

LEGISLATIVE COUNCIL

WEDNESDAY, 18TH JULY, 1951.

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

PRESENT:

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

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

The Hon. the Financial Secretary and Treasurer, Mr. W. O. Fraser (Acting).

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

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

The Hon. V. Roth, O.B.E. (Nominated).

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

The Hon. J. Fernandes (Georgetown Central).

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

The Hon. R. B. Gajraj (Nominated).

The Hon. D. C. J. Bobb (Nominated).

The Hon. W. A. Macnie, C.M.G., O.B.E. (Nominated).

The Clerk read prayers.

The Minutes of the meeting of the Council held on Friday, the 13th of July, as printed and circulated, were taken as read and confirmed.

PAPERS LAID

The COLONIAL SECRETARY laid on the table the following:—

The Report of the Director of Public Works for the year 1950.

The Report of the Superintendent of Prisons for the year 1950.

The Report of the General Manager on the Transport and Harbours Department for the year 1950.

The Report of the Commissioner for Co-operative Development for the year 1950.

The Report of the Trustees of the Mitchell Trust Fund for the year 1950.

Interim Report on an investigation of the possibilities for pasture improvement in the Rupununi District by Mr. J. S. McCorkle (U.S. Adviser under E.C.A. project).

DELAY IN SECURING VISAS FOR THE U.S.A.

Mr. WIGHT: Before the Order of the Day is proceeded with, I crave your leave, sir, to mention a matter which is of great public importance. The matter to which I refer is the growing delay and irritation being caused the inhabitants of this Colony in obtaining visas to proceed to the United States of America and, furthermore, the matter of the examination to which the female members of the community, particularly, are being subjected to. We appreciate that this is a matter which is, perhaps, entirely within the province of the United States of America and its representatives, but I do feel that it might be given some consideration by this Government. Certain instances have been brought to my attention and I feel sure that there are several

others of which I am not aware, but I would be only too happy if those persons concerned would communicate with me and state their cases in order that I could place them—in addition to those of which I am already aware—before this Government.

The COLONIAL SECRETARY: No individual has addressed any complaint to me on this subject, sir, but if I am furnished with details of any alleged delay or any other complaint I will take the matter up in the proper quarter.

OBJECTION TO FORM OF INDIAN
FAMINE RELIEF MOTION.

Mr. FERNANDES: Before we take the Order of the Day, I would like, with your permission, sir, to draw attention to the wording of the resolve clause in the motion set out in the Minutes which were confirmed at the last meeting of this Council. My copy of these Minutes was only handed to me shortly before the Council met, and I did not examine it carefully. I refer to the motion moved by the hon. Nominated Member, Mr. Farnum. The resolve clause reads:—

“BE IT RESOLVED that this Honourable Council, out of sympathy to the particular State of Bihar, donates at least 500 bags of rice to the Relief Fund which has been organized to aid the sufferers.”

I do not know what interpretation is to be put on that. It either means that this Council has been given the right to initiate the expenditure of money, or it means that this Council, as such, has donated the 500 bags of rice.

The PRESIDENT: Is the hon. Member speaking about the Minutes of the last meeting?

Mr. FERNANDES: No, sir; the Minutes of Thursday, July 12, page 5.

The PRESIDENT: I am afraid I do not quite understand the hon. Member's point.

Mr. FERNANDES: The point is that there is no recommendation in the resolve clause as passed and recorded. It says “. . . that this Honourable Council, . . . donates at least 500 bags of rice to the Relief Fund which has been organized to aid the sufferers.” It is either that this Council has donated the rice, or this is a recommendation of the Council, or we have been given the right to initiate the expenditure of money.

The PRESIDENT: I was certainly under the impression that it was in the nature of a recommendation. As a matter of fact, the Colonial Secretary mentioned the point to me during the debate.

Mr. FERNANDES: I am not suggesting that it should not be a recommendation, but if we leave it like that and it goes on record it may appear at some future date that we actually initiated the expenditure. I am sorry I could not correct it on the proper date; it was one of those days when I got here just a little late.

The PRESIDENT: I will make a note of the point and consider what should be done about it at this stage. The hon. Member is certainly correct when he says it would be out of order for a motion by a private Member to involve the expenditure of money, as distinct from a recommendation by the Council.

Mr. WIGHT: On the other hand, it would appear as if the hon. Members who spoke on the motion, supporting it, had put up the funds.

The PRESIDENT: It really does.

The COLONIAL SECRETARY: It merely implies that there was a debate in favour of the motion.

Mr. WIGHT: That is so, sir.

ORDER OF THE DAY

QUESTION OF CONTROLS.

The PRESIDENT: Council will now proceed to the Order of the Day.

Council resumed the debate on the following motion moved by the hon. Member for Western Essequibo (Mr. Wight):—

"WHEREAS general public dissatisfaction is expressed as to the several and/or various forms of export, import and local control including currency control;

"BE IT RESOLVED that Government be requested to appoint a Committee to investigate and report on the said Controls and whether such controls are necessary and expedient in the interests of the Colony of British Guiana."

The COLONIAL SECRETARY: Sir, the preamble to the motion which we are considering reads:—

"WHEREAS general public dissatisfaction is expressed as to the several and/or various forms of export, import and local control including currency control;"

Well, sir, I submit that no form of control is or can be popular, and there is bound to be some measure of dissatisfaction. I have noted, however, with gratification, the tributes paid by several speakers to the present Controller on the way in which the control has been exercised. These tributes are a measure of the fairness and justness with which the control has been exercised. The hon. Member for Central Georgetown (Mr. Fernandes) referred to certain cases, which, he said have been the cause of irritation, but I think that those cases were due, very probably, to an excessive desire on the part of the Controller to be scrupulously and entirely fair. There is no graver charge that can be brought against a Controller than the charge of favouritism and it may be that on occasion, in his desire to avoid that charge he has felt it necessary to be a little rigid, though I may remind hon. Members that in all these matters he acts with the advice of the Central Imports Advisory Committee of which all the Unofficial Members of the Executive Council are members. They are,

obviously, bound to hear cases occasionally in which individuals would feel they have been dealt with unfairly when they have been dealt with, a little severely perhaps, in order to avoid any suggestion of favouritism, and I think that is right and proper.

This Administration, sir, has no desire to maintain control where control is no longer necessary in the public interest. I think it has given evidence of its attitude clearly enough by divesting itself as far as possible of different forms of control from time to time, and I do not really believe that those which remain can be regarded as unnecessary. However, if it is the general desire of this Council that a Committee should be appointed, as recommended in the resolve clause of the motion, to investigate and report on the said controls—to say whether they are necessary and to what extent—the Administration would not oppose the appointment of such a Committee.

I should like, however, to make one or two observations. The first one is, of course, that this is hardly an auspicious time to consider the removal of control. The International situation is grim and black, and it is likely to remain so, I fear, in spite of the glimmer of light on the Eastern horizon. I saw a recent definition of an optimist as "a man who still regarded the future as uncertain." Be that as it may, the fact is that prices are going up as a result of the re-armament programmes forced on the Western world, and we are once again faced with great shortages because of the diversion of strategic materials. I read in the English newspapers almost daily of fresh increases—startling increases—in the price of goods. I have recently seen that the prices of utility clothing and footwear in England have been increased by 34 or 35 per cent. I am afraid these conditions are likely to continue for some time, and I repeat that the atmosphere is wholly unfavourable for the removal of control. Indeed, it may become necessary to restore control on some items from

which it has been removed. We have already had one such request from the First Nominated Member (Mr. Roth)—a request that the control on nails should be restored.

I should like to say something, briefly, as regards the different forms of control which are still in force. Firstly, there is the currency control. As long as this Colony is tied to the sterling area as it is at present—and I believe it must continue to be, in its own interest,—we are not our own masters in regard to currency control. I do not know a great deal about the economic conditions in the neighbouring territory of Surinam to which the hon. Member referred, but they may be—and I think must be—entirely different from our position here. I do not believe we can possibly manage on our own, even if it was practicable, constitutionally and otherwise. The most important reason, of course, is that we have a deficit of hard currency. We have a favourable trade balance at present with Canada, but this is more than off-set by our unfavourable trade balance with the United States of America. As the Canadian dollar and the American dollar are not on a par. I cannot state the position in figures very well, but that is the position. We have, however, an unfavourable trade balance with these particular two hard currency countries which are the ones from which we would like to import, in spite of the fact that imports from these two countries are strictly limited. That being the case, I do not see that any possible advantage can result from our attempting to divorce ourselves from the sterling area even if, as I have said, that was practicable; but, of course, it is not.

As regards import control—the import licensing system—there again, that is a matter of dollars, and for the reason which I have just stated with regard to currency control, it would not mean that if we were on our own and were to remove all re-

strictions on imports, we would be able to buy as much as we would like from the United States and Canada. That would not be possible because we would not have the dollars to do it, and we would run up such an unfavourable trade balance that those countries would no longer be prepared to export to us and the value of our currency here would descend to a very low figure indeed. At the moment control of imports is limited as far as possible. Most imports from sterling areas come in under the open general licence, with certain unavoidable exceptions such as steel—both manufactured and semi-manufactured,—oil and fats, fertilizers and chemicals which are in short supply throughout the world and which would be in even shorter supply, I am afraid, in future. There may be other items which could be added to that list, but there is a very large range of items which come into the Colony under open general licences, quite free from control. Local control and distribution is now confined to four items in so far as imported goods are concerned, and these are salt beef, galvanised sheets, flour and imported lumber. There are good reasons for retaining control of all these items.

As regards local price control, this is, perhaps, one of the most difficult and one which gives rise, perhaps, to the most dissatisfaction, particularly when combined with local shortages of supply as has happened recently with coconut products. Where demand greatly exceeds supply you cannot have 100 per cent. efficiency and satisfactory control unless you combine price control with rationing which is a thing we have never attempted here and I doubt whether any hon. Member would suggest that we should, at this late stage, try to introduce it now. It would, of course, involve considerable increases in the staffing and the administrative cost of the control, but it is a fact, of course, that unless you have rationing you are bound to get blackmarketing. As a matter of fact, you get blackmarketing even when you

have rationing, but it is very much aggravated where there is no rationing. The results of removing price control in other territories have not been very encouraging. I understand that in Jamaica the removal of control on dry goods put up the cost of living by two points, and I have before me a copy of a Trinidad newspaper—the *Sunday Guardian* of July 8,—which carries a headline referring to the gravity of the situation there. The headline reads: "Decontrol causes fantastic prices in meat, vegetables." I am certain, sir, that the removal of price control on local products in this Colony would have similar results.

The hon. Mover of the motion, I think, suggested that we might take off control for, say, six months, and see what happens. When you are dealing with the interest of the community as a whole—and particularly with the interest of that section of the community which has no margin of resistance against economic shocks—you have to be very careful what experiments you embark upon because even in a short period you may do so much damage that the community might take a very long time indeed to recover.

I should like to emphasize here that the rise in the cost of living is already causing the Administration the gravest concern. Hon. Members will have seen from the Index figures that there has been a steady rise, and in view of what we know to be happening abroad, and the results which that is likely to have here, there is little hope that the steady rise will be checked in the immediate future. This question of the cost of living is of such vital and paramount importance that I would suggest that if it is decided to appoint a Committee it should be written into their terms of reference that in their deliberations they should have due regard to the possible effects of the removal of control on the cost of living. We want to

do nothing now which is liable to accelerate the rise which is already taking place.

To sum up, as I said at the beginning, Government will not oppose the appointment of a Committee if it is the general feeling of the Council that a Committee should be appointed, but the time is not an auspicious one. The work of the Committee is going to be long and difficult, and I would like to say here that I entirely agree with the hon. Mover's suggestion that there would possibly have to be three Committees. I do not see how one Committee could possibly deal with all the wide and diverse forms of control which at present exist. As I have said, the work of the Committees is going to be very long, arduous, complicated and difficult, and my own feeling is that under present conditions I should be very much surprised if at the end of their labours the mountain is able to produce even a mouse.

Mr. BOBB: Until today our attention had been mainly directed to the advantages that would accrue to the producer and the consumer when controls were lifted. It was very timely that reference should be made to the effect upon national income, and it is that aspect particularly which has been my own concern. There is no doubt at all that, both from the point of view of the producers and the general consuming population, the removal of controls would bring decided advantage, in a limited direction, perhaps, but I have good reason for feeling that there ought to be due regard given to the effect that decontrol would have on the national income situation, since the revenue has to be watched, because we are not in a happy position.

I agree with those hon. Members who have pointed out the need for a Committee. I believe that the whole matter is so complicated that not only would it be necessary to have a Committee working on specific terms of reference but, in my view, it is necessary

to have the personnel so representative and so competent as to bring to bear upon this tremendous issue all the knowledge and experience at their command. When I refer to the personnel of the Committee I do not suggest that the Administration is incapable of selecting a suitable personnel, but I think that in a matter of this sort, which is not merely the concern of the producer and the consumer but also one affecting our revenue and the standard of living of the people, due care ought to be exercised in securing the services of persons who are representative of a number of different interests. There is an old saying that in the multitude of councillors there is wisdom. A Committee composed of the best brains in the Colony would be able to arrive at a common ground of investigation and its report should represent a very satisfactory cross-section of public opinion and of the mercantile view. I support the setting up of a Committee with special emphasis on its personnel and its terms of reference, to investigate this very complicated matter.

Mr. WIGHT: I do not intend to be very long in my reply, but I would like to thank hon. Members for their support of the motion in its suggestion that a Committee should be set up, and the Administration for its ready acceptance of that same purpose. I think I covered much ground in the limited time in moving the motion, but there are one or two points to which I may refer in reply to points which have been raised during the debate. The first point is that raised by the hon. Nominated Member who has just taken his seat, with regard to national income. We know our position and where our revenue stands, and I do not think we should continue to close our eyes to the fact that this Government is not really in a happy position regarding its finances.

The COLONIAL SECRETARY: I must apologize for interrupting the hon. Member to correct a misstatement I

made. I am now informed that in fact the debit on our U.S.A. imports is more than offset by the credit on the Canadian imports, and that I informed the Council wrongly when I said it was the other way around.

Mr. WIGHT: I intended to touch on that. The position is that we have a form of bureaucratic control which at the moment is unable to stem the rising tide of the cost of living. The Committee should be able to find some way of relaxing control without entirely abandoning the principle of control or the control organization. I still maintain that the purchasing power of the community is lower today than it was some time ago, and that by some form of decontrol prices would generally find a level and would be determined by the law of supply and demand. It will be found, I submit, that where there is a shortage of supply there must be some form of control, but for control to be effective there must be a system of rationing, because what is the good of controlling the price of an article if the poor man cannot obtain it except he pays a blackmarket price for it? It means that only the person with a well filled pocket would be able to obtain such an article. I believe that the decontrol of an article of local produce would allow the price of that particular article to find its level and provide some basis upon which we could work. We may be able to discover those who are responsible for causing a shortage of local produce.

The shortage of nails has been referred to. If they are in short supply and somebody is being extortionate in the matter then we can have control of nails, but control is not going to prevent blackmarketing in nails. My friend has told us that the construction of two buildings is being retarded on account of the shortage of nails. He may be able to get nails rationed, and even if the price is controlled he may have to pay a little more for them. I

understand that on the Essequibo Coast the price of nails jumped to \$1 per lb., and I believe the gentleman concerned is getting them sold or he would get rid of them at a lower price. I understand that when nails become rusty they are put in oil and sold as second-hand nails above the control price.

I would like to take this opportunity to say that there was no intention whatsoever in the motion to suggest that the Control Board has done its job well in difficult times. Having been born in this Colony and participated in most of its activities, I know that it would be very difficult for any individual or body of persons to do anything in this Colony without receiving adverse criticism or incurring suspicion. That is one of the unfortunate things that we have to face in this Colony. In one breath we clamour for self-government and in another we say that those who would be placed in responsible positions if there is self-government, are unworthy of such positions. I say that we should give all praise to the officers of the Control Board. There have been some mistakes but on the whole the Board should be congratulated on the manner in which it has performed its duties in very difficult circumstances.

It does seem that I am not as pessimistic as the hon. the Colonial Secretary when he suggests that nothing will come out of this motion. I have read extracts from the report of the proceedings at the Commonwealth Parliamentary Conference in New Zealand which show that the Canadian Government is getting a little concerned about Canada's trade with this Colony, and I feel that we should as far as possible be given more dollars so as to improve our trade with the Canadians who are getting a little resentful of the fact that they are gradually losing their trade with this part of the world. After all we must remember that Canada exerts

a large influence upon the economic position of the Commonwealth *vis a vis* the U.S.A., and this is a point upon which the Committee will have to ponder, especially in relation to the point which has been raised by the Colonial Secretary who referred to the European crisis. If there is going to be a European crisis or an Eastern crisis there can be no doubt that Canada and Canadian economy will play a very large part. Canada may even be the conduit pipe in certain phases of the war expenditure of the United Kingdom. It is true that London is still the financial centre of the world though controlled somewhat by other factors. As has been said by the Colonial Secretary, we have this constant rise in prices. It is true we owe a considerable debt of gratitude to the U.K., but we also must not forget that the cost of production is going up in England.

The COLONIAL SECRETARY: The cost of raw materials imported into the United Kingdom has risen in the last month by 33 per cent., whereas the prices of goods exported have risen by 15 per cent. Those figures do not indicate that the rise in prices is due to the cost of production in the U.K. but to the cost of raw materials which have to be imported into the U.K.

Mr. WIGHT: If raw materials from this country have to be sent to the U.K. to be manufactured then perhaps our sugar producers and others might consider the possibility of processing of raw materials in this country. The question of currency is dealt with in that way, and with respect to imports of certain articles, like flour, it would be interesting to know what the position is, but I understand that the matter was dealt with this morning at a meeting of the Central Imports Advisory Committee at which I was not present. It is a question which should be given some consideration, but I still feel that there should be decontrol in

various forms. The question is whether the quota system should be applied to those persons who sell flour directly or indirectly, but those are small details which can be arranged.

In this part of the world we have what are known as ceiling prices. I do not think they obtain anywhere else in the world, or in these parts. It is all very well to fix a ceiling price but it remains constant until it is changed. In the meantime quotas may be allowed by varying stages up to the ceiling prices. I think that is one of the points to which the Committee should give consideration with a view to abolishing the ceiling prices. I think that is all I need say, but again I wish to thank Government and those hon. Members who have supported the motion for the appointment of a Committee. As has been suggested by the hon. the Colonial Secretary and myself, the Committee should be divided into three groups under one common Chairman.

I am not as pessimistic as the Colonial Secretary; I feel that something will come out of this motion. I also feel that, having heard the views expressed by Members of this Council, Government will give consideration to the question of releasing control of certain local produce, particularly articles like oil, meat and so on. There is no doubt that there are seasonal difficulties, but I feel sure that decontrol of meat, oil and things of that kind which can be obtained locally would automatically result in those articles being available to everybody. We know that we cannot obtain meat in the City in sufficient quantities, but that in the outskirts supplies can nearly always be obtained. We know that cars drive into the village in which the hon. Member for Georgetown Central (Mr. Fernandes) and hon. Nominated Member (Mr. Farnum), live and bring meat into the City.

Mr. FARNUM: In bringing meat into the City the hon. Member commits an offence.

Mr. WIGHT: The offence is still being committed.

Motion carried.

REFUND OF STAMP DUTY ON PRIVATE BILL

Mr. PETERS: I beg to move the motion standing in my name which reads as follows:

Whereas a Bill intituled "An Ordinance to incorporate the Board of Trustees of the African Methodist Episcopal Zion Church in British Guiana, to vest therein certain property, and for purposes connected with the matters aforesaid" was on the 31st, of May, 1951, passed by this Honourable Council;

And Whereas the sum of one hundred dollars was paid as Stamp Duty pursuant to the Tax Ordinance, 1939 (No. 43) in respect of the said Bill;

And Whereas the said Church has made a useful contribution to the religious and educational life of this Colony during its operations in this Colony;

And Whereas it has been customary for this Honourable Council to recommend the refund of Stamp Duty paid in respect of Private Bills dealing with the incorporation of Churches;

Be It Resolved that this Honourable Council be pleased to recommend to Government the refund of the sum of one hundred dollars paid in terms of the Tax Ordinance, 1939, for the Private Bill intituled "An Ordinance, to incorporate the Board of Trustees of the African Methodist Episcopal Zion Church in British Guiana, to vest therein certain property, and for purposes connected with the matters aforesaid."

The Bill referred to was passed by this Council not many weeks ago, and in view of the very happy precedent which has been established here, the Corporation thus set up has been bold enough -- or shall I say optimistic enough -- to approach this Council through me to ask that this indulgence be granted to it. The motion speaks for itself, and it only remains for me to ask the Council to grant the prayer of the motion in respect of the refund of

the stamp duty. I have very great pleasure in moving the motion.

Mr. FERNANDES seconded.

Motion put, and agreed to.

REFUND OF STAMP DUTY TO Y.W.C.A.

Mr. FARNUM: I beg to move the following motion standing in my name on the Order Paper:—

Whereas a Bill intituled "An Ordinance to incorporate the Trustees of the Young Women's Christian Association in the Colony and for purposes connected therewith" was on the 20th of June, 1951, passed by this Honourable Council;

And Whereas the sum of one hundred dollars was paid as Stamp Duty pursuant to the Tax Ordinance, 1939 (No. 43), in respect of the said Bill;

And Whereas the said Association has been useful in its contribution to the social, religious and educational life of this Colony during its operation in this Colony;

And Whereas it has been customary for this Honourable Council to recommend the refund of Stamp Duty paid in respect of Private Bills dealing with the incorporation of social, religious and charitable organisations;

Be It Resolved that this Honourable Council recommends to Government the refund of the sum of one hundred dollars paid in terms of the Tax Ordinance, 1939, for the Private Bill intituled "An Ordinance to incorporate the Trustees of the Young Women's Christian Association in the Colony and for purposes connected therewith."

I am following the hon. Member for Western Berbice (Mr. Peters), I should say, in making this appeal. It is known that the Y.W.C.A. has been engaged for the last 25 or 30 years in social work among the people

and that if it had not undertaken this work it would very probably have fallen on Government. At present the working expenses of the Association are very much more than the revenue, and in order to meet that expenditure it has to organise fairs and various other forms of entertainment. I think this is a very deserving cause and I also think you know, sir, that the Association is extending its work to the country districts and is doing as much as it possibly can in that direction. Therefore, I have very great pleasure in asking Government to consider the question of refunding the \$100 which the Association paid under the Tax Ordinance for the private Bill recently passed by this Council.

Mr BOBB seconded.

Motion put and agreed to.

MEETING OF FINANCE COMMITTEE

THE FINANCIAL SECRETARY & TREASURER: Before you adjourn Council, sir, may I remind hon. Members of the meeting of the Finance Committee which has been fixed for Thursday, July 26. I should also ask them to make every effort to be in time because there is a very heavy agenda which we have to get through.

PROPOSAL TO PROROGUE COUNCIL

The PRESIDENT: I have already informed hon. Members of my intention to adjourn *sine die* and to prorogue the Council as soon as I am aware of the Governor's impending arrival, and of his wishes as regards the opening of the new Council. Council is now adjourned

