

LEGISLATIVE COUNCIL

Wednesday, 11th April, 1951.

The Council met at 2 p.m., His Excellency the Officer Administering the Government, Mr. John Gutch, O.B.E., in the chair,

PRESE T:

The President, His Excellency the Officer Administering the Government, Mr. J. Gutch, O.B.E.

The Hon. the Colonial Secretary, Mr. D. J. Parkinson, O.B.E. (Acting).

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

The Hon. the Financial Secretary and Treasurer, Mr. E. F. McDavid, C.M.G., C.B.E.

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

The Hon. Dr. J. B. Singh, O.B.E. (Demerara-Essequibo)

The Hon. Dr. J. A. Nicholson (Georgetown North)

The Hon. T. Lee (Essequibo River)

The Hon. W. J. Raatgever (Nominated)

The Hon. V. Roth (Nominated)

The Hon. G. A. C. Farnum, O.B.E. (Nominated)

The Hon. Capt. J. P. Coghlan (Demerara River)

The Hon. J. Fernandes (Georgetown Central)

The Hon. Dr. C. Jagan (Central Demerara)

The Hon. W. O. R. Kendall (New Amsterdam)

The Hon. A. T. Peters (Western Berbice)

The Hon. W. A. Phang (North Western District)

The Hon. G. H. Smellie (Nominated)

The Hon. F. E. Morrish (Nominated)

The Hon. L. A. Luckhoo (Nominated).

The Clerk read prayers.

OATH OF ALLEGIANCE

Mr. D. J. Parkinson, Colonial Secretary (Acting), took the oath as a Member of the Council.

The minutes of the meeting of the Council held on Friday, the 6th of April, 1951, as printed and circulated were taken as read and confirmed.

PRESENTATION OF DOCUMENT

The FINANCIAL SECRETARY & TREASURER laid on the table the minutes of a special meeting of Finance Committee held on Thursday, the 5th of April, 1951.

CONGRATULATIONS TO O.A.G.

Dr. SINGH: Sir, before we proceed to the Order of the Day I wish to congratulate you on your assumption of the office of the Officer Administering the Government, and also to welcome you as President of this Council. The experience you will gain by administering the Government of this Colony

will, I am sure, be of great benefit to you on future occasions. I am confident that you have the ability and the capacity to shoulder the responsibilities of government, but you will need the co-operation of Members of this Council, and to the best of my ability I offer you my co-operation. I wish you a most successful regime. (Applause).

The PRESIDENT: I am very grateful to the hon. Member for his kind words of welcome and congratulation. I am very conscious myself of the responsibilities which lie on me temporarily as the Officer Administering the Government and the President of this Council. I can assure hon. Members that within my capabilities I will do my best to uphold the dignity and traditions of this Council, and I feel sure that I can rely on hon. Members to assist me in that task.

MR. LEE'S MOTIONS

Mr. LEE: Sir, before the Order of the Day is proceeded with I ask your permission to refer to a few motions of which I have given notice and to ask that, if possible, they be brought forward a fortnight from today.

INCOME TAX (IN AID OF INDUSTRY)
BILL, 1951

The Council resolved itself into Committee and resumed consideration of the Bill intitled:

"An Ordinance to encourage the establishment or development of industries in the Colony and to make provision for relief from income tax to persons establishing or developing such industries and for purposes incidental to or connected with any of the foregoing purposes; and to make provision for relief from income tax in aid of certain industries and the provision of workmen's homes."

Mr. FARNUM: Sir, with respect to the First Schedule I do not know if I would be in order in asking that it be re-committed, but I am anxious to have two other items added to the

list. One which I think is very essential is the question of the manufacture of bags. At present the Department of Agriculture is conducting experiments in the cultivation of jute, and as far as they have gone the results have been very encouraging. I hope that the experiments will be successful, because we would be able to make our own bags.

The other item is twine. Some years ago twine was manufactured from indigenous shrub found in the Canals Polder but the reason why the industry was not developed is because certain concessions requested by the industrialists were not forthcoming.

The CHAIRMAN: I think there may be a number of cases in which it will be necessary from time to time to add to the Schedule, but the items mentioned by the hon. Member will be borne in mind. Perhaps we could add them at the conclusion of our consideration of the clauses of the Bill.

Clause 16.—*Initial Allowances.*

The ATTORNEY-GENERAL: I think we were considering clause 16 of the Bill when the Council adjourned.

The FINANCIAL SECRETARY & TREASURER: When the adjournment was taken on the last occasion we were discussing that feature of clause 16 which seeks to permit a retroactive concession to the first day of January, 1949, with respect to the special depreciation allowance, and certain Members were doubtful, to say the least, of the propriety of giving the concession retrospective effect as proposed in the Bill. I am sorry that the two hon. Members who spoke on the subject and objected most strongly, are not in their places today, because I would like to simplify what I said on that occasion. I did endeavour to make the point that this legislation had been on the stock, so to speak, for a very long time, and that there had been some general holding out

of promises to bring it into effect from some period. I emphasise the word "general" because one Member was critical of the situation and invited me to be frank and take him into my confidence as to whether or not specific promises had been made to specific individuals or industries. Well, I have had some opportunity to look into the matter, and although I have not yet been able to trace the complete history of this bit of legislation I would like to recall to Members at least what I said in addressing the Council on the 30th of December, 1948, in presenting the Budget for 1949. I then said, and I quote :

"I take this opportunity to express regret for the delay which has taken place in enacting the promised legislation for granting certain tax concessions in the case of developmental enterprises of a risk-bearing character. I shall refer to this matter at the conclusion of this Statement when announcing the Bills which will be introduced in Council."

After the Estimates had been passed I introduced what is now the Income Tax (Amendment No. 3) Ordinance of 1949, to give effect to certain specific concessions of this character, that is to say the allowances in the rate of tax plus special depreciation concessions to gold and diamond mining companies only. The reason for that was that at that time we were either engaged in or had just completed negotiations with Anaconda, and it had been part of our bargain that special allowances and concession should be granted, and we had given an undertaking to that organisation that the necessary legislation would be introduced in Council immediately. Consequently the Bill which became Ordinance No. 3 of 1949 was rushed through in order to give concessions to gold and diamond mining companies alone, and if my memory serves me rightly, even at that time the legislation which would have general effect for all other industries was promised at a very early date thereafter. I must ask Members to bear with me again

while I quote from my 1950 Budget Statement which was made on the 30th of December, 1949. I then said:

"As regards income tax, a review of existing legislation has been made by the Income Tax Administration and preliminary draft legislation is now under examination by the Law Officers. The amendments proposed will modernise the local legislation with respect to the administration of the tax, and permit the grant of depreciation allowances to industrial undertakings under a more generous procedure than at present in force."

"And permit the grant of depreciation allowances"—those are the important words. That was on the 30th of December, 1949, so I think that the Council itself and the industries outside were well aware from this public statement, that this legislation was going to be introduced, and what is more, in correspondence between the Income Tax Administration and the Secretariat and individual groups of companies there was a definite holding out of the hope and the expectation of the procedure which is now enshrined in this Bill:

I will refer first to the sugar industry which, as Members know, embarked upon a substantial campaign of factory rehabilitation early in 1949, and were expecting that allowances of this nature would apply in regard to capital expenditure, and what is perhaps more important in their case is this: that in the United Kingdom the Finance Act of 1945 gives those allowances with retrospective effect to 1944. So that where companies are assessable for income tax both in the United Kingdom and in British Guiana there is now a differentiation of treatment, and the assessments are completely out of gear, inasmuch as those companies which operate in British Guiana but are liable to taxation in the United Kingdom as well, do obtain these allowances in the United Kingdom but, unfortunately, because our legislation is late they do not get

corresponding allowances, or allowances in the same degree in British Guiana, and consequently they have to get the advantage which is afforded by the reciprocal relief arrangements. So much for sugar.

There has been, not an undertaking, but a definite pointing out to newcomers like the C.D.C., and certainly to the Demerara Bauxite Co. in regard to their projected expansion programme, that this legislation would be put on the Statute Books and would have retrospective effect. That was not an undertaking, because it was quite realized that it would be subject to the approval of this Council. I think I have said enough to indicate that it was a general promise given two or three years ago that this legislation would be put on the Statute Books, and that thereby industries were encouraged to go ahead in the belief that the Legislative Council would accept it. In fact I know that the Council itself on more than one occasion did press the Government to bring this legislation forward. I hope that Members will accept that and agree that it is not only equitable but morally right that the date from which capital expenditure should be eligible for special allowances should be the 1st of January, 1949. I hope I have made the point clear.

Clause 16 was put and agreed to, subject to the substitution in sub-clause (2) of the words "nineteen hundred and forty-nine" for "1949", and of the words "section eleven" for "section 11."

Clause 17.—*Allowance for wear and tear under section 11 of Income Tax Ordinance. Amendment of 11 of Income Tax Ordinance for purposes of this part of this Ordinance.*

The ATTORNEY-GENERAL: I beg to move the following amendments to this clause:—

- (i) in sub-clauses (1) and (2), the words "section eleven" be substituted for "section 11";
- (ii) in sub-clause (3), the words "paragraph (c) of sub-section (1) of section ten" and "section eleven" be substituted respectively for "section 10 (1) (c)" and "section 11" wherever the latter occur.

Clause 17, as amended, agreed to.

Clause 18.—*Balancing allowances and balancing charges.*

The ATTORNEY-GENERAL: I move that clause 18 be amended by the substitution in sub-clause (1) of the words "section ten" and "paragraph (a) of section five" respectively, for "section 10" and "section 5 (a)".

Clause 18, as amended, agreed to.

Clause 19.—*Replacement of machinery or plant.*

The ATTORNEY-GENERAL: I beg to move the following amendments to clause 19:—

- (i) the substitution in sub-clause (1) (a) (ii) and (b) (ii) of the words "section eleven" for "section 11";
- (ii) the substitution in sub-clause (2) of the words "Paragraph (c) of sub-section (1) of section ten" for "Section 10 (1) (c)"; and by the deletion of "Chapter 38" from the marginal note.

Clause 19, as amended, agreed to.

Clause 20.—*Meaning of "expenditure unallowed."*

The ATTORNEY-GENERAL: I move that clause 20 be amended by the substitution in paragraph (b) of the words "section eleven" for "section 11."

Clause 20, as amended, agreed to.

Clause 21.—*Expenditure on alterations to buildings in connection with installation of machinery or plant.*

The ATTORNEY-GENERAL: I move that clause 21 be amended by the substitution in sub-clause (1) of the words "section eleven" for "section 11", and the substitution in sub-clause (2) of the words "nineteen hundred and forty-nine" for "1949".

Clause 21, as amended, agreed to.

Clause 23.—*Initial allowances.*

The ATTORNEY-GENERAL: I move that clause 23 be amended in sub-clause (2) by the substitution of the words "the first day of January, nineteen hundred and forty-nine" for "first January, 1949"; by the deletion of the brackets from paragraph (a) of the proviso, and the substitution of the words "section eleven" for "section 11".

Clause 23, as amended, agreed to.

Clause 24.—*Annual Allowances.*

The ATTORNEY-GENERAL: I move that clause 24 be amended by the deletion of the marginal note "Chapter 38", and the insertion of a new marginal note "Second Schedule" opposite the similar words appearing in sub-clause (4). I also move that the Second Schedule be amended by the deletion under Part III, paragraph 6 (1) of the word "or" which appears between the words "any other predecessor" and "in the working of the source."

Clause 24, as amended, agreed to.

Second Schedule, as amended, agreed to.

Clause 25.—*Sale of source or part of source as going concern.*

The ATTORNEY-GENERAL: I beg to move the following verbal amendments—

- (i) the substitution in sub-clause (1) of the words "section ten" for "section 10";
- (ii) the deletion of "Chapter 38" from the marginal note;

- (iii) the substitution in sub-clause (3) of the words "paragraph (a) of section five" for "section 5".

Question put, and agreed to.

Clause, as amended, passed.

Clause 26.—*Application to expenditure incurred by persons not engaged in the trade of mining, etc.*

The ATTORNEY-GENERAL: I move the substitution of the words "the first day of January, nineteen hundred and forty-nine" for "the first of January, 1949".

Question put, and agreed to.

Clause, as amended, passed.

Clause 28.—*Annual allowances for capital expenditure on purchase of patent rights.*

Dr. JAGAN: I would like to make a brief observation under this clause. While I do agree at this stage that, we should encourage companies in the purchasing of patent rights in order to stimulate industrial development, we must also realise that there is an inherent danger in a clause such as this because I do know from cases which have occurred, not in this country but in the U.S.A., that patent rights have been purchased not so much to stimulate industrial production but in order to stifle new industrial enterprises, etc. I have in mind the purchasing of patent rights dealing with synthetic rubber. That was done in order to protect the plants and machinery which were producing rubber articles from natural rubber. Those are things which may not happen at the present time in our country, but nevertheless, in making a law with such a broad clause as this, such an occurrence may take place in the future. Let us hope that when that time comes, even though we may pass

such a clause, Government will take note and pass the relevant amendment if necessary in the future.

Mr. WIGHT: I must say that I cannot agree with what the hon. Member for Central Demerara has said. Surely if an individual chooses to exercise his brains and produce some invention, he should have the right not only to patent it but to sell it, or to dispose of it to the best advantage he thinks fit. If we are to act as he has said—I do not know whether we are going to say that as soon as an individual invents something automatically it is controlled and becomes part and parcel of the State concerned—it seems to me that would kill initiative altogether. We will have no inventions and very little energy to do anything, except the State controls us both body, spirit and mind and tells us what exactly we have to do. I hope we will never get to that stage. Surely this is a private right, and I do not see how Government can interfere and say what a patentee must do with his energy or work. I feel sure that if the hon. Member himself produces a book on Dentistry he would like to see it copyright.

The FINANCIAL SECRETARY & TREASURER: I think we are a little bit at cross purposes. What the hon. Member for Central Demerara means, I take it, is that some enterprising individual may decide to acquire patent rights in order to prevent some other individual who used his brains, as the hon. Member for Western Essequibo said, and made an invention, from putting it to proper use for the economy of the country, thereby stifling development instead of encouraging it, which is the object of this Bill. That exposes the criticism of the hon. Member for Western Essequibo. But what the hon. Member for Central Demerara has overlooked is the proviso to clause 28 (1) which says specifically:

“Provided that no annual allowance shall be made to a person in respect of any expenditure unless—

(a) the allowance falls to be made to him in ascertaining the chargeable profits or gains of his trade;

In other words, what the clause is trying to prescribe is that this special write-off allowance for patents shall be connected to their use in producing the income. So in the case referred to, an individual buying a patent and putting it in cold storage, I do not think for a moment that is a proper case for a write-off, and it does not arise under this particular clause.

Dr. JAGAN: I am glad the hon. the Financial Secretary and Treasurer has straightened out the hon. Member for Western Essequibo.

The FINANCIAL SECRETARY & TREASURER: I am afraid I straightened out the hon. Member too.

Dr. JAGAN: It seems to me that the hon. Member for Western Essequibo, since his return from the United Kingdom, has been indulging in a lot of ideological expressions, and in many cases missing the point entirely. In this case I was not stifling any industry or any individual's mental capacity; I was endeavouring to show that in certain countries, because of the development of mental capitalism, there have been occurrences where patent rights, as the hon. the Financial Secretary and Treasurer said, were put into cold storage and in effect stifled industry in the long run. I am glad that if this patent right is not put into operation no write-off would be allowed for the purpose of income tax. That will be the only provision safeguarding development of these patents in the future development of this country.

Clause 28 passed.

Clause 30—*Charges on capital sums received for patent rights.*

The ATTORNEY - GENERAL: There are several amendments to be moved to this clause. I move—

- (i) the substitution in sub-clause (1) of the words "under the provisions of paragraph (a) of section five of the Income Tax Ordinance" for "under the Income Tax Ordinance, section 5(a)"; of the words "for the year of assessment in the basis period for which" for "for the basis period in which"; of the word "succeeding" for "exceeding";
- (ii) the insertion in the proviso to sub-clause (1) after the words "end of the year of assessment in" of the words "the basis period for";
- (iii) the deletion from the marginal note of "Chapter 38";
- (iv) the substitution in sub-clause (2) (a) of the words "under the provisions of paragraph (a) of section five of the Income Tax Ordinance" for "under the Income Tax Ordinance, section 5 (a)";
- (v) the insertion in the proviso to sub-clause (2) after the words "end of the year of assessment in" of the words "the basis period for";
- (vi) the insertion of "Third Schedule" as a marginal note to sub-clause (4).

Question put, and agreed to.

Clause as amended passed.

Clause 32—*Relief for expenses.*

The ATTORNEY-GENERAL : I move the following amendments—

- (i) the substitution of a full stop for a dash in sub-clause (1);
- (ii) the insertion in sub-clauses (2) and (3) after the words "for the year of assessment in" of the words "the basis period for";
- (iii) the deletion of "Chapter 38" from the marginal note to sub-clause (3).

Question put, and agreed to.

Clause as amended passed.

Clause 34—*When a person is to be treated as a trader.*

The ATTORNEY-GENERAL : I move the following amendments—

- (i) the substitution in sub-clause (2) of the words "section ten" for "section

10", and of the words "paragraph (a) of section five" for "section five (a)";

- (ii) the deletion of "Chapter 38" from the marginal note.

Question put, and agreed to.

Clause as amended passed.

Clause 35—*Interpretation.*

The ATTORNEY-GENERAL : I move the substitution in sub-clause (3) of the words "section thirty-three" for "section 33".

Question put, and agreed to.

Clause as amended passed.

Clause 36—*Allowances for expenditure not of capital nature incurred after "the appointed day".*

The ATTORNEY-GENERAL : I move the deletion of "Chapter 38" from the marginal note.

Question put, and agreed to.

Dr. JAGAN: Once again I would like to draw attention to the few observations I made when the First Schedule was being put. I mentioned then that there was the danger that while we are trying to develop industries in this country at the same time, unless we are careful, we might lose by way of revenue what we are getting at the present time. In the case of scientific research I can see in other fields like gold mining, diamond mining and, maybe, oil wells, there may be scientific research in the future. Let us take, for instance, the case of the sugar industry. That industry has been carrying out scientific research over a long period of time, and we do know that at the Barbados centre cane-breeding is now being carried out exclusively there. At the Trinidad College of Tropical Agriculture, I believe, a new section is to be devoted entirely to research in the sugar cane. These

things have been going on for some time, and the various Colonies, I believe, have been contributing through various agencies the Sugar Producers' Association and what not.

In the past no amounts spent in those directions were allowed against income tax, but now, if this clause is passed, with the sugar industry included in the First Schedule, we would find that whatever was spent before and is spent now on research would be allowed as a write-off against income tax. That is a danger, I see, that this Colony would have to face in its revenue in the future. I do hope that some steps will be taken to guard against a loss being incurred in our revenue, because it will take some time before new industries will come into this Colony, and, while we are trying our best to encourage this, we must at the same time try to keep and maintain the revenue which we have been getting from the industries established in this country over years. If we look at clause 36 (a), (b) and (c) we would see that any sum spent either in the Colony or outside the Colony on behalf of research will be allowed against income tax. I do not think in the case of the sugar industry, which has been spending money in this direction over a number of years, that should be allowed.

Mr. MORRISH: I have listened to the hon. Member for Central Demerara's comments on research in regard to the sugar industry. I noticed he helped himself to the research on cane breeding. I would like to emphasize very strongly that this matter of research in sugar and its by-products is in its infancy and is barely being touched upon. It is well known that recently, under Professor Higgins at the Imperial College, a research department has been instituted where such important things will be investigated as to the many possible uses of, for instance, megass—the sugar cane refuse after crushing—and such things as the extraction of wax which, if proved to be practicable, will be extremely valuable and will probably take the place of one of the rarest

wax in the world known as Cornova. There is research into the collection of carbon dioxide, the production of dry ice from fermentation in a sugar factory distillery. I can go on reciting for twenty minutes the many things which sugar or its by-products can be used to provide as possible new industries in this Colony in the future, if the research can be paid for.

Mr. FERNANDES: I have no hesitation in accepting this clause, because in order to claim an amount as a set-off against income tax a company will have to spend a good deal more of their own money than they will be obtaining via relief from income tax. I am one of those who regard money spent on research as money well spent, because it tends to greater efficiency; and naturally, except the industries of British Guiana are really efficient, we cannot hope to survive in times of world wide competition. That being so, I have no hesitation whatever in accepting this clause, which will allow research expenses to be written off against profits and thereby avoid the payment of income tax on the cost of these things.

The FINANCIAL SECRETARY & TREASURER: There is a little misapprehension, because expenditure, not of a capital nature, on research is very often permissible as a deduction for purposes of income tax, even as it is now. The contributions to the Sugar Producers' Association current scientific investigations will normally be admissible in some respects of deduction for income tax now. This particular clause seeks to make it absolute in regard to expenditure not of a capital nature. The value of this clause lies in the second part where expenditure, not of a capital nature on scientific research in the case of an existing trade, or a trade which is to be established or is established as the result of investigation and research, will be allowed three-fifths or 60 per cent. write-off in the first year of assessment. That is where the value of this clause really lies. So I think the

hon. Member need not be too fearful. This is to encourage real large-scale scientific research in new industry. I said "encourage" when I spoke on the Bill, and I stressed the hope of all of us that it will lead to something here. If an individual or company does think it worthwhile to indulge in large-scale scientific research in order to be able to put some new product on the market, such an individual or company would be encouraged by the fact that three-fifths of that expenditure would be allowed as a deduction. That is the basis of this clause.

Mr. WIGHT: It is unfortunate that the Financial Secretary cannot get relief under paragraph (c) for the sums we are paying out for research at Universities.

Clause 36, as amended, agreed to.

Clause 37.—*Allowances of expenditure not of a capital nature incurred between 1st January, 1949, and the "appointed day"*.

The ATTORNEY-GENERAL: I move that clause 37 be amended by the substitution of the words "section thirty-six" and "the first day of January, nineteen hundred and forty-nine" respectively for "section 36" and "the first of January, 1949".

Clause 37, as amended, agreed to.

Clause 38.—*Allowances of expenditure of a capital nature incurred after the appointed day.*

Dr. JAGAN: This is the clause to which the hon. the Financial Secretary referred a moment ago. There is one observation I would like to make. While it is true that in the long run research will benefit an industry and likewise the country, we must nevertheless keep in mind that there are lots of products, especially in this agricultural country of ours, in respect of which no research is ever undertaken. I have particularly in mind ground provisions — yams, plan-

tains and so forth — which have been grown here for years, and it is a known fact that very little research, if any, has ever been done in regard to them.

At the conference at Curacao it was specifically stated in some of the papers presented, that some amount of research should be undertaken in respect of those food crops which are grown in such abundant quantities in the Caribbean area. I think even the Royal Commission commented very critically on the fact that even at the Trinidad College of Tropical Agriculture research was centred only on a few products, and that for a long number of years sugar cane was the only product on which the greatest emphasis was put. Now we find that cocoa, and to some extent bananas, are two products on which research is being undertaken. But when we come to ground provisions we find that very little is being done by way of research.

It seems to me that while clause 38 will allow a company, such as a sugar company, to get a deduction of three-fifths of their expenditure, the small man who needs to have research carried out with respect to the products he grows can hardly afford to undertake research, because there is no organization of small farmers at the present time. I know that an attempt has been made to organize the primary producers, but until we can have farmers' institutes concentrating on several lines, such as yams, potatoes, rice and so on, I do not see any centralized body being able to offer to undertake research or to afford the capital expenditure which would possibly be involved in those undertakings.

So that when we examine clause 38 we find that whereas it would permit any person undertaking research a deduction of three-fifths of his capital expenditure, only a very few industries would benefit under this clause. I have in mind the sugar industry, and I have no doubt that the buildings which will be attached to the Imperial College of

Tropical Agriculture, Trinidad, will be devoted exclusively to sugar cane research, and will involve huge expenditure with consequential loss of revenue to this Colony under this clause. I see the Financial Secretary shaking his head, perhaps indicating that that will not be so. In passing this blanket clause which seeks to give protection to the various interests which may be involved, we must take care that we are not at the same time temporizing with one or two industries by giving them these benefits simply because the other primary producers are not able to carry out research at the present time.

Mr. FARNUM: Whilst it is true that no experiment or research work has been undertaken on peasant crops I would like to remind the hon. Member that not very long ago, as a member of the Agricultural Advisory Committee, he sat there and passed an item on the Ten-Year Development Plan for experiments on peasant crops. So that something is going to be done in that connection. It was a very large sum.

Dr. JAGAN: The hon. Member seems to have missed my point. I was talking about private research. That is what Government is attempting to do.

The FINANCIAL SECRETARY & TREASURER: The hon. Member is missing the point entirely. Let us take it for granted that there are only two major industries able to carry out research—sugar and bauxite. What this Bill seeks to do is to encourage others to come in. Because the hon. Member is unduly apprehensive of our giving concessions to the sugar industry is no reason for denying us what we are seeking to do here—to encourage others to come in. He mentioned the recent improvements made at the Imperial College of Tropical Agriculture in Trinidad but, as far as I remember, much of that expenditure was borne by H.M. Government. No question of a contribution from the sugar industry arose, and certainly no question of a

write-off of 60 per cent. of that expenditure in connection with the assessment of the local companies. I would ask the hon. Member not to be quite so fearful of the sugar industry getting away with murder—to use a colloquial phrase. I think the hon. Nominated Member, Mr. Morrish, mentioned the extraction of wax from megass, and many other directions in which science will lead to the enhancement of our economy in these two industries. Let us hope that these printed words will encourage others to come in and claim these allowances.

The ATTORNEY-GENERAL: I move that clause 38 be amended by the substitution of the words “section forty” for “section 40”, and the deletion of “Chapter 38” from the marginal note.

Clause 38, as amended, agreed to.

Clause 39.—*Special provisions with regard to assets representing capital expenditure.*

The ATTORNEY-GENERAL: I move that clause 39 be amended by the substitution in sub-clause (1) (a) and (b) of the words “section thirty-eight” for “section 38”; the substitution in sub-clause (1) (c) of the words “this section or of section thirty-eight of this Ordinance” for “this or the said section 38”; the substitution in sub-clauses (2) and (4) of the words “section thirty-eight” for “section 38”, and by the deletion of “Chapter 38” from the marginal note.

Clause 39, as amended, agreed to.

Clause 40.—*Periods covered by section.*

The ATTORNEY-GENERAL: I move that clause 40 be amended by the substitution in sub-clauses (1) and (2) of the words “section thirty-nine” for “section 39”.

Clause 40, as amended, agreed to.

Clause 41.—*Carry forward of trade losses arising out of allowances.*

The ATTORNEY-GENERAL: I move that clause 41 be amended by the substitution of the words "section thirteen" and sections thirty-eight and thirty-nine" respectively for "section 13" and "sections 38 and 39".

Clause 41, as amended, agreed to.

Clause 42.—*Scientific research allowances exclude initial and annual allowances under Part II and Part III.*

The ATTORNEY-GENERAL: I move that clause 42 be amended by the substitution of the words "section thirty-eight" and "section thirty-nine" respectively for "section 38" and "section 39".

Clause 42, as amended, agreed to.

Clause 44.—*Annual allowances for capital expenditure on workers' dwellings.*

The ATTORNEY-GENERAL: I move that clause 44 be amended by the substitution of the words "nineteen hundred and fifty" for "1950".

Mr. FERNANDES: I observe that this clause makes provision for annual allowance to a person who "being the owner of an estate consisting of or including agricultural land, incurs capital expenditure on the construction on land, whereof such person is the owner, of a building to be occupied as a residence by workers employed by any such person in any such trade or in husbandry." I would have liked to see included in this provision a person who occupies land held on long lease from Government. I may be wrong in concluding that this clause only takes care of a person who is the owner of land.

Mr. WIGHT: It is covered by clause 49 which defines "owner" to include a lessee.

Mr. FERNANDES: Yes, I saw that. It has slipped me.

Clause 44, as amended, agreed to.

Clause 45.—*Limitation of annual allowances.*

The ATTORNEY-GENERAL: I move that clause 45 be amended by inserting after the word "residence" in the second line the words "which expression shall be deemed to include any part of a building constructed for use as a separate dwelling house." I think hon. Members will see the desirability of having some such wording because, if the clause as printed is interpreted literally it means that the benefit of the allowances is only in relation to a building to the extent of a sum not exceeding \$4,000. It may be interpreted in regard to a separate building, but cases may arise where, as in the case of the buildings at Company Path, Ruimveldt, flats may be erected, and the interpretation might be very rigid, the benefit being applied to the building as a whole to the extent of \$4,000. Consequently it is desirable that we should indicate in the provision that the owners of flats or buildings which can house more than one family should also receive benefit.

Mr. FERNANDES: Do I understand from the remarks of the hon. the Attorney-General that if a building housed six families the allowance would be increased to six times \$4,000?

The ATTORNEY-GENERAL: It is provided in the clause that "such capital expenditure in relation to any building to be so occupied as a residence shall be limited to a sum not exceeding four thousand dollars". Therefore, if a building is erected to the value of \$15,000 the extent of the benefit would be only \$4,000. But a building may be erected which could house eight families. Consequently it is considered fair that the clause should embrace a building of such size, and so constructed for

use as a separate dwelling. Therefore each flat would be regarded, for the purposes of this clause, as a separate dwelling, and the benefit of the allowance would be \$4,000 in respect of the expenditure of each flat.

Mr. FERNANDES: What I want to find out is whether my contention is correct—that if a building is constructed to house six families the allowance would be \$24,000?

The ATTORNEY-GENERAL: The maximum allowance.

Mr. FERNANDES: I am afraid I cannot agree to that, because I would like to discourage the building of that type of dwelling in the future as far as possible. If we are giving relief I think we should see that it is given in a way that would encourage the construction of separate dwellings for each family.

The ATTORNEY-GENERAL: I think those hon. Members who visited the flats at Ruimveldt will appreciate what we have in mind. It is not the intention to prevent the erection of separate houses, and I am sure it is the desire of people to erect separate houses, but there may be cases where, in view of the size of the land available, it may be necessary to erect on a large building and to so construct it as to embrace several flats. In that case the allowance would only be to the extent of \$4,000, although the building might cost \$40,000 or \$50,000. I think the hon. Member should have a very vivid recollection of what happened in the course of the erection of the Wortmanville flats. They are separate buildings sub-divided into flats and allotted to various applicants who are very well satisfied with the tenancy.

Mr. FERNANDES: I understand the position very fully, but it is my opinion that where buildings are grouped together, as in the case of the buildings mentioned, I think the allowance should be less than that granted

for a single building, because it is obvious that the one would cost more than the other, and that being so it would encourage a group of persons to live in one building. I therefore suggest a reduction of the allowance in the case of buildings constructed as flats, with several families living under one roof. Personally I would like to throw that out altogether and suggest to hon. Members to oppose the idea of making the allowance of \$4,000 applicable to any building constructed to house several families.

The FINANCIAL SECRETARY & TREASURER: I have not been paying as much attention as I should to what has been going on, but I think the hon. Member is quite wrong. We are not seeking to create a prohibition—if such a prohibition is desirable—against composite housing. That is a matter of opinion. I suggest that the Wortmanville flats, of which the hon. Member for Western Essequibo (Mr. Wight) is rightly proud, is a very good example of composite housing which produces very good results. This clause is not designed to encourage composite housing but to see that where composite housing is provided the same rate of relief shall apply. I happen to know that in the case of one industry at least, it is not only desirable but in the interest of the workers to have duplex houses—houses built to accommodate two families. Similarly, where accommodation is provided for bachelors. It may be that each separate section of such a building may be quite a good residence, but it is more economical in that way, and sometimes desirable that the dwellings should be part of one composite building.

Therefore, if such a provision were not included this clause may be ridiculous, because a company may desire to put up a composite building, and the staff may want it, yet all the allowance that could be got would be \$4,000. I suggest that the amendment proposed by the Attorney-General is desirable.

We gave it a considerable amount of thought before proposing it.

Dr. JAGAN: The hon. the Financial Secretary has said that this clause is not intended to encourage the construction of composite buildings, but the mere fact that we will permit a deduction of \$4,000 per flat in the case of a composite building would encourage any employer to erect a composite building, because in the long run it would be far cheaper to him. It seems to me that most of the industries we propose to encourage are not centred primarily around Georgetown, with the result that land availability will not be a great problem. That being so I do not see why it should be such a difficult thing to construct single dwellings for workers, because we know that in most cases single dwelling houses for families are preferable to composite buildings. As the land availability problem will not be so acute so far as the rural areas are concerned, I consider that an allowance of \$4,000 for one building (and we are now thinking of workers' houses) is certainly an adequate sum to be allowed for the purpose of income tax deduction. Consequently, I agree with the hon. Member for Georgetown Central (Mr. Fernandes) that the clause should remain as printed so as to discourage the construction of composite dwellings for working class people. I think the allowance which is made here is quite adequate to permit of single dwelling houses, because we do know in the case of lots in the rural areas the prices are not relatively so high as compared with the City.

Mr. WIGHT: I cannot subscribe to the views expressed, because even today in England and the U.S.A., where they are having great building programmes, there are nothing but composite buildings for workers at cheap or subsidised rental and otherwise. Nowhere in England does one see all these workers' single flats, as they are called, and why should we want to be different? Is it

that our people cannot live in composite flats while those in the States and in England can do so? It seems to me that they have been successful and, I submit, successful even in this Colony in the case of the Wortmanville Scheme. I remember one of the criticisms, which I think is an indictment of the Colony, was that you cannot get the people of this Colony to live amicably together. In Wortmanville, I can say quite safely that since the scheme has been instituted there, and the people have been living there together, we have had very little trouble. But there was a great hulla-baloo that we could put the people of this Colony to live together in that place. It has been tried and has proved successful.

Mr. FERNANDES: Surely the hon. Member for Western Essequibo should know that in England and the U.S.A. it is necessary to build houses attached to each other in order to make it an economic proposition for heating in the long, cold wintry months. As it is, with their dwellings of five and six stories high and of 50 apartments, they cannot afford to heat them. In British Guiana we have a different problem; we have to keep our people cool not hot; we have not to save them from freezing in winter time. The hon. Member for Central Demerara is perfectly right in saying that in 99 out of 100 cases the places where these buildings are going to be erected are going to be places where the problem is not land but houses.

I do not think it is fair to say that the Wortmanville flats are something which the people of this country relish or welcome. They do not; but it is a case of it is better to have them to live in than to live nowhere. Even if we erect houses worse than the Wortmanville flats, people in the City would be very glad to live in them. At present there are 14 to 15 persons living in one room. That is no exaggeration. Do not let us take what is acceptable

under very hard circumstances. What we are trying to do is to encourage people to build houses for their employees. I feel that the best thing we can do is to discourage the erection of any other type of buildings than separate houses.

That being so, I am going to vote against the amendment of this clause. I would like to see families living in separate houses. I have had to listen to tales of woe where two families' children have to live together in the same enclosure, and I know the troubles that are likely to be caused when they are forced to be housed in one building with just a common wall separating them. I am going to do everything possible to discourage that type of building being erected, and I am therefore going to vote against the amendment.

Mr. RAATGEVER: I agree with the hon. Member for Georgetown Central. We should do everything possible to discourage the building of composite flats. Mention was made of the Wortmanville flats. I think they are a disgrace to the town, but we should not perpetuate the erection of buildings of that kind in the future. I am going to vote against it.

Dr. JAGAN: The hon. Member for Western E. sequibo seems to take great credit for the Wortmanville flats, but I want to point out that had it not been for the criticisms which were levelled when they were being constructed they would not have been as good as they are today. He made comparison between British Guiana and the United Kingdom and the U.S.A., but he must be aware of the fact that conditions are not the same, apart from land value. If you go to New York where land value is extremely high, you find the people living in family barracks, but if you go into thousands of small towns elsewhere you find the people living in single dwellings. While it may be the tendency in most parts of the world to have composite dwellings, we are living under different conditions

in British Guiana. That is why I have mentioned that this Bill is primarily for the rural areas.

Another fact is that we cannot compare conditions in the U.S.A. and in Great Britain with conditions here. Most of the buildings here are constructed of wood as against the buildings in the United Kingdom and the U.S.A. being built of concrete and bricks. We know the question of privacy is involved. In a brick building, as you see in the U.S.A. and in the United Kingdom, you can have self-contained apartments completely private, but the same thing does not apply so far as wooden buildings are concerned. If you want complete privacy with wooden buildings you have a great deal of trouble, and it will be so expensive in the long run that you will find it cheaper to build single dwellings.

I mentioned a little while ago that when we were considering building houses for doctors in the Hospital compound, because I felt there was not enough land available for those houses, I made the suggestion that we should build composite buildings of three stories, but when the matter was put to the Public Works Department for estimates it was found that one three-storeyed building would cost as much as three separate buildings to erect because of the amount of money they would have to spend so as to isolate properly one storey against the other. Conditions being different in British Guiana we will find in the long run, taking into consideration the question of privacy and the materials we have to handle, that it is the best thing to build single dwelling-houses for workers.

Mr. WIGHT: I cannot really agree. I would like to say with regard to the criticism of the Wortmanville flats, that the hon. Member knows that that has been threshed out in this Council over and over and proved to be an absolute falsehood. The hon. Member knows Government's reply following on that. There was no criticism which

caused the present Wortmanville houses to be built as they are. All the arrangements were made long before the criticisms took place. He also knows that it was a political ramp. The people at the Wortmanville houses are at present satisfied. It is all very well to say it is a disgrace and should not be done, but here are we following not only England but the U.S.A. and the neighbouring Colony of Trinidad and also Jamaica. They are building similar flats and, I am told, not as good. Even that small island of Barbados is also building these composite flats. Therefore we have to be different; we have to be singled out. One of the reasons advanced for the building of composite flats in other countries is because they are cold countries. While central heating may be a factor because it is in a cold country, I do not subscribe to that at all. It is one of the least factors. There is the question of space. You build high because you do not have enough space to build these single dwellings. An important point is that when we build single dwellings the rent automatically increases. More rent is chargeable for a small building than would be the case with these composite flats. That is one of the factors to be considered.

The hon. Member for Central Demerara is always quoting what happens in the U.S.A., but I am rather surprised that he has not referred to the question of heating, whether they be composite or single flats, as the Americans pride themselves that they heat better than anybody else. I agree that in England the old adage of "taking coal to Newcastle" applies now. They do not have the coal to use in England, and have to buy elsewhere, so you may have heating difficulty there, and that may cause composite flats to be built there. As regards the question raised about 14 or 15 persons living together in one room, I quite agree that it is wrong. It is a wrong against all sanitary standards. But what are we to do? It obtains elsewhere because of the shortage of hous-

ing. Can you turn these people who have 14 or less children out of these rooms when they have not the means to occupy three of four-room flats? I do not know whether it is a fault or failure of theirs to have such a large number of children. These matters have to be taken into consideration.

As regards the question of people and their children fighting and causing trouble when living together, it is well-known to legal practitioners that you can never prevent that unless you build individual flats miles away from each other, so that the children cannot play together. The children must play together, whether they live in single or composite houses; they must fight and, the parents taking part in the quarrels, the matter will end up in the Magistrate's Court. As I say and I still maintain, if the people of other hemispheres and areas can live together in peace and harmony, I cannot see why the people of this Colony cannot do the same.

MR. LEE: I would ask Government to accept the principle enunciated by the hon. Member for Georgetown Central of having separate houses. Your Excellency, we are accepting that principle in order to get away from the sugar estates' system of housing workers. These composite houses are to be built of wood and there can be no difficulty in building separate houses. If we introduce composite houses at all the sugar estate authorities are going to say "You have introduced it in your Industries Aid Bill and, therefore, we will build composite houses too". I certainly agree with the hon. Member for Georgetown Central. Let us conduct our own affairs, whether our method is acceptable or not to others. Let us go to Mackenzie City and see what is taking place there. They are building separate houses for two families in one building, and there is always some dispute between the families. If we are going to encourage development, let us do it along the lines acceptable to the country.

The FINANCIAL SECRETARY & TREASURER: This debate seems to go off at a tangent. What appears to be the argument now is the respective merits of composite houses for workers and individual houses. But that is not the point at issue at all. No one denies that in this country it is desirable that we should have separate houses for families. That has been accepted and is being acted upon by the sugar estates in particular. But the point about this amendment is this: In some cases it may be desirable to erect composite buildings for housing certain types of workers. It may be desirable in an industry where, perhaps, bachelors are going to be accommodated, and if some amendment is not put in it would deprive an undertaking of any allowance whatever for a large building exceeding an expenditure of \$4,000. Hon. Members have assumed that because such an amendment is put in it would act as an encouragement, as a stimulus to the building of composite houses. Nothing is further from the truth, because it is the accepted policy encouraged by the Government and all authorities, that where workers are employed and are housed with their families there shall be separate houses provided.

I am impressed by one thing, and one thing only, that has fallen from the lips of the hon. Member for Georgetown Central. That is, that it may be too generous to allow \$4,000 for each section of a building merely on the consideration that it houses one family. I certainly agree that, perhaps, it would be more appropriate to reduce the allowance for a section of a composite building, but for goodness sake do not let us prevent the building of composite flats to house workers by giving no allowance at all, even though they house 50 workers. If hon. Members are convinced that \$4,000 for each section is too large, I would agree and, I think, the hon. the Attorney-General himself would agree to a smaller figure — \$3,000 or some-

thing of that sort would be appropriate. But the question, I repeat, of the respective merits of housing by separate buildings and by composite flats does not really arise.

Mr. WIGHT: I would like to say in reply to the hon. Member for Essequibo River that we have accepted — I do not think it would be denied — the idea of individual families living apart, with their little garden around, so that they can have their flowers and their vegetables plots. That is the ideal, and that is what we should aim at. There is no question, as the hon. the Financial Secretary and Treasurer has said, whether you go in for what are termed “servants’ flats” or “bachelors’ flats” or for convenience workers have to live together. I thoroughly agree with the hon. Member who suggested that when a composite flat (I am not talking about ranges; that is provided for under our sanitary laws) is built it should not be on the same basis as a single house, because of the fact that the building cost of a composite flat from the point of view of rental, which is the annual charge, would be less than the actual building cost of a single house or a single cottage.

Everyone likes a little privacy. I myself feel that in Georgetown especially there is congestion. The houses are so near to each other that you can put your hand out and grasp the hand of your neighbour, or you can talk with your neighbour, or you can look into your neighbour’s house through his window. As I said, that should be considered. We have decided that the houses should be at least twelve feet apart. It is naturally the desire of every man to be as private as possible in his own home. That is the point, but to say you must not on any account build composite houses, is stretching it too far. I do not see why we should. It is sometimes much more convenient to be housed in a composite house than separately.

Mr. FERNANDES: I started out to make the point that everybody seems to be wholly in agreement with me, but at the beginning they simply would not listen to me. My point is, if you have to house two bachelors in the same house \$4,000 is enough, but if you want to put eight bachelors in a building, as I suggested at the beginning, the allowance should not be \$32,000 but \$16,000, and even that, I think, is very generous. I suggested half the allowance for an attached house. That is the only sane way to look at it, but Members refused to see reason in the argument. If they do not want to, I am not going to sit here and allow anything to be passed to encourage the grouping of families in houses that are attached. That being so, I will have to vote against the amendment. But I made the point at the beginning that if you are going to permit any such thing it should not be more than half the allowance for a separate house. It was not until Members tried to make it look as if I did not know what I was talking about, that I was forced to come out and make sure that nothing was passed without my opposition which would tend to encourage anybody to house worker or anybody else in buildings that are attached to each other in a country like British Guiana with 400,000 people in an area of 83,000 square miles.

I listened to the hon. Member for Western Essequibo referring to Trinidad, Barbados and Jamaica. Take the number of people to a square mile and you will see why it is obvious that Barbados has not only to build attached houses but to take them up in the air. Thank God we have not got to that stage yet. I suppose every Member of this Council got a shock when he looked at the map of British Guiana that was exhibited for our benefit and saw what a little fringe of the coast we occupy. I shall do everything possible to see that we do not pass anything here which would encourage people to be huddled together in groups in composite houses.

The FINANCIAL SECRETARY & TREASURER: This is really the first time that I fully appreciate that the hon. Member's suggestion was that the allowance for a section of a composite house should be not equal to that for one single house. I do not know if the hon. Member wishes to make his suggestion precise now, but I had gathered that he thought \$4,000 was the correct figure, I think that it is a little low. I do not want to prevent the building of composite houses under this particular act of industrial encouragement, merely because the Legislature had not seen fit to provide for it, when it is to be appreciated that in some instances such houses will be desirable. I think we would be making a mistake in not making provision for them where composite houses are desirable. If the hon. the Attorney-General thinks fit, I suggest that he may so word an amendment as to allow the alteration of \$4,000 to \$2,000 or a smaller figure.

Dr. SINGH: Some men think alike. I was going to make a suggestion on similar lines as the hon. Member for Georgetown Central. The whole question is one of population and land. In this country we have the land and not the population. We are about three persons to the acre. As we have the land we should advocate separate houses.

Mr. WIGHT: I think in fairness to the people of Trinidad, Barbados and Jamaica, I should say that they are accustomed to live in single houses; even the workers do not all live in barracks. I think the hon. Member on my right (the Attorney-General) can confirm that about one of those islands. It is a question of population and area, but even in Barbados there are forests and vacant lands on which houses can be built. It is not only a question that we have 400,000 people and 83,000 square miles of land, but also a question of opinion.

Mr. LEE: Hon. Members who have been to Trinidad may perhaps

differ from my opinion but it has been proved successfully there that separate housing is better than housing in composite houses. Let us come back to British Guiana and see the housing in the mining areas. The B.G. Consolidated Goldfields have houses for their workers—bachelors and men with families—and there is similar provision at the Stampa saw-mills. Why should we then give an allowance because they want to build composite houses by adding a wing or two so as to obtain that allowance, when they can build separate houses? I do not agree to the housing of workers together. I accept the principle enunciated by the hon. Member for Georgetown Central.

The ATTORNEY-GENERAL: I think the hon. Member for Central Demerara told this Council that in the consideration of the question of the erection of separate buildings or composite buildings for the doctors at the Public Hospital it was found from the Public Works Department's estimates that there was very little difference in the cost. Accepting that, it will be seen that if an undertaking decides to erect a composite house it would be guided by considerations of convenience. As the last hon. Member who spoke has said, in some mining concerns there are separate buildings. These composite buildings for bachelors are used from the point of view of the convenience of the employees. It is clear that some undertakings may desire to have a few composite buildings for the purpose of housing their bachelor staff and, having regard to the fact that there is little difference in the question of the cost of construction of these buildings, their main point will be convenience.

So I do not think that this debate should be directed along the lines of the relevant merits of composite houses and separate houses. It is an admitted fact that it is unnecessary to debate whether it is more desirable to have separate buildings, but there are circum-

stances which will arise, and which will make composite houses a necessary and desirable type of house to be built by an undertaking.

We come back to the point which was originally raised by the hon. Member, as to the relevant amount of allowance to be given for a composite house as against a separate house. Hon. Members, I think, should direct their minds to that particular aspect of the question. That being so, apart from all the other factors which have emerged in the course of the debate, it seems to me it is considered that to make an allowance of \$4,000 in respect of each apartment or flat is rather too high. That is the opinion and I think I have put what is the view which has emerged in the course of the discussion. If that is accepted, it would be necessary to redraft the provision so as to make that perfectly clear in the clause itself. I do not think it is the intention of hon. Members to deprive any undertaking or company from getting reasonable benefit from the allowance, if circumstances arise which make it necessary for them to erect composite houses. I think hon. Members feel that it would be equitable to give them something to be provided in the clause which is not in the proposed amendment.

Dr. JAGAN: I think there is some amount of confusion about this question of composite housing. The hon. the Attorney-General mentioned the houses which are being put up at Ruimveldt. Those flats or composite buildings cannot be compared with the composite buildings for bachelors at Stampa. In the one case they are self-contained apartments in which families can live, while in the other simple partitions provide separate rooms for unmarried persons. I am wondering whether this will include every room as a section of a composite building. The hon. the Attorney-General originally suggested a composite building of the type of the Wortmanville and Ruimveldt flats, and I would concede that in the case of such buildings possibly an

allowance of half the amount to be granted in respect of a single dwelling might be allowed. But in the case of a composite building, such as that at Stampa, in which between 20 and 30 persons may be living, I do not see the necessity for allowing half of the amount to be granted in respect of a single dwelling. A composite building of that type is really one building with partitions providing small rooms.

The ATTORNEY-GENERAL: I indicated that buildings with partitions were not contemplated. I referred to the buildings at Wortmanville and Ruimveldt which house separate families.

Dr. JAGAN: When the hon. the Financial Secretary mentioned about the accommodation of bachelors I thought of the buildings at Stampa and Manaka.

The ATTORNEY-GENERAL: That may be the purpose but not the design.

The CHAIRMAN: I think the debate on this clause has been unduly prolonged. I think the majority of Members are now in agreement as to the form which the amendment to the clause should take, and we can leave it to the Attorney-General to draft an amendment on the lines suggested, which can be submitted for consideration at the next meeting. I think it would be difficult to particularise too closely in the clause. We cannot provide for every possible contingency, but the Attorney-General's amendment should provide, I think, that the various sub-divisions of a building must be entirely self-contained, and should not be just partitions in one barrack room occupied by bachelors. He really made that clear when he was moving the original amendment to the clause.

Mr. FERNANDES: Do I understand that the acceptance of an allowance of \$2,000 is from the Official side? There would have been no necessity for

the debate going on as long as it has if the point made at the beginning had been accepted.

Mr. RAATGEVER: The cost of constructing composite buildings is greater than that of constructing individual buildings. At the Decanting Centre at Ruimveldt the estimate for the construction of one of the buildings to house 12 families was \$30,000, apart from the cost of removal of the building from Atkinson Field. The actual cost of constructing individual buildings varied from \$2,500 to \$3,000 for a house of three rooms with all modern conveniences. It is no more expensive to put up individual houses, and they are much better for the people, because they would have a little plot of land in front and behind their houses for the planting of flowers and vegetables respectively, and in this Colony where we have so much land I think it is desirable to put up individual buildings.

The FINANCIAL SECRETARY & TREASURER: I am afraid we have gone right back to where we started. All I can say is that on behalf of Government we are prepared to accept the figure of \$2,000 for each separate dwelling.

The CHAIRMAN: I think it would be a pity to rule out composite houses altogether. I saw a very fine example of what we would call in England semi-detached dwellings, built of hollow clay tiles at Mackenzie for two families.

The FINANCIAL SECRETARY & TREASURER: I do not think I would be disclosing a secret if I said right here and now that one reason for this amendment was that it was known that that particular undertaking, the Demerara Bauxite Co., had been putting up semi-detached houses for occupancy by two families; that they were a great success, and that they proposed

to expand that operation very largely. If this amendment is not accepted that particular plan and design of building which has been found to be so successful, would have to be abandoned in favour of something else which might not be quite so successful.

Mr. MORRISH: I consider the figure of \$2,000 suggested is on the low side, and I would suggest that for each section of a composite building the allowance should not be less than \$2,500.

The CHAIRMAN: I think that is a reasonable suggestion. We will re-draft the clause on that basis.

Mr. FERNANDES: I would not oppose that.

The CHAIRMAN: I think the hon. Member did mention \$3,000.

Mr. FERNANDES: I feel very strongly on this matter because, when I made my original suggestion, the soundness of it should have been seen at the beginning, and it would have saved all this waste of time. But when a Member's point is made to look small, as if he is talking nonsense, he has no alternative but to resort to drastic measures.

The ATTORNEY-GENERAL: I do not think the hon. Member should suggest that his point was made to look small.

Clause 45 was deferred for further consideration.

Clause 48.—*Claims for deductions under Part VII.*

The ATTORNEY-GENERAL: I move that clause 48 be amended by the substitution of the words "section fifty-one" for "section 51".

Clause 48, as amended, agreed to.

Clause 49.—*Interpretation.*

Mr. WIGHT: I cannot agree with that part of the definition of "worker" in this clause which does not include the owner. Surely if the owner of the land erects a house for himself and he is also a worker on that land he should be given some consideration with respect to the cost of erection of that house even though he lives in it.

Mr. LEE: I agree with the hon. Member that a worker should be able to put up a house on the land. If he is allowed this deduction he would be afforded an opportunity to build his own house.

Mr. FERNANDES: There is a lot in the point made by the hon. the Deputy President because, if the same individual formed himself into a company he would get a write-off for the house, as he would be an employee of the company. All he has to do is to form his business into a company and there is nothing to stop him getting a write-off.

Mr. WIGHT: I move the deletion of the words "but does not include the owner or relatives of the owner except that in the cases of relatives of the owner to the extent that the Commissioner may permit where he is satisfied that such relatives are workers actually employed in such trade."

The FINANCIAL SECRETARY & TREASURER: I do suggest that hon. Members need not trouble themselves about that because, even if the clause were deleted it would not mean that a person who puts up a building for himself and charges the cost thereof to his expenditure account, would be allowed to claim a deduction, because it offends against a very fundamental principle of income tax.

Mr. WIGHT: I am glad for the information given by the Financial

Secretary because I see in it a streak of what we will have to discuss in another Income Tax Bill which is to come up. When I saw this clause I thought that probably the same hand was in both of the draft clauses. I cannot see why a man who starts in a small way with six labourers, and puts up a house for himself and another building for his six labourers, should be entitled to an allowance in respect of the building occupied by his six labourers and no allowance for the one in which he lives. It is true, as the hon. Member for Georgetown Central (Mr. Fernandes) has said, that he could form his business into a company, but in doing so he would have to spend money to pay lawyers and Registrar's Office fees. I think that if we are attempting to assist industries we should assist the small man as well as the large company. If a small orange grower or banana cultivator puts up a house for himself and works on the land he should be allowed some concession in respect of the expenditure on the house. I would like to hear the hon. the Financial Secretary say that this has nothing to do with the other Bill, but it looks to me as if this is the spearhead of the attack to come.

The FINANCIAL SECRETARY & TREASURER: On that occasion I expect to be completely on the defensive, and it would not be the first time that particular measure will come forward in that form, but for the second or third time of asking, and it is quite possible that it may be rejected. We cannot cut across the principles of income tax, and those principles are very clear—that domestic, private or personal expenditure of any sort is not permissible as a deduction. If I build a house myself I cannot get the cost of building it allowed as a deduction from my income. That is a principle of income tax. I do not want a debate over the other matter now. It is something analagous but not the same. I do not think we need trouble

ourselves to delete those words from the clause, because if they were deleted the clause would not have the effect hon. Members desire.

Mr. WIGHT: Then all the owner would have to do — and it would not cut across any principle—would be to put up a house for a worker and then rent a room or a part of the house from the worker, or he could get the worker to put it up. That is where we lawyers sometimes have to try to defeat the law. It seems to me that if the clause remains as it is it would lead to a lot of subterfuges.

Mr. FERNANDES: I think that if the hon. the Financial Secretary would promise not to refer to the fact that in opposing this clause now Members are dealing with the other Bill, I may be inclined not to oppose it, because I can see several ways in which an honest worker on a farm could get by this clause legally without any trouble.

The FINANCIAL SECRETARY & TREASURER: I readily give that promise. All I will say is that this has been copied from legislation which originated in the United Kingdom.

Mr. WIGHT: So is the other.

The FINANCIAL SECRETARY & TREASURER: As regards the other Bill I am going to provide another and a better form of ammunition altogether.

Mr. WIGHT: I am not generally suspicious of motives, but I thought there was some analogy with the other Bill. As we have it now from the Financial Secretary that there is nothing insidious about this clause I will withdraw my amendment.

Clause 49 agreed to.

Clause 50. — *Application of provisions of Part VII of Ordinance.*

The ATTORNEY-GENERAL: Hon. Members will recollect that the proviso to sub-clause (3) of clause 9 was deleted, and at the time I informed Members that the reason for its deletion was that mining undertakings will get the benefit of allowances with respect to workers' houses under the general provisions in Part VII. Thus clause 50 should also be deleted following upon that procedure. That is to say that houses for workers in mining undertakings will come under the general provisions in Part VII of the Bill, so that there is no necessity for clause 50. I therefore move its deletion with consequential renumbering of the succeeding clauses.

Clause 50 deleted.

Clause 59—*Amendment of section 23 of the Income Tax Ordinance, Chapter 38, for all purposes.*

The ATTORNEY-GENERAL: I move the substitution of the words "sub-section (1) of section twenty-three "A" for "section 23A(1)," the deletion from the marginal note of the words "Chapter 38 for all purposes", and the addition of "No. 3 of 1949", to the marginal note.

Question put, and agreed to.

Clause 59, as amended, passed.

First Schedule.

Mr. FARNUM: I move the re-committal of the First Schedule to add the words "bags" and "twine" to item 4.

Question put, and agreed to.

First Schedule recommitted and amended accordingly.

The ATTORNEY-GENERAL: There is a clause outstanding which we will have to take—clause 45 with regard to this question of housing. At this stage

therefore, I beg to report progress and that we will sit again with reference to that clause.

Further consideration of the Bill deferred.

The Council resumed.

The ATTORNEY-GENERAL: With the consent of Council I beg to take item 7 of the Order Paper which is not controversial.

The COLONIAL SECRETARY seconded.

Question put, and agreed to.

PENSIONS (AMENDMENT) BILL.

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

"An Ordinance further to amend the Pensions Ordinance, 1933, with respect to the pensions of public officers who have service as teachers."

This Bill, as hon. Members will see, seeks to enable the whole of the service of teachers who have subsequently joined the public service, to be counted for the purpose of computing their pensions under the Pensions Ordinance, No. 20 of 1933, from the 1st January, 1948. The intention is to allow all teachers who may be appointed public officers to have their entire teaching service taken into consideration for pension. Representations have been made by the B.G. Civil Service Association that teachers subsequently appointed to the Service should have their entire teaching service taken into account for pension, instead of two-thirds. We have instances of teachers who have become members of the Public Service, and it is felt that it is an equitable way of treating their services for the purpose of pension. This Bill seeks to enable that to be done. I beg to move that the Bill be now read a second time.

The COLONIAL SECRETARY seconded.

Question put, and agreed to.

Bill read a second time.

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

Clause 4—Commencement.

The ATTORNEY-GENERAL: This is from the 1st January, 1948, as there are one of two officers who have come into the Service and they should have the benefit of this legislation.

The Council resumed.

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

The COLONIAL SECRETARY seconded.

Question put, and agreed to.

Bill read a third time and passed.

NEW AMSTERDAM ELECTRIC LIGHTING ORDER (EXTENSION) BILL.

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

“An Ordinance further to extend the duration of the New Amsterdam Electric Lighting Order, 1900”.

The New Amsterdam Electric Lighting Order, 1900, which authorises the Mayor and Town Council of New Amsterdam to supply electricity within the area defined in the Order, ceased to have effect on the 22nd August, 1950. Clause 3 of this Bill seeks to extend the duration of the Order to the end of 1951. Clause 4 empowers the Governor in Council further to extend

the duration of the Order, if necessary, to the end of 1952. Ordinance No. 9 of 1932, which is the Ordinance to amend the Electric Lighting Order, extending the Order for the period of 20 years from the 23rd August, 1930 refers in the preamble to how this matter is effected. It says :

“Whereas by the New Amsterdam Electric Lighting Order, 1900, hereinafter referred to as the Order, the Mayor and Town Council of New Amsterdam was authorized to supply electricity within the area in the said Order defined;

“And whereas by an Order in Council dated the 10th of May, 1921, and published in the Gazette of the 14th of May, 1921, the Order was amended;

“And whereas the Order as amended ceased to have effect on the 22nd day of August, 1930, by reason of no extension thereof having been granted according to law;

“And whereas it is desirable to provide for the continuance in effect of the Order as amended from the 23rd day of August, 1930, for a period of twenty years;

“Be it, therefore, enacted by the Governor of British Guiana with the advice and consent of the Legislative Council thereof, as follows—”

Then follow the provisions. This Bill which is now before hon. Members seeks to provide for an extension in view of the fact that the Order ceased to have effect in August of last year. This is necessary. I beg to move that the Bill be now read a second time.

The COLONIAL SECRETARY seconded.

Question put, and agreed to.

Bill read a second time.

The Council resolved itself into Committee and considered the Bill clause by clause without amendment.

The Council resumed.

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

Question put, and agreed to.

Bill read a third time and passed.

The COLONIAL SECRETARY seconded.

The Council was adjourned until 2 p.m. on the following day.