practical proposition. They made various representations to me, but I do not propose to trouble the Council with them in detail. I have taken a note of them and shall certainly have them considered.

Bearing in mind the change, to which I have referred, that is taking place I was particularly interested to look into the Government's activities at Anna Regina and the Government-operated rice mill there, and also the Stock Farm. Good work is being done, but it seems to me there is a lot more to do. We have possibilities there for real development and, I think, we must go on. I was also interested in the small Settlement Scheme at Charity where I

found people very anxious to get on to the lands at once because they want to take advantage of the coming cultivation season. I had consultations with Mr. Laing who accompanied me, and with Mr. Taylor, who is in charge of the Scheme there, and I hope as a result we shall be able to expedite consideration of the terms on which these lands are to be leased to the people, and I hope they would be able to get them in time to bring them into production this season.

I was rather attracted by Suddie. It seems to me to have possibilities as a seaside resort, and it seems to me also that it is very well chosen as headquarters of the Essequibo District. I received a number of complaints about the slowness and inadequacy of communications which, of course, I shall have looked into, but here again any improvement must depend to some extent on the finances available, and I am certainly not in a position to make any promises to the people at the moment.

SHORTAGE OF NAILS.

I also received several individual applications for nails. Since I have been in the Colony, which is three weeks now, if I have had one application for nails I must have had 50. It appears, and there can be no question, that building operations in this Colony are being seriously hampered owing to lack of these small but essential items. I have every sympathy with those requests, and I should like to emphasize that Government has left no stone unturned in trying to get nails for the people of this Colony. We have not only made strong representations to His Majesty's Government on the matter, but pursued enquiries in the United States, Canada, South America, France, Belgium and even Mexico to see if we can get supplies. But of course the position today is due to the world shortage of nails. There is no question about it that we want more houses, and the sooner we can get them the better it will be. I have seen timber lying on building sites, but work at a standstill for lack of nails. I mention that because I have received so many requests from individuals for nails, and I do want them to appreciate that we are doing what we can in the matter. I do not propose to refer to all the matters raised on my tour of Essequibo but I thought, perhaps, that one or two things

which attracted my notice may be of interest to you.

For myself the visit was most beneficial. I propose next week to visit the Interior, and thereafter I shall visit other parts of the Colony as soon as I can. By travelling around I shall come into direct contact with the people and this will, I am sure, be of great help to me in understanding the problems of the country and finding a solution, if possible, to them.

PAPERS LAID.

The COLONIAL SECRETARY (Mr. W. L. Heape) laid on the table the following documents:—

The Report of the Trustees of the Berbice Lutheran Fund for the Year 1946.

The Report of the Registrar of Trade Unions for the year 1946.

The Report of the Commissioner of Lands and Mines for the year 1946.

The Report of the Principal of Queen's College for the year 1946.

ORDER OF THE DAY.

(GAMBLING PREVENTION (AMENDMENT)

BILL.

The ATTORNEY - GENERAL (Mr. F. W. Holder) : I ask leave of the Council to defer consideration of the Bill which is the first item on the Order of the Day. Certain representations have been made which are being examined. Consequently, I am not ready to proceed with the Bill today.

Council agreed.

Consideration of Bill deferred.

SUGAR INDUSTRY SPECIAL FUNDS AND EXPORT DUTY BILLS.

The second reading of the following Bills was then considered by the Council:—

A Bill intituled "An Ordinance to make provision for the establishment in respect of the sugar industry of a price stabilization fund, a rehabilitation fund and a labour welfare fund, and for purposes connected therewith."

A Bill intituled "An Ordinance to impose a temporary export duty on sugar manufactured in and exported from the Colony."

The COLONIAL TREASURER (Mr. E. F. Mc David) : Sir, the two Bills

—Items 2 and 3, one being the Sugar Industry Special Funds Bill, and the other, the Sugar Export Duty Bill—are very much inter-related as they arise from practically the same circumstances. Consequently, I propose to deal with them together. I would like to refer hon. Members to the statement made by His Excellency the Officer Administering the Government when he was presiding in this Council on February 7 last. In that statement the President referred Members to the official intimation which had at that time reached Government, that H.M. Government had agreed, following on negotiations in London between the sugar interests in the West Indies and the Ministry of Food, to grant a substantial increase in the price of sugar, and he said that that increase was subject to certain conditions as to its disposal. The conditions to which he referred are those which are set out in the first of the two Bills before the Council.

The President in his statement went on to say that negotiations had been proceeding, as a result of the grant of that increase, between the Sugar Producers and the Trade Unions for increased benefits in wages to workers. Since that time those negotiations have been concluded satisfactorily in respect of field workers, and I understand that very shortly the negotiations in regard to factory workers will also be satisfactorily completed.

In his statement the President went on to speak of subsidization. He referred to the fact that the Council had provided on the Estimates a sum of \$1,000,000 for subsidization measures this year, but that if those measures were to be continued on the same basis throughout the year the total cost would be in the vicinity of \$2,000,000. As the concluding portion of the President's statement is so important I ask the leave of the Council to read it. Mr. Heape then said :—

“In the course of the exchange of telegrams on the subject of subsidization, the Secretary of State informed me of the proposed new price for sugar, and intimated that in offering such a substantial increase particular consideration had been given to the growing burden on these Colonies of the rising cost of living and subsidization. He then added that before de-

termining the question whether further assistance could be given by His Majesty's Government, he would wish me to consider whether some special contribution might not be obtained towards the cost of subsidization in 1947 from the increased income accruing as a result of the higher sugar price. I accordingly entered into full and frank discussions with the representatives of the sugar industry, and after taking into consideration the present and prospective increases in the cost of supplies, labour and maintenance they have agreed that I should propose to the Secretary of State the institution of a special levy for the present year of \$1.20 per ton on sugar exported. I have already communicated this constructive offer to the Secretary of State in the expectation that it will reinforce my representations that the cost of subsidization for 1947 in excess of the \$1,000,000 voted from Colony funds should be assumed by His Majesty's Government, less the amount yielded by the special levy on export sugar”.

I am very pleased to be able to announce that the Secretary of State has since notified Government of the decision to grant this Colony a sum of \$800,000 towards subsidization measures in 1947. That sum, together with the expected yield of \$200,000 from this proposed Sugar Export Duty, will therefore cover the additional cost of subsidization for the year. I am quite sure that hon. Members wish to express their gratification for this generous action on the part of H.M. Government, especially at the present time. It is quite true that our subsidization measures are, in a sense, part of a universal Empire policy which is designed to minimize inflationary tendencies, and of course on that account there is some justification for asking that part of that heavy cost should be borne from outside the Colony. Nevertheless, I feel sure that in putting a sum of \$800,000 at the disposal of this Colony in the current year H.M. Government are acting with exceedingly great generosity.

I now come to the part which the sugar producers play in regard to subsidization. The second of these Bills will authorize the imposition of the duty of \$1.20 per ton on exported sugar in addition to the existing tax of \$1 per ton on manufactured sugar which was imposed in 1942, as a special contribution from the

sugar producers towards the cost of subsidization. The sugar producers also made an indirect contribution. The price of sugar is controlled in the Colony, and is now in the vicinity of approximately \$34 per ton less than the export price. Consequently, on a domestic consumption of about 13,000 or 14,000 tons, the sugar producers can reasonably claim that they are making a further financial contribution towards keeping down the cost of living in this Colony of about half a million dollars.

I make this statement, not because I feel that the sugar interests require any particular praise from me for the part they play in these measures, but I think it is only fair to do so because, on a previous occasion when the circumstances justified it, I in this Council was one who emphasized that sugar, prior to the war, was being sold in British Guiana for domestic consumption at a price higher than the export market price. There were other Members who brought that fact forcefully to the notice of this Council. Consequently, now that the boot is very much on the other foot, I think it is just that the position should be emphasized and duly recorded.

I pass to the details of the first of the two Bills with which I am dealing, and that is the Sugar Industry (Special Funds) Bill. The arrangements which were made when this increased price was granted had three objectives. Apart from the price meeting the cost of production, plus a reasonable profit, the Ministry of Food took into account three factors — that it was very desirable, as a matter of general policy, that something should be done, firstly to initiate a scheme for the stabilization of the price of sugar; secondly, that something should also be done to assist the producers to catch up with the heavy arrears of maintenance which have taken place since the war; and thirdly, that something should be done to assist the producers in making provision for improvement in the conditions in respect of their labour force. Consequently, the Ministry of Food granted a price which was rather higher than was called for to meet the bare cost of production, plus a reasonable profit. With the concurrence of all concerned, including

H.M. Secretary of State for the Colonies, it has been arranged that the three funds which are mentioned in this Bill—a Price Stabilization Fund, a Rehabilitation Fund and a Labour Welfare Fund—should be set up, and that the establishment of those funds, the payments to be made into them and out of them, and the basis, conditions and procedure for making disbursements out of those funds should be provided for by legislation. That is the purpose of this Bill.

The preamble sets out briefly the objects of the Bill, and a few short clauses provide for what is required. By clause 4 the Colonial Treasurer is made Trustee of these funds, and is empowered to invest them with the concurrence and approval of the Governor in Council, and any interest earned on the investment of the individual funds would be credited to the funds. When the Bill is in Committee I shall ask leave to move an amendment to clause 4 to ensure that the funds which are in the hands of the Colonial Treasurer as Trustee are not taxed by the Colonial Treasurer as Income Tax Commissioner for income tax.

Clause 5 deals with the power of the Comptroller of Customs to collect the levy from sugar exporters, and the power of the Colonial Treasurer to recover if there is any default. Clause 6 deals with the allocation of the amount of the levy between the three funds. The levy is to be at the rate of \$13.20 per ton of sugar exported from the Colony, and of that amount \$6 per ton will go to the Stabilization Fund, \$4.80 to the Rehabilitation Fund, and \$2.40 per ton to the Labour Welfare Fund. Clause 7 is important. It seeks to give the Governor in Council power, at any time where it has been agreed upon between the sugar producers and the Government, to alter the amount to be levied, to vary the basis of allocation, or to discontinue the levy at any time.

Clause 8 relates to the management of the Funds, and provides that two Committees shall be set up, one to manage the Price Stabilization Fund and the Rehabilitation Fund, and the other to manage the Labour Welfare Fund. The first of the two Committees shall be comprised of

five representatives of the Sugar Producers' Association and two public officers. The second Committee, which will deal with the Welfare Fund, will be comprised of three representatives of the Sugar Producers' Association, two representatives of the trade unions concerned, and two public officers. By clause 9 these Committees are empowered to frame Regulations which will govern the working of the funds. Those Regulations, when approved by the Governor in Council, will have the force of law. The Governor in Council is also authorized by the same clause to make other Regulations governing the funds. Such Regulations will provide for the appointment of the Committees, the granting of leave to the members, the appointment of a Chairman, the fixing of a quorum, and matters of that kind. The last clause provides that the Ordinance shall be deemed to have come into operation as from the 1st January, 1947.

As regards the management of the funds, this will depend upon the framing of the Regulations; the bare bones of the arrangement are contained in this Bill, but the meat will be contained in the Regulations. Quite obviously, the criteria which will govern the use of the Stabilization Fund will have to be very carefully worked out in agreement with the Secretary of State. For example, we do not know at what time it might be considered expedient to draw upon that Fund. Similarly, in the case of the Rehabilitation Fund, much care will have to be exercised in framing regulations to ensure that the money is used for proper purposes. That is to say, for the restoration and improvement of factory and equipment and for the improvement of factory.

As regards the Labour Welfare Fund the agreement which was reached seems to indicate that the money is to be used for capital improvements in connection with the welfare of the labourers on sugar estates. Here again the precise criteria will have to be decided upon and embodied in the Regulations which will have to be framed. I think, Sir, that this Bill will be of very great advantage to the sugar industry, to the labourers employed in that industry and to this Colony. I have very

great pleasure in moving the second reading of this Bill.

The COLONIAL SECRETARY: In seconding the motion moved by the hon. the Colonial Treasurer, I would like with your permission, Sir, as the hon. the Colonial Treasurer has dealt with both Bills together, to take this opportunity to explain that in clause 4 of the Bill to impose a temporary Export Duty there is a proviso which says —

“That this Ordinance shall continue in force for a further period of one year from the date of that expiration, and may from time to time prior to the expiration of that or any further continued operation similarly declare that it shall continue in operation for a further period of one year.”

I understand that the hon. the Attorney-General in drafting this Bill put in that proviso in accordance with the usual practice, but I think, Sir, I should make it clear that in conducting these negotiations with the Sugar Producers I, as Chairman and Acting Governor at the time, thoroughly understood that this Export Duty is to be levied for the year 1947 only. If I may again refer to the statement to which the hon. the Colonial Treasurer referred and read, I think, you will see that I intimated that particular fact to this Council when I first made the announcement. I said: “*I should propose to the Secretary of State the institution of a special levy for the present year of \$1.20 per ton on sugar exported.*” Those words are in the original announcement and, as the Officer who conducted those negotiations, I would like to assure this Council that it is the intention of Government that this Bill should operate for 1947 only. I think we should give an assurance to the Sugar Producers to that effect. If, of course, the Sugar Producers agree later to continue it, that is another matter, but as far as Government is concerned it is the intention that this special levy should be for 1947 only.

I would also just like to say, Sir, that those negotiations which we undertook with the Sugar Producers were of vital importance to the Colony. The fact that the Sugar Producers have agreed to contribute this special levy is the main consideration which

enabled the Colonial Office to obtain consent from His Majesty's Government to pay in 1947 the generous contribution of \$800,000 towards Subsidization. If the Sugar Producers did not agree the battle, which we have had to fight to get the consent of the Treasury to make this contribution, would, I believe, have been entirely of no avail. I would like to express my personal, sincere and very warm appreciation of the generous and constructive and ready co-operation of the Sugar Producers at that meeting, which was so important to the Colony and which was so successfully concluded. I beg to second the motion.

Mr. EDUN: Your Excellency, this measure represents—what I should term—a very happy culmination of years of agitation on the part not only of the sugar producers of this Colony but also of the sugar workers, and I want the whole world to know that this measure has not suddenly cropped up from the blues. As a matter of fact, I remember very well indeed that in the year 1936 when the M.P.C.A., a registered Trade Union, was founded, the attitude was taken up by that organization that whatever preference or subsidy the sugar companies received from the British taxpayers an equitable portion of that should go down to the sugar workers. It will be remembered very well, indeed, by people in this country that severe criticisms were levelled against the sugar companies in this matter of receiving the preference and benefiting their own property and not handing down a portion of it to the sugar workers who, after all, are the real sugar producers of the Colony. So since the year 1936 the Trade Union did everything possible to place their claim before the sugar companies—that whatever they receive a portion should be given to the workers—and I must say that in conformity with that equitable method of approach the workers received a portion of the increases every time the sugar companies got them from the British taxpayers.

I want to lay some emphasis on this fact. The British taxpayers would deprecate paying money for sugar if they knew that whatever they paid was going to benefit the properties of the sugar companies. I want that to be clearly understood. It will

be recalled, Sir, that when the West India Royal Commission visited these parts, the same attitude was taken up by the Trade Unions connected with the sugar workers, and the whole set-up was accepted by the Commission. I have in my hand the Report of the West India Royal Commission in which particular emphasis was given on this same point—that whatever benefits, especially in the case of Social Welfare Levy, the sugar companies receive should be handed down to the sugar workers proportionately—and I am happy to say, Sir, the Royal Commissioners did take this view very seriously and reported on it very favourably indeed. With your permission, I shall read the part of their report in order to place it on record that this is not just a sudden move on the part of the sugar companies or on the part of this Government, but that it is a considered plan accepted not only by the Colonial Office but by the British taxpayers and Labour Government. Paragraph 66, Chapter X, of the Royal Commission's Report, reads thus:

“During the hearing of evidence in the West Indies we asked the representatives of all associations of sugar manufacturers who appeared before us whether they agreed that, in the event of increased assistance being granted to the sugar industry, a portion of the proceeds should be earmarked for the welfare of the employees. It was explained to these witnesses that in Great Britain a levy is imposed on every ton of coal raised at the pithead and that the proceeds of this levy (which is now at the rate of ½d. per ton and yielded last year the sum of £819,458) are devoted exclusively to the welfare of the mining community. In every case the witnesses accepted the principle of such a levy, but no attempt was made to lay down the precise manner in which it should be applied.”

This idea of Social Welfare is one that stands on a par with the levy on coal that is obtaining in Great Britain. It is the same pattern we are following, and when the hon. the Colonial Treasurer says—and I see it is made here a point in the Objects and Reasons—that this fund will be used on capital works, I consider that to be a definite contravention of the ideal obtaining in this Report. If, after all, the money is

spent on the properties of the sugar companies, for instance houses, it would be improving the properties of the sugar companies and not improving at all the welfare of the workers except perhaps indirectly. So you see, I must object and would have objected if I were here when the agreement was accepted that this money should be spent on capital works. I would have seriously objected because it was against the principle that is involved in this observation made by the Royal Commissioners. But they go further than that. In paragraph 67 they say :

“In our opinion the best method of giving effect to the principle that workers shall share in any additional benefits to be granted to the sugar industry will be to impose a levy on the output of sugar from all factories in the West Indies... ..”

That is exactly what is being done now. The pattern is followed so very closely except, I fear, in this method of approach of expending the money it will be spent and used not in direct benefit to the sugar workers. This Report is very exhaustive and interesting so far as the interests of the sugar workers are concerned, so you will permit me to make use of it in order that it should be recorded. Proceeding further this Report says :

“The benefits to be provided from any funds thus financed would have to be confined in the main to employees in the sugar industry and their relatives, in the same way as the benefits of the Miners’ Welfare Fund are confined in Great Britain to the mining community.”

So you see, if I am to accept this idea that the money is to be spent on capital works, as stated here in the Objects and Reasons of the Bill, then somebody will be able to put it across the sugar workers by saying “Oh, no; this money cannot be spent on education for you or in any other respects for you but must be spent on repairing houses belonging to the companies and not to the sugar workers”. A grave principle is involved, and that is why I take this opportunity to press the point home as forcibly as I can, so that the sugar workers must benefit from this fund more than anybody else. The West India Royal Commissioners went further than that. They

expressed the same hope and same ideal that whatever was given by the British taxpayers, a depressed people, should not be used on properties belonging to the sugar companies. In the same chapter of their Report, paragraph 67, it is stated :

“Moreover, the British taxpayer, who gives direct assistance on a generous scale to the West Indian sugar industry can reasonably expect that part of the profit resulting from that assistance shall be expended in securing a better standard of life for the workers engaged in the sugar industry of those Colonies.”

That is the whole thing that engaged the sugar workers’ minds for this long number of years. They consider themselves part and parcel of the industry and that whatever benefit is received by the sugar companies, their employers, for the industry should be handed down to them. I must say at this juncture that the Sugar Producers’ Association are in agreement with this ideal, and I do not know how this crept in here that the money is to be spent on capital works. It will be left to the Committee to decide, but when these things are placed in a Government document, however, they can be used effectively to defeat the object. Therefore, I want to point out in respect of this fund which will be collected that we are at the present time exporting 160,000 tons of sugar and at \$2.40 that will bring a total sum of \$384,000 per year. I see in the Objects and Reasons it is stated that in the case of the Price Stabilization Fund it will not be used until the year 1949. I do not know whether this levy will be made and this money put aside only for one year or the price given us from the Ministry of Food will be only for 1947. If that is so, then I have to look further ahead. For instance, an educational scheme is started, providing for adult education for the illiterates on the sugar estates during the year 1948 and 1949, and if there are no more funds then the whole scheme would collapse. But in the wisdom of the Royal Commissioners one year was not envisaged; they were thinking of a perpetual levy of 2/- per ton on the sugar industry in order that this money should go to benefit the sugar workers exclusively. In their recommendations—here again I wish to ask your

permission to read from their Report—it has been definitely stated that the Government of each Colony concerned should be invited to take early steps in consultation with the sugar producers with the view of imposing a Welfare Levy at the rate of 2/- per ton on the sugar produced to function Welfare Schemes similarly on the lines of those organized in Great Britain for the miners' welfare. (Cap. X para. 70).

The Royal Commissioners having made observations in their Report and definite recommendations on the issue, I thought His Majesty's Secretary of State for the Colonies would have seen the wisdom to have asked this Government to agree to 2/- per ton being levied so long as sugar is produced here, so that a fund would be there standing in the interest of the sugar workers. Despite this provision of a Labour Welfare Fund, the Trade Union has the right, or as a matter of fact a Member of the Legislative Council has the right, to come here and move a motion asking Members to support it in order that the perpetuation of this fund may be made possible. I am serious about this matter because I know, perhaps more than any other Member in this Council, of the sore plight in which the sugar workers do stand in so far as education is concerned. It is unfortunate that I cannot procure the returns of the census just taken, about a year ago, in order to show to this Council the proportion of illiterates on the sugar estates, and I must say that in the wisdom of the Royal Commissioners they did make provision in their Report for the expenditure of this fund. They stated definitely in paragraph 69, Chapter X of their Report :

"In no case should the cost of housing workers be defrayed as part of the scheme since that would be too heavy a burden and would involve the undertaking of responsibility which should properly be borne by employers or Governments."

So that whatever fund can be accrued by this measure, for which I have all commendation to offer, must go down to the workers, must go down to foster Trade Unionism amongst the workers. I consider it a definite contravention of principle if this money would be spent on capital works.

That is the bone of contention. The Royal Commissioners even made observations on that. In the same chapter, para. 69 reads thus :

"As examples of the purposes upon which these funds could properly be expended we may mention the provision of buildings for purposes of recreation, and of playing fields and sports grounds; in the educational field payment might be made for classes and lectures and funds used to establish scholarships, including industrial scholarships the holders of which could be trained in this country in the principles of industrial legislation, collective bargaining, etc;....."

So I want these things to be clearly understood by Members of the Legislative Council here, that in no case this fund should be touched for capital works, but that in every case it should be used in the interest of the workers on education firstly and adult education particularly. I have the hope and feeling that the Sugar Producers' Association will not object to what I have said this afternoon. I am beginning to feel, Sir, that the Trade Unions are becoming a part of an institution of the industry and, I hope, other industries will take the pattern. There is demand on the part of the workers of the Demerara Bauxite Company for a small levy of two cents per ton in order to have a Social Welfare Fund. That means a wide awakening on the part of the workers to their interest. This is a mean between nationalization and private ownership. If we can strike a happy medium between these two ideologies, we can make this country a happy place to live in and, I think, the Trade Unions will be quite willing to co-operate, for I would hate to think that Social Welfare is being considered in the way I see it is being done before my very eyes on the sugar estates.

In view of the fact that this money essentially belongs to the sugar workers, I do not see the necessity for the sugar producers to have any voice in the Committee. I also do not think that Government should come at all into the matter which concerns only two elements of production—Capital and Labour. The Commissioner of Labour might be brought in to advise, but why should any Government officer be included in the Committee ?

Perhaps the purpose is to draw a red her-ring across the trail. I have seen too many tendencies in this Colony to twist things and defeat certain objects

With those observations I support this measure with my whole soul, and I am asking the Sugar Producers' Association through its representative in this Council to accept parity between the Trade Unions and themselves, and not to have two Government officers on the Committee at all. I think one will be quite enough. With regard to the proposed levy of \$1.20 per ton as a contribution towards the cost of subsidization, there can be no objection. In fact I consider that as generosity on the part of not only the sugar proprietors but the real producers of sugar. The hon. the Colonial Secretary laughs at the idea.

The COLONIAL SECRETARY: On the contrary, I remarked that nobody would quarrel with that. (Laughter).

Mr. EDUN: We want to strike a medium between Capital and Labour in this Colony at least, and endeavour to eliminate strife between the two elements. I think we ought to accept the generous offer from the hard-pressed British taxpayers as something so refined and cultured as to make one realize that there are things of more value than money in this world. I do not regard this contribution of \$800,000 as charity or a dole from the British Government, but as a generous act which will go down in history.

Mr. SEAFORD: Before I make any comments on the Bill I would like on behalf of the Sugar Producers' Association to thank the hon. the Colonial Secretary for his generous references to that body. But the generosity was not only on the side of the Association, because it was a pleasure to get down to work with Government on this occasion when all cards were put on the table. With co-operation and a spirit of compromise we reached a decision which I think, made us all feel happy. I feel, Sir, that we are grateful to Government for the very efficient and expeditious manner in which this whole matter has been carried through. This arrangement is going to be the greatest benefit to the Colony as a whole.

In dealing with the Bill itself I would like to refer to paragraph 5 of the Objects and Reasons which reads:

"The purpose of the Price Stabilization Fund is to provide a reserve which can be utilized, if necessary, to mitigate the adverse effect of a reduction in the price of sugar....."

When the discussions were in progress with the Colonial Office and the Secretary of State this Government obtained for the Home Government figures with regard to the cost of production of sugar in the Caribbean area, and in fixing the price of sugar they took into consideration the cost of production. Now this Stabilization Fund is being provided so that the same conditions may exist in the future as exist now. That is to say, that should the cost of production be above or equal to the price of sugar this Stabilization Fund would come into effect. In other words, if the cost of production rises considerably, as well it may through various causes—for instance the cost of supplies may go up, or the output of sugar may be curtailed considerably through lack of fertilizers—the Stabilization Fund would be drawn upon so as to provide a cushion between the cost of production and the price of sugar. I feel that when this paragraph was drafted it was not realized what was the effect of its wording. I think the Stabilization Fund is to provide for the difference between the cost of production and the price of sugar when required. Clause 9 of the Bill provides:

"9. (1) The Committee appointed under sub-section (1) of section eight, and the Committee appointed under sub-section (2) of section eight of this Ordinance may, with the approval of the Governor in Council, make regulations to provide for the following matters, that is to say,—

- (a) the basis and the conditions on which disbursements from the appropriate special fund shall be allowed and authorised, and the procedure which shall govern the making of such disbursements;"

Therefore, if the Committees are to be guided by the Objects and Reasons they cannot in my opinion give full effect to what is the intention of the Bill now before us.

My next point concerns the words "capital works" in paragraph 7 of the Objects and Reasons, which were referred to by the hon. Nominated Member. I hope to be able to persuade Government to delete those words and amend the paragraph to read :

"The purpose of the Labour Welfare Fund is to provide funds to meet the cost of works and for the improvement of the welfare of labourers engaged in the Sugar Industry."

My reason for that suggestion is, as the hon. Member pointed out, that \$380,000 which the fund will amount to, is a large sum to spend in any one year. That is a fairly large sum to spend on capital works, and my view is that if we spend large sums on capital works there would be nothing to provide for maintenance of those works later. I feel that there should be provision for maintenance works and welfare work.

Here I may say that I do not agree with the hon. Nominated Member's argument. I think it is in order that Government should have representatives on the Committee because, after all, this money is being put up by the Imperial Government, and I think it is quite right that Government should know how it is being spent. The Committee will control the funds, and I would hate to limit their control in any way. I appreciate that this Bill is not a child of the local Government, and I believe that the words "capital works" originated on the other side. I hope Government will consider the point so that the Committee will not be hampered in its work.

I should like to express my gratitude first of all to the Imperial Government for what they have given us in this respect. Although the price of sugar is not as high as what is being paid for Cuban sugar, for instance, I think the Imperial Government have been generous in what they have done, and we owe them a debt of gratitude. Finally, I would like to add a word of gratitude for the \$800,000 which they are contributing towards the cost of subsidization. I think it is a remarkable thing that a country in the condition Great Britain is in today should give so big a helping hand to this Colony as she is doing.

Mr. LEE : I think the clause of the Bill which Government should consider most carefully is clause 8 which provides for the appointment of Committees to manage the special funds. Although the people most concerned in the Price Stabilization and Rehabilitation Funds are the sugar producers, I think that instead of the Committee consisting of five persons nominated by the Sugar Producers' Association and two public officers, there should be three representatives of the Sugar Producers' Association, two Elected Members of this Council, and two public officers. The two Elected Members of this Council and the two public officers will be able to override any decision by the Sugar Producers' Association. In the Committee stage I will move an amendment to that effect.

In the case of the Labour Welfare Fund I would suggest that of the two persons to be nominated to the Committee by the trade union concerned with the welfare of labour workers in the sugar industry, one should be a representative of the Trade Union Council which is representative of workers throughout the Colony.

As regards the allocation of amounts to the special funds, as provided for in clause 6, I suggest that 50 per cent. of the proceeds of the Sugar Export Duty tax should be allocated to the improvement of the social and health conditions of the workers on the sugar estates. There is no doubt that the price of labour will be controlled by the price of sugar, and if there is a drop in the price of sugar there will also be a drop in the price of labour. As a safeguard against that, I am suggesting that 50 per cent. of the fund should be allocated for the improvement of housing, the provision of instruction in technical trades for the children of the labourers, and the education of those children. Your Excellency has just arrived in the Colony, but I suggest that you visit the allotment of land for houses near the railway station at Leonora on the West Coast, where you will see that there is very little space between the houses in which the children can roam. They have nowhere to play except on the public road. I think if the sugar proprietors are really concerned about the health of their labourers and

their children, they would provide them with a little freedom of movement. There is a limited area for each settlement, but it must have accommodation for a chicken run, a kitchen garden, a cow-byre and grass cultivation. I do not say that the sugar people can afford that area of land for their labour population, but at the same time they must not be confined as if they are in a prison. It is not playing the game to human beings, and it will rankle in the minds of the children as they advance in years and as they appreciate the standards that Government wants them to reach. Some day it must burst out.

That is what I ask you to consider, and in considering that you have to include the housing question. I am not saying that the sugar estates should not be helped in any way to relieve the situation. The same thing applies to the rice estates. The rice estates in my constituency are a disgrace and worse than the sugar estates. It rankles in my mind that Government has not made the proprietors raise the standard of living conditions of the workers there. It is their property and they have the right to say that those who wish to live there must abide by certain conditions imposed by them, but Government should see that any wrong done is rectified. There is growing need for such action. The boys on their return from work gather on the roads or play cards behind the ranges, churches, etc. I will not go so far as to say that the Social Welfare Workers are making gamblers of the boys, but that there is not the requisite provision suitable for social welfare, which the sugar producers themselves know should be done. Let us see for one moment if that is not correct. At one time the Overseers on the sugar estates could not have their wives on the estates and had to board with the Managers; they could not have a club. Those conditions have changed. Overseers reside with their families on the estates in houses provided by the management, and they have their clubrooms on the estates. The Sugar Producers have seen the result of that social welfare work among the overseers. Let them also improve the living conditions of the workers who give them the profits they obtain.

Mr. SEAFORD : If the hon. Member would agree, I would be quite willing to

ask Mr. Scargall to take him around in order to see what is being done on several estates in the Colony today.

Mr. LEE : I pass some of the estates daily. Today I passed three on the West Coast Demerara. What do you find there? The cinemas, if accepted in the proper light of educational advancement, are in the hands of private individuals on the estates. How then can you say they are endeavouring to educate the people on the sugar estates, when the pictures shown are not controlled? Your Excellency, we had voted a sum of money here for a travelling cinema for educational purposes. They should have taken the cue from that. If it can be achieved with this fund, I do ask let us achieve it and teach these people, who are illiterate but still have commonsense, to appreciate a proper standard of living as exists in other places. I may inform my hon. friend, the Member for Georgetown North (Mr. Seaford), that sixteen boys were recently charged before the Stewartville Court and thirteen pleading not guilty said they were not there. It was alleged that they were gambling behind a range. If the Social Welfare Officer was doing his work in the proper manner, would we find that? I am not saying that there is no exception to the rule in that case. But Your Excellency in that group of boys three were under 16 years of age. Are you going to allow three prospective citizens of British Guiana to go astray, and yet say that the Social Welfare Officer on the sugar estates is doing his work? Has he the proper equipment to work with? I say he has not started to get it. If we allow 50 per cent. of this gift to be utilized we can have within a few years that proper equipment.

There can be no indictment against the Sugar Producers' Association that they do not want the standard of living of the sugar worker raised. I do believe that they do, but we have not in this Council the power to say "This is the policy we want carried out" and see that it is done. I sincerely hope that time is not far distant. I ask you to view the matter in the light of my knowledge of the conditions as they exist at the present moment, which can be rectified within a couple of years. That is what I am pleading. I plead with you to

reconsider the policy of social welfare on the sugar estates in the light of world conditions of factories or industrial places. I want them to follow the example given us in other parts of the world. Give us 50 per cent. as other industrialists in other parts of the world are giving the workers, and I will be quite satisfied

Mr. JACOB : We have met today to consider a Bill which, the hon. Mover stated, contains certain clauses which are just the bone, and the Regulations will supply the meat of this Bill. I had a note that this was merely a skeleton Bill, and I was at a loss to find out all its implications. I have not gained very much knowledge from the several speeches I have heard, and I am still in great doubt because I was not one of those persons who were fortunate in having had this matter discussed in all its phases. I tried to follow the hon. Nominated Member, Mr. Edun., in respect of this Welfare Levy of 2/- per ton recommended by the Royal Commission, and it has been made perfectly clear in that document, to use the exact words :

“that the Government of each Colony should be invited to take early steps, in consultation with the sugar producers, with a view to the imposition of welfare levies at the rate of 2/- per ton of sugar produced, to finance welfare schemes similar in their main principles to those organised in Great Britain by the Miners' Welfare Committee.”

I happen to have been one of those persons who made representations to the West India Royal Commission in connection with this matter. The idea was that the price of sugar was based partly on world conditions and partly on subsidies and preferences. The workers' claims are never adequately considered, and some provision should be made for the benefit of those unfortunate people. The West India Royal Commission took a sympathetic view of the matter and recommended 2/- levy on every ton of sugar produced as from the time they made that report. My hon. friend, the Nominated Member, wants me to believe—perhaps he has got the majority of Members of this Council to believe—that this thing we are discussing today is what has been recommended by the West India Royal Commission. I bluntly refuse to

believe that. It is not. This, I take it, is the result of sugar being required by the Mother Country and, as the sugar is taken from these Colonies at a very low price far lower than the world price, the consciences of the people in England have been pricked not to continue to do so and they have decided to give something more reasonable. As the result of that certain things have been done to stabilize the price of sugar, rehabilitate the factories and to make provision for the unfortunate sugar workers.

Looking through these Bills what strikes me forcibly is this: This is an age of machines, a mechanised age, and the human element is hardly considered. What has struck me is that the human element is not there—the people who are supposed to do all these things, to find capital for these capitalists—that may sound strange—to man these machines and do all the work in the production of sugar. What do they get in this Bill? The Bill provides for a Labour Welfare Fund by a levy of \$2.40 per ton, a Rehabilitation Fund by a levy of \$4.80 per ton and a Price Stabilization Fund by a levy of \$6.00 per ton plus \$9.60 which the producers get in excess of what they got some time ago. So in effect the producers, e.g. the capitalists and not the real producers—the people who take all the money out of this country, who leave very little of their profits here—are to get \$15.60 plus \$4.80 which they will decide themselves how to use later on, and the poor unfortunate workers are to get \$2.40 per ton of sugar exported. I was very amused when the hon. Nominated Member stated that in respect of this Labour Welfare levy of \$2.40 per ton the sugar producers do not want that money to be used for capital works. He was certain about that. He said the President or acting President of the Sugar Producers' Association, a Member of this Council—I refer to the hon. Member for Georgetown North (Mr. Seaford—will not be opposed to it.

Mr. SEAFORD : I am neither President nor acting President !

Mr. JACOB : The hon Member is nothing in this Council. He was a former President and he is an engineer. He represents the sugar industry however.

This is what I find: There is a dispute between representatives of the sugar producers and the Government, and the hon. Member for Georgetown North says he is going to induce Government to change the words "capital works" and substitute something else. I wonder if it is thought I am so ignorant of these facts as to believe these Bills were drafted not in close consultation with the parties concerned. But that is the way these things are done. They are put to a public who is not so suspicious but sometimes a little suspicious in a plausible way so as to mislead. I want to know what is the meaning of this thing—the Sugar Industry Labour Welfare Fund. What does it mean? Does it mean the building of houses, the putting in of water supply, the laying down of roads and dams to take the people to the houses, improving sanitation and health conditions, providing education, etc? I do not know what those words mean. I have heard them so often — Labour Welfare, Social Welfare. We have had a little enlightenment from the hon. Member for Essequibo River (Mr. Lee), about prosecution for gambling. We have it that it is known that Social Services on the sugar plantations are far from satisfactory. Your Excellency, I invite you to take a walk in one of these sugar plantations. When you are going up the East Bank Demerara, just at Houston, enter the buildings in which these people live opposite to the Manager's house, and see what means there are for entering the labourers' houses. Look into some of those houses and see conditions for yourself. That is a thriving sugar plantation. It is thriving in that it may have put at least a quarter-million dollars in the owners' pocket during the last ten years. I have intimate knowledge of that property. In fact I was at one time Secretary of the Company that owned it for several years—1921 to 1928—and the then Chairman, who is a Member of this Council, on my recommendation particularly really did do some Labour Welfare work there, and as a result we have the thriving Macdoom Village and Rahaman Park, which were estate lands sold to the people.

I notice the hon. Member for Georgetown North always laughs at these things.

They are laughing matters. They have been playing with the lives and happiness of people all these years, and so everything that is said for the benefit of human beings is really a laughing matter. I do not understand what Labour Welfare here means. In this Bill it is stated:

"The purpose of the Labour Welfare Fund is to provide funds to meet the cost of capital works for the improvement of the welfare of labourers engaged in the sugar industry."

"Capital Works" should mean the building of houses, the laying down of water supply pipes, etc. I do not know, and will like that to be explained. What does this really mean? This money here is going to be of no benefit to the ordinary people except by giving improved sanitary and health conditions, and I can name several other ways including education. One hon. Member who knows everything under the sun is in close collaboration with the Labour Department. That is what they do for the service of the people who actually produce the sugar for the capitalist.

When it comes to this question of a Price Stabilization Fund, there again I am left amazed. I cannot follow what that means. However, that may be explained. Then we get the Sugar Industry Rehabilitation Fund. What is the difference between Price Stabilization Fund and Industry Rehabilitation Fund? I do not know. I had a few Balance Sheets of the Sugar Industry and curiosity made me look at them today. They do present very good pictures. I have one here for the Enmore Estates Limited for the year 1944. I notice that Property Account has various details—land and cultivation, factory building and plant, drainage, pasture, railway, cane punts, etc., \$2,376,000. Then I see "Depreciation, \$669,000", showing that the net property of the estate is \$1,706,730. I have another one here for the Souvenir Estates Limited with the same details and showing the property is valued \$1,150,000 less Depreciation \$291,000. The property of that estate in the Balance Sheet for 1944 is \$854,878. Both hon. Members know these estates. In fact they ought to know them.

As regards the Souvenir Estates Limited, it is difficult for me to describe the extent of the holdings of this Company. Perhaps the hon. Member for Georgetown North, who is Consulting Engineer to this Company and is in consultation with the Directors, has recommended that Property Reserve price. The hon. Member cannot say he has no knowledge of it. I do not know who will look into these matters, whether it will be the two Government Officers on the Committee as supported by the hon. the Colonial Treasurer, or otherwise. I do not know if they have knowledge, or the ability or the inclination to go into these things properly. I have my own opinion about that, and I have expressed it over and over in this Council. What has struck me is that you have Souvenir Estates Limited whose property, I believe, begins next to Kitty and goes down to possibly *Beterverwagting-Triumph*.

Mr. SEAFORD: The hon. Member knows it goes nowhere near Kitty!

Mr. JACOB: The hon. Member must understand he is not to interrupt. He is not to be getting up from his chair and interrupting Members—

Mr. SEAFORD: I think I am in order to get up and correct wrong statements. The hon. Member knows I am perfectly in order in correcting these misstatements.

Mr. JACOB: The hon. Member did not rise to a point of order, otherwise I would have taken my seat. I just want to make this point: Here you have figures from a company operating here showing the property assets as \$858,000. I am confident that company will not sell that property for \$2,000,000 today, yet they have written it down from \$1,158,000 to \$858,000. In this skeleton Bill we have it that these same people, who have always put up fictitious figures, are going to have the right to nominate people to be on a committee, and this Government approves of that principle up to the present by this Bill. That is what we get. When the hon. Member on my right was speaking the hon. the Colonial Treasurer got up and said: "Well if you put Members of the Legislative Council would they not be partisans too in this matter?" Of course they may be, because the trouble is Government will select only

certain people at certain times. I want to make this point clear to Your Excellency. It is grossly improper that this Council is not consulted when committees are appointed as to who are competent and capable to serve on certain committees. In the past there have been packed committees. A list of names is put up, and self-interest is always considered so that things should work smoothly. This smooth working has resulted in no benefit to the Colony. We have disguised it for the last ten years, and I do not know how long we are going to continue to disguise these facts. I think it is grossly improper for a Bill to be put up here to say that the Sugar Industry Price Stabilization Fund and the Sugar Industry Rehabilitation Fund should be controlled and administered by a committee to be appointed by the Governor in Council and the members of the committee shall be five persons nominated by the B.G. Sugar Producers' Association and two Public Officers. That is clause 8 (1) of this Bill.

I repeat: I trust, Your Excellency, now that you have come to this Colony, will look into this matter. I think you have come with an open mind. It is grossly improper and unfair that people interested in this thing should be the parties involved to do these things for themselves and for their benefit. That committee should have one or two representatives of the Sugar Producers' Association to give information and explain Balance Sheets like those I have referred to, but it should also have Members of this Legislature, the supreme authority in British Guiana, — proper men from this Legislature too — to see that the welfare of the working people is protected, and not what has been happening all these years, more than I can remember but particularly during the last 25 years since I have taken a keen and lively interest in the public affairs of the Colony.

So I say this clause in the Bill should be amended to give Members of the Legislature the right to look into these matters — not handpicked Members but Members who would suit. Perhaps I have no knowledge of accounting; I have never made a Balance Sheet; I have never been on a sugar estate and know absolutely nothing there, and so I will find no place

on that committee. It is not that I want to be there, but in the interest of the Colony Government should see that men with ability, with initiative, men with knowledge of these things, are put to advise, and not personally interested people to advise about their own welfare. I come to subclause (2) of clause 8 of the Bill which reads :

“The Sugar Industry Labour Welfare Fund shall be controlled and administered by a Committee to be appointed by the Governor in Council, and the members of the Committee shall be three persons nominated by the British Guiana Sugar Producers' Association, two persons nominated by the trade union concerned with the welfare of labour workers in the sugar industry, and two public officers.”

I know who those two representatives of the trade unions will be. Questions have been asked in this Council and replies have been given. They are working in close collaboration with those people. What can the ordinary workers expect ? That is the kind of administration we have had in this Colony. I am sorry that my first speech with Your Excellency in the chair should be of this nature, but I have hopes, Sir, that we will have improvement in this Colony, and that in future we will not suffer in the manner we have done all these years.

I have in my hand a memorandum by the Housing Officer, the Commissioner of Local Government, which shows that something is urgently needed as regards housing of the people and other social welfare work which is being administered by a number of people, but we will see very little improvement either in the City or on the sugar estates. I am sorry to say it. I observe in this memorandum that surveys have been made and that further surveys are to be made. It is shown that in the County of Essequibo 1,954 houses are required to be pulled down, 91 extended, and 1,335 repaired. I think those figures were given three years ago. We are going to be told that nails cannot be obtained. I admit that the situation as regards nails and other building materials is very unsatisfactory, but when I look around Georgetown I see several buildings going up. My point is that if Government wants the people to fend for themselves and to use their initia-

tive and ingenuity, suitable lands must be provided for them to build their own houses.

The PRESIDENT : I do not want to interrupt the hon. Member, but has this anything to do with the Bill before Council ? I think he is going a little wide of the mark.

Mr. JACOB : I think it is covered by the clause on which I am speaking — the Labour Welfare Fund. I can always cover myself up, Sir (laughter). I think I am quite in order in referring to capital works on the sugar estates. I referred to the question of land and labour welfare, and that is why I brought those two balance sheets. An Ordinance has been passed giving the Commissioner of Local Government power to acquire lands, and there is considerable land available along the East Coast which should be acquired for the purpose of building houses, if Government is really serious about labour welfare. The hon. Member for Georgetown North (Mr. Seaford) referred to the fact that \$380,000 would be contributed this year, and asked what would be done with that money. We need 7 million dollars, probably 15 million dollars, for the purpose of building houses and roads, on the coastal belt in the Counties of Demerara and Berbice especially. I leave out the County of Essequibo which was termed a distressed area at one time.

The committees to look into these matters must not be composed of interested parties looking after their own welfare, but principally of Members of this Legislature. I know of the fear that exists as regards the composition of this Council next year. I am not concerned whether I am a Member or not, but the most constructive suggestion anyone can make is that this Legislature should have a majority vote on any committee so that Government should have an interest in the mass of the people and not the few who live here to take out all they can and put back very little.

The COLONIAL TREASURER : The burden of the speech of the hon. Nominated Member, Mr. Edun, was in relation to the phrase appearing in the Objects and Reasons of the Bill in connection with the use of the Labour Welfare Fund. He

devoted a great part of his time to argument against the use of the words "capital works" which appear in paragraph 7 of the Objects and Reasons, and he was to some extent supported in that argument by the hon. Member for Georgetown North (Mr. Seaford). I think I should be permitted to explain how and why those words were put into the statement of Objects and Reasons. The original instructions which came to this Government from the Secretary of State set out in so many words what had been agreed upon between H.M. Government, the British West Indies Sugar Association, and the Colonial Office in regard to the disposal of this enhanced price.

With regard to the Labour Welfare Fund, the wording of those directions which, as I said, embodied the terms agreed upon between the parties concerned, is

"10/- per ton to a Labour Welfare Fund to be devoted to capital works for the improvement of the welfare of labourers employed in the industry under control of a body set up by representatives of the local Government, employers and employees."

That is the origin of that particular phrase which appears in the Objects and Reasons, but I will come back to that point in a moment.

I will pass on to the other phrase in the Objects and Reasons which was questioned only by the hon. Member for Georgetown North. He referred to the use of the Price Stabilization Fund and questioned the statement in the Objects and Reasons that it is to be used

"to mitigate the adverse effect of a reduction in the price of sugar."

He said he desired it to be amplified so that the fund may also be used in case the cost of production should increase, and the price of sugar remain the same. Here again I should quote the instructions which came to this Government regarding the agreement reached in England. The directions with regard to the Stabilization Reserve read thus :

"The circumstances and conditions under which funds will be made available will be a matter for further consultation with the producers, but the intention is to commence now to build up a fund which would provide a cushion against any future considerable fall in the sugar price."

So that up to the time when this agreement came to be embodied in this Bill the idea was to cushion the price. That is to say, if the price fell then the fund would be drawn upon. I think I am right in saying that the phrase used in the Objects and Reasons does not necessarily bind action which will take place on the Ordinance. It is really a statement which is an attempt to give the Council a brief explanation of how the matter arose. By clause 8 it is the committee which is going to frame Regulations which will set out the basis and the conditions on which disbursements will be made and, as I said in my opening remarks, those Regulations will be most important because they will contain the meat of this Bill, and of course they will have to be framed in consultation between the parties concerned—the Secretary of State, the sugar producers, and the local Government—and if those parties agree that these funds are to be used along the same lines or in a slightly amplified way, the Regulations will certainly be drawn up so as to permit that.

What I have said about the Price Stabilization Fund also applies to the Labour Welfare Fund. The fact that in the Objects and Reasons the words "capital works" are used, does not necessarily imply that the Regulations will limit the use of that money to what may be called "capital works." It will be a matter for the committee to frame and the Governor in Council to approve of Regulations governing such expenditure in agreement with H.M. Government. That is as far as I can go in regard to the main criticisms made by the hon. Member for Georgetown North and the hon. Nominated Member, Mr. Edun.

The next point dealt with by the hon. Nominated Member and the hon. Member for Georgetown North was the composition of the committee. Here I want to make a point which I did not explain when moving the Bill. These funds are not to be regarded as a general pool. There will be three funds and in the accounts for each fund the amount which belongs to each individual exporter or estate will be kept quite separate and distinct. In the case of the Rehabilitation Fund particularly,

the money will be the individual property of each estate which contributes to the fund. For example, the money contributed to the fund by Enmore cannot be used for the rehabilitation of Houston. Each estate will draw upon the fund to the extent of the credit it has in the fund. Consequently the question of control really centres on the use to which the money will be put, the criterion being that in the case of the Rehabilitation Fund the works on which an estate proposes to spend money should be proper works and really improvement works. That is why the committee must necessarily comprise the sugar people themselves plus an element from the Government, in order to ensure that the idea embodied in the Bill and the Regulations are properly carried out.

I respectfully submit that it is not a matter for Members of the Legislative Council. It is true that this Council is being asked to embody this arrangement in the law of the land. It is being asked to make it law that this levy would be collected by a Department of the Government, and would be invested and kept in reserve by the Colonial Treasurer. Nevertheless, this money is not public funds; it belongs to the sugar industry and the individual estates contributing it. It is part of the price of their sugar, and that is why I must submit that it is not necessarily right and proper that the committees should include Members of the Legislative Council.

Mr. JACOB : I rise to a point of explanation ! Are the sugar producers the real producers or just the manufacturers of the sugar ? The ordinary workers are the people who really produce the sugar, but they are to have no representation at all.

The COLONIAL TREASURER : I did not interrupt the hon. Member once while he was speaking. In connection with the Labour Welfare Fund it is, of course, completely right and proper that the labourers should be represented, and that is why on that particular committee two persons to be nominated by the trade unions concerned are to be part of its membership. The hon. Nominated Member, Mr. Edun, was particularly emphatic in asking why should public officers be on that com-

mittee ? I should have thought that he would have welcomed public officers, that he would have realized that to some extent the balance of power would rest with the public officers, and that he would have appreciated that the weight would probably be in favour of the two trade unions' representatives. He did admit, however, that he had no objection to the Commissioner of Labour, so that there is at least one public officer whom he would wish to see on the committee—and I can assure him that the other public officer will certainly see justice done on that particular committee—and he would be very wise indeed to accept two public officers between the three sugar producers on the one side, and the two representatives of the trade unions on the other. I am quite sure that with such a composition the committee would function properly. If, as he suggested, there were three sugar producers and three representatives of the trade unions very little might be done.

I was quite unable to follow the argument of the hon. Member for Essequibo River (Mr. Lee), and as the only point I think he really dealt with was the composition of the committee—and I have already answered that—I do not think I would take the trouble to traverse what he said. Then he is not here at present.

I also do not think it is necessary for me to answer any of the points made by the hon. Member for North Western District (Mr. Jacob) with regard to the balance sheets of certain companies. I do not think those points at all affect the issue in connection with this Bill. There was, however, one point he made about the distribution of the increase on the price of sugar, to which I would like to draw attention. As he correctly pointed out, of the total increase of £4.15s. (\$22.80) per ton \$9.60 goes to the sugar producers in cash immediately, but he omitted to refer to the fact that in my opening remarks I said that the sugar producers were generously contributing at least \$1.20 per ton in the form of a new export duty. I forget how much per ton will be distributed in increased wages out of that \$9.60, but a large proportion of the balance will be absorbed in meeting increased cost of pro-

duction. Therefore, it is not quite fair to suggest that the whole of the \$9.60 per ton which is going to accrue to the sugar producers in cash immediately, is profit going into their pockets. That is not so at all.

Question put, and agreed to.

Bill read a second time.

The Council resolved itself into Committee to consider the Bill clause by clause.

COUNCIL IN COMMITTEE

Clause 4.—Investment of special funds.

The COLONIAL TREASURER : I move that clause 4 be renumbered as sub-clause (1) and that the following new sub-clause (2) be inserted

“(2) The income of the special funds specified in section two of this Ordinance shall not be subject to income tax under the Income Tax Ordinance.”

I referred to this point in my opening remarks, and to make assurance doubly sure I move this amendment.

Mr. JACOB : It has frequently happened in this Colony that sugar companies are reconstructed under another name, and shareholders holding one share are given two or three shares. I want to suggest that Government consider very carefully the imposition of a tax on what is called capital profits—

The COLONIAL TREASURER : I respectfully submit that the question of taxation of capital is quite irrelevant to this Bill. I cannot see how the hon. Member can seek to bring it up under any clause at all.

Mr. JACOB : We are talking about Income Tax. An amendment is put in—

The CHAIRMAN : I do think the hon. Member would agree with me. We are moving a special measure to make some provision in respect of Income Tax. It is not the whole subject of Income Tax that is being debated. What the hon. Member is suggesting now is more or less a proposition which is not included in this particular Bill.

Mr. JACOB : Here you are saying these funds must not be subject to Income

Tax. I am making a suggestion for the future. Here you have the Rehabilitation Fund in this Bill. I think it is a very constructive suggestion to make, that in future the Government must give careful consideration to the fact that when property depreciates, either on paper or actually, and it is being rehabilitated no Income Tax is paid, but that Income Tax ought to be paid on capital profits as well as the tax collected now on ordinary income. Government should bear it in mind.

The COLONIAL TREASURER : It has not been overlooked by the people in England.

Mr. de AGUIAR : I do not know what the hon. Member has in mind. I have been giving this amendment some thought. There is something about it which needs further consideration. As I see it, if this fund is not created and this price of sugar is included the company would then earn so much more profit, and on that profit the company would have to pay the tax. By reason of this Bill they will now be creating a fund by law, therefore, that amount will be deducted from their earnings for that particular year. Up to that stage it is perfectly sound, but what in my view is not sound is when that money is going to be repaid. Whatever method is adopted in using that money for capital expenditure that amount will not be then subject to tax.

The COLONIAL TREASURER : The hon. Member is perfectly relevant and in order and quite sound in what he says. The point is, this will be money from these special funds withdrawn and paid in to the accounts of the individual companies to which they belong. They then of course become part of their income and become subject to tax. If they spend the money on some measure which is allowed, provided there is deduction under the Income Tax, they would get that, just as they get now. Let us deal with the Price Stabilization Fund. If in three years' time they withdraw half of the fund and bring it into income that money would become taxable in the hands of the company. This amendment, I have just moved, does not prevent that. This is merely to prevent

some Income Tax Commissioner requiring me as Treasurer to pay Income Tax on the funds which are put into my hands to hold for the benefit of the industry. It does not in any way affect the liability of the companies when they get the money back.

Mr. de AGUIAR: I would like to agree with the hon. the Colonial Treasurer in drawing at least a thin line of distinction between capital and income, but there is nothing in this Bill to show—whether it will appear in the Regulations later on, I do not know—that when the amount is being handed back to the producers it will be treated as income or as capital. I cannot for the life of me see how two or three or five years hence the Government of this country, or the Income Tax Commissioners for that matter, can successfully argue that this repayment from the fund is not capital payment but instead a return of income. I doubt it very much, and I would like that point to be borne in mind. It may be difficult to include the point I make in the Bill, but it should not be lost sight of. What I am saying is this: Very great care should be taken that the refund is shown as income rather than as capital. If it is a refund of capital, then obviously it is not subject to tax; if it is a refund of income, then obviously it is subject to tax.

Mr. SEAFORD: Is the hon. Member speaking about the Price Stabilization Fund?

Mr. de AGUIAR: I have not referred to the Price Stabilization Fund. It is the "Rehabilitation Fund." What will obviously go back is the Labour Welfare Fund whether you call it capital or income because it will be allowed, but the Rehabilitation Fund is where you embark on work of a capital nature. Let me make this point clear, for the hon. the Colonial Treasurer, I am sure, will agree with me. If a company was not permitted under this Ordinance to create this fund but instead had chosen to set aside a reserve fund on their own, they would have had to pay Income Tax on it. That is an accepted Income Tax law. I do not think the hon. the Colonial Treasurer will convert that fund. If he tells me now that when the sugar

producers hand in this amount to the Treasury for the purpose of creating this fund he will be called upon to pay Income Tax on it, then I would have no further question. As I understand the position, they will not be made to pay Income Tax on it now, but at some future time they ought to be made to pay Income Tax, otherwise it will be very strong discrimination against the man who has created his own Reserve Fund as compared with the man who under a special law passed creates a Reserve Fund and can expend that money but will not pay Income Tax on it at all.

Mr. JACOB: I am very grateful to the hon. Member for Central Demerara (Mr. de Aguiar). I must protest most strongly in this Council that the hon. the Colonial Treasurer is always intervening when I attempt to make a point. That trio—the hon. the Colonial Treasurer, the hon. Member for Georgetown North and the hon. Member for Central Demerara—always work together. It is known throughout the whole Colony. I was attempting to make a point and the hon. the Colonial Treasurer wanted to prevent me. I am going to ask for a division on this clause. The thing is grossly immoral. The amount is being paid by the Ministry of Food to these people, and as a result they will put aside a certain sum and pay no Income Tax at all. The properties of the producers will grow in value by the Rehabilitation Fund and the Colony will get nothing at all, whereas it is the workers who are producing the sugar and rum. But when I attempt to make the point about this Income Tax business I am balked. It is not fair. I suggest that this clause be not put in at all, so that the money obtained through the sweat of the labourers—the men who work in the field and the factory—be subject to Income Tax in the usual way. If an assurance is given that, as the hon. the Colonial Treasurer tried to make out, it would be paid at some future time I want to ask: When the amount is paid, will it be subject to the tax for that particular year? The tax goes up or down. Would it be fair to the Colony if it is paid when the tax is low? I think it is the most ungracious way of dealing with the Income Tax question in this Colony, and

I want to offer my strongest possible protest against it.

The COLONIAL TREASURER : I think the hon. Member for Central Demerara is being unduly apprehensive over the intelligence of the Income Tax Commissioners who will have to deal with it when the time comes. It is quite obvious that payments to the individual sugar producers must pay Income Tax. There is no possibility as far as I see of any company arguing that a withdrawal from the Price Stabilization Fund in order to obtain a better price is not income but capital. Let me give an assurance that in the negotiations that point was of course stated that when the disbursements are made from the various funds into the hands of the companies that is the time they become part of their income and liable to Income Tax. That is fully appreciated by the companies concerned. As I said, that does not really concern the particular amendment now before the Council. That amendment, as I said, is to make assurance doubly sure. It is quite clear that this scheme of aggregating certain levies into a pool and putting them into the hands of the Treasurer should not thereby permit the Government to take a large part of that money subscribed by H.M. Government and put it into general revenue. Therefore it should be made quite clear in the law. Whether the clause is inserted or not, it is most unlikely that these funds would be called upon to pay tax.

The CHAIRMAN : It seems to me that this money is not income of the producers but is collected by the Comptroller of Customs as an Export Duty. It is paid to the Treasurer and is invested by him. Certainly up to that stage, I should say, it cannot be regarded as income of the companies as the companies never had it.

The COLONIAL TREASURER : It can be regarded as the income of the Trustee.

The ATTORNEY-GENERAL : It is only that everybody should know that the amendment is being made.

Mr. JACOB : The hon. the Colonial Treasurer stated that each individual

estate will be credited with this money. He understands that Enmore produces probably 15,000 tons of sugar. That money will be paid to them later on to rehabilitate and improve the value of their property !

The CHAIRMAN : You have the assurance of the hon. the Colonial Treasurer on that point.

Mr. de AGUIAR : If I am allowed to make this further observation, I agree with the hon. the Colonial Treasurer up to this stage and also with Your Excellency's announcement supported by the hon. the Attorney-General, that the Comptroller of Customs levies the duty and therefore it is not subject to tax. But I have made a comparison and endeavoured to give an illustration between two operating companies—the Sugar Producers and an ordinary commercial concern. The ordinary man creates his own reserve and has to pay Income Tax on the whole of his income for that year. I would refer to this as double payment of Income Tax. We are talking about making sure doubly sure. I have not heard the hon. the Colonial Treasurer on that yet. I do not wish the Commissioners of Income Tax to be drawn into an argument or discussion later on as to whether repayment under the Rehabilitation Fund was a payment of income or whether it was a repayment of capital. If the sugar producers argue—and in my view according to the wording of the Bill they can successfully argue—it is a repayment of capital, it would form no part of their income for that year and would not then be subject to Income Tax. The hon. the Colonial Treasurer tried to make that sure by the passing of the amendment, but I want us to make ourselves doubly sure that when this amount of money is repaid to the sugar producers for rehabilitation of their estates that amount will then be part of their income of that year. If we do not do that, then, I think I am right and I challenge any other person to tell me that I am wrong. That would be a capital expenditure. They are in the same position as the man who set aside money to be used later on for the purpose of improving his property.

Mr. EDUN : This is very interesting, especially when the four hon. Members are

commercial men, but I would like to ask the hon. the Colonial Treasurer to give me an idea of the difference between the reserve fund created by the Rice Marketing Board and this fund, whether they are in the same category. The reserve fund created by the Rice Marketing Board is not subject to Income Tax, so I would like to hear him on that point.

The COLONIAL TREASURER : I do not quite follow the hon. Member. The Rice Marketing Board's funds are not subject to Income Tax for really the same reason as the allocation of the income of receipts belonging to various producers in a pool. It does not seem fair that this particular pool should be subject to Income Tax. With regard to the point by the hon. Member for Central Demerara I cannot see it. The point is this : When disbursements are made from funds they go into the income of the recipient. The fact that they may use it for expenditure that may be capital has nothing to do with it. The actual money which is paid from the fund into the estates' accounts is income of that year. He says he challenges anyone to prove it. I shall have to ask the hon. Member why he thinks it is capital. He must not be misled because it is called "Rehabilitation Fund" or "Price Stabilization Fund". Why should he be so worried that the fund is called "Rehabilitation Fund"? That is the only point apparently that causes him some apprehension. There is nothing I can tell him that can give him greater assurance. We cannot put a clause to say the Income Tax Commissioners must refrain from regarding it as income. That is quite unnecessary.

The CHAIRMAN : It seems to me that the proper place for anything that may be necessary is in the Income Tax law and not in this Bill. The hon. Member and other Members can be assured that the point will be looked into and pursued so far as the Income Tax law is concerned.

The COLONIAL TREASURER : The whole scheme has been framed on that basis.

Mr. SEAFORD : The hon. Member on my right, the hon. Member for Central Demerara, stated it is unfair because in one case a certain amount is set aside on which

no Income Tax will be paid and in the other case a man in business sets aside capital for improvement of his property and has to pay Income Tax on it. The two things are not analogous at all. In the one case the businessman is trading and gets the benefit of world prices all the time, but in this case this Colony is not getting the benefit of world prices for sugar but is given a price on which the industry can exist. The industry was not given any money to allow for rehabilitation all these years, and this is now brought in because nothing else can be done. The Imperial Government now sees that the industry cannot do it and therefore has now given this. If the sugar producers could have brought their places up to standard in the years past they would have done it at half the cost it would be today.

Amendment put, and the Committee divided and voted as follows :—

For — Messrs. Farnum, Raatgever, Thompson, Roth, de Aguiar, Seaford, the Colonial Treasurer, the Attorney-General and the Colonial Secretary—9.

Against — Messrs. Jacob and Peer Bacchus—2.

Did not vote — Mr. Edun—1.

Amendment adopted.

Clause as amended passed.

Clause 6—Allocation to special funds of amounts paid under section 5.

Mr. JACOB : I beg to move an amendment to this clause—that the Price Stabilization Fund be \$4.40, the Sugar Industry Rehabilitation Fund be \$4.40 and the Sugar Industry Labour Welfare Fund be \$4.40. Just a change of the figures from "six dollars" to "four dollars and forty cents" in paragraph (a), from "four dollars and eighty cents" to "four dollars and forty cents" in paragraph (b) and from "two dollars and forty cents" to "four dollars and forty cents" in paragraph (c). I do not think it is necessary for me to say too much about it. I have spoken already to show that the human element is omitted in this clause, while the human element should be equal to the other two elements—rehabilitation and price stabilization—I have given them all equal shares, \$4.40 each.

I beg to move that the amounts in the Bill be amended to read as I have stated.

// The COLONIAL TREASURER : The only answer I give is to invite the Council to read carefully the preamble to this Bill. It says :—

“Whereas it has been mutually determined between the Government and the British Guiana Sugar Producers' Association, a company limited by guarantee and incorporated on the thirteenth day of July, nineteen hundred and forty-two under the Companies (Consolidation) Ordinance, that monies shall be provided by means of a levy at an agreed rate (which may be varied from time to time as required or discontinued) in respect of sugar manufactured in and exported from the Colony and that such monies shall be allocated in agreed proportions to and accumulated in special funds, namely a Price Stabilization Fund, a Rehabilitation Fund and a Labour Welfare Fund;

“And whereas it is expedient that the establishment of the special funds as aforesaid, the payments to be made thereto, and the basis conditions and procedure for making disbursements out of the said funds, shall be provided for by law;.....”

The whole point is this : It is an agreement between the Government and the Sugar Producers. That agreement having had relation to negotiations in London between the whole body of sugar producers in the Caribbean area and H.M. Secretary of State for the Colonies and the Ministry of Food, this levy at the rate mentioned in this Bill and the allocation between the funds mentioned in this Bill are uniform throughout the West Indian area. They are going to be in this Colony exactly as in Barbados, Trinidad, the Windward and Leeward Islands. Consequently it would be entirely wrong that Members should on the spur of the moment attempt to vary that agreement. The agreement cannot be varied. It is not in keeping with what has been agreed upon in connection with this transaction.

// Mr. JACOB : I may only reply that this Colony cannot be compared with Trinidad or Barbados. We are in a different position entirely. We have this Council agreeing to the Rice Industry being

run on a co-operative basis. I think the time has come—it is being suggested in certain quarters—that the sugar industry should be nationalised. The time has come when it should be run on a co-operative basis. The capitalists get all they can in co-operation with the Imperial Government, and the Authorities are doing everything possible not only to keep the country down but to a large extent in having only one industry. It is not at all fair that the people who have built this industry, who have come here under very distressing circumstances and who have made it, are to be considered in this light. I suggest it will be a very generous thing indeed to put it as I have stated, one-third to each fund. I do not know if this legislation would be passed in every Colony, but I would be rather surprised if it is passed in Jamaica or Trinidad. I suggest, if it is not convenient for the Government to do it now, that the matter be postponed and the parties to the agreement be asked to discuss the matter again and see that proper provision is made for the working people. I throw out that suggestion very seriously and that the time is fast approaching when the sugar industry should not be nationalised but run on a co-operative basis.

Amendment put, and the Committee divided and voted as follows :—

For — Mr. Jacob—1.

Against — Messrs. Farnum, Raatgever, Thompson, Roth, Peer Bacchus, de Aguiar, Seaford, the Colonial Treasurer, the Attorney-General and the Colonial Secretary—10

Did not vote — Mr. Edun—1.

Amendment lost.

Clause passed as printed.

Clause 8—Committees to manage the special funds.

Mr. JACOB : I beg to move that the composition of the committees be changed. Instead of five persons nominated by the British Guiana Sugar Producers' Association there should be two persons nominated by the Sugar Producers' Association, and

three persons to be elected from among the Members of this Council. In other words, the word "five" should be altered to "two" and the words "three Members of the Legislative Council elected by the Members of the Legislative Council" be inserted.

Mr. PEER BACCHUS : May I suggest that we adjourn now ?

The CHAIRMAN : Is it the wish of the Council that we complete consideration of the Bill or adjourn now ? I am in

the hands of the Council. I am perfectly willing to sit on and complete the Bill.

Mr. RAATGEVER : Let us finish the Bill, Sir !

Mr. JACOB : I think the majority of Members on this side of the table ask for an adjournment.

The CHAIRMAN : If it is not the wish of the Council that we continue, I will adjourn Council.

The Council adjourned to 2 p.m. on the following day.