

THE DEBATES

OF THE

LEGISLATIVE COUNCIL OF BRITISH GUIANA.

OFFICIAL REPORT

OF
*PROCEEDINGS AT THE FIRST SESSION OF THE THIRD
LEGISLATIVE COUNCIL.*

LEGISLATIVE COUNCIL.

TUESDAY, 15TH OCTOBER, 1935.

The First Session of the Third Legislative Council of British Guiana was opened in the Council Chamber, Guiana Public Buildings, on Tuesday, 15th October, 1935, with the customary formalities and ceremonials.

PRESENT :

The President, His Excellency the Governor, SIR GEOFFREY A. S. NORTHCOTE, K.C.M.G.

The Honourable The Colonial Secretary, MR. E. J. WADDINGTON, C.M.G., O.B.E.

„ The Attorney-General, MR. HECTOR JOSEPHS, K.C.
T. T. SMELLIE, O.B.E. (Nominated Unofficial Member).

Major „ W. BAIN GRAY, C.B.E., Director of Education.
J. S. DASH, Director of Agriculture.

„ E. A. LUCKHOO, (Eastern Berbice).
„ E. G. WOOLFORD, K.C. (New Amsterdam).
„ E. F. McDAVID, M.B.E., Colonial Treasurer.
„ J. MULLIN, O.B.E., Commissioner of Lands and Mines.
„ W. A. D'ANDRADE, Comptroller of Customs.

Major „ J. C. CRAIG, D.S.O., Director of Public Works.
„ Q. B. DE FREITAS, Surgeon-General (Acting).
„ PERCY C. WIGHT, O.B.E. (Georgetown Central).
„ J. ELIAZAR, (Berbice River).
„ J. GONSALVES, (Georgetown South).
„ J. I. DE AGUIAR, (Central Demerara).
„ JUNG BAHADUR SINGH, (Demerara-Essequibo).
„ M. B. G. AUSTIN, (Nominated Unofficial Member).

The Honourable PEER BACCHUS, (Western Berbice).

„ E. M. WALCOTT, (Nominated Unofficial Member).

„ H. C. HUMPHREYS, (Eastern Demerara).

„ A. R. CRUM EWING, (Essequebo River).

„ C. R. JACOB, (North Western District).

„ A. G. KING, (Demerara River).

„ S. H. SEYMOUR, (Western Essequebo).

„ J. W. JACKSON, (Nominated Unofficial Member).

The Archdeacon of Demerara (Ven. W. L. Kissack, M.A., O.B.E.), in the absence of His Lordship the Bishop of Guiana, read prayers.

MEMBERS SWORN.

The President and Members of the Council in their order of seniority took and subscribed to the Oath.

THE PRESIDENT'S SPEECH.

THE PRESIDENT addressed the Council as follows:—

HONOURABLE MEMBERS,

The pleasant duty falls to me to-day in opening the first session of a new Council of bidding all Members a hearty welcome and congratulating those who have achieved victory in their electoral contests. It is my earnest desire that we may work together successfully in British Guiana's interests and that the life of this new Council may witness the Colony's emergence in a great measure from its financial difficulties: so stubborn and so great are the latter that I dare not venture the hope that in the short space of five years we shall be clear of them. In particular I extend a warm welcome to Mr. Waddington, the new Colonial Secretary, and at the same time I express my high appreciation of the great assistance rendered to me by Major Bain Gray during the past four months while acting as Colonial Secretary.

In Resolution No. 15 of the Fifth Session of 1934, the Legislative Council passed a Resolution condoling with Mrs. Millard and her sons on the death of her husband. Mrs. Millard has asked that her and her sons' thanks be conveyed to the Council and an expression of their high appreciation of the Council's message of sympathy.

A visit by the Permanent Under Secretary of State for the Colonies to the Colonies in the West Indian area has already been announced in the newspapers. Sir John Maffey's itinerary has not yet been worked out in detail but this will be made known as soon as possible. Honourable Members will, I feel sure, endorse the warm invitation which I have sent to him and Lady Maffey, who will accompany him. While the limited time at Sir John Maffey's disposal will not allow him to visit every Colony in the area and in other cases only a brief call will be practicable, I am hoping that it will allow him an adequate opportunity to form a personal view of the principal problems of British Guiana.

The principal business that will come before the Council during the next few weeks will be consideration of the draft estimates for the forthcoming year: I shall have something to say on that subject in this address but I think it advisable to preface those comments with a short statement of the current financial position and outlook of the Colony.

CURRENT FINANCIAL POSITION FOR 1935.

The revenue returns to the 30th September indicate that 72 per cent. of the estimate for the year has been collected—a percentage of collection exactly equal to that yielded at the same date in 1934. The receipts are, however, less than those of the previous year by some \$50,000, but this fact need give rise to no concern, as the reduction is due principally to the withdrawal of the levy on civil servants' salaries and to fortuitously high collections in 1934 under estate duty: minor shortfalls are shown by customs duties and income tax. On the other hand interest

has gained through prompter payment by the Georgetown Town Council of an instalment of its annual charge and receipts from licence duties and lands and mines revenues are well up on last year. Generally the revenue collections have been better than was anticipated and Honourable Members will observe that in the draft estimates the revenue has been revised upwards to \$5,050,057. This is an improvement of \$80,728 over the estimate made last year, but actually the situation is better still from an economic point of view, for the revised estimate of extraordinary general revenue has been marked down by \$10,400, the amount by which the windfall from the sinking fund has shrunk, so that the real improvement in the Colony's estimate of ordinary revenue over last year's estimate is \$91,128. Improvement is also shown in the revised estimates of gross receipts by the Transport and Harbours Department, where an increase of \$10,874 is to be found in the estimated gross receipts as compared with the original estimate for this year. On the side of expenditure savings nearly balance with excesses over approved estimates as printed.

The outcome of the revised estimates is a deficit of \$486,236 and at that figure the appropriation from Imperial loan-grants-in-aid that will be required to balance the year's transactions, after setting off the surplus brought forward from 1934, will amount to \$79,639. When the original estimates for this year were drawn and before the actual surplus at 31st December, 1934, was known, that appropriation was put at \$276,152; the improvement, therefore, in the Colony's immediate prospects, as viewed when estimates were before the Legislative Council last year, is in the neighbourhood of \$200,000.

ESTIMATES 1936.

REVENUE.

I will turn now to the estimates for the forthcoming year. First comparisons show that the total Colony revenue for 1936 is lower than that for 1935 by \$77,764: actually, however, the true revenue prospect is better and not worse than it was twelve months ago. The true relative position is seen if the totals of revenue from heads I. to XIII. are compared, that is to say if the windfall of \$200,000 from the sinking funds is omitted from calculation: for it is by the amounts

described in the revenue summary as 'Total ordinary revenue' that the variations in the Colony's income can rightly be gauged. If the real Colonial revenue is studied it will be seen that 1936 promises to yield \$122,236 more than 1935 undertook to give, and, what is also encouraging, \$31,108 more than the revised estimate for the current year.

The outstanding features in the revenue estimates are, firstly, an increase of \$75,000 under Customs: as will be observed from the details of the revenue estimates every sub-head under this head has been put up and stands for next year at the figure in the revised estimates for the current year. Secondly, Internal Revenue shows an improvement of \$20,720, due almost entirely to income tax. Thirdly, the head Forests, Lands and Mines, promises an increase of \$19,740, due chiefly to greater expectations from timber royalties, exclusive mining permissions and royalties on bauxite, but nearly all the sub-heads under this developmental revenue show small increases, only one—licences for rubber, balata, etc., a small decrease. In this connection I am happy to be able to quote the Colonial Treasurer who wrote to me that "there are distinct indications of a steady increase in the receipts under lands and mines revenues and it can confidently be expected that this increase will continue at an accelerated rate in future." Interest also is higher by \$15,670. The decreases in the revenue estimates are negligible. Head IV. drops by \$5,134 but \$3,684 of that amount is accounted for under the Boundary Commission sub-head.

Although in one sense it is out of place it will, I think, be pertinent to speak here of the revenue estimated for the Harbour and Transport services for next year. The figures are to be found on page 10 of Appendix A. of the estimates volume. The Transport and Harbours Board estimate that in 1936 the department will take in gross receipts \$53,825 more than they anticipated a year ago for the current year. This increase is expected from

Steamer and launch receipts	... \$ 10,700
Harbour and Pilotage dues, and ...	21,850
Bartica Triangle road transport receipts	43,975
Total	... \$ 76,525

On the other hand smaller revenues are expected from the two railways as follows :—

East Coast Railway ...	\$ 20,200	
West Coast Railway ...	2,500	22,700
Net increase		\$ 53,825

It will thus be seen that the Colony expects next year a revenue on recurrent accounts higher than that expected for this year by \$122,236 while the Transport and Harbours services hope to raise their earnings by \$53,825, a total gain of \$176,061.

These improvements in revenue are very welcome, not so much on account of their volume, which is not very great, as because they indicate that British Guiana's earning power is moving in the right direction. That it should continue to do so at only a slowly accelerating pace is, I fear, the limit that we should put upon our optimism. Though there is, I hold, good reason to cherish hopes of a steady increase in revenue from gold and timber, I can see no ground for believing that any spectacular change can be brought about in the Colony's revenue. Unfortunately, as I have now to disclose, the Colony's expenditure is doomed to rise in the near future far more rapidly than can be expected of the revenue.

EXPENDITURE ESTIMATES.

For reasons which, I hope, will be clear and convincing when I come to speak of the estimated deficit for the next year and of the financial outlook of the Colony, the expenditure estimates have been drafted with stringent economy. Certain heads, notably Education, compel increases to be made and these reduce the effect of the endeavour after economy to a net saving of \$163,273: extraordinary expenditure shows a reduction of \$41,804.

With one or two minor exceptions the draft estimates follow the lines of those approved for the current year: the various changes in detail are set out in the notes in the volume itself and the explanatory memorandum which is furnished with it; they will also be one of the principal subjects of the Colonial Secretary's remarks when submitting the estimates to this Council. I will, therefore, detain Honourable Members for as short a time

as possible by my own comments on them. Certain points, however, call for mention.

There is only one proposal which may be described as innovatory and that will be found under the Prisons head, where provision is made for the establishment of a prison camp on the Bartica-Issano road. The real purpose of this scheme is to help discharged prisoners of a suitable type to make an honest living in gold or diamond digging. The difficulty in finding employment which confronts men recently released from prison needs no explanation on my part and Honourable Members will, I believe, be equally ready to believe that such men are deterred from seeking a living in the bush partly because of the overrated strangeness and hardness of life there and partly because they lack both the means to get there and the little capital which an outfit requires. The Inspector of Prisons' proposal is to erect a camp at a site along the road where laterite is available and to send thither convicts nearing expiry of their sentences who are physically fit and likely to turn to mining for a living. As convicts they will be employed digging laterite for road repairs, which should effect a considerable reduction in the cost of maintenance of the roads in the Bartica triangle. Their period in camp will inure such men to bush life and will disabuse their minds of exaggerated ideas as to the hardships of existence there. When their sentences have expired they will be given an outfit of food, clothes and tools and such help as is possible to get to the gold or diamond fields.

Honourable Members will observe that the estimates contain five proposals for personal or duty allowances, which appeared in last year's draft estimates but were withdrawn in Committee. Government has given careful thought to each of these proposed allowances and is convinced of their propriety; I trust that in fairness to the officers concerned Honourable Members will vote in favour of them.

It will be observed that the vote for education has increased by \$15,996 of which some \$12,500 goes to grants to schools. This additional expenditure is imposed on Government automatically by the re-action of existing legislation, which makes education compulsory, upon the

natural increase of population. It is gratifying to know that that increase is taking place but the fact must be faced that it tends to enlarge the difficulties of an already strained situation. Even now most of the schools are crammed and overflowing and in many cases they have no room to expand their accommodation. This is one of the inevitable liabilities which the Colony must meet as best it can. The education estimates for 1936 also exceed those for the current year in the provision for scholarships by \$2,000. The explanation of this will be found in the notes and memorandum on the estimates.

Growth in the number of in-patients and out-patients at the Georgetown hospital calls for an increase in the nursing staff which is now suffering seriously from overwork and shortage of leave.

The X-Ray equipment at the Georgetown hospital is now so antiquated as to be dangerous to the radiographer using it. This, of course, cannot be permitted and new equipment has to be bought. Head XX. is enlarged thereby.

The increase in provision for the poor is regrettable on every account; it is, I fear, inevitable in our present circumstances. Heavy though the cost of this service is, it would be far heavier but for the many admirable privately conducted institutions which are supported by the charity of individuals and firms in this Colony.

It is a relief to find a net reduction of \$15,680 in public debt charges but unfortunately, as I shall explain later, it will not be long before these rise again to a greater height than ever. Under the Public Works votes the Pure Water Supply branch is being reduced by one driller who has been operating the plant used on private estates. The contracts in sight for such work are nearly at an end: should others be offered before this unit is closed down I shall consider coming back to the Council for further funds.

Maintenance of roads requires another \$5,000 owing to their extended length and an increase of \$4,000 is sought on extraordinary expenditure on buildings: on the other hand that form of expenditure on roads and bridges is smaller by \$44,000. The principal works to be undertaken are the

gradual re-erection of police headquarters on Brickdam which are in a shocking state, a badly needed enlargement of the mental hospital at New Amsterdam and new premises for X-Ray work at the Georgetown hospital. The present premises are reported to be dangerous to both patients and operators, especially in wet weather, owing to the low level of the floor which is of concrete.

There is welcome reduction in the cost of maintenance of sea defences, due to the beneficial effect of the permanent works which the Colony has been steadily building.

The principal factor in the reduction of the estimates for current expenditure is a diminution of the amount required to balance the expenditure and revenue of the Transport and Harbours Department, the estimate being less by \$150,717 than it was for the current year. \$100,000 of this year's vote was, of course, for a new steamer and some part of the remainder of the decrease is accounted for by smaller provision for extraordinary works; but the greater portion is due to a higher estimate of earnings, a very satisfactory reflection.

There are two items of interest in the estimates of the Transport and Harbours Department as approved by the Executive Council. The first is the proposed creation of the post of Training Officer and Pilot. It is the opinion of the Transport and Harbours Board that the training given to young officers and crews on the Colony's steamers has been gradually deteriorating for some years and that in view of the amount of capital invested in these vessels it is necessary to bring in a senior officer with a Master Mariner's Certificate and deep sea experience in order to raise the standard of seamanship. This officer will not only train pilot apprentices and ship's officers and crews, he will also be available for pilot's work when required.

The second item is the provision for the extension of the stelling at New Amsterdam by some 450 feet, at a cost of \$25,000. The mud bank on the eastern bank of the Berbice River is steadily growing and the department's steamers are finding it more and more difficult to reach

the stelling head at low water: before long it will be impossible. For the same reason the bill for repairs to the steamers is rising. The alternative of choosing another site up-river was considered and rejected, and the decision of Government to extend the present stelling has full approval of the local community. A despatch recommending this project is now under preparation.

There is a great drop in the estimated expenditure on schemes financed from the Colonial Development Fund, but I hope before long to be in a position to ask this Council's acceptance of grants or loans for certain purposes including a four year programme of mineralogical survey and for extensions of the pure water distribution system.

It may be of interest to Honourable Members to learn that the cost of increments to salaries in the draft estimates is \$24,084 and that the total of new services asked for amounts to \$16,506, of which \$6,206 represent personal emoluments.

The estimates have been drafted on lines so similar to those approved last year that I feel emboldened to hope that their passage through Committee will be short, thus facilitating their transmission in reasonable time to the Secretary of State. The Council will, I feel sure, appreciate the embarrassment that is caused to Government when as was the case this year, approval was received only in the sixth month of the financial year: moreover, the dignity of this Council demands that the Colony shall be administered throughout the full relevant period along the lines which the provision made by it permits and directs. For these reasons the estimates have been introduced a good deal earlier than was the case in 1934; it is hoped that in 1936 it will be possible to hold the estimates session a month earlier still.

THE DEFICIT.

The estimated expenditure for 1936 other than for Colonial Development Fund schemes being \$5,322,674 and the estimated revenue on the same basis being \$4,891,565, the expected deficit for next year amounts to \$431,109. Revised estimates indicate that the deficit at December 31st next will be \$79,639 to

cover which the Imperial Treasury has issued a loan-grant-in-aid of \$96,000. The balance in hand on January 1st, 1936, in these circumstances will be \$16,361 and it is therefore necessary to ask for a loan-grant-in-aid of \$414,748.

Honourable Members will agree with me that this is a very grave consideration. In the face of it I have had to abstain from including in the expenditure estimates many items of which this Colony is in great need. It is not through oversight that they do not contain provision for a second Puisne Judge or that a greater amount has not been allocated to the maintenance of roads, and these are but two examples of the many necessities without which we must try to carry on. Many such requests have received my anxious consideration before I came to the conclusion that to accede to them would be to act without a right sense of responsibility.

PUBLIC DEBT.

In my address to the last Council in July I spoke at some length on the subject of the Public Debt and I have already touched upon it in this address: I will therefore not dilate at length upon it now. At the end of next year the Debt is expected to stand at about \$22,300,000 inclusive of the Colonial Development Fund loans and the new loan which must be raised before long in order to pay off borrowings from the Crown Agents against sea defence works and to finance other such works that are in contemplation and certain anti-flood measures. At my request the Colonial Treasurer has made an analysis of the loan expenditure, classifying the objects for which loans have been raised. That analysis is reproduced in part I. of the appendix to this address: as will be seen, expenditure on sea defences represents about one-third of this total—expenditure on sea defence, drainage and water supply more than 70 per cent. of the whole.

A serious consideration in this matter is the rapidly growing extent to which Public Debt charges will be increased during the next seven years on account of recent borrowings from the Colonial Development Fund. The equated annuities falling due in discharge of these loans

during the period will amount to the following:—

1936	\$ 5,182
1937	10,517
1938	21,168
1939	31,144
1940	49,330
1941	75,940
1942	79,391

Honourable Members will, no doubt, bear this impending liability in mind when projects involving expenditure are under discussion.

While on the subject of the Debt I will take the opportunity to inform the Council of the reply made by the Secretary of State to a petition which was presented to the last Legislative Council urging him to give effect to a motion which had been passed by that Council in January last. That motion was in effect a request to the Secretary of State to allow a large loan to be raised for the purpose of a comprehensive drainage and irrigation scheme. The Secretary of State has requested me to reply that he has received and considered the petition and motion. The desirability of the economic development of British Guiana is fully appreciated by him, as will be recognised by the consideration which he gave to the question of raising a loan to meet the cost of certain of the recommendations of the Floods Relief Committee in respect of drainage and irrigation. But the financial position of the Colony and its existing burden of public debt, as well as the economic position of the sugar and rice industries, preclude favourable consideration being given at the present time to a further loan being raised for comprehensive schemes of the nature envisaged in the resolution. The Secretary of State further desired me to add that he endorsed the

statement of the general principles which should govern local development which I made in my address to this Council on July 2nd last. I do not intend to burden Honourable Members to-day with a lengthy repetition of those principles, though I take the opportunity to reaffirm them. They amount to this that all projects for development must be considered from three points of view; firstly whether they are likely to be adequately remunerative; secondly whether they are within the limited scope of the Colony's capital and credit; and thirdly what their reaction upon already established industries will be.

Before leaving this subject I would invite the attention of Honourable Members to the schedule of loan expenditure which will be laid on the Table this morning, copies of which will be circulated to Members. Its object is to show how expenditure on current loans and advances to Government from all sources stand and what further expenditure is anticipated. The intention is to distribute revised copies of this schedule to Members from time to time in future in the hope that it will enable them to watch that form of expenditure more easily.

OUTLOOK.

I have obtained from the Colonial Treasurer returns, covering the last thirteen years, on the one hand of the grants and loan-grants, exclusive of Colonial Development Fund or Empire Marketing Board schemes, which have been received from the Imperial Government and, on the other, of capital taken into revenue such, for example, as the balances of our reserve funds in 1934 and the windfall from sinking fund in 1935. Those returns have been joined in a table with the following result:—

Year.	Received from Imperial Government.	Capital transferred to Revenue.	Total.	Credit or Deficit at end of period.	Working Loss during period.
	\$	\$	\$	\$	\$
1922	...	...	...	Cr. 108 960	
1923-1930		1,949,227	1,949,227	527,789	2,585,976
1931	1,800,000	12,569	1,812,569	187,199	1,471,979
1932	580,293	266,592	846,890		659,691
1933	212,661	168,887	381,548	Cr. 87,038	294,510
1934	343,876	428,688	772,564	Cr. 406 597	453,005
1935 Rev. Estimate..	79 639	189,600	269,239		675,836
Total 13 years	3,016,474	3,015,563	6,032,037		6,140,997
1936 Draft Estimate	431,109	...	431,109		431,109
Total	3,447,583 (1)	3,015,563	6,463,146		6 572,106

(1) Free grants \$1,256,978; Loans in aid \$2,190,605.

It will be seen that in order to pay its way the Colony has been steadily consuming its capital for the last thirteen years until now that capital has gone. The amount thus consumed is \$3,015,563. The aggregate working loss of the Colony during the thirteen year period has been \$6,140,997 and the average annual loss \$472,000, a figure which corresponds almost exactly to the average annual loss during the period 1933 to 1935 and is of the same order as the estimated deficit for 1936.

I have no doubt that if they study these figures Honourable Members will readily perceive the various implications disclosed in the table and my comments thereon: in conjunction with unavoidable expenditure to which the Colony is committed in the near future they create an outlook which is far from comforting. To take the worst first—apart from what may be described as the normal deficit in the Colony's finances on the present basis of revenue and expenditure, a deficit which may for the sake of argument be put at \$400,000, the Colony has to face, first, the balance of the Colonial Development Fund's bill of which I have just spoken, rising to \$74,000 per annum by 1942, secondly, the sinking fund charges on account of the impending loan which may be taken at \$16,000 per annum, and, thirdly, replacement costs of new railway vehicles and steamers, which have in future to be met from revenue. According to a report which I have seen, steamer replacements will be necessary every second year for the next ten years: a spread cost therefore, of \$50,000 per annum on this account will not be criticised as pessimistic. These three additional liabilities, totalled, come to \$140,000, making with an average deficit of \$400,000 a gross yearly shortfall of \$540,000. When we come to look for considerations to set off this very formidable loss on working, the first reflection that is permissible is that there are indications that the normal revenue tends to increase as the following figures show:—

Year.	Recurrent Revenue.
1931	... \$ 4,377,378
1932	4,573,454
1933	4,879,497
1934	5,013,876

I leave out of consideration the estimated figures for 1935 and 1936: in such a cal-

culatation they would be misleading. As I shall state later in this address—and I have already quoted the Honourable the Colonial Treasurer to the same effect—I see reasons to hope that the proper development of the Colony's assets will lead to much handsomer returns from gold and timber, to say nothing of agriculture. A steadily, if slowly, expanding revenue, then, is the first ameliorating consideration in the Colony's financial outlook.

The second set-off worthy of mention is to be discovered in part II. of the appendix. The Honourable the Colonial Treasurer there has shown the savings in Public Debt Charges that would accrue between now and 1950 if, in addition to final redemptions, all possible conversions were to be made of debts maturing during that period, the conversion rate of interest being 3 per cent. As Honourable Members will observe, the relief so gained by 1943 would amount to nearly \$177,000 per annum and in 1949 would be about \$457,000 per annum. It is not without significance that this latter figure is of the same order as what I have called the Colony's normal deficit at the present moment.

These latter calculations are, of course, based on such assumptions as that the Imperial Government will continue to give loan-grants-in-aid on the implied basis—an assumption for which I have no authority—and that money will remain cheap. I admit that for that reason they have not an 'absolute' value; on the other hand they will, I hope, be of utility in so far as they may help in the realization of what, in fact, confronts this Colony financially speaking. They will convey little comfort to those who believe that one or more strokes of genius on the part of Government will free this Colony from the shackles of debt. They will do much good if they succeed in impressing upon the legislators of the Colony firstly the incomparable necessity of bringing down and keeping down the villain of the piece, the Public Debt, with its 'fantastic' incidence of \$70 on every man, woman and child in the Colony, and, secondly, the fact that economic sanity requires them to abstain from any expenditure which cannot prove its claim to be either indispensable or remunerative. To me personally these calculations justify a hopeful attitude

although, admittedly, only on a long-range economy plan. I believe that that view will have the concurrence of all thoughtful men whose respect for British Guiana leads them to desire above all that she should regain her financial independence.

TRADE 1935.

I am glad to be able to inform the Council that the trade of the Colony, both export and import, at the end of August this year showed an improvement over that of the corresponding period in 1934; exports of that date were better by \$306,980 and imports by \$67,563.

The products principally responsible for the increase in the value of our export trade are bauxite and gold, the former accounting for an increase of \$232,753 and the latter of \$191,866. The total quantity of bauxite exported to 31st August last was 71,704 tons, as compared with 31,652 tons to the same date in 1934. It is estimated that not less than 100,000 tons will be exported by the end of the year and the prospect for 1936 is even more favourable.

Although 7,400 tons more sugar were exported during these eight months in 1935 than was shipped during the same period in 1934, unfortunately the prices obtained were much lower, with the result that when values are compared an actual decrease is perceived.

The Colony's next most important agricultural product, rice, which suffered a severe set back in 1934, shows no improvement in a comparison of the export figures for the first 8 months in each of the years 1935 and 1934. It is possible, however, that local consumption of this food is increasing which would also account to some extent for the smallness of the quantity exported. Other products, the exports of which showed appreciable increases, are diamonds and copra. The commodities which have contributed to the improvement of our import trade are cotton manufactures and artificial silk goods, but the increase is due largely to the fact that there were abnormally large stocks on hand at the commencement of 1934, with the result that imports for that year were much below the average in recent years. On the other hand there has been a considerable falling off in the imports of motor cars and other vehicles.

I trust that Honourable Members will be interested by a Sessional Paper entitled "A general review of the economic position and prospects of the Colonial Empire at June 30th, 1935," a copy of which will be laid on the Table this morning. The paper is derived from a circular despatch from the Secretary of State for the Colonies. The main evidence upon which the conclusions reached in the review are based is the trend of prices of the principal Colonial export products and a table is appended showing the highest and lowest prices for those commodities for the first half of this year. The review records that in the United Kingdom economic progress is maintaining the momentum of last year and that it is satisfactorily steady in the Dominions and India; a general economic improvement in the Colonies is inferred from the increase of imports into the United Kingdom of the chief Colonial products. Consideration then turns to the condition in which each of those products finds itself in relation to world demand and to the generally satisfactory results of various regulation schemes, such as those governing the production of tin, tea and rubber. The conclusion reached regarding the principal Colonial staples is that, while with certain exceptions such as vegetable oils the present level of prices is likely to be maintained, there is nothing to indicate the probability of a widespread rise, even of modest dimensions, in the general level of Colonial commodity prices, at any rate unless and until there is some radical change in world economic conditions.

Some very important deductions are made from this not very encouraging diagnosis. The first is that the interests of the Colonial Empire do not lie in further large development of the main staples of Colonial trade, except gold. On the other hand there are a very large number of minor industries which can be further exploited, though their markets are, of course, limited. None of these are of great importance individually but in the aggregate they represent a considerable volume of trade.

Another deduction of great significance which the review states is that the so-called depression which started six years ago is no more temporary phenomenon but must be regarded as the normal condition

of the times in which we now find ourselves. That hypothesis rules out any likelihood of a return to the high prices that prevailed ten years ago and, therefore, calls for genuine and complete adjustment to the new standards of earning and living. Finally, the review mentions certain other economic forces which are very powerful to-day and are strongly repugnant to any great advance in prices.

This document is one which all who seek a rational and feasible solution of British Guiana's financial problems will do well to study.

PRODUCTION AND DEVELOPMENT.

In the course of the following comments upon the productive activities of the Colony I will try to indicate the various steps which have been taken since the last meeting of the Legislative Council to promote local industries.

AGRICULTURE.

As is widely known, the sugar crop for this year is expected to reach a relatively high figure; the latest estimate which I have had puts it at 170,000 tons. The most striking fact about this is that nearly the whole increase is due to an improved yield per acre, a process which has been taking place in recent years and has made a big stride in 1935. Exceptional weather conditions have, no doubt, contributed to this result but much of the credit is, I understand, due to improved methods of production. Most regrettably the price has continued to fall from last year's low mark, thus depriving the producer of most of the reward of his industry and zeal for improvement. There appears to be no reason to think that it will improve in the near future.

The year's rice crop is expected to be a large one although the early sowings for the autumn crop suffered from too scanty rains. While low grades of rice have fetched slightly higher prices than they did last year, those for the higher grade rices have again dropped. The Director of Agriculture informs me that his Department has instituted a number of variety trials of rices especially suitable for the unirrigated areas of the Colony. These, if successful, should be of considerable value to the local industry.

Copra prices had a good rise in May

last which has been maintained: the British Guiana crop, unfortunately, is rather lower than it was last year. I hope during the coming session that the Council will agree to amend the Copra Products Ordinance so as to make it watertight. The effects of the Ordinance so far have been that the farmer has obtained a much better price for his nuts or copra, but the leading oil-expressing firm, which has kept the law in spirit as well as in letter, has suffered heavily owing to evasions of the provisions of the Ordinance on the part of smaller producers, while Government has lost a very substantial revenue. Obviously this state of affairs cannot be allowed to continue.

Coffee exports have, as is natural, reacted to the excessively low world price: I regret to state that the review of trade conditions of which I have already made mention speaks in depressing terms of the prospects of low grade coffee.

FRUIT.

A small trial shipment of bananas was sent to England in August. On Saturday last I received a telegram from the Secretary of State which states that Messrs. Poupart, the consignee, has reported that the bananas arrived in a chilled condition and suffering considerably from damage by bruising. Out of 145 bunches only 54 were fit for sale and all these were of third grade quality: the Gros Michel had suffered worse than the Cavendish. Messrs. Poupart go on to say that though this consignment was not encouraging they are of opinion that if fruit could be carried in correct condition and handled carefully a favourable market could be found in the United Kingdom: they would be glad to handle some further experimental consignments. The Secretary of State adds that his agricultural adviser, Mr. Stockdale, inspected the consignment on arrival. While he concurs generally with the report he states that the consignment did not show as much indication of bruising as did another of Cavendish bananas received a few days earlier from Jamaica.

I read much into this report which should encourage the hopes of banana growers though not so much as would justify an immediate large extension of planting. A fuller report is expected by

mail and I have requested the Honourable the Director of Agriculture on its receipt to confer with the Banana Growers Association as to future steps. I take the opportunity of extending a warm welcome to the Association: such bodies are of the greatest assistance in the promotion of agricultural and other industries.

The Director of Agriculture has under consideration a scheme for a model banana block which will serve not only as an example to would-be banana planters but also as a test of the ability of this fruit-plant, especially of the Gros Michel type, to survive in this Colony under optimum conditions. The Colony has had a second visit from Mr. Dunlap of the United Fruit Company. His impressions of the prospects of a British Guiana banana industry were published in the local Press and Honourable Members will remember that while he advised continuance of experiments with Gros Michel bananas he enjoined caution in the extension of plantations.

Following on the encouraging reports received last year on a small shipment of mangoes, sent to Montreal, a further consignment of Buxton Spice were despatched recently by the C.N.S. "Lady Drake." Unfortunately, the crop on the East Coast, the principal mango district, was a poor one, and the best fruit obtainable was not up to the standard sent last year, but as this variation in crop is a factor which would be present if regular shipments were undertaken, the fruit was sent notwithstanding. The mangoes were packed in wood shavings, individual fruits being wrapped in paper, in light crates, each holding rather less than four dozen fruits. A check crate was sent to Messrs. Wieting and Richter's cold storage, where it is to be held at the same temperature as that under which the other fruit was shipped.

* Interest in citrus growing continues to be exhibited locally and the Agricultural Department has been able to supply much budded material to growers.

One of the minor industries, on the encouragement of which public opinion is rightly set, which promises well is the manufacture of guava products; there appears to be an increasing demand in the United Kingdom and Canada for these

goods. But an industry of this nature must be able to rely on punctual delivery of raw fruit, up to standard in both quantity and quality, and it is a regrettable fact that at the present time no such reliance can be put on fruit growers. Local firms, London firms and Colonial Departments have all found themselves unable to give firm contracts for locally made preserves because no dependence can be placed upon the supply being forthcoming regularly. It is quite obviously within the power of farmers to abolish this stumbling block which is so inimical to their own interests and I trust that Honourable Members will drive that lesson home to their constituents when opportunity offers itself.

LIVE STOCK.

Government's activities in the cattle industry have, hitherto, been directed principally towards milk production. The success of that policy is usually admitted and it is felt that a stage has been reached when breeders of dairy cattle can carry on with less assistance from Government in so far as importation of bulls is concerned. In this former connection, I may say, the difficulties associated with milk distribution and sale in the more remote country districts are recognised and inquiries have been re-started—they were begun by Sir Edward Denham—into the possibilities of prospects of ghee manufacture; if this industry could be established it would be of particular value to dairy cattle owners in areas distant from milk-consuming centres. A fact to be borne in mind in this connection is that pig rearing and ghee production are complementary, as the pigs thrive on the skim milk which otherwise may go to waste.

BEEF CATTLE.

In the view of Government the time has arrived to turn more attention to the improvement of beef cattle. One project which is under consideration is the establishment of a beef bull centre near La Belle Alliance on the Essequibo Coast: it will be necessary if the scheme when worked out appears to be feasible to try to obtain funds in the form of grant or loan from the Imperial Government. Attention, rightly, is often drawn by the local newspaper Press to the quantity of food-stuffs imported into this Colony which could well be produced within it.

Among these imports are some \$200,000 worth of beef and pork products, most if not all of which could be produced here. I am aware that an effort is being made by a local company to supply these goods, so farmers cannot complain that there is no market for their product, so long as it is of the requisite grade. I hope that the time will arrive before long when not only will British Guiana be self-supporting in this regard but also will be an exporter of meat products; there is a big market in the West Indies for them, a market supplied at present almost entirely from non-British sources. In this connection it is of great importance to remember that this Colony is essentially a grass producing country of very wide extent and by virtue of that fact has a great advantage over its British neighbours. Obviously that advantage should be seized and I mean to investigate its opportunities in the near future. But two conditions must be fulfilled before a footing can be secured in that outside market. In the first place farmers must organise their supplies and correlate their activities with those of the manufacturers: in the second they must study and adjust their output to the demands of their customers abroad. This is principally a matter of quality, and quality in local meat products has still a long way to go, I am told. Proper feeding and management of slaughter stock is neglected with resultant bad prices and restricted markets. In this connection I may say that the consuming public would help towards this good end if a greater number of customers would insist on good quality instead of seeking the cheapest articles irrespective of quality.

THE PEASANT FARMER.

Meat products, furthermore, appear to offer a chance to the small agriculturist, the difficulties in whose path form one of the most baffling problems of this Colony. The ground provision market is saturated and has no export prospects: staples such as cocoa and coffee have, as I have just said, a very discouraging outlook: the lower-priced crops such as coconuts and rice, like cattle breeding, require more land than the peasant farmer has at his disposal: and cane farming is limited by considerations of demand and locality. Small stock, however, such as pigs and poultry can, if hand fed, be subsisted on relatively small acreages and should there-

fore be an attractive proposition to the farmer who in ordinary course grows ground provisions for his and his family's subsistence. I repeat that proper feeding and management are conditions of success in this industry: these, however, are within the peasant farmer's power to supply.

CATTLE-GROWERS' ORGANISATION.

The organisation of a Cattle-growers' Association, which would co-operate with the Board and Department of Agriculture, has already been suggested by the Director of Agriculture, but for some unknown reason has hung fire. I hope that before long the leading representatives of this branch of agriculture will move in the matter: nothing that they could do would better promote their own interests, especially in the direction which I have just been discussing, that is to say, the capture of the local meat products market and the entry into the same market in the West Indies. It is of immense assistance to Government when big industries organise themselves and so enable its considered views upon Government policy to be known. For instance, there is at the moment an important Bill, aiming at the improvement of livestock conditions, which has long been prepared and awaiting the comments of those best able to criticise it. I hope to see it pass during this session: I hope also that it will have had prior consideration by cattle-raisers. If it has not and if the resulting Ordinance is not to their liking they will not be devoid of blame.

MINING.

GOLD.

As I have already stated, gold production by local enterprise is still on the increase; at the 31st August it was 4,165 ozs. greater than for the corresponding period last year, which means that about \$31,000 more money had been put into circulation. The old "Eldorado" gold mine in the Kaburi district (about two miles off the main Bartica-Issana road) has been re-opened by private enterprise. Machinery for crushing the quartz and extracting the gold has arrived and will shortly be installed.

This is an encouraging development and should give early results, which it is hoped will be of a permanent nature. The exploration work undertaken by outside

capital enterprise—English and Canadian—is still in progress. Part of the mining equipment ordered by the Canadian Company, of which I made mention in my last address, has arrived in the Colony and is being conveyed to the site of operations over a road twenty-one miles long, constructed by the Company from a point 14 miles along the old Kartabu-Puruni road to the Oko river. This road, which has been skilfully located, has indicated the possibility of re-opening, by means of a natural surface road from Kartabo Point, the gold bearing areas in the Oko, Aremu and Quartzstone sections of the Cuyuni river basin, full exploitation of which has been hampered in the past by the difficulty, danger and expense of negotiating the falls in the lower Cuyuni river. If the geological surveys now in progress in that region indicate that such road construction would be economically justified the question of road location surveys will be taken up. English interests are about to float a public company with adequate capital for development of the areas they have selected in the Potaro, Essequibo, Kaburi and Issano districts, it is believed that by the end of the year modern gold dredgers and other equipment will be on their way to the Colony if they have not already arrived. It will be seen that the prospects of a very considerable expansion of the gold mining industry in the near future are decidedly good.

Geophysical surveys by specialists using electrical methods are being carried out in the North Western District to determine the presence and extent of gold bearing reefs on claims in the Barama area in which a large and reliable Swedish capital concern has become interested. This is the first time that these methods have been tried in British Guiana and if the experiment is successful it will no doubt lead to the location of gold-bearing reefs in other parts of the Colony which have become obscured by the superficial deposits of sands, clays and gravels which blanket the country. The experiment is a courageous one of great interest to Government and is deserving of success, which, I am sure, we all hope it will achieve to the fullest measure.

DIAMONDS.

The production of alluvial diamonds has fallen off somewhat, being 1,414 carats

below that for the first eight months of last year. This is attributed to the continued low market prices, the exhaustion of the shallower and more readily accessible diamond bearing gravels and the slackening in prospecting for new ground: it is, of course, the case that some firms previously interested in the diamond diggings have diverted their energies and resources to the working of gold alluvials. It is hoped that the opening of the new branch road to Issano, which cuts out the dangerous rapids in the Mazaruni river, will lead to an influx of men to the diamond fields and so increase the production of precious stones without adversely affecting the production of gold.

BAUXITE.

I have already mentioned the welcome increase in the shipments of bauxite. This has not only provided additional revenue both direct and indirect, but has also given additional employment at a time when this was sorely needed.

Activity in the bauxite industry is dependent on world conditions of supply and demand; so far as can be gauged at present, the prospects of continued expansion are favourable.

GEOLOGICAL SURVEY.

The geological survey which a loan by the Colonial Development Advisory Committee has financed has proved beyond doubt its value to the Colony and from information given to me by Dr. Grantham I am convinced that the advisability of examining many other large areas of this Colony is indisputable. It is reckoned that, on the basis of the existing survey party, the proposed explorations would take four years. I have, therefore, sent an application forward to the Committee urging that a further loan, or preferably a grant, should be made to enable a geological survey of this dimension to be carried out. The current loan will be exhausted early next year. Should the application be successful I trust that the members of this Council will support my action.

TIMBER.

Two occurrences of interest to the Council have happened during the last three months. In the first place I have received a memorandum from the Conservator of Forests in which he deals with

the disabilities which affect the timber export trade of this Colony and suggests certain remedies. This memorandum I have sent to the Secretary of State's expert advisers on timber matters but there has not been time for a reply. Mr. Wood's suggestions relate in the first place to marketing methods, especially with respect to greenheart, and secondly to kiln-drying of local hardwoods, so as to extract the few extra degrees of moisture from our timbers which the humid atmosphere of British Guiana does not allow to escape under an air drying process. I hope that practical results of value to the Colony will emerge from this correspondence. The potential value of British Guiana's timber forests is colossal: the Colony's financial situation makes it imperative that potential values should be transformed into actual profits. Money spent reasonably by Government on this form of development needs no further justification. Honourable Members will be glad to hear that the utilisation of local timbers for local purposes is still growing.

The other event is an experimental shipment on a considerable scale to England of British Guiana timbers, consisting of cedar, crabwood and deterna boards and of various fancy types of greenheart: smaller shipments of other local timbers have also been made to various destinations on trial.

CALCINED MUD.

An interesting and valuable suggestion that was recently made to me by Mr. G. O. Case was that the mud which is being dredged from the Demerara river might be converted by air-drying and kiln-burning processes into a useful substitute for granite in the manufacture of concrete and is a much more efficient road surfacing material than is the roughly burned earth now used for that purpose. Mr. Case has been good enough to have samples of this mud put to scientific tests in London, with encouraging results. I have, therefore, appointed a small expert Committee to examine the proposition and, if they are convinced of its practical advantage, to suggest how it can best be carried out. If a cheap strong material of this nature can be made of a waste product not only will much better roads be obtainable for the same expenditure but building costs will drop very considerably,

with the result, we may hope, of great activity in construction of all kinds.

SEA DEFENCES.

The latest report by the Government's technical adviser on Sea Defences, Mr. G. O. Case, will be laid on the Table this morning. The report shows that no excessive erosion is in process at the present time and speaks well of the maintenance of existing defences. Honourable Members will be glad to learn that Mr. Case has been able to recommend the Sea Defence Board to make savings amounting to \$79,088 on the projected programme for this year. Loan construction for 1935 will therefore amount to \$326,093. For next year the estimated cost is \$155,700. I have already referred to the lesser expenditure for the maintenance of sea defences in 1936.

ROADS.

In my last message to the Legislative Council I reported that a further application had been made to the Colonial Development Advisory Committee for a loan to complete the Bartica-Issano road. The Committee have been good enough to lend a further \$114,000 on the same terms as previously and with this sum it should be possible to finish the road and to provide the necessary terminal facilities: these will include a house for the Transport Officer and additional garages at Bartica and a bond, rest house, garage and stelling at Issano. The Transport and Harbours Department's estimates for next year include a vote of \$15,000 for new vehicles; the General Manager was requested to take the opportunity of his leave in England to seek information as to the best type of vehicle for the road services branch in Bartica. It is hoped that the new service will be open the whole way to Issano by Easter next year. As Honourable Members doubtless are aware, invitations for tenders for a contract to conduct a boat service up river from Issano connecting with this road-service have been issued.

EDUCATION.

I have already spoken of the inevitably rising cost of Education. I am unable at present to see any method of escape from the increasingly encroaching demand which this fundamental State activity will, indeed

must, continue to make on the revenue. Not only, as I have already said, are most of the existing school buildings seriously overcrowded, but there is the further point that the numbers in each class frequently exceed the high maximum which local regulations prescribe. In these circumstances high credit is due to the teachers for the dogged way in which they manage to carry on.

The most unfortunate effect, however, of the Colony's inability properly to foot the bill for primary education is that it leaves a negligible amount for specialisation or vocational training and primary education has of course little scope for such teaching. The only way in which I can see that need being met at all is to give what has already been described as an 'agricultural bias' to primary education. The Honourable Members, the Directors of Education and Agriculture, are at the present time in consultation on this important point and will, I hope, be able to strengthen this aspect of the curriculum.

NEGRO PROGRESS CONVENTION ACTIVITIES.

A recent occurrence of great interest has been the return to British Guiana of the two students, Miss Vesta Lowe and Mr. James Kidney, sent by the Negro Progress Convention to Tuskegee in 1931. They have lost no time in getting to work: Miss Lowe, who gained the Bachelor of Science degree in Home Economics, has for the time being set up a school in Georgetown where she is teaching housewifery subjects such as marketing, the preparation and preservation of foods, home nursing and home crafts. At Land of Canaan the Convention have bought 500 acres of land on which they intend to found an Agricultural and Industrial School along the lines of the Tuskegee Institute; the School of Home Economics will also be located here eventually. Mr. Kidney, who took his degree in the Science of Agriculture, taking as his subjects the marketing and preservation of meat and milk products, animal husbandry and poultry rearing, has already started work with six pupils. There is a good house on the land and a usefully large area has already been cleared and planted.

This admirably practical instance of self-help deserves high praise and will

certainly have all the sympathy and co-operation which Government can give it.

TRANSPORT AND HARBOURS BOARD.

GOVERNMENT STEAMERS.

The report on the Colony's steamers which I mentioned in July has now been received. Mr. W. A. Walker, to whose capable hands the task of survey was committed, has advised that replacement should proceed at the rate of one steamer every two years and the Transport and Harbours Board have endorsed Mr. Walker's recommendations. This means that in 1937 it will be necessary to have the cost of another new steamer in the Estimates. The report will be sent to the Crown Agents for the Colonies for review by their technical advisers.

WEST COAST RAILWAY.

I have asked the Board to consider the advisability of spending any further money on replacements and renewals of the West Coast Railway. Should the report be adverse to such expenditure the only course would be to allow this railway to run itself to death and to permit the further development of road traffic facilities to Parika.

ROAD SERVICES.

I propose to bring a Bill before this Council next year empowering the Transport and Harbours services to conduct and manage a road service. The Board has for a considerable time been so obliging as to perform this function without legally granted powers or protection. For that the Colony owes the members a debt of gratitude: common sense and justice, however, demand that the Board should not be kept any longer than can be helped in this equivocal position. Another question which is engaging Government's attention in this connection is concerned with the maintenance of the roads in the Bartica triangle. This is at present carried out by the Transport and Harbours Department but it is really outside their proper functions.

TOURIST TRAFFIC.

It is frequently stated that one great impediment to the expansion of tourist traffic here is the shortage of hotel accommodation in Georgetown. The Council will, therefore, be glad to learn that nego-

tiations are on foot for a site for a large first-class hotel in this town which will aim particularly at a clientele of that nature : it is greatly to be hoped that they will result in the erection of another good hotel here before long.

My visit to Kaieteur confirmed me in the belief, which I had already formed on the basis of experience elsewhere, that if that loveliest of waterfalls is to play its full part in drawing travellers to British Guiana a comfortable country hotel on the spot is a prior necessity. I have, accordingly, directed the Commissioner of Lands and Mines to select the most suitable site : it goes without saying that any building development at Kaieteur must be so carried out that from no viewpoint of the Falls, except the air, should the buildings be visible and this aspect of the matter is, I know, one which the Commissioner himself has very definitely in mind : there need, therefore, be no apprehension that the surpassing beauty of Kaieteur will be violated by development. I do not believe that there will be much difficulty in attracting the necessary capital for such an hotel, provided that the terms of the lease are reasonable : if it is comfortable, clean and reasonably roomy and if it provides plain but wholesome provender it will meet the case fully : expensive luxuries would not, in my opinion, add to its attractiveness.

I would add one word about tourist traffic generally. There is a hardworking Committee of public-spirited citizens who have succeeded in increasing that traffic very considerably. The Committee is financed by a contribution of \$2,880 from Government, which is conditional upon a further \$960 being found from public subscription. Recently Government was approached with a request for the removal of this condition but was unable to concede it. The greater part of the profit from the tourist trade goes into the pockets of those who cater for them in various ways and only a small share finds its way into the Colony's exchequer. I can therefore hold out no hope that the whole of this subsidy will be allowed to become a liability of the general taxpayer. If those who chiefly benefit by the tourist traffic will not subscribe their small share of this subvention I fear that the Government's share may disappear from the Esti-

mates in 1937, an event which I, for one, would much regret.

HOUSING IN GEORGETOWN.

The report of the Housing Committee and the Annual Report of the Municipal Medical Officer of Health for Georgetown leave no room for doubt that the problem of slum clearance in this town is insistent and I have given much consideration during the last few months to how it can best be tackled. Obviously it resolves itself largely into a question of money and land, land itself being only a question of money. Equally obviously neither the Colony nor the Municipality are in a financial position to find a capital for extensive improvements which are necessary in this regard and if anything is to be done on an adequate scale it will be necessary to approach the Imperial Authorities for a grant or a loan-grant-in-aid. But before that step can be taken more facts regarding the actual situation must be ascertained : information is required as to the extent of new accommodation which would enable the overcrowded lots to be relieved adequately and as to the measures which should be taken to prevent such conditions recurring by reason of the inevitable increase of population in the future. The next consideration will be where that new accommodation can best be located, and when these issues have been determined there will come the questions of cost and how any housing relief scheme can be financed.

The Mayor of Georgetown and the Municipal Medical Officer of Health have been in consultation with me and I have recently caused a letter to be addressed to the Town Clerk asking for further information regarding the facts.

Rapid progress in this matter cannot be anticipated but I would ask Honourable Councillors not to believe that no action is being taken in the matter because no proposition is put before them in the near future. I can assure them that such is not and will not be the case.

SHOP HOURS.

The rectification of the hours within which it is permissible to keep shop assistants at work is another matter which has been under consideration since this Council last met. I regret to say that owing

to the pressure of other business, including the drafting of the Estimates, it has not been possible to make much progress with it, but I hope that it will be possible to put a Bill before the Council early in the next year to deal with this subject and kindred abuses such as huckstering conducted on a motor-car scale.

ESSEQUEBO COAST COMMISSION'S REPORT.

The report of the Essequibo Coast Commission will be laid on the Table this morning. The report states that there are three alternatives before Government in the situation which is arising in that district owing to the closing down of Hampton Court sugar estate. The first is to allow matters to drift; the second to provide facilities for migration elsewhere in the Colony: the third to resuscitate the sugar industry. The total cost to the Colony of the second alternative is put at just over \$600,000, this calculation being based firstly on the hypothesis of the taxpayer finding the sum of \$465,000 for the transportation of 1,500 families from Essequibo to sugar estates elsewhere in the Colony and for the erection of housing for them there, and, secondly, on an estimated loss in respect of drainage and sea defence rates and loans of \$136,000. This alternative quite rightly is discarded: I could not recommend to this Council or the Secretary of State the provision of any grant for such a purpose. The third alternative resolves itself into the purchase of Hampton Court *cum annexis* and replanting and re-equipping it as a sugar estate. The total cost together with loss over the initial three years is put at \$598,000 and the subsequent annual loss at \$17,420, sugar being credited to revenue at \$45 per ton for the purpose of this calculation. At the present time sugar is at approximately \$40 per ton and on the basis of an output of 4,000 tons a further loss of \$20,000 must therefore be added. This alternative the Commission recommended on the assumption that some major step would be taken by Government, but, in order to ensure a sufficient labour supply for the estate, they attached to this recommendation the condition that rice cultivation in Essequibo should be limited, if necessary by legislation, to one crop per year. The report expresses the view that such a restriction would entail, ultimately, no loss of crop to the rice farmer, because his land as a result of the

enforced rest would regain fertility to an extent that the one crop would permit to bring in as much as two crops do to-day.

This recommendation Government has been obliged to reject, primarily and principally because the Colony cannot afford such a measure, partly because the attached condition regarding rice cultivation is regarded as offering great difficulties in practice, and partly because in the long run such artificial remedies are, from the point of view of political economy, measures of doubtful wisdom. Hard, even harsh, as it may sound, the population of the Essequibo Coast must discover means whereby it can adjust itself to the disappearance from its midst of the last of many sugar estates. Labour elsewhere in the world goes out to seek its market and there is nothing exceptional in the circumstances of British Guiana to constitute this Colony an exception to that rule. Such help as Government can give will be given but essentially the matter is one in which they must help themselves. At certain seasons of the year there are plentiful opportunities of wage-earning on the other sugar estates of the Colony for those who are willing to go out to seek such work: with this in view I have given instructions for arrangements to be made with the sugar estates and the District Commissioner, Essequibo, whereby applicants at the latter's office can be put in touch with the former.

As I have already stated, plans are in preparation for promotion of the beef-cattle industry in the area: this is in conformity with a recommendation made by the Commission. Consideration is being given to the possibility of establishing a ghee industry there and will be extended sympathetically toward any other measures for the assistance of agriculture or industry that may be suggested.

LABOUR UNREST.

During the last two months there has been a regrettable recurrence of strikes by labourers on sugar plantations both in East and West Coast, Demerara. It is universally recognised by thinking people that striking, as a method of obtaining redress of grievances, is the reverse of ideal. It is a method which injures all parties, including the country in which it occurs: it is extremely cumbrous and it

not infrequently misses its mark. Moreover, a strike is apt to leave ill-feeling behind it, more particularly in cases where the real root of the trouble has not been discovered and eradicated. In the older countries of Europe both capital and labour have realised the inefficiency and wastefulness of the strike method and for many years both parties have been trying to devise machinery for the prevention and settlement of the disputes which, in the nature of things, must from time to time arise between employer and employed. Their efforts have been largely successful there and I can see no reason why it should not be equally possible here for some simple machinery to be set up on sugar estates, which would enable management and labourers to discuss likely causes of friction frankly with each other and by mutual co-operation to obviate those causes taking effect. I suggest that in this Colony there is too wide a gap between management and labour and that if a bridge could be built across it fewer disputes would arise, because much of the misunderstanding which allows labour disputes to reach the length of striking would fade away in the fuller light of an exchange of views. Misapprehension of facts and ignorance of what is in the other side's mind are fruitful factors of quarrels, whether between employer and employed or any other two parties: clearly, therefore, if those factors are present in this country—and my observation of recent labour troubles leads me to believe that they are—a determined effort should be made to abolish such obstacles to the peace of industry.

I wish to make it clear that I have not in mind any conciliation Board such as have been set up in many European countries: the circumstances in which such an institution can work successfully do not exist in this Colony at the present time. Nor do I visualise or see the necessity for discussions between any others than the management and selected representatives of the labourers. The proposal which I venture to put forward is that on each estate there should be a standing body of labourers, say three to five in number, men of good standing among their own folk, who should be chosen by the work people of the estate as their representatives and accepted as such by the manager. It would be the duty and privilege of these

representatives, who themselves should be labourers, to keep the manager informed of all matters of any moment which might be troubling one or more of the labour gangs. There would, of course, have to be a fundamental mutual understanding that these representatives could and, indeed, must speak frankly without any fear of subsequent reprisal; I am given to believe that that fear has stood and still stands in the way of free discussions or grievances, as spokesmen are afraid to come forward lest they be regarded as ring-leaders and be treated accordingly. I can see nothing to be lost and much to be gained by establishing such a *liaison* between management and labourers: in so far as these strikes are due to grievances of which the manager is unaware until the strike occurs and which are appeased when they are known, it is incontrovertible that frank discussion between the parties would help to prevent them. There may be other and better suggestions than this: if so, I hope that they will be made. The important thing is to find means by which these wasteful and disturbing strikes may be prevented in future: that consummation would, I feel sure, be as welcome to the labourers as to managers, owners and all honest friends of British Guiana.

TERMS OF SERVICE.

I find that there are several important issues relating to the terms of service of the Civil Service and I have detailed the Honourable Member, Major Bain Gray, to draft recommendations for their solution. Among these issues are the revision of the list of pensionable posts, the reclassification of salaries and certain questions concerning gratuities and leave conditions. The Honourable Member's wide knowledge and deep interest in these questions will, I feel sure, commend him to the Council as a most suitable appointee for these purposes.

THE AGENDA.

As I began by saying, the principal task of Council at this session is the consideration and passing of the Estimates of Expenditure. The list of Bills coming before the Council is short and contains no first-class measure, though one or two of them, such as the Plant Diseases and Pests Bill, are important and the East Demerara Water Conservancy Bill is urgent. I hope that none will be found to be contentious.

CONCLUSION.

On the first occasion when I had the honour to address the Council as President I ended by saying that I could see no reason why British Guiana should not look forward to the future with conscious optimism. I see no reason three months later to unsay those words. In the course of this address I have tried to indicate in terms of time, albeit indefinite terms, how emergence from our difficulties can be foreseen. The process, as I have described it, is regrettably, Honourable Members perhaps will think disappointingly, slow: but that is no disproof of its reasonableness. The matter is one of courage, courage to endure and courage to 'march breastforemost never doubting clouds will break.' It is for us, Honourable Members, to lead the Colony in that march.

I commend the interest of the Colony to your devoted and sincere consideration under the guidance of Almighty God.

APPENDIX.

PART I.

Classification of the Public Debt and Loan Expenditure accounts (exclusive of Railway Permanent Annuities, etc., and Loan Grants-in-aid).

Public Loans—balance outstanding	...\$ 20,148,325
Colonial Development Fund Loans	935,225
	<hr/>
	\$ 21,083,550
New Loan to be raised	1,209,053
Public Debt—balance as above	...\$ 22,292,603
For the purpose of classification of the expenditure under Loan Ordinances still	

current it is necessary to add to this balance the total of such individual issues thereunder as have in the meantime been repaid.

Add

Loans repaid ...	\$ 4,851,376
Colonial Development Fund repaid	3,600 \$ 4,854,976
	<hr/>
	\$ 27,147,579

CLASSIFICATION OF EXPENDITURE.

Sea Defences ...	\$ 7,312,600
Main Drainage Sewerage, Georgetown	4,784,241
Drainage Rural Areas	1,726,189
Water Supply, Georgetown	815,103
Pure Water Supply Rural Areas	948,915
Railway and Steamer Services	2,359,126
Lands and Public Buildings, etc.	896,217
Roads, Bridges and Tralls	787,852
Loans to Local Authorities ...	1,760,663
Church Endowments	639,410
Revenue Deficits	299,418
Cost of raising Loans	953,990
Unallocated	220,018
Repayment of Loans	2,705,012
Colonial Development Fund Loans	938,825 \$27,147,579

PART II.

SAVINGS THAT WOULD ACCRUE BY CONVERSIONS AT 3% INTEREST AND REDEMPTIONS OF MATURING LOANS DURING THE NEXT 13 YEARS.

	1937	1938	1939	1940	1941	1942	1943	1945	1946	1949	Maximum accrued saving.
By CONVERSIONS.		\$	\$	\$		\$		\$	\$	\$	\$
Local Loans—											
Cid. No. 19 of 1896	...	11,654	...	...	...	...	...	...	...	...	11,654
Ord. No. 6 of 1916	...	8,539	13,679	6,702	...	...	...	8,939	...	...	38,259
United Kingdom Loans—											
Ord. No. 6 of 1916	120,000	...	...	...	200,640	120,000
Ord. No. 11 of 1929	200,640	200,640
Total savings, Conversions*	...	20,593	13,679	6,702	...	120,000	...	8,939	...	200,640	370,553
By FINAL REDEMPTIONS*											
Local Loans—											
Ord. No. 38 of 1920	47,368	...	47,368
United Kingdom Loans—											
Ord. No. 22 of 1933	15,784	...	...	...	15,784
Ord. No. 8 of 1934	23,209	...	...	23,209
Total savings, Redemption	15,784	23,209	47,368	...	86,361
Grand Total	...	20,593	13,679	6,702	...	120,000	15,784	32,148	47,368	200,640	456,914

* Savings include Sinking Fund contribution.

Note.—Figures under conversion of local loans are deductions for full year. Saving to extent of one-half will accrue in previous year in each case.

MINUTES.

The minutes of the meeting of the Council held on the 24th July, as printed and circulated, were confirmed.

ANNOUNCEMENTS.

TONNAGE AND LIGHT DUES.

THE COLONIAL SECRETARY (Mr. E. J. Waddington): I am the bearer of the following Message from His Excellency the Governor to the Council:—

MESSAGE No. 5.

Honourable Members of the Legislative Council,

I have the honour to invite the Council to approve of a surtax of fifteen per centum being levied, during the year 1936, on the amount of Tonnage and Light Dues which shall be collected under section eighteen of the Transport & Harbours Ordinance, 1931. This surtax will not be levied in respect of any vessel which lands and takes away cargo not exceeding in the aggregate five hundred tons, or in respect of any sailing vessel of not more than three hundred tons net register.

2. Honourable Members will recall the passing of Resolution No. 1. of the Legislative Council on the 6th of December, 1934, which provided for the collection of a temporary surtax of fifteen per centum on Tonnage and Light Dues during the current year.

3. The reason for the re-imposition of this surtax is that the Colony still requires the additional revenue to meet the estimated expenditure in 1936. The financial position has not sufficiently improved to allow of any taxation imposed during 1935 being reduced, and I accordingly invite the Council to approve of the collection of this surtax during 1936, after which the position can again be reviewed.

G. A. S. NORTHCOTE,
Governor.

11th October, 1935.

AN EX-GRATIA AWARD.

Major BAIN GRAY (Director of Education): I am the bearer of the following Message from His Excellency the Governor to the Council:—

MESSAGE No. 2.

Honourable Members of the Legislative Council

I have the honour to invite the Council to approve, as an exceptional case, an *ex gratia* award of £100 to Mr. P. G. Barrow, Guiana Scholar, 1925.

2. Mr. Barrow won a British Guiana Scholarship in 1925 and went to Edinburgh to study medicine. In 1930 he failed to qualify and so forfeited the balance of his scholarship (*viz.*, £180). He renewed his studies at the expense of his parents with eventual success in 1934 when he graduated as Bachelor of Medicine and Bachelor of Surgery.

3. There are reasons for believing that his previous failure was due to some extent to causes beyond his control and on that account

and on account of the financial circumstances of his widowed mother, the Executive Council have advised me unanimously that the grant abovementioned should be made. I have concurred with this advice and now invite the Council to approve the concession.

9. A deduction will be made from the proposed *ex gratia* award, if it is approved, to cover advances amounting £46 13s. 6d. made to him for his passage back to British Guiana and in repayment of a portion of the fees incurred in the course of his studies. The remainder, £53 6s. 6d., will serve to reimburse him for part of his expenditure on University and Examination fees.

G. A. S. NORTHCOTE,
Governor

14th September, 1935.

ESSEQUEBO SEA DEFENCES.

Major CRAIG (Director of Public Works): I am the bearer of the following Message from His Excellency the Governor to the Council:—

MESSAGE No. 1.

Honourable Members of the Legislative Council,
I have the honour to address the Council on the subject of expenditure incurred by the Sea Defence Board on works in the former Sea Defence District No. 2 Essequibo River.

2. Mr. G. O. Case, Consulting Engineer to the Sea Defence Board, recommended early in 1934 that this district be abandoned as a sea defence district, and acting on this advice the Governor in Council by an order dated 14th November, 1934, removed the name of this district from the First Schedule to the Sea Defence Ordinance, 1933.

3. The Sea Defence Board expended a total of \$4,577.61 on works in the district in 1933 and 1934, over and above the revenue received. Government has advanced from the loan raised under Ordinance No. 22 of 1933 for Sea Defence works a sum of \$3,000 to defray the cost of construction works of a permanent character and the balance of \$1,577.61 against unpaid rates in respect of maintenance.

4. In view of the abandonment of the district as a Sea Defence District there is no possibility of the amount expended by the Board being recovered from proprietors in rates. With the approval of the Secretary of State, I accordingly invite this Council to approve of the writing off of the sum of \$3,000 advanced from loan funds to the Sea Defence Board and of provision being made in the Estimates to cover the advance of \$1,577.61 to the Board against unpaid rates.

G. A. S. NORTHCOTE,
Governor.

9th September, 1935,

AN EX-GRATIA AWARD.

Mr. MULLIN (Commissioner of Lands and Mines): I am the bearer of the following Message from His Excellency the Governor to the Council:—

MESSAGE No. 3.

Honourable Members of the Legislative Council,
I have the honour to invite the Council to

approve of the payment of an *ex gratia* award of \$768 to the legal personal representative of the estate of the late Mr. A. J. Cheong, Deputy Commissioner of the British Section of the British Guiana-Brazil Boundary Commission, who died on the 4th October, 1934, at Kassikaityu, Rupununi District.

2. Mr. Cheong who was 46½ years of age at the time of his death had a meritorious record of service to his credit of which 26 years and 5 months were on the Pensionable Establishment. He performed valuable pioneer work in the Colony in the way of road and railway location surveys, and it was on his preliminary surveys that the later location surveys of the Bartica-Potaro and Bartica-Tiboko roads were based. These surveys were undertaken by him when he was Warden of No. 2 Mining District, without any extra staff, thus saving the Colony much time and money. Whilst performing arduous duties in the delimitation of the British Guiana-Brazil Boundary, Mr. Cheong contracted a disease which ultimately caused his death. He left a widow with four children between the ages of 10 and 14 years.

3. The award which the Council is invited to approve represents the difference between the amount which has been paid to the legal personal representative of the estate under the provisions of the Pensions Ordinance, Chapter 204, and that which would have been payable had Mr. Cheong served the maximum pensionable period of 30 years on the Fixed Establishment.

G. A. S. NORTHCOTE,
Governor.

24th September, 1935.

AN EX-GRATIA AWARD.

Major CRAIG: I am the bearer of the following Message from His Excellency the Governor to the Council:—

MESSAGE No. 4.

Honourable Members of the Legislative Council,
I have the honour to invite the Council to approve the grant to Burton Rodney, a labourer who was injured as a result of an accident which occurred during excavation work on the Bartica-Potaro Road on 20th May, 1933, of an *ex gratia* award of \$302.40 less the sum of \$250, being full pay issued during detention in hospital.

2. On the day in question a boulder slipped down the face of a hill which was being excavated and injured two men. The wounds of one man were of a minor nature, but the other, Rodney, suffered a complete fracture of his right leg just above the ankle and was admitted to the Public Hospital, Georgetown, where he remained up to the 11th of June, 1934—a period of practically 13 months. The injury to the leg developed septic complications shortly after his admission to the hospital, and at one time the possibility of the limb having to be amputated was considered. I am glad to say that after treatment this was found to be unnecessary.

3. As a result of this accident Rodney has sustained permanent partial incapacity, and it is considered that his earning capacity has been reduced by 33½% as he is now capable only of watchman's work or similar light duty.

4. The Workmen's Compensation Ordinance, 1934, (No. 7), which had not come into operation when the accident occurred, provides under section 5 (1) (c) (ii) and 2 for the computation of compensation in such a case, and on this basis the appropriate figure is \$302.40, being the equivalent of 33 $\frac{1}{3}$ % of 42 months wages of the injured man. The actual amount to be paid to him, after deduction of the pay issued to him while in hospital, is \$52.40.

5. The Secretary of State has sanctioned the award and I have no doubt that the Council will approve.

G. A. S. NORTHCOTE,
Governor.

2nd October, 1935.

PAPERS LAID.

The following documents were laid on the table:—

Draft Estimates of Revenue and Expenditure for the year 1936.

Explanatory Memorandum for use when considering the Estimates for 1936.

Comparative Statement of Revenue for the ten years 1925-1934.

Reports by Mr. Gerald O. Case, F.S.E., on the Sea Defences of the Colony, with Minute by Major the Hon. John C. Craig, D.S.O. M. Inst. C.E., Director of Public Works, and Chairman, Sea Defence Board.

Report on the Deeds Registry for the year 1934.

Comparative Statement of Expenditure under the separate Heads of the Colonial Estimates for the ten years 1925 to 1934.

Report of the Lands and Mines Department for the year 1934.

Report of the Directors of the Public Officers Guarantee Fund for the year 1934.

Report of the Chairman, Poor Law Commissioners, on the Alms House and outdoor poor for the year 1934.

Report of the Auditor for the year 1934.

Administration Report of the Director of Agriculture for the year 1934.

Schedule of Loan Works to be met from Loan Funds.

Report of the Essequibo Coast Commission.

Report of the Immigration Agent General for the year 1934.

Report of the Registrar General for the year 1934.

Report of the Committee of the Trotman Trust Fund for the year 1934.

Returns of the British Guiana Building Society, Limited, for the year ended 31st December 1934.

Despatch and enclosure from the Secretary of State regarding the settlement of Assyrians of Iraq.

Special statement on timber supply, consumption and marketing in British Guiana prepared for presentation to the Fourth British Empire Forestry Conference (South Africa) 1935.

General Review by the Secretary of State of the Economic position and prospects of the Colonial Empire at June 30th, 1935.

Schedule of Petitions addressed to the Legislative Council which have been dealt with by the Executive Council shewing the decisions reached in each case.

List of articles not exempt from duty which have been specially exempted by the Governor in Council under Article 2 of the Fourth Schedule to the Customs Duties Ordinance, Chapter 34, during 1934-1935.

Schedule of applications for gratuities from the dependents of deceased teachers,

Teachers Pensions Regulations, 1935.

Regulations made by the Governor in Executive Council under the British Guiana (Constitution) Orders in Council, 1928 and 1935, amending the Election Petitions Regulations, 1930.

Regulations made by the Governor in Executive Council under the British Guiana (Constitution), Orders in Council 1928 and 1935, amending the Election (Legislative Council) Regulations, 1930.

Regulations made by the Governor in Executive Council under the British Guiana (Constitution) Orders in Council 1928, and 1935, amending the Election (Legislative Council) Expenses Regulations, 1930.

Regulations relating to the Export Trade in Rice.

Regulations made in pursuance of the importation of Textiles (Quotas) Ordinance, 1934.

Rules to amend the Rules made on the 26th of May, 1934, relating to admission to the Clerical Service of the Government of British Guiana. (*The Colonial Secretary*).

GOVERNMENT NOTICES.

Notice was given that at the next or a subsequent meeting of the Council the following Bills would be introduced and read a first time:—

A Bill to continue certain expiring laws.

A Bill to amend the Boerasirie Creek Ordinance, Chapter 135, by empowering the Governor in Council by Order to combine plantations and vary the acreage of any plantation (*The Colonial Secretary*).

A Bill to amend the Evidence Ordinance, Chapter 25, with respect to the reception of a medical report in the Magistrate's Court (*The Attorney General*).

A Bill to regulate the importation and exportation of plants and to make provision for the prevention and eradication of diseases and pests affecting plants (*Professor Dash*).

A Bill to repeal the Pensions (Voluntary Retirement) Ordinance, 1932 (*Mr. Mc David*).

A Bill to amend the Bill of Entry Tax Ordinance (No. 2), 1932, by exempting certain articles from the Bill of Entry tax (*Mr. D'Andrade*).

ANNUAL ESTIMATES.

THE COLONIAL SECRETARY gave notice of the following motion:—

That this Council approves the Estimates of Expenditure to be defrayed from Revenue during the year ending 31st December, 1936, which have been laid on the Table.

The Council adjourned until Tuesday, 22nd October, at 11 o'clock.