

LEGISLATIVE COUNCIL

FRIDAY, 7TH FEBRUARY, 1947.

The Council met at 2 p.m., His Excellency the Officer Administering the Government, Mr. W. L. Heape, C.M.G. President, in the Chair.

PRESENT :

The President, His Excellency the Officer Administering the Government, Mr. W. L. Heape, C.M.G.

The Hon. the Colonial Secretary, Mr. D. J. Parkinson (acting).

The Hon. the Attorney-General, Mr. E. M. Duke (acting).

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

The Hon. E. G. Woolford, O.B.E., K.C. (New Amsterdam).

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. J. Gonsalves, O.B.E. (Georgetown South).

The Hon. Peer Bacchus (Western Berbice).

The Hon. H. C. Humphrys, K.C. (Eastern Demerara).

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

The Hon. A. G. King (Demerara River).

The Hon. T. Lee (Essequibo River).

The Hon. V. Roth (Nominated).

The Hon. C. P. Ferreira (Berbice River).

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

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

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

The Hon. J. A. Veerasawmy (Nominated).

The Clerk read prayers.

The minutes of the meeting of the Council held on Thursday, 6th February, 1947, as printed and circulated, were taken as read and confirmed.

ANNOUNCEMENT.

INCREASED EXPORT PRICE OF SUGAR

The PRESIDENT : I have an announcement of some importance, which I will read to you, and Members will be given copies so that you may follow it carefully.

"Members will no doubt have observed with satisfaction from recent official releases that His Majesty's Government have agreed, following the negotiations in London between the British West Indies Sugar Association and representatives of the Ministry of Food, to grant a substantial increase in the price of export sugar. This increase is, however, subject to certain conditions as to its disposal and not all will accrue to the industry immediately

"I need not go into any details here. Members will also have noticed that negotiations are proceeding locally between the Producers and the Labour Union as a result of which the war bonus to sugar estate workers will be increased.

"Members will also recall that only one million dollars payable from local funds has so far been provided towards the cost of subsidisation in 1947 and that at the time this vote was approved, concern was expressed as to the manner in which the total cost (which on the present basis may amount to \$2,000,000) would be met. I then said that representations were being made to the Secretary of State for the Colonies requesting the continuation of financial assistance from His Majesty's Government for this important service on the lines approved in 1944 and 1945.

"In the course of the exchange of telegrams on the subject of subsidisation, 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 subsidisation. He then added that before deciding 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 subsidisation in 1947 from the increased income accruing as a result of the higher sugar price. I accord-

ingly 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 subsidisation 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."

GOVERNMENT NOTICE.

HOSPITAL FEES (AMENDMENT) REGULATIONS, 1947

The ATTORNEY-GENERAL (Mr. Duke, Acting) gave notice of the following motion :

That this Council approves of the Hospital Fees (Amendment) Regulations, 1947.

UNOFFICIAL NOTICE.

SOCIAL AND INDUSTRIAL LEGISLATION.

Mr. CRITCHLOW gave notice of the following motion:—

THAT, WHEREAS recent trade union and labour conferences in Europe and in the West Indies have urged the introduction of social and industrial legislation in the interest of the working class;

AND WHEREAS the World Federation of Trade Union Conference held in London in February, 1945, in its declaration on Post War Reconstruction and immediate Trade Union demands, stated :—

"This Conference further emphasises that increasing production fully justifies, and indeed demands, the extension of the leisure hours of working people. Accordingly, it demands the speedy and universal introduction of a maximum working week of forty hours without loss of pay. This demand is made without prejudice to the claim for a shorter working week by trade unions to countries where economic

"and industrial development makes this possible and desirable. Every worker should be guaranteed an annual holiday or vacation at full pay of at least two weeks' duration with appropriate arrangements for casual workers. All public holidays should be paid for."

AND WHEREAS the Caribbean Labour Congress held in Barbados in September, 1945, in its report on Social and Industrial Legislation, resolved :

"Congress desires to invite the Colonial Governments in the Caribbean area to introduce legislation providing for a maximum working week of 40 hours where the principle is not applied, and that in so doing there should be no reduction of wages.

AND WHEREAS it is desirable that the Government of British Guiana should give favourable consideration to the recommendation of these Conferences, that have been recognised by the British Government;

BE IT RESOLVED that this Council recommend to Government the need for the early introduction of legislation to give effect, as far as possible to the recommendations cited above.

ORDER OF THE DAY

INCOME TAX (AMENDMENT NO. 2) BILL, 1947.

The COLONIAL TREASURER : I beg to move the second reading of the following Bill intituled :—

"An Ordinance further to amend the Income Tax Ordinance with respect to the incidence of Income Tax and to relief from double taxation and in other respects".

This second Income Tax Bill is also a very important measure, and I shall like hon. Members to appreciate fully its special significance. When, in 1945, I announced in this Council the prospect of such development as is now embodied in this Bill, I referred to the matter as a new deal. That is to say, a new deal in the financial relationship in respect of taxation between the Mother Country and the Colonial Empire. It is somewhat unfortunate that the

clauses of this Bill are so complex, verbose and couched in such technical language that they almost prohibit the ordinary reader to try and follow them. That is, however, a necessary evil in most Income Tax legislation, and it is also unfortunate that the true principle behind the Bill is rather obscured by the emphasis which is laid in the title of the Bill on relief from double taxation. What this Bill really does is to assert a principle, e.g., that profit or income gained in this Colony is liable, as a right, to prior taxation by this Colony. In other words, profits from a trade concern here, whether or not that trade concern is resident in the Colony or is resident in the United Kingdom or elsewhere abroad, are subject as a right to prior taxation in this Colony before being subject to taxation elsewhere; also that the Colony has a prior right to the tax on income derived from salaries and pensions paid by the Colony—by Government or private persons—to their own employees, wherever they may be. That is a very very important principle, and it is an entirely new one.

Hon. Members will, perhaps, recall that this question of relief from double taxation arose many years ago and was dealt with by a Royal Commission, and the principle was established then that where income is subjected to taxation in two places, for example, in the United Kingdom and in a Colony, then the taxpayer would be granted relief and that relief would be that he would only pay the higher of the two taxes. In other words, both countries that have a right to tax would arrange reciprocally to grant such relief to the taxpayer that the net result would be that he would pay the higher of the two taxes. That was accompanied by a limitation prescribed by His Majesty's Government that in any event they would grant relief up to one-half of the effective rate of their tax. That principle has been embodied in most Income Tax legislation in the Colonial Empire and is now embodied in our own. Just in order to make the matter very clear, let me illustrate how it works :

Where, for example, some years ago the United Kingdom rate of Income Tax was, let us say, 6/- in the £ on companies,

and the local rate of Income Tax was 3/- in the £ on companies, both taxing authorities levied their rates. But the United Kingdom gave relief up to one-half of their tax, and so in the United Kingdom the taxpayer paid 6/- in the £ and got a relief of one-half, say 3/- in the £. Therefore, the taxpayer paid 3/- in the £ in the United Kingdom and 3/- in the £ in this Colony. Take as an illustration last year when the rate in the United Kingdom was 10/- in the £ and the rate in British Guiana was 33½ per cent. or 6/8 in the £. The United Kingdom gave relief up to one-half which was 5/- in the £ and the taxpayer paid that 5/- in the £ and we, on our part, gave relief of the difference between 5/- and our rate of 6/8, and so the taxpayer got as relief 5/- in the £ in the United Kingdom and 1/8 in the £ in this Colony, and as a result he paid only 10/- in the £—the higher rate.

The change, which is going to be brought about by the enactment of this Bill, is that this Colony will be able to collect its full rate of tax without giving any relief whatever, whether the profits arise in this Colony or abroad. If the Bill which we gave second reading to yesterday is enacted, our rate of tax on companies would be 40 per cent., i.e., 8/- in the £. The United Kingdom rate is at present, I believe, 9/- in the £. Under the old arrangement the United Kingdom would give relief to the extent of 4/6 in the £ and we would give relief of the difference between 8/- and 4/6 in the £, i.e., 3/6 in the £. Under this new arrangement we will have to give no relief at all, but nevertheless the taxpayer will be enabled to get relief of the full Colonial Tax in the United Kingdom. In other words, the United Kingdom is going to grant relief up to the full amount of the Colonial tax. So hon. Members can at once understand that the concession is an extremely generous one to us, especially as it is supposed to work both ways. That is to say, if a British Guiana company resident here has business in the United Kingdom, then the United Kingdom would tax that concern in full and we would have to give our relief but, fortunately or unfortunately for us, there are no British Guiana companies resident in British Guiana which operate in the

United Kingdom. So this arrangement is really a one-sided one in our favour. Similarly with salaries and pensions, if we pay salary or pension wherever the individual is resident, we are entitled to our full rate of tax. That is a new deal which will provide us with a very much larger yield of revenue than we got before.

Now, that is the fundamental principle behind the Bill, and that is what the Bill authorizes the Government in Council to do—to make arrangement with the United Kingdom Government and with the Government of any other territory in the British Empire and possibly outside the British Empire along those lines. There is really at the moment only one concern that is affected by all this somewhat tedious machinery which is enshrouded in some of these clauses, and that is a company resident here and has branches in Trinidad. So I am not going to ask the Council to pay too much attention to the phraseology of this particular clause, because I do not believe we can usefully make an arrangement with the Government of Trinidad. But there is one important provision in clause 2 which, although associated with double relief is not strictly connected with it, and I want to be permitted to read a paragraph in a despatch of the Secretary of State in which he first brought that to our notice. That despatch is dated as far back as 23rd February, 1946, and in it the Secretary of State made use of these words :

"In connection with the treatment of interest, a review has been made in consultation with the Board of Inland Revenue of the system described in the model Ordinance and followed in many Colonial Dependencies under which income from sources outside the Dependencies is chargeable to Colonial tax only in so far as it is received in the Dependencies. While this system had certain advantages at the time when comparatively little experience had been gained of Colonial Income Tax it is open to objection in principle; it gives undue advantage to Colonial residents who have income from sources outside and abroad over those whose income is derived from Colonial sources, and among the former class favours those with larger income who are better

able to leave part of their income abroad....."

"I consider it therefore desirable that in the future Colonial Income Taxes should in general extend to the total income of Colonial residents whether the income is remitted to the Colony or not. The conclusion of a new double taxation arrangement on the lines proposed would provide a suitable opportunity for such a change, and I am consulting the Board of Inland Revenue on the form which the necessary amending legislation might take."

This is the form which has been recommended by the Board of Inland Revenue. I should have begun in dealing with this clause by explaining what it is all about. In the model Income Tax Ordinance on which practically all Colonial Income Tax Laws are based, the principle was that the Colony should tax income which accrued in the Colony or which was received in it. Emphasis is laid on the last three words—"received in it." It follows, therefore, that a resident in British Guiana who had investment abroad on which he earned an income or dividend did not have to pay a tax on those dividends unless he remitted them to the Colony. If he chose to keep his accumulated dividends abroad to be used for any purpose when he went abroad, then it was free of local taxation. That is, of course, ethically wrong. A person in the Colony has to pay tax on the whole of his income wherever earned; and the result of having this particular limitation in limiting the taxable power when it is received in the Colony, merely means not that the taxpayer paid less but British Guiana got less because the effect of the double taxation relief was such—that it does not matter whether we tax more or the other country tax less—he paid the higher of the two taxes. It follows, therefore, that by this arrangement to make this matter right the taxpayer will not have to pay more but merely that British Guiana will get more. Double relief always tends to save the taxpayer and to allow him to pay the higher of the two taxes. We have therefore been giving money away to the United Kingdom where investments are

held. If this Bill is enacted we should secure that revenue without affecting the taxpayer. Now, in the course of a private discussion of this matter I was told by one hon. Member that this particular clause was objectionable.—

The PRESIDENT : Can I interrupt ? I understood that this particular clause was objectionable to some hon. Members who thought they would have to pay the tax, but you have just said that it makes no difference to them. The only difference is that instead of the other country getting the tax, we will get it.

The COLONIAL TREASURER : That is what I said, but there is one exception. I want, however, to tell the story. Discussing this matter with one hon. Member he almost bet me that the independent Colony of Barbados would never accept an amendment of this nature. Two days ago I had the opportunity to discuss this particular clause with a very distinguished visitor from Barbados who is a Member of the Legislature of that Colony. He was amazed to hear that we in British Guiana did not tax the resident in British Guiana on the whole of his income, whether he received it in the Colony or not, because for years that has been the case in Barbados. In other words, the independent island of Barbados never accepted the old model of Income Tax Ordinance at all, and they have now in their law provision which enables them to tax income from investments abroad whether that money is remitted to Barbados or not. He illustrated the matter very forcibly to me. He said : "We have several Barbadians who have large investments outside the Colony. Take the case of Mr. A—. He has an income of £5,000 a year from investments abroad and likes to live cheaply; he only remits to Barbados £1,000 and the remaining £4,000 he keeps abroad and accumulates it there. Mr. B—. has an income of £2,000 a year from investments abroad and brings the whole of it into Barbados. Would it be just that Mr. A—. be only taxed on £1,000 which is only the portion that he brings into the Colony and Mr. B—. to be taxed on the whole of his £2,000 ? We tax the resident of Barbados on the whole of his income from investments abroad whether it is remitted to the Colony or not". I only

mention that because it seems to me the objection is that other Colonies are not adopting this particular provision and one Colony, Barbados, may not do so.

I did say just now that there is an exception, and that exception is an obvious one. It applies to a very small class of persons in this Colony — not necessarily men of wealth because I hold that there are no wealthy men in British Guiana — but, nevertheless, persons of means who have been able to accumulate money and invest it in the United Kingdom. Those persons who have invested in loan bonds — War Bonds — should not think that this is a provision which entitles them to freedom from United Kingdom income tax. That is to say, the United Kingdom has issued the loan with the understanding that no person not resident in the United Kingdom would be free of United Kingdom income tax. Those persons had the privilege of earning profit on their capital investment and of getting interest from that investment abroad, paying no income tax on it abroad and paying none here. In other words, part of their income escaped taxation altogether. If this clause is included in this Bill, naturally, British Guiana would claim income tax on those investments. The argument put forward to me is that since the United Kingdom issued these bonds and undertook to do so free of income tax, it follows therefore that British Guiana in which the investors reside should also free them from income tax, but such an argument cannot hold water. Let us assume that a person from Brazil or the Argentine invested in United Kingdom war bonds; does that mean that the country in which he resides should free him from income tax ? I submit that no part of a person's income should be completely free from income tax. I feel that if that condition remains it would lead to class legislation in favour of a particular class of person who would be able to get his income abroad and not bring it into the Colony and, therefore, free it from taxation.

This Bill, as I have said, deals with the question of double taxation as its principle feature, but we have taken opportunity to include in it two provisions which have no particular reference to that mat-

ter. Those provisions are contained in clause 5. The intention of that clause is to give the Income Tax Authority power to call upon the taxpayer for a return of his income and, in addition, a return of his assets and liabilities. Indeed, to the ordinary accountant a return of income for special periods necessarily means an account of assets and liabilities but, technically speaking, a taxpayer can refuse to submit a statement of assets and liabilities and, of course, it is most important that such a statement should be submitted. We are constantly being told that people evade taxation; we are told that individuals acquire wealth and purchase property and yet, apparently, they do not make sufficient returns to bring them within taxation.

Many cases arise in which the Income Tax Authorities have need for accounts and without which they have to call upon the taxpayers to say how they became possessed of certain property. The answer has been, however, that it is none of my business and sometimes a taxpayer would say "The property was given to me by my grandmother." The idea behind this is to call upon the taxpayer not only for a statement of his income, but for his assets and liabilities in order to determine whether his assets have increased. It is not intended that this power should be arbitrary, and I would like to say that there is a way of getting over this situation. The Income Tax Authorities could make an arbitrary assessment of any person and could make it so high as to cause him to object and go to law, and by legal means they could make him disclose the information they want. But that process is long-winded and that is why we are making this provision to let taxpayers submit a statement of assets and liabilities.

Lastly, there is clause 9 which seeks to extend from two to five years the time within which an assessment could be made. With the extension of income tax and also of excess profits tax we ought to have as long a time as possible to make an assessment. Sometimes these difficulties as regards accounting, etc. go on for a long time, and therefore two years is not sufficient for making an assessment. While the Commissioners would have power to

complete an assessment earlier, taxpayers would have the right to claim a repayment within five years. Those are all the points that the Council is really concerned about, probably, and I have endeavoured to explain them to the best of my ability. I beg to move that the Bill be now read a second time.

The COLONIAL SECRETARY seconded.

Mr. SEAFORD : I think the Colonial Treasurer was perfectly right when he said that the Bill is framed in technical language. It requires an expert to follow it. I am afraid he has spoken for a long time and I am no wiser now than when he started, and I would like to get a magnifying glass. When an Official gets up here he has an adviser at his right hand to help him and I would like to bring someone here to advise me. I am no financial expert and there is no one in this Council, I think, who is a financial expert and is capable of getting down to the root of this evil. I can see a lot of evil in this matter. The Colonial Treasurer has stated that we are only concerned with the principle of the Bill but I take exception to that. In this Council we are concerned with much more than that; we have to know what the effects are going to be. It is called double taxation, but so far as I can see it has gone beyond the question of double taxation.

The hon. the Colonial Treasurer has stated that a Colony such as this should receive the revenue which everyone residing in it is entitled to pay. That is perfectly true, but it must be remembered that this Bill before us now cannot relieve Government of double taxation unless we have an agreement with the Mother Country and every other country. We have no agreement so far as I know with the Mother Country. It means, therefore, that anyone living in Palestine, for instance, would have to pay income tax on the whole of his income and until some agreement has been brought in he would have to pay income tax there and also in this Colony where, perhaps, he has invested some of his money. I think that that is, very definitely, double taxation, and I understand that the principle obtaining in the United Kingdom is that double

taxation should never exist because we would get to the point where the rich man would have no income whatever.

The Colonial Treasurer also referred to the question of War Loan but he did not mention whether it should be free of income tax or free of British income tax. It was definitely decided that it would be free of taxation. A lot of people all over the world — not necessarily wealthy people — have put money into it on the understanding that they would not be taxed later on. They invested in it, perhaps, in order to educate their children and to have something to live on. Is it fair now for Government to turn around and say to them "we are going to tax you"? I feel it would be a very very hard thing on these people to call upon them to pay this increased taxation and had they known this they might have invested their money otherwise. They invested it also for patriotic reasons and I do not think this is one of the principles on which Government should base its taxation proposals in this Colony.

I am not quite sure, sir, how this Bill will affect companies like insurance companies. If they are going to have to pay income tax here and also on their investments abroad it means that the assets of these companies are also going to be seriously affected, and there again it would deprive widows and children of a certain amount of money that should be going to them. The Treasurer pointed out that whereas in the past the British Government collected only 50 per cent. of the tax which was due to come this side, they would now permit us under this Bill to collect our full share—8/- in the £—while they would only get 1/- in the £.

Whether this Bill goes through or not, I think we would be allowed to collect the same 8/- in the £ and I think that with a few words the necessary amendment could be made. I think that is one of the fruits left hanging on the tree under which the Colonial Treasurer has taken us; I think the Imperial Government would allow us to get our full amount in any case. The Colonial Treasurer has also spoken about taxation in Trinidad, but there again it would be a case of double taxation. As I

have said, it is a principle which I think was never accepted in any British community. Barbados has been cited to us, but I do feel that when it suits Government to cite these places they do so and when it does not suit them they do not. As a matter of fact, it was stated by your predecessor, sir, that we should not follow the example of these small islands around us, but here Barbados has been held up.

The COLONIAL TREASURER: That is not fair. It was not held up by me.

Mr. SEAFORD: The Colonial Treasurer has forgotten that Barbados has never collected excess profits tax. The people there have been, fortunately, better off than we in this Colony. The Colonial Treasurer also dealt with clause 5 of the Bill through which the Income Tax Authorities would be able to call on any taxpayer to submit a statement of his assets and liabilities. I do not know of any individual in this Colony who keeps books of that kind. Has the Colonial Treasurer or Government considered what a domestic upheaval would be caused if a man asks his wife to let him see what her assets were because he had to put them in his declaration for income tax? I think the Colonial Treasurer could do what is being done in Trinidad, and that is to make any taxpayer submit a statement showing what his revenue is.

There is another point with which I would like to deal and that is this question of taxing War Loan and other assets coming into the Colony. Does the Colonial Treasurer think that that would bring in one ha'penny more for this Government? I am sure he does not think so. It is an easy thing where one has investments and would have to pay double taxation, to put them in somebody else's name. I am quite sure that this proposal would not bring Government one ha'penny more. As I said at the beginning, I do not feel quite capable of replying to the Treasurer and I would like to get my own staff people to explain this financial business and let us get down to brass tacks. I feel that the outcome will be more than what Government appreciates, and I would really like to get professional advice so that we could get down to rock bottom. I feel that

the effect of these proposals on the Colony would be more adverse than Government appreciates.

Mr. VEERASAWMY: I am concerned only with clause 5 of the Bill and the proposed amendment thereto. I am rather puzzled after having listened to the Colonial Treasurer, particularly with regard to the amendments relating to sections 35 and 44 of the Principal Ordinance. I see in par. 5 of the Objects and Reasons at the back of this Bill that "Clauses 5 and 7 seek to make clear the extent of the Commissioner's powers under sections 35 and 44 of the Ordinance." It seems to me that there is some doubt as to the extent of the Commissioner's powers if, as the Colonial Treasurer says, it is necessary to include a clause to 'meet tax evaders. Under this clause—5—the Commissioner has power to call upon a taxpayer to submit a statement of his assets and liabilities. No doubt the Commissioner thinks he could ask any question (under section 35 of the Principal Ordinance) and if it is not properly answered an offence is created.

The COLONIAL TREASURER: The hon. Member, as a lawyer, should know that he should read the words "with respect to income". Will we want to find out about something else?

Mr. VEERASAWMY: I am not certain that there is similar provision in England.

The COLONIAL TREASURER: Yes; in the United Kingdom Finance Act.

Mr. VEERASAWMY: If I can hear that read I will be glad. Why is a man bound to submit a statement of assets and liabilities in making out his income tax papers? A taxpayer is supposed to lay over a return of chargeable income and why can't means be devised to see that everyone receiving a certain amount of income sends in his return. I cannot see any justification for asking for a statement of assets and liabilities from a man and, in addition, the assets and liabilities of his wife. If a wife has a chargeable income let her make out a return and means should be devised so that everyone with a chargeable income should make a return.

The Colonial Treasurer points out that if a person is given a property by his grandmother he should be made to prove it because that is one of the methods adopted by tax evaders, but that exposes what is in the mind of somebody. I am a poor man and it does not matter to me whether any particular kind of return has to be made, but if I wanted to give someone—I would not say a lady but an old lady—a property, why shouldn't that person be able to say that "this kind-hearted old gentleman has given me this property?"

The PRESIDENT: Do you subscribe to the general accusation against the Department that they fail to get all the tax? Don't you know that that is a widespread accusation?

Mr. VEERASAWMY: I will not dispute that.

The PRESIDENT: Are you prepared to give assistance to remedy it?

Mr. VEERASAWMY: I am quite prepared to do so but this is hardly the place to indulge in back chat with the Colonial Treasurer. I have travelled all over the Colony and I am perfectly satisfied that there is a large number of people who do not pay income tax although they ought to. I think that the 5-year period proposed for the collection of the tax after assessment is too long, and when the proper time comes I will move an amendment for a reduction to three years.

Mr. C. V. WIGHT: As the hon. Member has just stated, I think we should limit the period for the collection of the tax to three years instead of five. Even under the Limitation Act it could be done. We started off with two years in cases of libel and slander and now it is proposed to put in five years here. It also means that the Crown would be exempt again under section 15 of the Ordinance where they are already exempt from certain actions. Perhaps the Attorney-General with his wide knowledge and juristic experience would be able to give us some reason why this particular period of five years should be inserted in this Bill. Unless, as I have said, we are going to find ourselves ruled; we are being ruled already by bureaucracy and we might be

further ruled if we continue along these unprogressive lines. Perhaps that is where we are heading to.

The hon. the Colonial Treasurer has admitted — and I entirely agree with him — that we have no wealthy men here. There are in Trinidad and Barbados, however, and we have recently seen that in the formation of the Caribbean Development Coy. I may also point out—and he made the statement glibly "We don't want to force them into law"—that you do not want to force them into law because the Crown demands high costs. Some people are afraid to go to appeal; some people would like to appeal, but it is to get the costs of the appeal. I hope we are going to see a change. We have an opportunity to make a change. The Officers of the Crown should be paid by the Crown and not allowed to collect costs. It is not that I grudge them, but those costs should go into the revenue of the Colony. A man enters into a contract with Government, for instance. Government on the one side has its lawyer and that poor man on the other side has to pay fees twice — his lawyer's and then the Crown lawyer's—for drawing up the contract, and yet the Crown Officers are being paid by Government. If Government is not paying them enough, then give them more. The labourer is worthy of his hire.

I can assure the hon. the Colonial Treasurer that but for that fact there will be many more appeals. There are a number of appeals now left for the consideration of the Commissioners, and if they don't decide them the people might not bother to take them to the Court. It is bound to be decided by the Court. The hon. the Attorney-General on behalf of Government may explain that fully and satisfactorily, but my legal brethren of this Council know that whatever explanation is given by the learned Attorney-General and Government it can never be satisfactory so far as they are concerned, if only they are willing to say it in public. I agree with the hon. Member who said there can be an arbitrary system. That is what this Department is doing. I would like here to pay a compliment to them for the recent activity in that Department. They have built up a very good framework—the

framework upon which they assess what is a man's income and practically tell him on what he can live and then proceed to tax him arbitrarily. I can say without hesitation that I have found it not at all bad. It is quite reasonable.

I have not had the opportunity of meeting the recent arrival—the new Commissioner of Income Tax—but I am told on reliable authority that he also is extending very far the discrimination on each form—more than has been previously done. I think, sir, from what I have heard of several cases the parties have been perfectly satisfied. I have heard that compliment paid him. Perhaps if he continues in that way there may not be the serious objection as raised by the hon. Member for Georgetown North (Mr. Seaford) to clauses 5 and 7. I will say here that by working out the income according to their form and assessing arbitrarily the tax they have been able to collect, a lot of revenue has been recovered and they can continue so to do. I can quite visualize that if they proceed to investigate an individual's assets and liabilities, perhaps, they might get a certain amount of dissimulation among the children so as to keep assets and not spend them out.

Further, there is the sort of complication, as instanced by the hon. Nominated Member. Whether it is an old lady, whether it is a man or a woman, there can be no question there may be evasion in that way. I cannot agree, and I have never been able to agree with the hon. the Colonial Treasurer, when he says that people purchase property and you cannot find out how, as they claim their grandmother gave it to them or something of the kind. If that is so, does the hon. the Colonial Treasurer forget that the information can be obtained from the Registrar's Office? Surely he can ask a person to produce the Estate Duty papers. If I have got a property valued \$13,000 which my grandmother left for me, put me to prove that my grandmother had that property. That is the most fair, reasonable and equitable method of applying the provision in the present Bill.

When it comes to evasion, every hon. Member around this table knows that evasion goes on. I expect the hon. the Colonial Treasurer who always says "No"

to disagree, but every other Member knows that evasion goes on. Only the other day in a lawsuit I got out by cross-examination of a witness this statement: "I work for so many hundred dollars a week". That statement was made on oath, and it was easy to find out. So no one can say that evasion does not go on in this Colony, but do not expect a lawyer or a businessman to run after the Colonial Treasurer and tell him that "A" and "B" have taxable incomes. After all, we have more dignity than to do that. It may come out in a casual conversation, but surely the hon. the Colonial Treasurer does not expect a lawyer who gets certain information from his client to run and tell him. There is that evasion which goes on daily, and a considerable amount of revenue can be derived if that is tightened up.

With regard to the question of War Loans, I quite agree with what the hon. Member for Georgetown North has said. Everybody, without any exception, who invested in War Loans did so because there was a war on, and by so doing he was assisting the war effort; and it had the added attraction at that time of being free of Income Tax in the United Kingdom. I regret I have to say so; but they were so solicitous of our welfare — an infant Colony—that only now they are going to give us all the Income Tax due to us. The Income Tax Ordinance, Chapter 38, was passed away back in 1929, and it is only now we are going to get what they consider to be our just due. That is the position. They now realize that from 1929 to this day they had something that is due to us, and that something they are now going to give us.

Mr. RAATGEVER: I am sorry I cannot support this Bill as it stands, and there are several other Members who feel as I do. As we have no desire to embarrass Government in this matter, I suggest that we postpone further discussion of the Bill in Council and that we meet the hon. the Colonial Treasurer and discuss the matter informally with him. Perhaps we may be able to evolve a Bill which may be acceptable to Members. I suggest that in the interest of Government.

Mr. JACOB: I have listened with very great attention to what the hon.

Mover had to say while introducing this Bill, and I myself have found this Bill very complicated and not easily understood. As a matter of fact, I found myself unable to follow this Bill and I almost gave it up. I did not intend to speak although I intend to support the Bill, except clause 5. As has been stated in the title—I am not sufficiently informed to dispute what has been stated by the hon. Mover and so I accept what he stated—this Bill is going to give relief to certain people and also bring us additional revenue. I was rather surprised to hear the hon. the Colonial Treasurer stating that there are no wealthy people in British Guiana. Perhaps in replying he will define what he calls "wealth". I think there are wealthy people in British Guiana. Not only did the hon. the Colonial Treasurer say there are no wealthy people in British Guiana, but I heard the same words from the lips of the hon. Member for Georgetown North (Mr. Seaford) and the hon. Member for Western Essequibo (Mr. C. V. Wight). However, I do read certain things in the newspapers now and then, and only quite recently I read a statement to the effect that a single individual would probably pay the highest tax in the Colony. I do not know how you define "wealth", but if this Colony has not some wealthy people, well, I think, there is something wrong. I am satisfied that there is a fair number of wealthy people in this Colony. If you want to say there are not not many millionaires here, I would probably agree with that. What is wealth — £1,000,000, \$1,000,000, \$500,000? So it will be very interesting to get a statement of assets and liabilities from all individuals including companies. While that may be so from the point of curiosity, I think, it is very risky to give Government further powers now to compel people to submit a statement of assets and liabilities.

I do not know what is wrong with the Income Tax Department. There was something fundamentally wrong once, but whether there is something fundamentally wrong with the Department now I do not know. Only the other day I heard that some business people had not received their assessments for 1944 and 1945. They have not paid Income Tax for 1944 and 1945. Private individuals have

not and, I believe, nearly all of them, I do not know what is the position, but it is time we find out these things a little more minutely, so that revenue should come to the Colony. The 1944 Assessments have not been collected, also the 1945 Assessments, and the 1946 Assessments are to be collected in 1947. You have no really reliable system of collecting the revenue. I stressed the point yesterday. Since Government got further information yesterday, I do urge that these things be done with a little more despatch. I do urge on Government to collect the money when it is due. Then there is the risk of people becoming bankrupt and of people dying or leaving the Colony. Those are contingencies this Government should take care of. I suggest that a period be put to this unsatisfactory state of affairs.

As I have said, I am not prepared to burden the local volumes of the laws with additional laws. We have too many, and far too much time is taken up on these matters with legal technicalities and legal quibbles, and the result is the taxpayer is hit doubly. If the taxpayer feels justified in having Income Tax arbitrarily charged, I think the Income Tax people should pursue it in the way they have powers to do. I do not agree to give them additional powers. I have nothing more to say. A request has been made to refer the matter to a Select Committee of this Council.—

Mr. RAATGEVER: The Council should meet the hon. the Colonial Treasurer and discuss the matter.

Mr. JACOB: I have no objection to that. I, personally, would like to learn something about this complicated matter.

Mr. FARNUM: I would like to commend to Government the recommendation of the hon. Nominated Member, Mr. Raatgever, that we meet the hon. the Colonial Treasurer and have a heart to heart talk over this matter, because it certainly carries, as he says, a lot of technical terms. I think a heart to heart talk would do a lot of good. As regards the evasion of taxation, I think everybody is satisfied that there is quite a lot of it. Not only Members of this Council know that, but persons outside with the exception, perhaps, of members of the Income Tax Office.

Mr. de AGUIAR : I agree in the main that this Bill is somewhat complicated, but I would suggest to hon. Members that the most complicated portion of the Bill is the clause dealing with the question of relief from double taxation. The remaining clauses of the Bill, to my mind, are not so complicated, and from my point of view they are easily understood. I started off by saying that the clause dealing with relief from double taxation is complicated. That is quite true. The hon. Member who moved the Bill admitted that. But I think it is correct to say he endeavoured to explain the most important points arising out of that clause, and, although there are certain questions which will naturally arise, there is the explanation. On the whole, I do not think that clause by itself is so much complicated. One of the points I had hoped he would deal with in regard to relief from double taxation is a categorical statement as to whether similar treatment will be given not only by Colonies within the Empire but also by the Dominions and even foreign countries. I think it is very important to know whether, for example, if a resident or company in this Colony with transactions in any part of the Dominions or in a foreign country would be afforded relief under that clause. I am aware that the primary object of the clause is to afford relief so far as the Tax in the United Kingdom is concerned and also in some of the Colonies. I am not too sure whether relief is obtainable in all the Colonies. I would like him to clear up that point.

A great deal has been said about clause 5. I am going to begin by saying that I am going to support the clause because I happen to be one of those unfortunates — to use a phrase so often used outside this Council and even sometimes in it. There are so few people who pay Income Tax and so many who seem to evade it, but the reason for that is not far to seek. It is true the Commissioners at the present moment have various powers under the existing legislation, but there is one power they have not which, to my mind, is very important. They have not the power to demand the production of a statement of assets and liabilities from an Income Tax payer. One only needs to have an elementary knowledge of accounting to know that you can only

Follow the progress or rather the earning power of an individual if he produces, when properly called upon from time to time, a statement of his assets and liabilities to show what progress he is making. From that statement it will be reasonable for the Commissioners of Income Tax to make certain deductions and, I submit, very important deductions relative to the improvement or otherwise of that man's financial position. I happen to be aware of the fact that it is not even possible for the Commissioners to demand the production of a man's banking account. They cannot see his deposits; they cannot see his withdrawals. I say that because of the fact that the Commissioners are unable by law to demand the production of the books of that man. What is more important, there is considerable evasion going on at the present time. I am not going to refer to the man whose grandmother leaves him a property or a house. I see that every day.

I know that in this country there are certain people whose incomes are very well known — the man who works for a salary as an employee and sends in a return to the Income Tax Authorities. Such a taxpayer has not the slightest chance of evading a tax on the income he has earned in that way. But there are numbers of people in this Colony who do not pay what they should. I know that of my own knowledge and it surprises one to hear the amount of tax they say they pay. Many of them boast about it, and, when you compare the tax they tell you they paid with what you know of the financial advancement they have made, you shudder. That is what is going on. Why is it these men are not made to pay what is their just tax? The reason is that unless the Commissioners can put their fingers on a particular spot and show where the returns are false they can do nothing about it. They must be able to show that the returns filed are false, before they can attempt to take steps that may bring them to book.

The position, as I understand it, is very simple. I have heard reference made this afternoon to an arbitrary system. In the majority of cases, I think, the arbitrary system is employed on people who have failed to send in returns. There are numbers of people in this country who just

ignore the Income Tax Office. Some of them go so far as to say: "What is it? I have never heard about it before," when asked "Why don't you file returns of your income?" The Income Tax Authorities will then say to them "We assess you at so much". It will surprise you to know — some of these cases have come to my particular knowledge — that the same thing happens the following year. The Commissioners then tax them $X + Y$ and they say it is not $X + Y$ it is so-and-so but they still pay what they are taxed. That goes on *ad infinitum*. We want to remedy that state of affairs. There are persons who pay no tax. I see them all around. I know some of them, and I am going to support this clause—5. I am going to do so because I have got an assurance from the hon. Mover of the motion that it is intended to be applied in the cases which the Commissioners know and have reasonable and strong grounds for suspicion. As I understand it, it is not obligatory but is discretionary, and it is in order to give the Commissioners power in cases where there are reasonable and strong grounds to call upon an individual to file a statement of his assets and liabilities so that they can examine it. The hon. Nominated Member (Mr. Veerasawmy) said they have the power, but as far as I know they have not the power, and I have heard lawyers say that. I do not think this Council would be well advised not to permit clause 5, as, to my mind, it is the most important clause in the Bill.

What I would like also to suggest — I did not speak on income tax yesterday — my last speech on income tax was in 1944 — is that very careful consideration should be given to this Bill because of its great importance. I know that the Income Tax Department has been strengthened, but I do not know whether it is proposed to strengthen it any further. I hope so. I am going to suggest that we get some peripatetic inspectors — men who would go around and inquire into people's business. At the present time I think the Income Tax Authorities rely on information coming in from the District Commissioners and while I do not want to criticize any Government Department, I am going to suggest that that is not good enough. We want people with a practical knowledge of income tax

work to get around the districts and hunt up these evaders, and I am going to urge strongly that Government should stress the necessity for the inspectors who would go around and find out things for themselves — digging these people out of their holes and making them pay their taxes.

I suggest that when we are able to distribute this form of taxation in the Colony there will be better reasoning, even among Members of this Council whenever any question of taxation comes up for consideration. At the present moment it is extremely difficult to follow the argument of certain Members of this Council on income tax questions, whether it is because some of them pay no tax at all or because some of them pay very little I do not know, but they only desire to increase the rates and make the "sitting ducks" pay more than they do at present. Whatever the reason, I think there should be these inspectors to dig the rabbits out of their holes and make them pay.

I would like to say a word with respect to clause 2 of the Bill. If I may say so, I think the amendment proposed is rather unpatriotic and perhaps a little bit disloyal. The amendment makes it very very difficult for one to understand the reason for the introduction of this Bill. There can be no doubt that it applies particularly to one case I know about, but I cannot see for the life of me how it can be applied to any other case. War bonds are the only form of investment in the United Kingdom that is not subject to taxation, even in the United Kingdom. My friend—the hon. Member for North Western District (Mr. Jacob) — says this clause is a question of vision, but I sympathize with him because he does not know very much about the subject. I would not deal with the point that even if this amendment becomes law it would not open the door for the tax to be collected. There could be no doubt about that and I would just warn this Council that we should not put the people of this Colony in a position whereby they would be able to make rings around the local Government.

What we had here since 1929 is bringing us satisfaction and I agree with the hon. Member for Georgetown North (Mr.

Seaford) that the amendment proposed in clause 2 would not bring in another ha'penny to Government. I do not know that it can be regarded as vision, because the particular bonds referred to are not subject to taxation in the United Kingdom. All that one would have to do is to change ownership of these bonds and if Government accepts this amendment as a sound policy I am sorry I cannot agree with it. On the whole, however, I agree with what the hon. Mover of the motion said in his opening remarks. There is no doubt whatever that this Colony is entitled to claim its just due from the United Kingdom Government in so far as clause 2 is concerned.

The PRESIDENT : I, personally, sympathize with those hon. Members who do not understand this Bill; I do not understand it myself. I think the suggestion that Members should meet the Colonial Treasurer with, of course, the Commissioner of Income Tax, is a very good one and if Members would like to do that I am in entire agreement. I suggest, therefore, that we postpone further consideration of the Bill this afternoon. I take it that Members are in agreement with that suggestion. We have not got a very good attendance and I doubt very much whether it is advisable to proceed with the Excess Profits Tax Bill—item No. 2—now. I suggest that we proceed with item No. 6 instead

Mr. RAATGEVER : I suggest that we proceed with the consideration of the Excess Profits Bill now, because it is down on the Order Paper and I do not see any reason for delaying it any longer.

Mr. JACOB : I know that the hon. Member for Western Berbice (Mr. Bacchus) and the hon. Member for Essequibo River (Mr. C. V. Wight) are against it, but I see no reason why it cannot be postponed. We can consider it shortly.

Mr. RAATGEVER : I take it that it is the duty of hon. Members to attend these meetings; I have come here at personal inconvenience to myself. This matter is down on the Order Paper and I do not think it is satisfactory that because two or three Members choose to leave this meeting and go elsewhere the matter should be postponed.

The PRESIDENT : I think it would be far better to postpone it, but the hon. Member who has just spoken wants to go on with it. I would like to know the feeling of other Members.

The COLONIAL SECRETARY : I think myself that, as the hon. Member for North Western District has said, it would be better to have it discussed later.

Mr. HUMPHRYS : I only hope that if other Members like myself are not present when it does come back, it would not be said that we were not here.

The PRESIDENT : I am prepared to go on with item No. 1.

Mr. HUMPHRYS : That would not suit me. I hope you will make it item No. 2.

The PRESIDENT : Then we will take item No. 1 at the meeting next Friday.

Mr. JACOB : Perhaps I will not be in Georgetown in time on Friday. I am going on the Council's business to the North West District, but I will try and get back before 2 o'clock—by plane.

The PRESIDENT : But you are going on Thursday—aren't you ?

Mr. JACOB : To come back on Friday.

The PRESIDENT : Very well then; we will resume consideration of this Bill next Friday.

Mr. THOMPSON : I am sorry we are not in a position to go on with item No. 6—the Teachers Pension Bill—today.

The PRESIDENT : Let us take item No. 7.

Mr. WOOLFORD : Let me rise to a point of explanation about this. Where an hon. Member attends here in the hope of debating a question he might have reason for asking that it be deferred. If the Member gives an expression of opinion it is a different matter. I am sure the hon. Mr. Bacchus is not likely to be back today; he is the only Member that I know of—except the hon. Member for Essequibo

River—whose presence one can never guarantee. I think that in all the circumstances we ought to reconsider the position and let the hon. Member for North Western District go on Thursday.

The PRESIDENT : Do you think we should take the Excess Profits Tax Bill now ?

Mr. WOOLFORD : I think so, for the reason I have given. The position would be the same.

The PRESIDENT : There is force in that argument, but I want to be fair. I know that other Members would be in attendance and I want them to express their views. I am sorry Mr. Member for North Western District, but I think the Deputy President's point will be appreciated and that we had better proceed.

EXCESS PROFITS (CESSATION) BILL, 1947

The COLONIAL TREASURER : I beg to move that the following Bill be read a second time :—

A Bill intituled "An Ordinance to make provision that Excess Profits Tax shall cease to be charged in respect of any accounting period or part thereof which falls after the thirty-first day of December, Nineteen Hundred and Forty-Five".

I do not propose to take up the time of the Council with any speech on this particular matter because I think I covered all the points fully in my review of the Budget position yesterday. I said then and I say now that Excess Profits Tax was a bad tax—a wartime measure which was introduced on account of special economic circumstances—and that we should remove it as early as possible. With those remarks I certainly commend this Bill to the Council and I can also state that if any point arises I would be pleased to reply.

The COLONIAL SECRETARY seconded.

Mr. SEAFORD : I propose to support Government in this Bill. I do not propose to say anything on the actual Bill but on one or two points which arise out of it. I would ask whether Government has considered what has been done in the

United Kingdom in connection with this matter. The hon. the Treasurer himself has said he thought allowance should be made for major repairs and renewals. Possibly, during the War when it was impossible to effect repairs and renewals it was right to say that no allowance should be made for them, but now I think that they could be fairly charged against excess profits tax. It seems to me that if the Treasury in the United Kingdom considers them a fair charge there is no reason why this Government should not consider them a fair charge also. Then again, in the United Kingdom they have allowed special depreciation charges for certain works put down on account of the War. In this Colony the Authorities have made the same allowances as was done in the United Kingdom, but in order to bring things to finality it has been announced in the United Kingdom that the War expenditure could be written off. That refers to buildings and other things that would not have been put up but for the War. I would therefore ask this Government to give some consideration to that side of the question and come to some decision as the United Kingdom Treasury has done.

Mr. HUMPHRYS : There has been much said already about this Bill and the Income Tax Bill passed yesterday, and there is no necessity for Members of this Council to be afraid of this question of excess profits tax. It seems to me that it has to come as a matter of course. I, personally, have nothing to do with what has been said by the hon. Member, for Georgetown North, but I hope this recommendation would meet with Government's approval. So far as the Bill itself goes, there is nothing whatever to be said. It seems to me that it has to come and I would be surprised if any Member of this Council, having regard to what the imposition of Excess Profits Tax means, would advocate or urge the retention of this measure.

Mr. RAATGEVER : My only comment is that the removal of this tax is very much overdue. It should have been removed the same time the Trinidad Excess Profit Bill was passed.

Mr. FARNUM : I think I have already said that I am in favour of the abolition of this tax, but I think Government should give consideration to the question of the margin of profits allowed to merchants. It seems to me that the margin is too high and some consideration should be given to the matter.

The PRESIDENT : If the hon. Member agrees I could see him for a minute on the subject. I would be prepared to give it the fullest consideration.

Mr. THOMPSON : I am supporting this Bill. When this measure was introduced I did not vote for it, in the very best faith, and I am glad to see that it is being abolished.

Mr. JACOB : I am not at all surprised to hear the views of certain Members; we now know who are the friends of the masses—those submerged people who have not got a voice or a vote. As I said yesterday, Government is introducing this legislation because there is fear that the new Council would not agree to the removal of the tax.

The COLONIAL TREASURER : I must object to that. If the hon. Member had said that other Members are supporting the Bill on that ground it would have been a different matter, but he cannot say that that is the reason why Government has brought it forward.

Mr. JACOB : I am not going to answer that; over \$1,000,000 is involved. I have seen and scrutinized the balance sheets of some of these big companies and I know how they compare with those of pre-war years. I wonder if the companies that have been paying Excess Profits Tax would show the value of their assets and what depreciation has taken place during the War years ? I am sure that if we got an expert valuer to do this it would be shown that there was not much depreciation, and I hope that in future the Legislature would be able to go into these things.

Only today I received a letter from Canada—I showed it to one or two Members of this Council but I have mislaid it—relating to this matter and the kind of

thing that goes on here. You have got controls and all that kind of thing, and some people have been put in a very favourable position and they have held on to it. Government has not taken any step towards reducing control or reducing the margin of profit.

Mr. RAATGEVER : To a point of correction. The margin of profit was reduced by 5 per cent. last year. I would like to remind the hon. Member who is a member of the commercial community of that fact.

Mr. JACOB : That does not say the margin is not still high. This tax will be removed as from 1945; I do not remember what was deducted for last year. My hon. Friend says it is not a fact that this measure is connected with the increase of income tax and I admit that there are other considerations in this matter. He also said that in Trinidad this tax was removed last year, but I would like to know whether the removal was to take effect from 1944 or 1945. I would like to have that question answered. If it was removed as from 1945 then he has said nothing because we are removing it as from 1944. I think it would be far better if we can get these things clear. I understand it has been removed in Trinidad as from 1945.

The COLONIAL TREASURER : I am sorry I have to interrupt. They have removed the tax as from the accounting period in 1946. If the hon. Member had said from the end of 1945 it would have been a different thing. The impression he was trying to give the Council is that it was removed for the whole of 1945.

Mr. JACOB : My hon. friend is so made up that he does not listen to me. I said from the end of 1945. If my hon. friend listens to me he would not be in any doubt as to what I say. I just want to put my views on record.

Mr. de AGUIAR : I would not like to interrupt the hon. Member, but I heard him say on two occasions that the intention was to remove the tax from 1945. He never said "from the end of 1945".

The PRESIDENT : Whatever he said has been made quite clear.

Mr. JACOB : This is something new. The hon. Member has just entered this Chamber and yet he says he heard what I said some time ago.

Mr. de AGUIAR : The hon. Member should have seen me standing and listening to his speech.

The PRESIDENT : If the hon. Member for North Western District does not want interruption he must not invite it.

Mr. SEAFORD : I would like to help the hon. Member by saying the same thing.

Mr. JACOB : I am the lone voice. The hon. Member for Georgetown North stated two or three things here yesterday, but I am not quite clear as to what he meant. It is not clear to me what he did say, but I would like Government to give its reply when the hon. the Colonial Treasurer replies, as to Excess Profits Tax having been removed in England as from some date in 1945 or 1946. My impression from private conversations is that Excess Profits Tax is going to be removed in April 1947 in the United Kingdom when the Budget is announced. Even if Excess Profits Tax is removed in England this year, retrospective one year or whatever the date is, there is no rigid control in England, and that is an important factor. In this Colony people are making exorbitant profits. The community is suffering from having to buy at any price and at the highest possible margin as fixed by legislation.

Mr. SEAFORD : I rise to a point of correction ! I understand the hon. Member to say that there is no control in England. There is more rigid control in England than in this country.

Mr. JACOB : No rigid control in this respect—in regard to the distribution of commodities to business houses and the margin of profits.

The PRESIDENT : The hon. Member is surely wrong. I think the hon. Member is really wrong there.

Mr. JACOB : I am satisfied, and I believe what I am stating is definitely correct. I want to make a comparison in this respect. In this Colony there is a quota

system which permits a man to get a certain quantity of goods proportionately on his imports up to four or five years ago. Because a man was a successful businessman during that period he gets that quantity, and no newcomer can get any. That man sits back, gets goods and sells at the highest possible price and what is more, most of these importers were in the wholesale trade in the years before Control came in, but today they buy goods, add the wholesale margin of profit on to the retail margin and retail most of those goods. Your Excellency, I do not think you know what goes on here on a very large scale in the majority of business houses. Most of them are not wholesalers but are retailers. The small businessman is unable to buy. I see the hon. Member for Central Demerara (Mr. de Aguiar) is not here. I wonder whether he has hidden away. I want him to refute this fact. He represents a big business house, large importers of certain items, particularly those items that are scarce. They get the wholesale margin of profit and the retail margin, and so it is definitely iniquitous to make all those profits and not pay what is the Excess Profits Tax.

Perhaps it is well, and I throw out the suggestion now, that Members of this Council should be given the right to inspect some of those papers, but charged with some oath not to divulge what they glean, and then make comparison with the profits made in 1941 and 1942. I challenge them to say they will agree to such a proposition. I challenge all those hon. Members who are so keen that this Tax should be removed, to say that what I am saying is not correct. In 1946 the profits made were greater than at the end of 1945 and possibly 1944. That is the acid test. Let us see what were the profits of all those people. It would be well to see those papers, not necessarily now. It is not because I would like to know what is happening, but because I think I am entitled to know, especially when Government is bringing forward such a measure which I consider so immoral and iniquitous. But Government is determined and the majority of Members are determined to do this thing.

We are told it has happened in Trinidad. Trinidad has several different taxes in regard to profiteering, and I do not know if you have those things here. I understand from the Georgetown Chamber of Commerce—a body of which I am a member—that in Trinidad controls are practically lifted on almost everything. Let that be disputed. The comparison is also made that in Trinidad controls are almost removed while in British Guiana controls are there and more rigid controls are being put on. That is what the Georgetown Chamber of Commerce says. I am going to ask the Chamber of Commerce to continue to ask that all these controls be removed or, if not removed, revised on a more equitable basis. I think something must be done to prevent the making of these excess profits. I think I have made the point that if you remove Excess Profits Tax, as you are going to remove controls or revise them, you must reduce the profits margin and do so immediately. The sub-Committee that is going into the Forest Industries of which I am Chairman, requested the Chamber of Commerce to reduce the profits margin on certain items. The request was made some time ago, but I do not think that anything has been done. I do not know what they recommend, but Government is guided by those people. Here you have a set of people advising about this and that and their advice is almost wholly accepted by this Government. That is the kind of thing we get.

The PRESIDENT : I think the hon. Member should go and look at the papers. He is quite wrong. I would say that the hon. Member is right that this Government headed by myself asked the Chamber of Commerce to consider a reduction of the margin of profits in 1946. They were certainly consulted but, believe me, the Government has made up its mind on the merits of the case. I think it is right that they should be consulted, not as advisers of Government, as to what to do. They should be told what Government has in mind and then they would put up their case and Government would make up its mind what to do. I can assure the hon. Member that Government has its own opinion on the subject, and I will be very pleased to show the hon. Member what Government has in mind.

Mr. JACOB : I am extremely grateful for the statement and the assurance, and I will take the opportunity to say something too as to what, associated with one hon. Member, I have discovered. I think it will make very interesting discussion when I mention that matter. My friend, the hon. Nominated Member (Mr. Raatgever) knows to what I refer, and the hon. Nominated Member (Mr. Roth) knows the circumstances too. That is all I will say at the moment. When one knows certain things—when they stare one in the face—one has to pay some notice to them, and so, Your Excellency, I hope you will agree with the conclusion we have arrived at when the matter is put to you. I was waiting for an opportunity to say this, and you have just given me that opportunity. Your Excellency, I am not at all satisfied. This country has been suffering from these ills for too long a time. I remember quite well when Income Tax was to be introduced in this Colony. Almost every Member of this Council was opposed to it. I do not know how it came to pass.

Mr. C. V. WIGHT : I was in favour of it !

Mr. JACOB : You were a child then; I have some knowledge of it. The rates were put very low. It was claimed that Income Tax would be a burden and Government would not be able to collect it. Some of those hon. Members are still Members of this Council, and I wonder what they have to say now. The argument now is that it is too burdensome. Of course, what else can you expect when you do not have a very sound method of levying taxation in this Colony and a sound method of collecting revenue ? What else can you expect when you have a most iniquitous system here that wants overhauling from top to bottom ? Unfortunately, the majority of the Members of this Council do not sit down and give the matter due attention. Some grumble that they have no time, they are too busy; and Government seems to like that. We have been discussing a Bill which ought to be postponed. Some of us who give time and attention to these matters are not given an opportunity to find out other people's point of view in order to compare it with Government's and with what is existing

elsewhere. It is a close preserve of Government to be advised by people who have, in most cases, self-interest. I hope I have made myself clear on that. That is the position.

I have no objection to Excess Profits Tax being removed; I want to make that perfectly clear. It must be removed, but this is not an opportune time to remove it in British Guiana. It has been made perfectly clear by other people that if it is not removed now it will never be removed. Surely this Government will always have an opportunity to govern; that is an inherent right in these Crown Colonies. Maybe I am wrong, but I think so. Perhaps when the new Governor comes the people will have the right to govern and not the Government. Perhaps that is the trend of events, and, if the people here are not given greater rights to have a greater say in the Government of this country, perhaps the United Nations Assembly would have to say something in this matter. We are making rapid progress here. The people here are hoping to make rapid progress, but whether the Government is going to join in the march is another story. Your Excellency said the other day that you were very anxious to co-operate with the Members of this Council. That is the proper thing, but this Council is not representative of the people at all. The Council is not representative of the people of this Colony, I see the hon. the Deputy President (Mr. Woolford) is smiling.

Mr. WOOLFORD : Because you have left out the words "This Council, constituted as it is."

Mr. JACOB : I am saying this Council is not—and there should be no fear at all if we are—proceeding along the right lines, for the people who have to live here and die here, and who have all their investments here. It does not do the correct thing when the time comes. We have been told that there are no wealthy people here. Wealth is made in this Colony and is carried away. It is not like in Barbados or Trinidad where the people believe Barbados or Trinidad is their country, and they live and die there. Even people born in this Colony tell you "I am going home", meaning the United Kingdom. That is what

has got this Colony in its present state; and all the profits made here are taken away. At one time I kept a list, and about five or six persons took away over \$3,000,000. It was fairly well known what amount of money those people had, people employed in the big concerns that are making quite a lot of money and pay Excess Profits Tax. If I were to follow my conscience I would talk until tomorrow morning on this subject, I feel so strongly about it. On the other hand, if I am satisfied I would say nothing more and sit down. I am satisfied that the policy of Government was and is being carried out—what is the reason I do not know—to allow people to make money, drain this Colony, bleed it white and to continue to do so. That is what has happened, and Excess Profits Tax is something that should remain here to benefit the people and develop this undeveloped country with homeless, clotheless and foodless people. If they are not fully so they are to a large extent so. You only have to go around and see conditions for yourself. I get so disgusted on going around and seeing this sad state of affairs in a Crown Colony. When you talk of Income Tax, all objections are raised. When you talk of Excess Profits Tax, it is said that you are going to drive Capital away.

I know this measure is going to be passed. If we do not get revenue in the form of Excess Profits Tax now from those people who pay it, we will have to get it from them in some other form later. This is an attempt to remove it because we will be able to build up a big reserve by it, but rather than allow this Colony to build up a big reserve it must be removed. We must not have a reserve; we must not plan for the future. Let me repeat. I shall certainly like to know who will not pay Excess Profits Tax in 1947 based on the 1946 accounts up to the end of December, and let those figures be compared with the previous year's assessment. I think something will have to be done about it. It is quite a legitimate thing to do—that Members be given an opportunity to look into it. It is not right that these things should continue. The matter is of grave importance to the community. I have stressed this sufficiently. It is always said that only one or two people say these things, but it is for Government to consider whether one

or two people are speaking only. It does not matter whether the majority are against me. I was told "Why worry, you are all alone!" I get a lot of comfort from that fact because my conscience is clear. I wonder if everyone can say what I have just said.

Mr. C. V. WIGHT : I would like to point out what the Chancellor of the Exchequer, a representative of the Labour Party in England, said about Excess Profits Tax which has been repealed in England. He distinctly said it was repealed because it was considered to be a damper on initiative. That is one of the reasons given when trying to fight an economic war. We are trying to go ahead. We want Capital: we want finance when supply is so much short of demand. We are endeavouring by this particular repeal to see if we cannot get something moving in this Colony and to get that development which we are all after. I am inclined, to a certain extent, to believe that we have not tightened Control as much as in the United Kingdom. I do not think the hon. Member really believes what he says. He told us that he conscientiously believed what he said, but I cannot believe him in the face of facts. Control in England is very tight, but I think it can be relaxed here to some extent as it is hampering our efforts. The people want to expand; they want to do business. Give them an opportunity to do so and do not keep putting them off—stalling them off—and just keeping everything in *statu quo* hoping that something will happen. Let this Control be exercised on the quota system with a little more elasticity than is being done at the present time. With regard to representation on the United Nations Organization this year, I do not know who will be represented. The hon. Member suggests that we should have a representative there who will take up our cudgels.

The COLONIAL TREASURER : We have been all a happy family party except one Member. There is only one point I want to reply to, and that is the point touched on by the hon. Member for Georgetown North. Curiously enough, it is precisely the same thing that fell from the lips of the hon. Member for North Western District. He said that he would like to

have the assets of the various firms paying Excess Profits Tax valued now, and the implication of the suggestion was that firms have been undervaluing their assets and thus escaping the full measure of the liability they have to pay. That may be so; if the stocks are undervalued they would pay less. But we hope they will eventually come home to roost and have to pay more later on. I mention that because the hon. Member for Georgetown North made the point that in England the repeal of the Excess Profits Tax was accompanied by certain concessions. One of those important concessions is that if any business can show that during the war and by reason of the war conditions they had been unable to effect certain repairs, certain maintenance, then they are allowed to reopen the assessment of the war years and to charge back any expenditure now incurred on those repairs and maintenance. Of course, hon. Members will see that that is a terrific proposition to be applied in this Colony. Can you imagine any firm after the end of 1946 coming forward with a case that but for the war they would have expended so many thousand dollars on some item of repair or replacement, and having put up that case and proved it the assessment of the previous years is reopened and they are given a refund? I do submit to hon. Members that the position of the unfortunate persons who have to administer such a concession will be terrible.

Mr. SEAFORD: Is it terrible in England?

The COLONIAL TREASURER: It is terrible, but the people there are more disciplined and more controlled, as the hon. Member himself said, and of course it will mean opening our revenue to raids. I cannot possibly concede the introduction of such a thing in this Colony. A letter has come in from an important firm in this Colony pointing out that this concession is made in England and suggesting that Government should consider it. If a case can be made out that such a concession is desirable, no doubt I shall have to bring the matter to the Government, and if Government considers it desirable I shall have to bring another Bill to the Council. I only mention that as I cannot conceive of

this Council seeking to reopen the assessments of previous years and allowing hypothetical claims that certain expenditure might have been incurred but could not have been incurred as result of the war. Apart from that, I do not think I have anything more to say. On the question asked by the hon. Member for North Western District as to the precise date when the English cessation applies, I have no precise information. I have heard it is to cease from a date in 1946, and, subject to correction, I think the date is the end of the financial year, the 31st March, 1946. I am not quite sure.

Mr. WOOLFORD: I think it was announced that it would take effect from October or November. I would like the hon. the Colonial Treasurer to say something about the accounting period. Should it end at 1945? That is the point made by the hon. Member for North Western District (Mr. Jacob).

The COLONIAL TREASURER: The hon. Member for North Western District is suggesting that we should not have put the limiting date at the 31st December, 1945. He thinks we should carry it further. The whole basis of our tax is to collect a year in arrears. If we take it off this year, it would mean taking it off in effect from the beginning of the previous accounting period, the 1st January, 1946, so if you like you can put it that way instead of the 31st December, 1945. If you do not want to do that, bring it in 1948. The whole arrangement should apply from the beginning of the last preceding year of assessment.

The PRESIDENT: The Colonial Treasurer having summed up, I shall now put the second reading of this Bill.

Question put, and the Council divided, the voting being as follows:

For: Messrs. Veerasawmy, Farnum, Raatgever, Thompson, Roth, King, Humphrys, Gonsalves, Critchlow, C. V. Wight, Seaford, Woolford, the Colonial Treasurer, the Attorney-General, the Colonial Secretary — 15.

Against: Messrs. Lee and Jacob—2.

Motion carried.

Bill read a second time.

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

COUNCIL IN COMMITTEE

Clause 1—Short title.

Mr. JACOB : I was surprised at the statement made by the hon. the Colonial Treasurer when he said that the assets of these companies should be valued by someone who knows this business so that if we do not collect the tax now we would collect it later on. I am sure the hon. Member does not mean that; his knowledge of these things is so wide and so great that he should not say that. He stated during the regime of the previous occupant of the Chair that the bauxite industry was in such a condition that in the following year anything might happen. I say that if we did not collect the tax in 1946 we should collect it later. There might be a slump in assets also and, therefore, we have to be careful. He is the financial expert who is advising this Government — he is the expert who has put this country in the financial chaos it is in.

The CHAIRMAN : Is that a fact ? It seems to me that it is the Economic Adviser who advises in things like these.

Mr. JACOB : I have expressed the opinion very often but I do not know if I made myself clear that the hon. Member's advice on financial matters is not worth anything. I did not want to put it that way but Your Excellency has compelled me. The gentleman sitting near to him (the hon. Member for Georgetown North) has referred to the United Kingdom but can you compare the United Kingdom —a place where bombs had been falling all during the War—with British Guiana ? Here you had people sitting and getting rich and accumulating money all the time, and only today a picture is being painted about the condition of the people in England—that the money they have saved should not be taxed. Income tax gives one a margin to live on.

Mr. SEAFORD : We are on clause 1; we are dealing with excess profits tax, not income tax.

Mr. JACOB : I would like the hon. Member for Georgetown North and the Colonial Treasurer to define what is excess profits tax and what is income tax.

Mr. SEAFORD : I thought the financial expert was on the other side.

The CHAIRMAN : The hon. Member for North Western District has made his point and it is up to any Member to ask that the question be put.

Mr. JACOB : I think I have made the point that the Colonial Treasurer was wrong when he said that if you do not collect the tax now you will collect it later on. Then there is the other point about the writing off of assets. That is what goes on all the time in the Executive Council and I object very strongly to methods of that kind.

The COLONIAL TREASURER : I think we are entirely at cross purposes. I was trying to answer the hon. Member's suggestion. By assets I meant stocks; all stocks were not valued during the War. So far as I recollect, what I did say was that undervalued stocks when sold and realized must increase profits in a subsequent period, and therefore we will collect the tax. What I want to say is that at some future time the chickens will come home to roost as the income of those firms would go up. I do not mean to refer to the Bauxite Company; foreign assets have nothing whatever to do with the Bauxite Company.

Clause 1 put and agreed to.

Council resumed.

The PRESIDENT : Would hon. Members like to leave the Bill here, or would they like to take the third reading today ?

The COLONIAL TREASURER : I would like to have the Bill taken through all its stages today. I shall move the third reading a little later.

The PRESIDENT : Then let us go on to item 3.

INCOME TAX (AMENDMENT) BILL, 1947.

The COLONIAL TREASURER : I beg to move that the following Bill be read the third time and passed :—

A Bill intituled "An Ordinance further to amend the Income Tax Ordinance by increasing in certain cases the rates of tax on persons, by increasing the rate of tax on companies other than Life Insurance Companies, and by increasing the rate of deduction from interest payable to non-resident companies."

The COLONIAL SECRETARY seconded.

Question put and agreed to.

Bill read a third time and passed.

EXCESS PROFITS TAX (CESSION) BILL, 1947.

The COLONIAL TREASURER : With the permission of the Council I beg to move that the following Bill be read the third time and passed :—

A Bill intituled "An Ordinance to make provision that Excess Profits Tax shall cease to be charged in respect of any accounting period or part thereof which falls after the thirty-first day of December, Nineteen Hundred and Forty-five".

The COLONIAL SECRETARY seconded.

Question put and agreed to.

Bill read a third time and passed.

The PRESIDENT : Would hon. Members like to go on to item 6 ? One hon. Nominated Member has not got his papers: what about item 7 ?

JOHN ALDIE PENSION BILL, 1947.

The ATTORNEY-GENERAL : I beg to move the second reading of the following Bill :—

A Bill intituled "An Ordinance to make provision for granting a pension and gratuity to John Aldie".

This Bill is intended to provide a pension for Mr. John Aldie who has, throughout the course of many years, performed very arduous duties for Government in the interior of this Colony. His work has been very difficult and he has performed it very faithfully and zealously. Under normal conditions he is not entitled to a pension and the object of this Bill is to provide for that pension in respect of the services which

he has so faithfully rendered to Government. The amount of the pension proposed to be granted to Mr. Aldie, if this Bill is passed, is set out in clause 2 of the Bill and it would be a pension at the rate of \$1,091 per annum and a gratuity of \$3,637 with effect as from November 1, 1946. I now move that the Bill be read the second time.

Mr. SEAFORD seconded

Mr. LEE : I cannot agree to the passing of this Bill because, as the Member for the district in which this officer worked, I know what has occurred. This officer entered into a contract with Government and was satisfied all the time with the salary he received. I would like to hear from Government whether at any time he complained that the salary agreed upon in his contract and which he received was not satisfactory. Further, I would like to know whether Government has recovered a certain sum of money which he received from the B.G. Consolidated Goldfields, Ltd. whilst in the employ of Government. I do admit that the interior is a place where there are few amenities with which to live and otherwise, but I would like to find out whether certain amenities were not provided for this officer at the expense of Government while the other workers there were not even provided with a shed in which to live.

I happen to know that the grievances of certain employees there were put to Government but nothing was done except that they were transferred. I cannot agree to the granting of a pension to this officer and I feel that Government is taking advantage of the position in this Council, because if the true facts are known this Bill would not be passed. I would ask that it be postponed in order that I could find out whether certain other officers who served Government on contract did not ask for pensions and their requests were not considered. I desire to enter my protest against the passing of this Bill.

Mr. ROTH : This is not the first occasion on which the hon. Member who has just taken his seat has expressed his views on this question. He did so about a month or two ago and the then President stated that the officer in question had been

filling a very difficult position and he considered him a very fine man at his job. The hon. Member for Essequibo River could very well have ascertained the information he asked for about other officers before now. He referred to the receipt of money by this officer from the B.G. Consolidated Goldfields, Ltd., and that is so. A dredge belonging to that company sank and they asked Mr. Aldie to assist in removing it. Some money was paid to Mr. Aldie for the assistance given and he handed it over to Government. I think a portion of it was handed back to Mr. Aldie but there was no suggestion whatever of anything underhand in the matter.

I am surprised to hear the hon. Member who knows so much of the interior speaking about the absence of sheds for the workmen when they sometimes have to roam as much as four miles during the day. The hon. Member is talking with his tongue in his cheek. I myself have had to live under sheds and work sometimes under these conditions in the interior. That the officer in question must have been quite good can be gauged from the fact that Government retained his services 10 years beyond the time they were due to end. I admit that it is easy for Government officers to retire at a certain age and that their services are not extended as a rule, but this is one of them. I support the motion whole-heartedly.

Mr. VEERASAWMY : It gives me very great pleasure to support this Bill. I am disappointed and surprised at the opposition by the hon. Member for Essequibo River and I was pleased to hear the explanation given by the previous speaker. For some years it was my privilege to travel in the Essequibo district and while I kept very much to myself I kept my eyes and ears open. I might have been able to enjoy the hospitality of Mr. Aldie but I kept out. I can assure you, sir, that I have never met a more conscientious man than Mr. Aldie. I had the privilege of meeting him and seeing the work he had to do under very difficult conditions indeed. I do not think there is a Government officer in this Colony who can go through his career without displeasing somebody and though it might be stated that this officer

has displeased some person or persons, I can testify to his merit and ability during the service he has given to this Colony. I do not think a more deserving case has ever been put to this Council. A man going to the age of 70 years should be given some competence for the many years of service he has rendered.

Mr. C. V. WIGHT : If the hon. Member who opposed this Bill had stated that it would be a dangerous precedent to grant pension and gratuity to an officer employed under contract, he might have received some support because I myself have held that view, but I was unable to get the idea accepted in this Council when Government proposed a Bill of this kind some time ago and when we were told that it would be for a short time. Unfortunately, the officer died shortly afterwards and it was considered that he had a considerable amount of money. I have just heard mention of the incident in which some money was paid by the B.G. Consolidated Goldfields, Ltd. to this officer in connection with some work. I do not think the hon. Member for Essequibo River suggested that there was any dishonesty, but I think he meant that in his position as a Government officer Mr. Aldie should have applied for permission to undertake what he did undertake. I also understand that the work in question was done outside of official hours—on Sundays and after hours—and there was no question of impropriety—graft or otherwise. Had the hon. Member for Essequibo River confined himself to the fact that we have to be careful about granting pensions to persons employed under contract he would have had my support because I do not know how many of them would creep in, but I am supporting the Bill in its entirety.

Mr. JACOB : I want to make it perfectly clear that whatever I am going to say it does not mean that I grudge paying a pension to a conscientious civil servant. I think that when one is employed under contract due consideration is given to the fact that he is not going to get a pension and a lump-sum bonus, and so on. I am not going to say that the gentleman concerned has not given meritorious service, but there is a rule that officers should retire at sixty and this gentleman was

allowed to go up to 70 years. Perhaps he kept very good physical condition and I think when he worked for the 10 years extra he received his maximum salary. Now he is to be paid a pension and a gratuity but I do not think the Colony can afford to pay both. I think it should be one or the other as the gentleman knew he was employed on the distinct understanding that he was not entitled to either a pension or a gratuity.

If Government feels that this is the way to give away the taxpayers' money and other Members feel it should be done then let them do so. In principle, however, this thing is not right. If Government thinks he deserves a gratuity for meritorious service it should be paid, but I have had my attention drawn to several complaints against this gentleman. I do not know whether they were right or wrong, but I spoke to the hon. Member for Essequibo River about them. I think hon. Members would remember that a certain individual — one of the persons who had a grievance against this gentleman — was so terribly hurt that he came into this Council with a placard bearing the words "God save the King". When a man was moved to such an extent there must have been something very much wrong. The man came to this Council once and I think there were several letters dealing with his complaint also

In contrast to what the hon. Nominated Member, Mr. Veerasawmy, has stated there is the other side of the picture. I was impressed by the individual who came to this Council bringing the King's representation with him for some redress. Whether he got that redress or not I do not know. I do not think we should create this precedent, however.

The PRESIDENT: As no other Member wishes to speak I will put the motion for the second reading.

Motion put and agreed to.

Bill read a second time.

COUNCIL IN COMMITTEE

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

Clause 2—Power to grant pension and gratuity to J. Aldie.

Mr. LEE: I would like to ask Government whether this pension and gratuity has been calculated on the contract salary or on the salary of a Road Overseer whom this gentleman was supposed to represent. If it was calculated on the contract salary then I say it is inequitable because it is a case where an ordinary Overseer would have been doing the work and Government might have to give similar treatment to other overseers.

The ATTORNEY-GENERAL: The only difference between Mr. Aldie and any other Government employee is that Mr. Aldie was being paid out of an open vote. His post was not classified in the Estimates.

Mr. LEE: What was his salary? The calculation should have been made on the highest salary of a Road Overseer in this Colony.

Mr. JACOB: It is clear that the pension has been fixed on a higher salary than that of a similar Overseer on the Fixed Establishment

The COLONIAL TREASURER: For the information of the hon. Member who has just spoken, the position is that this officer was employed at a contractual salary which was higher than normal and at Government's request his services were extended. The main point is that in some cases people are brought from abroad and employed on a non-pensionable basis — I think that is the argument — but in Mr. Aldie's case he was in this country for many years and he was really employed on a non-pensionable basis from time to time but his salary was not fixed with reference to any of these considerations at all. I think he was engaged as Maintenance Superintendent at \$220 per month and from January, 1945, his salary was raised to \$250 per month. Of course, the computation as regards his pension and gratuity has been made on the basis of his salary of \$250 per month and the whole point is that Government considered that the salary of \$250 per month was not an abnormal salary for the kind of work he was called upon to do.

I have myself seen Mr. Aldie at work; I have been on the Potaro Road and have seen him at work and could not imagine

how it was possible for a man of his age to do work of that nature. To class him as a Road Overseer is stretching it too far, and I do not think the salary of \$250 per month was too much having regard to the kind of work he had to do. I think it was quite fair to have his pension and gratuity computed on this basis.

Mr. LEE : All I know is that the gentleman who came here with the placard marked "God save the King" was the person who gave Mr. Aldie the ideas he used with regard to the making of the roads. Does this Council know that he was in charge of all the roads and that he was dismissed ?

Mr. JACOB : The salary of \$250 per month is higher than that paid to some Magistrates. My hon. Friend (the Colonial Treasurer) has taken up the cudgels of Mr. Aldie and has referred to his salary and his qualifications, but Magistrates who have given service in the past have not been treated in this way. There are others maybe — some in the present and some in the future — who will be treated this way, but the views expressed by the hon. Member for Essequibo River are very sound. I thank the hon. Nominated Member, Mr. Veerasawmy, for speaking as he has done, but I wonder whether he was treated in the same way by Government.

Mr. SEAFORD : If hon. Members went up to the Potaro district they would know that the work done by Mr. Aldie was very much more valuable than that of a Road Overseer. The hon. Member for North Western District has himself stated here how the East Bank road should be done although he was informed that it was a question of materials and supervision that had to be provided. I venture to say that some hon. Members do not seem to appreciate the value of the work Mr. Aldie has carried out in the Potaro district, and as an engineer I object to the manner in which certain Members have been trying to belittle it. I go further and say that they have been trying to treat him in this Council as a buffoon and I object strongly to it.

Mr. JACOB : I rise to a point of order. That is not Parliamentary language and I think the hon. Member should withdraw it.

The CHAIRMAN : He said "buffoon" and I do not think there is anything unparliamentary in that. I think we should go on

Mr. SEAFORD : I think we are completely ignoring the point about the valuable services rendered by Mr. Aldie. The hon. Member is posing as an expert, but I have never heard him say anything about the good work Mr. Aldie has done. I have never been where he works, but I deplore personal feelings in a matter of this kind. Members are entitled to express their views but they should avoid any display of personal feelings. I think this clause should be put to the vote.

Mr. JACOB : I take strong objection to the hon. Member for Georgetown North saying that I am an expert. I have never posed as an expert; I have always said I am a layman.

The CHAIRMAN : I was about to speak when the hon. Member interrupted me. The point is whether you think this Officer should have a pension or not. If you do, you should vote for the Bill.

Mr. JACOB : I was saying that I have never posed as an expert and to talk about roads being in a good condition in this Colony is a puzzle to me. The hon. Member for Georgetown North is an expert on roads, not me.

Mr. SEAFORD : I beg your pardon; I have never given any expert opinion on roads.

Mr. LEE : I would like to erase any wrong impression that might exist as regards personal feelings on my part. I made a complaint to Government about certain things that were done on the Potaro Road, but no reply was sent to me. If Your Excellency feels that I have any personal interest in this matter I would say that I have none whatever, but I do not feel that a person who entered into a contract to receive a certain sum of money for his services should be paid anything outside of that contract.

Clause 2 put and agreed to.

Council resumed.

The ATTORNEY-GENERAL: I beg to move with the permission of Council that this Bill be now read a third time and passed.

Mr. SEAFORD seconded.

Question put and agreed to.

Bill read a third time and passed.

INCOME TAX (AMENDMENT NO. 2) BILL.
1947.

The PRESIDENT: There is a very thin Council now, but I would like hon.

Members to meet the Colonial Treasurer to discuss this double taxation Bill on Wednesday next. It is very important that this Bill should be decided on. This Council has been invited to meet Miss MacInmanus and I suggest that after this Council has met her informally hon. Members should discuss the taxation Bill. I hope as many Members as possible would come at 10 a.m., on Wednesday. Council will now adjourn until 2 p.m. on Thursday next.