

LEGISLATIVE COUNCIL.

WEDNESDAY, 4th APRIL, 1951.

The Council met at 2 p.m., the Hon. C. V. Wight, C.B.E., Deputy President, in the Chair.

PRESENT

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

The Hon. the Colonial Secretary, Mr. J. Gutch, O.B.E.

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

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

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. C. P. Ferreira (Berbice River).

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

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

The Hon. J. Fernandes (Georgetown Central).

The Hon. Dr. G. M. Gonsalves (Eastern Berbice).

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.

The minutes of the meeting of the Council held on Friday, the 30th of March, 1951, as printed and circulated, were taken as read and confirmed.

The FINANCIAL SECRETARY & TREASURER laid on the table the minutes of the meeting of the Finance Committee of the Legislative Council held on the 22nd of March, 1951.

ORDER OF THE DAY

VENN COMMISSION REPORT

The Council resolved into Committee and resumed consideration of the following motion by the Colonial Secretary:—

That, this Council approves of the action taken and proposed on the Report of the Venn Commission as indicated in His Excellency the Governor's Message No. 4 of the 26th of September, 1950.

Recommendation 37 —*The Welfare Fund should in part contribute to the cost of implementing our Recommendations 9, 11, 12, 32 and 35 above (Chapter XVIII, para 110—Page 143 of Report).*

This is accepted.

Dr. JAGAN: The Welfare Fund, I am told, can be used for the granting of

loans and gifts to estate workers so that they can build houses on lands either on the estates or outside of the estates. I have not been able to get specific information on this point, as to the terms under which these grants or loans are being given. But, sir, the reason why I raise the point is that many of these workers, who have been living in the estate ranges over a long number of years, are today in no position to build houses of their own, and consequently it seems to me that some provision should be made to give at least the sum of \$1,000 as a free grant to each of these individuals. If I remember the correct figures for "extra nuclear" workers, the number was in the vicinity of 6,500 families. If a sum of \$1,000 were to be given to each family, that would only mean a sum of \$650,000. We do know, sir, that the Sugar Welfare Fund, as it stands today, is quite large, and day by day that Fund is increasing.

The FINANCIAL SECRETARY & TREASURER: May I interrupt the hon. Member? He says 6,500 families at \$1,900 each. I suggest that the amount is not \$650,000. It is \$6½ million precisely.

Dr. JAGAN: I did not realize it would be that much. I do not know, as I said, the conditions under which these loans and grants are being given and the specific amount which is now collected under this Welfare Fund. Perhaps the hon. the Sixth and Seventh Nominated Members (Messrs. Morrish and Luckhoo respectively) are aware of those figures. If they can give the facts I would be very grateful.

Mr. MORRISH: I am sorry I have not got those figures with me but, I think, it would not be very difficult to check up on it. I think, however, it is ten shillings (10/-) per ton on all the exported sugar since 1947. I have not got the figures with me to work it out.

The CHAIRMAN: I see from the report itself that at the end of 1948 the Fund had nearly \$700,000 to its credit. As the hon. the Sixth Nominated Member says, the Welfare Fund was created by the imposition of a tax of 10/- on every ton of sugar produced.

The COLONIAL SECRETARY: Sir, I have got the figures. The total of the Fund at the end of December, 1950, amounted to \$1,499,651. The annual income to the Fund is \$400,000. The recurrent expenditure on administration expenses is very small; it amounts to something like \$2,400.

Mr. MORRISH: I may for information say that there is a Welfare Fund Committee on which the workers' interests and the Sugar Producers' Association are represented. Although I have not actually seen one, I am informed that there is a draft form of lease which, I believe, is ready to be put into operation on being approved by all parties. I am afraid I cannot give any more information on that point.

Dr. JAGAN: I wonder if the hon. Member can say what are the terms under which these loans and grants are given for the purpose of building houses.

Mr. MORRISH: As I said, I have not actually studied one of these leases. I understand that every applicant will receive a loan of \$500; he will be allocated a piece of land which he is able to choose for himself within a particular defined area and which land is already prepared by the various estate authorities, laid out in the form of lots, levelled and drained, with waterpipes for artesian water supply, and ready for the building of houses thereon. Wherever it is possible that good material is available from the dismantled old ranges that may be good enough for further use, it is being given to the workers on a token payment to assist them. I am not sure there is anything else I can say on the subject at this stage.

Government's acceptance of Recommendation 37 approved.

Recommendation 38 — *Whether treated as a de novo capital expenditure or as a replacement, all expenditure by the estates on the substitution of "ranges" by other forms of housing should be free from liability to income tax. (Chapter XIX, para. 4—Page 148 of Report).*

The revision of the local income tax law is being considered with a view to

the provision of, *inter alia*, more generous allowances for the replacement of capital, on the lines of the United Kingdom Finance Acts, 1945; the question of making welfare expenditure on approved schemes, including housing schemes, eligible for relief will be considered in this connection, but it is felt that it would be unfair to provide a special privilege, such as that recommended by the Venn Commission, for one industry alone.

Mr. MORRISH: I would like to hear the hon. the Financial Secretary and Treasurer on that point. I do not know whether he can give us that information. At one time it used to be the practice that replacement of buildings for workers' housing on sugar estates was allowed exemption from income tax, but in recent years it has been regarded as capital expenditure and included for income tax. I may explain that where, for example, a range in the past was replaced by two cottages we were allowed to regard those two cottages as a replacement to an old range, but during the last two or three years those two cottages have been regarded as capital expenditure and, therefore, come under a different category for taxation purposes. This Recommendation I interpret to be an endeavour to assist in that position which will bring it back to the old position and will be of very considerable assistance in the further work that may still remain to be done on the "nuclear" houses.

The FINANCIAL SECRETARY & TREASURER: It is true, as the hon. Member has said, in the past the Income Tax Administration, largely due to me when I took a greater share in it than I do now, were more generous in their interpretation of the provisions in the Income Tax law in regard to replacements in the case of sugar estates. They did not claim depreciation allowance but have allowed a write-off as a deduction from chargeable income the cost of replacement. It is obvious that a replacement in many cases must include a large element of improvement capital expenditure. For example, in the instance the hon. Member mentioned — replacement of a range by two or three cottages as the case may be — it is obvious that particular transaction represents not only replacing of the original asset but an

improvement and, as I said, the Income Tax Administration in the past ignored to a large extent the element of capital improvement and permitted the writing off of the whole of that expenditure as a matter of policy. But I must concede that in later years there is a more direct interpretation of Income Tax law and the practice in respect of depreciation and that particular method and procedure was abandoned. What happens now is, only part of the expenditure is permitted to be written off, that part being calculated to represent a certain proportion of the expenditure on the renewal. But the real point about this is, a much more generous procedure is about to be introduced and that will be found in the Bill on the Order Paper — Income Tax (Aid of Industry) Bill. There, Members will see from the long title, it is particularly to encourage the establishment of industries and among other things to make provision for relief from Income Tax in aid of certain industries and the provision of workmen's homes. So that Bill which will be considered by this Council will make specific provision for such matters and will seek to permit expenditure of that nature in construction work to be written off in 10 years by any undertaking.

The point, one must remember, is that in dealing with Income Tax one must be very careful to be reasonably general in the relief concession granted. The Venn Commission has singled out the sugar industry for this special form of relief, but, as we know, it is considered much more desirable that any kind of relief along this line should apply not to the sugar industry alone but to all other types of industries where such concession was reasonable and proper. That is why, as this headnote says — to make provision for relief from Income Tax in aid of certain industries and the provision of workmen's homes — there is this provision for a more generous allowance for replacement capital. I think that for the future neither the sugar industry nor any other industry need fear that the Income Tax law, if this Bill is passed, would not be sufficiently generous as to encourage the construction of workmen's homes. I hope I have made the point clear.

Mr. MORRISH: Thank you.

Government's action on Recommendation 38 approved.

Recommendation 39 — *In our provisional recommendations we suggested the abolition of:*

- (I) *The Sugar Production Tax, instituted in 1942 and bringing in about \$180,000.*
- (II) *The Distilling Tax of \$15,000.*
- (III) *The (ancient) Cane-acreage Tax of \$19,000.*

In the aggregate these charges represent scarcely more than 1 per cent. of the total revenue of the Colony, and we were glad to hear, shortly after our return to England that a decision in these lines had already been taken in regard to the two minor charges. We again urge that the temporary Sugar Production Tax should be abrogated as soon as possible. (Chapter XIX, Para. 4 — Page 148 of Report).

This will be considered in connection with the 1951 Budget proposals.

Mr. MORRISH: There is a comment under this Recommendation which says "in the aggregate these charges represent scarcely more than 1 per cent. of the total revenue of the Colony . . ." It is not the case.

The FINANCIAL SECRETARY & TREASURER: I think what may have accounted for that is the fact that in giving my personal evidence before the Venn Commission I intimated that the two items — the Distilling Tax and the Cane-acreage Tax — were indeed so small that they may well be abrogated, but I did not intend the Commission to understand by that bit of evidence a decision had been taken. In point of fact no decision was taken. As hon. Members know, we found it impossible to repeal the Sugar Production Tax of \$180,000, and it has again been imposed as a part of this year's Budget Tax Proposals. In defence of it I must say this: This Sugar Production Tax was associated, when originally levied, with Subsidization and, of course, although we are not at the moment directly subsidizing food in this Colony we are remitting import duties on several items to the extent of over \$600,000 a year. So there is at least that justification for continuing to maintain this tax which does help in its result in keeping down as far as we can, or pre-

venting from rising further, the cost of living, a matter in which I have no doubt the sugar interests are deeply concerned.

Mr. MORRISH: Thank you! This may not be the appropriate moment to refer generally to the very high taxation on rum exported to the United Kingdom, but I think I am approximately correct in saying that the tax on rum to the United Kingdom is 20 times the value of the article itself. I think, I am also reasonably correct in saying that during the past several years some £88 to 90 million have accrued to the Imperial Exchequer in rum duties and, I think also, I am reasonably correct in saying that £88 to 90 million is probably a sum equal to, if not greater than, the export of the whole area of the Caribbean rum producing Colonies. Therefore, it seems not unreasonable that the Government of any of these Colonies should support any efforts made for relief on rum duties in the United Kingdom. It seems very extraordinary that there has been relief on foreign spirits and wines entering the United Kingdom, while a produce of vital importance to the revenue of this Colony is still left out in the cold.

Mr. FERREIRA: The point the hon. Member has made is one not only this Council but the Legislative Councils of the other West Indian Islands should well take note of. One cannot too strongly stress the need for all the help these Colonies can get from the Mother country, and if we get that help there is no doubt that the other industries, such as the cigar industry of Jamaica and the limacol industry of this Colony, would certainly progress. We may be told that with federation we could get more concerted action and get things done. I do think it is for the Colonies concerned to lose no time whatever, to get busy and try to get the Mother country to see to helping these countries.

Dr. JAGAN: I, too, would like to join the two last hon. Members in supporting the remarks made on this score. It seems to me very unfair to British Guiana's economy and to West Indian economy to place high tariff barriers on rum which is imported into the United Kingdom. Perhaps that is done to pro-

fect the whisky industry of the United Kingdom, but it seems to me that this matter should work both ways. After all, we have in this country preferential tariffs which permit the entry of British goods into this country at a low rate of duty, and if we are to give these preferences it seems but fair that the United Kingdom also should lower her tariff walls so that — I speak particularly of rum — this item can be imported more freely into the United Kingdom. Several Members have already spoken in this Council at one time or other about the exorbitant price they have to pay for a drink of rum while in the United Kingdom. The cost is most prohibitive, there is no doubt, because of the very high duty the Government collects on it. Therefore, I want to join with those Members who have spoken in appealing to the United Kingdom Government that steps be taken to lower this high tariff wall in so far as the rum industry is concerned, in order to have more reciprocity in trade. We cannot have preferential terms only on one side.

Mr. MORRISH: I may further illustrate the point I was making. In 1947 of the total imported spirits into the United Kingdom 80 per cent. was rum but, owing to the extremely high tariffs, by 1950 that percentage dropped down to 60 and it is dropping further still.

Dr. GONSALVES: I rise only to join with the other Member and to record my agreement with them in what I consider unfair treatment to these Colonies.

Dr. NICHOLSON: I am in full concurrence with the expressions of opinion on this question by other Members of this Legislature. We in this country are having very hard times because we are restricted in our buying from the countries from which we formerly made our purchases owing to Devaluation. The cost of living has gone skywards, and if we are with Great Britain we must be treated as partners. They are the wealthier partner and we are the poor member of the partnership. If we have to buy goods at very high prices — machinery for example, if before Devaluation machinery bought in the U.S.A. or Canada was one-fifth or one-tenth of the

cost of machinery imported from Great Britain — and we are restricted in our purchases from countries which are in the dollar area, then we should have some measure of protection also. So I am in full agreement with the expressions of opinion by Members.

Government's action on Recommendation 39 approved.

Recommendation 40. —

40. *We would express the hope that no new charges will, with a possible exception of any land-tax on abandoned or unused portions of estates, be imposed on the sugar-producing Companies.* (Chapter XIX, para. 5 — Page 148 of Report).

Government does not at present contemplate the imposition of any new form of taxation specifically on the sugar industry.

Dr. JAGAN: From time to time I have given figures in this Council relating to lands held by sugar estates which are lying idle, and it seems to me that some effort should be made by Government either to get back those lands or, if they cannot be obtained, to impose a land tax in order to force the sugar estates either to cultivate those lands or give them up. This was one of the major subjects discussed at the Caribbean Conference held at Curacao — the question of large areas of land not being properly cultivated or lying idle — and on my suggestion the Conference adopted a motion seeking to impose a land tax wherever it was felt necessary. I feel that such a step is vitally necessary in British Guiana, and I hope the time is not far distant when a land tax will be imposed on those idle or unused portions of land, especially held in large areas on some sugar estates. At the present time land is very scarce. British Guiana is a very large country and one gets the impression that in view of its small population land would be very readily available, but when we examine the Census report we find that farmers only have an average of about $3\frac{3}{4}$ acres of land. The reason for that is that many farmers either cannot get properly drained or irrigated land, or because the lands are held by private individuals they cannot get large areas of land for cultivation. In some cases farmers would like

to go in for mixed farming, but because of the limited acreage at their disposal they are afraid to go in for cane, rice or provision farming. We do realise the necessity for a diversified agricultural programme, but that cannot be exploited until there is more land available to the farmers. I trust that the question of a land tax will be gone into very fully in order that idle lands held not only by the sugar estate authorities but by private individuals, may be brought into proper use for the benefit of the Colony as a whole.

Mr. ROTH: I am glad to say that here at least is a subject on which I am in hearty agreement with the hon. Member for Central Demerara (Dr. Jagan). For some months I have been giving this matter very careful consideration and collecting data for a motion, of which I propose to give notice at the next session of this Council, for the appointment of a Committee to go into the whole question of taxing non-beneficially occupied lands in private possession, which would not embrace sugar estates alone. There are areas in other hands which are just held without any attempt being made to cultivate them. For instance, the old Dutch estates on the banks of the rivers should pay a tax unless the owners are prepared to make better use of them than they are doing now.

Mr. MORRISH: I think there is some misconception as to the allegedly large areas of land lying idle on sugar estates. I took the trouble to analyze the figures based on the areas quoted in the Venn Report, and I got down to this: that there are some 18,000 acres of land on sugar estates which apparently grow nothing, but a very large proportion of that acreage is used for the purpose of agisting workers' cattle. Other portions of it are entirely uncultivable because they are swamps. It is perhaps not generally realized that amongst the many other things on a sugar estate there are no less than 26,500 acres of coconut and other cultivation, and I think it is a complete misunderstanding of the position to believe that there are huge areas of land on sugar estates doing absolutely nothing.

The CHAIRMAN: If it would be of

any assistance to the hon. the First Nominated Member (Mr. Roth) in arriving at the data which he spoke about I may inform him that some years ago, in the previous Council, I raised the same point, and I am under the impression it was raised by way of motion, although it may have been raised by letter. I am also under the impression that Government appointed a Committee to investigate the possibility of taxing unproductive lands. I think the Committee was under the Chairmanship of Mr. F. J. Seaford (now Sir Frederick Seaford), and perhaps the hon. Member may be able to get some information from Government with regard to the report of that Committee. It appears that the question of unproductive lands was raised, and I believe there were large areas on sugar estates which, as far as I can remember, could not be utilized, and that, apparently, was the stumbling block; they could not decide upon a uniform system of taxation.

Mr. FERREIRA: I accept the statement made by the hon. Nominated Member, Mr. Morrish, because I know that there are lands lying idle because they are either uncultivable swamps or are put to other uses. At the same time not many of us realize the land hunger that is facing this Colony, and I am concerned about the vast areas of land, particularly on both banks of the Berbice river, which are lying idle. Hon Members may recall that some time in 1950 I moved a motion asking for a land settlement scheme in the Berbice river district. The hon. Member for Central Demerara (Dr. Jagan) was a member of the Committee appointed to go into that matter, and he was out of the Colony when we had one meeting. I prefer not to go into details now, but as far as I can see that motion will never come to anything, because of intense opposition. That is most unfortunate. Some five or six years ago I called attention to the fact that Government-owned lands were not being beneficially occupied. I refer particularly to lands on the Berbice river which were held under cattle-grazing leases. I think the time has come when we must make use of every bit of land in the Colony if we are to support our population. It is idle to talk about bringing immigrants to settle in this Colony when we want every

bit of land ourselves. The sooner we get down to the question of bringing all available land into cultivation in order to settle our people the better for the population of this country.

Mr. LUCKHOO: In rising to support the remarks of the last speaker I would like to record that quite recently I went to Port Mourant where a large number of persons, some 500 or 1,000, met me, and their cry was for land. They pointed out that the population had increased as a result of improved sanitary conditions, largely due to the control of malaria which accounted for many thousands about 10 or 15 years ago, as compared with an infinitesimal number today. The point made was that the sugar estate at Port Mourant, on which they depended for their livelihood, could only provide work for 40 per cent. of the population in that district. I cannot vouch for the authenticity of the percentage they gave me, but it seems to me that there were large numbers of persons who were desirous of working but could not find work on the estates. They pointed out that at Pln. Albion there was no second depth where they could get lands aback for farming. They also pointed out that aback of Auchlyne and Bloomfield there were lands which were held by persons who were not utilizing them beneficially; that they merely held the requisite permission to have the use of the lands but were not making full use of them. That poses a very serious problem, because if land is there it should be made available to those who desire to make use of it.

My informants are people who may not have technical knowledge, but they are aware of the type of land and what it is capable of producing. They pointed out an area which they said could be made available by a continuation of the Whittaker dam down to Kildonan and the back of the Canje. They said that if that area was made available it would supply the needs of all the people along the Courantyne Coast who desired to do farming but did not have lands. They actually set up a Committee and promised to supply me with the necessary information which I will bring before this Council at a later stage.

The point I am making is that land hunger, as the hon. Member termed it, is very much present. There are persons who can no longer obtain full employment on sugar estates. I know that one of the difficulties at Port Mourant is that the estate authorities have had to resort to spreading the work which could be done by 50 per cent. of the workers who are now employed. The result is that those who are thus employed do not earn as much as they would if they were fully employed. With the position such as it is I think that lands at Auchlyne and Bloomfield which are held under leases or permissions (in one case land is held by a Church) and are not being beneficially occupied, should be taken away and given to persons who desire to cultivate land and make the soil yield for their betterment and for the betterment of the country.

Dr. GONSALVES: I am not supporting this Recommendation because the sugar estates may be the largest holders of land not beneficially occupied, but because, as was stressed at the Curacao Conference, it is economically sound that all available land should be put to the fullest use if we are to have an agricultural bias in this country. It was pointed out at the Conference that it requires five acres of land for a peasant to eke out an existence. I support very strongly the statement by the hon. Member for Berbice River (Mr. Ferreira) that there are excellent lands on both banks of the Berbice River. There are lands above Sisters where there is a fine citrus cultivation, but it is said that it is not economical to occupy those lands. I agree that people should be encouraged to occupy the lands on the east bank of the Berbice river, and if the private owners would not occupy them beneficially a tax should be imposed on them to force them to do so or release them to be used as they should.

With regard to the Whittaker dam extension referred to by the hon. Nominated Member, Mr. Luckhoo, I believe he can get a good deal of information from the records of this Council on the subject. The people who occupied that dam were making fair use of it, but had to abandon it because of the scheme for

cattle grazing. They are to be settled at what is known as a land settlement scheme at No. 56. There was some question of constructing a dam north and south of the Seaford dam in order to allow a certain section of the land to be used for cattle grazing, but I do not know if it would be right for me to say, in view of the presence of the Chairman of the Drainage Board in this Council, that there is quite a bit of argument over the opinion of one of the Engineers as to why it is not practicable.

As regards the land at Auchlyne and Bloomfield, some of which is held by a Church, it is not being used in the third depth because it is covered with bush and would require the use of a bulldozer to clear it for cultivation. If the people are prepared to pay the cost of clearing the land I believe the proprietors would have no objection to leasing it to those who are willing to cultivate it.

A couple of weeks ago mention was made at a meeting of the Local Government Board of a proposal to erect a koker in the Limlair-Kildonan area. A deputation came to me and said that the koker was going to cost \$20,000, and that Government was asking them to pay half a cent per acre on the arable lands. It was said by Mr. Laing that most of the land in that section is not arable, but provided there is proper drainage those lands can be made arable.

Mr. FERNANDES: This land situation is a very important one. I have had the pleasure of looking at the relief map of British Guiana which was on show at the Carnegie Library, and when the lights were turned on on the areas which were occupied by sugar and rice I got a very rude awakening in that the two largest industries occupy a very tiny fringe on the extreme edge of the map. That indicated to me that only a very small portion of British Guiana is being used for agricultural purposes. There is no doubt about it that there is more agricultural land in this Colony at the present moment than is needed by our increasing population. There is sufficient land at the moment lying idle to double the acreage

which is at present being cultivated, but of course those lands are scattered in various parts of the Colony. I am speaking now particularly of the lands referred to by the previous speakers — the lands on the banks of our main rivers. Of course those lands are covered with forest growth, and it would be very difficult, if not impossible, for us to expect our ordinary farmers to clear that growth, drain and cultivate those lands. The drainage problem would be simple, and the irrigation problem would be comparatively simple, but the problem of bringing the lands from their present state into cultivation would be far beyond the means of our average peasant farmer.

I would like to support the remarks of the hon. the First Nominated Member (Mr. Roth) with regard to river lands, because only yesterday I went to the Department of Lands and Mines to find out who were the owners of a certain piece of land on the Demerara river which is divided into about 22 lots. However, between the Department of Lands and Mines and the Registrar's Office we could only trace the owners of about six or seven of those lots. There is absolutely no record of who are the owners of the remaining lots. You know the land is there and you take it for granted that somebody owns it, but in the absence of records you do not know whom to approach for the purpose of purchasing the land. I therefore strongly support the hon. Member's suggestion that Government should make some investigation with a view to such lands being made available for beneficial use.

I take this opportunity to recommend to Government the introduction of some scheme by which those lands may be cleared and brought nearer to the stage where they can be cultivated, and then sell them to people who are interested, recouping the money expended over a period of years. It may be said by the hon. the Financial Secretary that that would not be a business proposition, but as the ordinary farmer has not the means to obtain huge tractors and bulldozers for the purpose of clearing such land, I think Government should make those things

available to him. Government would not lose money in the long run, as a much greater area of land would thus be put under cultivation than is the case at the present time.

The COLONIAL SECRETARY: In the first place I would like to associate myself with those Members who have not agreed that the proprietors of sugar estates are the big offenders in this matter of sitting on cultivable land and not developing it as it should be developed. As the hon. the Sixth Nominated Member (Mr. Morrish) said, the amount of waste land, as far as we can judge occupied by the sugar estates is about 18,000 or 19,000 acres, and I believe that the greater portion of that land is uncultivable. The suggestion has been made, and has been made before in this Council, that a tax should be imposed on land not beneficially occupied. That sounds an easy solution, but I am afraid it is not as easy as all that. I remember when this matter was raised in Council not so very long ago the Financial Secretary quoted from the report by Dr. Benham, who was formerly Economic Adviser to the Comptroller for Development and Welfare in the West Indies, in which he definitely advised against the imposition of such a tax, on the ground that it would merely have the result of a lot of waste and uncultivable land being thrown back into the lap of Government. However, it is a very difficult matter and a very important one, and I heartily agree with the hon. Member who said that it requires investigation.

Like the hon. Member for Georgetown Central (Mr. Fernandes) I also obtained some particulars from the Commissioner of Lands and Mines and he confirmed that there is quite an extensive acreage of Crown land in easily accessible areas on the banks of the big rivers of the Colony. He gave me the following information:

"Most of the Crown Lands along the banks of the Mahaica, Mahaiciny and Abary Rivers for a considerable distance up have been applied for under agricultural and grazing titles, but there are available Crown Lands which are easily accessible as follows:— Essequibo River — from its mouth to Bartica, about 25,000 acres; Berbice River —

from Everton up, about 25,000 acres; Essequibo Coast and Pomeroy — 6 000 acres."

It is clear from that, as the hon. Member for Georgetown Central has said, there are considerable areas of Crown Lands which are cultivable and are in easily accessible areas but, as he also said, the trouble is that the initial clearing of these lands is entirely beyond the means of an ordinary farmer. The rental is low. I believe the rental of Crown Lands is 21 cents per acre, which is low enough, but he cannot put up the initial expenditure to get the land cleared and put in order for him to plant his crops. I, therefore, entirely agree that this is a matter which is worthy of investigation. In fact schemes have been already submitted to Government and have been under consideration for the establishment of settlements and promoting cultivation in the riverain areas of the Colony.

Mr. ROTH: Both the hon. Member for Georgetown Central and the hon. the Colonial Secretary have stressed the point that the initial cost of clearing forest lands would be beyond the power of the ordinary farmer. But the hon. Member for North Western District, I think, will back me up when I say that every little farmer in the North West District had to cut down the forest originally to make his farm, and the forest there is not less difficult to handle than that of our riverain areas.

Mr. PHANG: In the North West District all the land is forest land, and every farmer who wants to cultivate land has to clear the forest, drain the land and plant it. All the areas there are forests and even the smallest farmer has to do that.

Mr. FERREIRA: It is true that there is a vast area between Everton and Paradise on the Berbice River, a distance of 80 to 90 miles, but one should also be told that much of that land, it would be seen is savannah which is sterile soil. In the upper reaches of the river the farmer thinks twice about planting there because of the acoushi ants which present a worse problem than any other pest. I

much prefer to hear that lands are available between the Torani Canal and Everton. They are more accessible and are well drained. When I referred to lands in the Berbice River district I meant the lands from Sisters to Mara, lands that are fertile, well drained and had fallen into disuse merely because of the malaria problem which today has been solved.

Mr. FERNANDES: Perhaps I may be permitted to explain myself further. The cost of clearing land by hand is terrific in comparison with the cost of clearing it by machinery, and I do say that there are quite a number of people who will be prepared to pay the cost of clearing land by machinery but who will not be able to buy the machines themselves, as after having finished clearing the lands they want to cultivate they will have no more use for the machines. That is why I suggest Government should go into the matter of making the machines available to them. A very small farmer launching out for the first time is in a very much different position than the man in the North West District. The man in the North West District has already a certain amount of farming going on and he is only extending it to another area. He just cuts the trees down with an axe and leaves them on the ground to dry, and later lights them and burns them and, thus having cleared the land, plants up whatever available land is there with the tree stumps sticking out of the ground. That is not the kind of cultivation I am thinking of. It is pushing the trees down and taking the stumps out, so that you have a nice smooth cultivable area of land. That is why I say the average peasant farmer cannot afford the cost of clearing the land. If a farmer is working in an area with forest land near to him, he can cut down 3 or 5 acres this year, another 3 or 5 acres next year, and in that way he would be able to develop his holding along the lines that the hon. Member for North Western District has told us. I still would like to recommend strongly to Government its consideration of providing the necessary machinery in order to help those who would like to get their land cleared but could not afford to buy the machinery even though they would be able to afford the cost of the use of the machine in the actual clearing of the land.

Government's action on Recommendation 40 approved.

Recommendation 41—*The internal, or local price of sugar, due allowance being made for divergence in quality, should be raised to, and indefinitely retained at, the export price level. In Trinidad, Barbados and Jamaica producers and retail prices are still well above those in British Guiana. (Chapter XIX, para. 10 — Page 151 of Report).*

In view of the present need to restrict as far as possible the rise in the cost of living, and bearing in mind the financial and other relief being afforded to the industry, it is not proposed to increase the local price of sugar at present.

Mr. MORRISH: I have a very brief comment to make on this. While I think it is accepted that it is inevitable at the moment that the selling price of sugar locally should remain as it is, nevertheless, I think, it is only right and fair to the industry to remark — and I think I am correct in stating it — that British Guiana and the Island of Antigua are the only sugar producing places in the British Empire which receive less than the cost of manufacture for their sugar sold locally.

Government's action on Recommendation 41 approved.

Recommendation 43 — *For the last available three years (1945-47) the average profit per ton of sugar produced was in British Guiana \$8.11 and in Barbados \$15.43. These and fully authenticated data demonstrating the much higher cost of production prevailing in this Colony as compared with the rest of the Caribbean (attributable to physical circumstances such as the large areas of land below sea-level and the abnormal amount of water handled, so resulting in lower returns) lead us most strongly to press for a subsidy from the Imperial Government of £1 (\$4.80) on each ton of sugar produced. This grant-in-aid, representing a price increase of about four per cent., should be guaranteed for a period of 15 years subject to quinquennial cost of production reviews. (Chapter XIX, paras. 26 and 27—Page 157 of Report).*

It was stated in the House of Commons on the 7th December, 1949, that the Secretary of State for the Colonies, after carefully studying the arguments contained in the Report, considered that

it would not be appropriate to single out the sugar industry in one particular territory for special assistance of this kind.

Dr. JAGAN: This Recommendation deals with the question of a subsidy which was recommended by the Venn Commission and which was subsequently refused by His Majesty's Government. Sir, the statement quoted in this Recommendation is "the average profit per ton of sugar produced was in British Guiana \$8.11 and in Barbados \$15.43..." I do not know whether the Venn Commission during its short stay in this country was able to consider all the factors in arriving at the statement it has made here, but from my own observation I have not been able to come to the same conclusion that the sugar producers are only making a profit of \$8.11 per ton. In a memorandum which I submitted to the Venn Commission I was able to use figures of the cost of production based on the average figures which were then being paid by the industry for field work, and in order to calculate for certain overhead charges—fertilisers, etc.—I used the figures from Dr. Benham's Report for 1942 on the sugar industry. I did not worry to go into the factory side of it, because I felt that was a matter very complicated, but I used the field portion. I determined what it was costing the sugar producers to grow one acre of canes, taking into consideration the price that was then being paid for farmers' canes. It was interesting to observe that the profits derived are indeed very large. I do not know where the profits are going, because it does not seem to show up in the accounts, but if it did, it would not only be a figure of \$8.11 per ton. These are the figures which I submitted to the Venn Commission —

'For constant capital, which is capital for such things as fertilisers, mules, oxen, punts, stock feed, etc. — things used only for field operation — the figure was in the vicinity of \$33.28 per acre, an average price of \$33.24 per acre, whereas the cost of labour, the average price per acre, was \$86.89.'

When we total those two figures we find an average of about \$120 per acre of sugar canes. But if we take into consideration the yield of an acre of canes, taking the average yield and the price, which is paid

for farmers' canes, of \$6.20 per ton, we find that one acre of sugar cane yields a sum of \$243.32. So, while it is costing the industry \$120 per acre of canes the yield for that per acre of canes is in the vicinity of \$243.32. I make this observation —

Mr. MORRISH: To a point of correction! On that basis of \$243.32 per acre at \$6 per ton one would expect to get an average yield of 4 tons per acre which is well below the average.

Dr. JAGAN: The figures which I worked out were an average of 38.5 tons of sugar cane. It is known that the yield per acre is in the vicinity of 3 to 3.5 tons per acre, and when we consider that it takes about 10 or 12 tons of sugar cane to make one ton of sugar that is why I have used those figures which I have given here. The point I am making is this: Even if we assume that the figure given by the hon. Nominated Member is correct and that the yield I have of 38.5 tons is too high, let us say 30 tons. Taking 10 tons of sugar canes to give one ton of sugar it gives an average yield of 3 tons of sugar per acre. I realize that much depends on the juice quality, but we do know that the sugar producers are very skilful in using the best varieties of canes, fertilisers, etc. It is in their interest to produce the best type of cane and they are getting very good results. We know that Blairmont gets 4 tons of sugar per acre and in other places it is less. But I took as the average 38.5 tons of canes which is equivalent to 3.3 tons of sugar. From the figures which I have given, if those figures are exaggerated and an average of 30 tons of sugar canes is taken as the average yield per acre, we would still find it would be in the vicinity of around \$200 per acre. If the cost is \$120 per acre and the yield is \$200 per acre, then we certainly can see from that that the profits are indeed very large. I have pointed that out because I intend to raise this matter again with reference to the pension scheme which we are not finished with at the present moment.

But this Recommendation deals solely with the question of a subsidy which the United Kingdom has refused, and I am not here to discuss whether that is right

or wrong, but it seems to me from our point of view we should get a subsidy. However, from the United Kingdom Government's point of view it should not be given because that is a burden on the taxpayers of that country. But if they can buy sugar from Cuba and other places at a price less than from British Guiana, possibly it is in the interest of the taxpayers of Great Britain to purchase sugar from Cuba and other sources, they ought to strengthen the weakness of our economy. We have, taking these figures at their face value, to depend on preferences and long term guarantees and what not in order to keep this industry a-going, and I am wondering whether that is a satisfactory basis on which to operate the economy of this Colony. In the same paper which was written by Dr. Nieumark he suggested that the basic weakness of West Indian economy was the concentration of that economy on sugar, and we must see to it that we should so reorientate our agricultural economy in this area so that we would not have to depend on this factor and consequently have to go hat in hand to the United Kingdom Government for quotas and guarantees, etc. I do not know how long this is to continue. Right now in England negotiations are taking place between His Majesty's Government and the Cuban Government, and I notice also the Commonwealth areas are protesting against any agreement which is likely to be signed between the Cuban Government and His Majesty's Government for the purchase of sugar from the Cuban Government. If that is done by His Majesty's Government in the future, I can see that while we are trying to increase our production a time may come when we may not be guaranteed these quotas and large prices with the result that we may find ourselves in a very serious and precarious position. I do hope Government has this matter in mind in determining the economic policy of this country.

Mr. MORRISH: I have listened with considerable interest to the remarks of the hon. Member who has just taken his seat, and I am afraid his figures do not amount to very much in my opinion. Dealing first with profits, I think, we have a very able Income Tax Department in

this Colony and, if there was anything wrong with their books, it would have been taken care of by that Department long before now.

Dr. JAGAN: The only thing is, everything does not go to the Income Tax Department; and we all know that. Lots of money go through the shoot and are not accounted for. I know from actual experience gained on sugar estates that is so. We know that certain people do not get work but yet are paid. That happens on sugar estates and on public works. That is why the estates do not make profits—

The CHAIRMAN: As Chairman of the Public Works Advisory Committee I would be pleased to get the names of those persons who do not work but are paid;

Dr. JAGAN: I should say it used to happen.

Mr. MORRISH: I, too, would be pleased to get information about people being paid for doing no work on sugar estates.

Government's action on Recommendation 43 approved.

The CHAIRMAN: I understand some hon. Member desires the recommittal of Recommendation 21.

The COLONIAL SECRETARY: There has been considerable debate on it, but we have not actually proceeded to a vote on it.

Mr. MORRISH: My understanding of it is, it was fully debated but no vote taken on it.

The CHAIRMAN: Perhaps we may regularize it by someone moving the recommittal for the purpose of taking the vote on it.

Mr. RAATGEVER: I move the recommittal of Recommendation 21.

Dr. NICHOLSON seconded.

Question put, and agreed to.

Recommendation 21 and Government's view thereon recommitted.

Recommendation 21 — *A contributory pension scheme should be introduced within a year of the establishment of the Wages Board.*

The Sugar Producers' Association state that, in view of the fact that His Majesty's Government have already indicated that it is not proposed to implement the recommendation for a special subsidy of £1 per ton (vide recommendation 43) the sugar estates would not be able to afford to introduce a contributory pension scheme of the type proposed. It is hoped that the Sugar Producers' Association will reconsider this matter when circumstances permit. Ex-sugar estate workers receive benefits, like others under the Government Old Age Pension Scheme and at the present time about 2,600 or approximately 30% of the total number of old age pensioners are ex-sugar estate workers.

Dr. JAGAN : I would like to make a few observations under this head. This recommendation deals with a contributory pension scheme. I have said before that this is to my mind the most important recommendation in the Venn Commission Report, and it seems to me that if nothing else was implemented at least this one should have been given prior consideration by the Sugar Producers' Association. It is being said that the industry cannot afford to pay its share of the amount which will be involved in this scheme. But I want to point out that at the present time this Colony is being burdened with a great deal of expenditure towards the maintenance of many persons on the sugar estates under its Old Age Pension Scheme. I believe when we were discussing Old Age Pension, Government or the hon. the Financial Secretary gave us some figures to the effect that as much as 30 per cent. of the money voted for Old Age Pensions and Poor Relief go towards ex-workers on the sugar estates. I do not feel that should be the liability of the people of this Colony to support one particular section of workers of this country. In these days we find that security is being provided for old age by many concerns. In Georgetown we find places like the Demerara Tobacco Company, the Demerara Foundry, which is more or less

owned by many of the companies which make up the Sugar Producers' Association, bringing in a contributory pension scheme, and the time is long overdue when such a scheme should be made applicable to the whole Colony.

The ground on which this Recommendation was not implemented is the question of funds. That is why a moment ago I took the opportunity to show that the sugar industry is making profits, but because of the fact that this industry is tied up and is related to many other aspects — by that I mean, sir, one finds that the sugar industry is tied up with shipping and commerce and other aspects such as the Demerara Foundry, etc — the profits may not be showing in one aspect, say the sugar manufacturing aspect, but obviously may be showing in the commercial aspect. We know that many of the major sugar companies — if we take for instance Bookers who control many sugar companies — have extensive business interest in this country and have control of shipping, so that any purchases or sales made to sugar companies may be made at prices which may be exorbitant for the purpose of book-keeping, but nevertheless the profits remain in the company. When it comes to the question of book-keeping, the profits shown on one aspect, the commercial aspect for instance, are not shown in the sugar estate section. Other companies are also related in that aspect. — Sandbach Parker & Co., Davsons' Estates are all tied up with that. So the argument that the sugar industry is only getting \$8.11 per ton for sugar is not to be accepted as the gospel truth. I would like the Government to undertake an impartial inquiry into this industry. That is why I took into consideration the field section of the work to determine how much is being paid day by day and I have it in my memorandum to the Venn Commission — how many dollars in wages per acre of canes, whether it is first crop or first or second ratoons; how much paid for forking, etc. When all these things are taken into consideration, which can be readily accounted for, if such an investigation is made, it would be found that the sugar industry is making profits. If they are making profits I do not see why this contributory

pension scheme should not be implemented. If profits are shown in the other aspects of the industry it can hardly be said that the industry cannot pay its share of that scheme. I do not think that is good enough.

Today the sugar industry says it is not bound to provide housing and medical facilities, etc. for the workers. I agree with the sugar producers in those respects, that it should not be their responsibility, even though the responsibility be moral, to provide houses for the workers and medical facilities. Nevertheless I feel that if in the very prime of their youth and manhood workers on sugar estates have to expend their strength and energy in such a strenuous operation as the "cut-and-load" system, which has been commented upon by the Venn Commission, some provision should be made for those people when they get old. It does not seem fair that when they get old they should be left to drift around and to seek Government assistance by way of poor relief of \$1.50 per month, or a miserable pittance in the form of old age pension. I would suggest that the sugar producers give this matter further serious consideration, because I feel that it is possible to implement this Recommendation at the present time.

Dr. NICHOLSON: I consider a contributory pension scheme a very fair proposition for workers everywhere. Indeed I am actually preparing data for the introduction of a motion in this Council for the application of the principle to the whole country. It is only fair that the workers in any industry, who have worked hard to provide the profits of that industry, should share in their old age some of those profits. I give notice right now that I am preparing data for the introduction of such a motion in this Council. I do not wish to have many things going at the same time. I moved a motion some time ago with regard to holidays with pay, but we are still waiting and hoping to get the results of the discussions we had in Committee on the subject. I only hope that the recommendations of the Committee will see the light of day before the next May Day demonstration takes place.

When that question has been dealt with I shall introduce a motion for the introduction of a contributory pension scheme.

A contributory pension scheme would be a very good thing for the workers of this Colony because they would learn the value of thrift. They would learn that they have to put aside something from their earnings for their old age, and it would relieve Government of the heavy old age pension commitments year after year. If I have a servant who has been working for me many years I should provide for that servant's old age. I should contribute, and my servant should also contribute to that provision. It is a very fair proposition. It has been taken up by the Bauxite Co. and certain other large industries in this Colony, and it should be made applicable to every person who employs servants in any capacity, whether in industry, commerce or in a household. I support heartily the Recommendation of the Venn Commission on the subject.

Dr. GONSALVES: I have always been interested in the sociological aspect of the redistribution of wealth, and I consider a contributory pension scheme highly desirable, because I have lived in countries where it has been applied with amazing results. Today we find that there are certain manufacturing concerns in North America which every year give a certain portion of their stocks to their employees, with the ultimate result that a certain percentage of ownership of those factories belongs to the workers. It is only a different way of bringing about a redistribution of wealth. One of the things I have always criticized this Government about is its heavy pension commitments. As a civil servant believes that his security lies in his pension he does not make the same effort to save something as the other fellow who has to depend upon putting something aside for his old age. In a contributory pension scheme Government would not be called upon to foot the entire bill; the civil servant would have to contribute also.

I observe that it is estimated that the implementation of a contributory pension scheme would involve an expenditure of

\$400,000 on the part of the sugar estate proprietors and a contribution of \$200,000 by the workers themselves. I cannot see why this Government cannot introduce its own insurance scheme by which money could be pooled and would accumulate as in the case of the sugar workers' fund from which money will be borrowed to build houses. I am not in a position to argue with the representatives of the sugar industry as to whether it is able to introduce a scheme of this kind or not, but I think the matter requires serious consideration by Government and the sugar producers themselves.

When the scheme was introduced by the bauxite industry I remarked that at last it had come to British Guiana, because since I came back to the Colony some 15 years ago I have wondered why the same consideration as was given in North America could not be given to employees in this country. I believe that Bookers have offered certain stocks to their employees. It is not fair that employees should wind up their old age in an atmosphere of insecurity. They should be able to look forward to some of their hard earned money which they had put aside together with a contribution by their employers.

I agree with the hon. Member for Central Demerara (Dr. Jagan) that this is one of the premier recommendations in the Venn Commission Report, and I urge very strongly that the matter be gone into again. The reason why I feel so strongly about it is that I know that there are a goodly number of people who reported for work one morning at the Public Works Department and were told "We do not have any more work for you; you are too old." Those people had been working for years under the delusion that they would receive a gratuity at the end of their service, to find that they were told that they had not worked the requisite number of days each year for seven years.

Mr. ROTH: I rise to a point of explanation. I happen to know that in a similar case Government has considered the matter favourably and given the worker a gratuity. It is not fair to say

that in every case a gratuity is not paid, because I know of a particular case in which Government has gone out of its way to consider the matter favourably, and taking into consideration all the circumstances of the case, the number of years and the number of days worked in each year, the individual in question was granted a gratuity although he had not worked the required number of days per year. I say that in all fairness to Government.

Dr. GONSALVES: I am very grateful for that information from the hon. Nominated Member because I have been endeavouring to get similar consideration for a man who had given 30 years' service. I am therefore glad that that statement has been made in open Council because I shall pursue the matter to the hilt. I will represent the cases of those persons who have worked for several years with the Department but have not received any consideration, and I hope I will get the support of the hon. Member. I have no desire to be a critic of Government at all times, but when I know that I have pursued this matter on behalf of persons who have worked for several years but have not got a gratuity on the ground that they had not worked the requisite number of days in each year, it is very refreshing to hear that Government will consider all the facts and give them a gratuity although they have not actually qualified for it. I support heartily what has been said with regard to this Recommendation.

The FINANCIAL SECRETARY & TREASURER: Just for the sake of record, lest it be considered that what has been said by the hon. Nominated Member applies as a matter of course, may I explain for the information of the hon. Member who has just spoken and referred to cases in the Public Works Department in which gratuities have been granted to non-pensionable casual labourers, that rules made under a specific resolution of this Council provide that in the case of workmen who have worked not less than one year, the number of days which can be counted as a year shall be taken as not less than 225 days. Presumably, the case or cases to which the hon. Member referred as

having been reconsidered were in relation to some hardship in the interpretation of those rules. There may have been some particular feature which made it necessary to interpret the rule favourably to a particular individual.

The point I wish to make is that it must not be assumed that Government can go outside the terms of the resolution passed by this Council in any number of cases the hon. Member may bring up, but I have already indicated to the hon. Member for Central Demerara (Dr. Jagan) that those rules are now under active consideration in relation to the motion which he has tabled, and I think I said that as far as I saw it, what my Department was presenting to Government was rather more favourable to the workers than what he asked in his motion. I do not want to imply that there can be a general variation of those rules in favour of individuals unless that is approved by this Council.

Dr. GONSALVES: Again I say it is very refreshing, and I accept such a retort from the hon. the Financial Secretary.

The FINANCIAL SECRETARY & TREASURER: It is not a retort.

Dr. GONSALVES: The explanation. I knew I would have got that, but at the same time I wish to say that I am aware that the cases I mentioned are those of persons who were not on the pensionable establishment. They are cases which, under the terms of the resolution, would be eligible for a gratuity, provided they worked a certain number of years and the requisite number of days in each year. What I am contending is that some of those people have worked 30 years and more, and while they were unable to muster the required number of days per year I still feel that in view of their long service with the Department they might be given some consideration. In some cases it was said that the Department could not find the records of the various Directors during whose regime they worked, and in spite of the explanation given by the hon. the Financial Secretary I am still going to pursue the matter, and I hope to get the

favourable consideration of even the Financial Secretary.

The CHAIRMAN: This particular subject has not been discussed for the first time today in this Council. Some years ago in the previous Council Mr. Critchlow and I were responsible for the introduction of a motion dealing with a contributory pension scheme, more particularly in relation to old age pension. A Committee was set up, of which I was appointed Chairman, and we made a report to the Governor, the effect of which was that owing to lack of information or personnel with knowledge of that particular aspect of the subject, we could not arrive at any concrete proposals. We however suggested that possibly an officer might be seconded from the U.K. who had experience in connection with the National Health Service. I do not know how far that recommendation has been acted upon, but it must be at least a couple years old.

Mr. MORRISH: There seems to be a suggestion that the sugar industry is unsympathetic with this Recommendation by the Venn Commission. That is far from being the case. It is a coincidence that at the time this Recommendation was made the sugar industry was working on another proposal which was going to be an extraordinarily expensive one, and as that was well underway and had been promised it was implemented. I refer to the holidays with pay and incentive bonus schemes. The two combined will cost the sugar industry considerably more than the \$400,000 suggested in this case. I would point out, however, that that figure is hopelessly inadequate, and that the increases in wages which have been granted since that Recommendation was made will put the cost somewhere in the neighbourhood of \$600,000. However, the reaction of the sugar industry to this Recommendation is that it cannot afford it at the present time. On that point I would like to quote from paragraph 26 on page 157 of the Report of the Venn Commission, in which it is stated:

“...During the next critical years such assistance would form the only possible means of meeting the cost of introducing the social improvements we have advocated...”

The note on this Recommendation makes reference to the fact that approximately 30 per cent. of the total number of old age pensioners are ex-sugar estate workers. I am suggesting that the sugar industry pays a very fair proportion of the taxation which helps to maintain that 30 per cent. under the old age pensions scheme. Furthermore, it is perhaps not commonly known that the sugar industry has quite an appreciable pension list of its own which is not advertized and not talked about. A sum of well over \$50,000 is paid out every year on the estates to pensioners. So I think it will be appreciated that whilst a contributory pension scheme is a most desirable thing I will repeat an expression I have used here before by saying that it is not possible to take a gallon out of a pint pot.

Capt. COGHLAN: With regard to the remarks of the hon. Member for Eastern Berbice (Dr. Gonsalves) I would like to clear up a point which apparently he did not touch upon. With regard to the 225 days which a worker must serve before he is entitled to a gratuity I have had correspondence with Government myself with respect to several of such cases, and the snag has always appeared to be that Government only kept records of their service some few years back, and when a man claims that he has served for 25 or 30 years the onus of proof is put on him because the Government did not keep records so long ago. That is where the snag comes in, and for that reason I would be very glad if Government would accept the responsibility of proving what a worker is not in a position to prove. No workman can keep an account of how many days he worked in each year 10 years ago, and if Government has failed to keep records I think a claimant should get the benefit of the doubt if he is able to produce any sort of credible evidence that he has worked during a certain period.

With regard to the remarks of the hon. Member for Georgetown North (Dr. Nicholson) as regards insurance, I think he probably had in mind a motion which I said I was preparing to bring before this Council for the introduction of a national health insurance scheme. Such a scheme is rather complicated and will

naturally take some time to work out in order to make it applicable to this Colony. Under such a scheme a worker would contribute a certain percentage, the employer a certain percentage, and the Government the balance to make up 100 per cent. Every employee would have to go about with his book which would have to be stamped for every week or month in respect of the amount which he and his employer would have to contribute. At the end of a certain period Government affixes the additional stamps and the book is retained by the employee. That would apply to persons who change their employment from time to time, as most people do. A national health insurance scheme would satisfy the needs of all workers, whether they work on sugar estates, in the bauxite industry or with any other large concern.

The CHAIRMAN: As I have already explained, the question of a contributory pension scheme has already been discussed, and the recommendation made by the Committee, of which I was Chairman, was that Government should endeavour to get an officer of the National Health Service in England to come to this Colony to investigate the possibility of such a scheme being made applicable to this Colony.

There is also the question of the snag to which the hon. Member referred with respect to persons employed by the Public Works Department. I have been endeavouring for years to obtain a gratuity for an old ex-employee on the Essequibo Coast. It is known to many of us that he had been working there for about 40 years but, unfortunately, he terminated his service on account of old age before the resolution to which the hon. the Financial Secretary referred was passed by the Legislative Council. Of course his position is one which I hope will be remedied by the new rules, because for the reason that he terminated his service he was unable to get any compensation from Government.

With regard to the suggestion of the introduction of a national health service I do not know whether Government has implemented the recommendation of the Committee that an effort should be made

to have an officer from the National Health Service in the U.K. to investigate the scheme suggested by the hon. Member for Georgetown North.

Dr. NICHOLSON: To a point of explanation. I spoke of a contributory pension scheme, not a national health insurance scheme. I am not particularly moved by what was done in the Third Legislative Council. That appears to me like the dead past. I am thinking of what we are going to do in the Fourth Legislative Council if we can whip things up a little faster.

The CHAIRMAN: I hope the hon. Member will succeed in whipping things up in the present and will continue to do so in the future.

Dr. JAGAN: I believe the hon. Member for Georgetown South (Mr. Carter) has a motion before the Council.

The CHAIRMAN: We have lots of motions.

Mr. MORRISH: May I make a correction of a statement I made during the discussion of the provision regarding rum. I may have said that in 1947 80 per cent. of the total volume of imported spirits into the United Kingdom consisted of rum, and that in 1950 it had dropped to 60 per cent. I find on reference to my notes that I should have said that in 1950 it had dropped to more than one half making it 40 per cent.

The Council resumed.

The COLONIAL SECRETARY: I move that the substantive motion be now put.

Question put, and agreed to.

Motion affirmed.

PUBLIC LOAN BILL (No. 2)

The FINANCIAL SECRETARY and TREASURER: I beg to move the second reading of a Bill intituled:

“An Ordinance to confer power to raise by loan or loans a sum not exceeding three million pounds and the

costs of issue; and for matters connected therewith.”

By Resolution No. VII dated 4th March, 1949 this Council debated and approved of a Ten-Year Development Plan, as set out in Legislative Council Paper No. 8 of 1947, as the basis of our financial and developmental policy. That Plan envisaged the raising of a \$10 million loan as its principal financial feature, and while we have since that time, by force of circumstances, amended modified and in some respects restricted the programme of works under that Plan, the raising of this \$10 million loan is still its fundamental financial feature, and the purpose of this Bill is to provide the necessary enabling authority to raise this loan in the United Kingdom. Hon. Members will observe that the Bill covers not \$10 million but £3 million (\$14,400,000). The object of that increase is this; Hon. Members will recall that we have now decided definitely and finally to carry out the renovation and improvement of our telecommunication system ourselves. Members will also remember that we have increased our tariff charges by new rates which will provide an increase of revenue of some \$137,000 or thereabout, providing the revenue to cover annual charges on the loan to meet the cost of this telecommunication reconstruction. The estimate of the capital cost of the telecommunication reconstruction was some \$2¼ million. I do not know what the final cost is likely to be, but having regard to what has been happening in the way of increased prices, it is conceivable that it will now be anything between \$2½ and \$3 million. That being so, it is desirable to include in this Loan Ordinance the necessary enabling authority to raise under its provisions this additional money required to cover the cost of the telecommunication reconstruction.

Assuming that at the maximum it would be \$3 million we have to cover \$13 million is included in these powers, million is included in these powers because it is conceivable also that certain items in the Development Plan may cost more money, and also that we will have the necessary means to raise a supplementary loan to complete these

particular works. So as a matter of convenience this Bill, as I said, has been drawn up to provide cover for £3 million, although the first loan to be raised under it this year will probably be restricted to \$10 million, and the cost of issuing it. As Members are fully well aware, because I have repeated it on more than one occasion, His Majesty's Government has already given the necessary authority in England for the raising of this loan, and on the passing of this legislation steps will be taken to invite the Crown Agents, at such time as they determine, to put this loan on the market. I may say that it is essential that we raise this loan this year, because we have been proceeding rapidly with expenditure under the Development Plan, and we are now at the point where our cash resources are coming to a finality and, unless we do raise this loan, we cannot proceed with some of the works which are even now in hand.

At this point I would just like to remind hon. Members as to what the position is in regard to the Development Plan. The original Plan which we debated by Resolution No. VII of 1949 has been subjected to revision, and Members will recall that Col. Spencer prepared the papers relating to the revision and they were published as Legislative Council Paper No. 6 of 1950. We have had a discussion, not in open Council, on more than one occasion on the figures in this revised Plan, and since that time Departments and their Advisory Committees have submitted their ideas and their selection of schemes which fall within our financial resources under this Plan. The position now is that we are really down to a matter of selecting priorities. The Plan is, as I said in the Budget Statement, a limited economic programme of capital and social development. We cannot hope to undertake the whole of the projects which are included in that Plan, because we have not yet got the financial resources in sight to do so. Consequently we are now down to the point of selection of priorities. This Council has already passed — only last week — a schedule of some \$1½ million for works in progress this year. I am afraid that is as far as we are likely to go this year

not only on account of finances, because if we raise a loan we would have enough money, but because probably it is as far as we can manage to go physically and materially.

Although I have referred to the amendment and restriction of this Development Plan, I do not want hon. Members to get the impression that we have not moved fast since its initiation. As a matter of fact we have moved at various rates, and we have spent much more on works under this Plan than Members perhaps realize. I have had the figures analysed, and it is remarkable that since 1947, when this Plan was first prepared, the money spent on items falling within it, amounted to no less a total than \$8,914,000. We have spent that money partly from Loan Funds to the extent of \$2,110,000, partly from Development and Welfare grants and loans amounting to \$3,953,000, and from our own Colony resources, surplus balances, amounting to \$2,851,000. So, we have gone quite a good way in the programme under this Plan. I do not intend to detail the schemes, as to some extent that was done by His Excellency in a comprehensive address which he delivered some time ago, but this expenditure covers a wide variety of items and, perhaps, I may be forgiven for burdening the Council with figures when I read them just to show the direction in which this money has been spent on development — Health, \$499,000; Education, \$1,357,000; Social Service \$73,000; Communications including Roads, \$1,700,000; Drainage and Irrigation, \$3,428,000; Agriculture and Fisheries, \$641,000; Forests, \$51,000; Housing, \$204,000; Miscellaneous including Transport and Harbours reallocation, \$979,000. These are items in broad classification which make up this \$9 million to which I referred.

I mainly repeat those figures to indicate the modification of this Plan, though to some extent restrictive, because we cannot do as much as we may contemplate, but nevertheless it tended also to increase the expenditure. We have had more to spend and we have spent it and have to come back now for more. The

power which we now seek under this Bill is to raise this \$10 million loan and, as clause 3 of the Bill indicates, the loan may be raised either in London or by the Crown Agents, or in this Colony. It is definitely proposed to raise \$10 million in London, but if we raise—not necessarily this year but possibly next year—the additional sum required to cover the telecommunications loan, I believe that the Crown Agents would agree to allocate part of that loan issue for public subscription in British Guiana. I sincerely hope that will be done and, if it is done, I sincerely hope there would be a reasonably good response from the public here.

As I have often said, we have got \$13 million in the Post Office Savings Bank and, provided a reasonable rate of interest is fixed on the debentures, I see no reason why we should not expect a part of that money to be subscribed in the Colony. I would like to assure the hon. Member for Central Demerara that we would also take up this question of a greater proportion of the investments of the Post Office Savings Bank in a loan. I explained to him on the last occasion he mentioned it, that one must be reasonably careful in investing Savings Bank's funds in a public loan of the Colony, but if it comes to that, as the law permits up to a fraction of one-fifth of the Bank's funds to be invested in a Government public loan, we shall certainly take up that question in order to make sure, if public subscription fails to realize the amount we desire, that some part of the funds of the Post Office Savings Bank may be invested in the loan. Apart from that there is nothing else in the Bill to which I need draw attention. The Schedule is important. It indicates the purpose for which the money raised is to be applied, and it reads:

“To defray expenditure on works and services set out in the Colony's Ten Year Development Plan as approved by the Legislative Council by Resolution No. VII dated 4th March, 1949, and in any modification or amendment thereof as may be approved by the Secretary of State for the Colonies and the Legislative Council.”

That allows of reasonable freedom to this Council in modifying, changing, or altering items which now appear in the

Plan and selecting priorities. When we are in Committee I shall move a few minor amendments which are purely verbal. I beg to move that the Bill be now read a second time.

The COLONIAL SECRETARY seconded.

Mr. SMELLIE: Nobody is more anxious than I am for the implementation of these development schemes, but at the same time I must say what I have said before — that I would never agree that any part of the accumulated surplus balances should be used to finance these schemes. I have said so three times. I am all in favour of this Loan Bill. It seems to me to be the right way to deal with the financing of the Development Plan. There is no getting away from the fact that the Budget last year was balanced by money being taken from the accumulated surplus balances. Whether that money was used to pay for part of these development schemes or not is beside the point because, when the development schemes came into operation the money was taken from the accumulated surplus balances. In his Budget Statement the hon. the Financial Secretary and Treasurer said that it would be imprudent if the balances at the credit of that surplus were allowed to fall below \$3 million. I sincerely trust there will be no further withdrawals from the accumulated surplus balances. I am very sorry that was done before. That was decided before I had a chance to speak on the matter, as I was not then a Member of this Council. I sincerely trust that we will preserve our accumulated surplus balances intact, and for any further schemes which are for development the expenditure will be met as intended here, by a Loan Bill.

Mr. RAATGEVER: I would like to associate myself with the remarks made by the hon. the Fifth Nominated Member. I think I heard the hon. the Financial Secretary and Treasurer mention that we were to give priority to the revised Ten-Year programme which Col. Spencer discussed with Members before he left the Colony.

The FINANCIAL SECRETARY &

TREASURER : I did not say that at all. The hon. Member has misquoted me.

Mr. RAATGEVER : I understood you to say that we have to give priority.

The FINANCIAL SECRETARY & TREASURER : I said we would select the schemes for priority as circumstances determine. I did not for one moment suggest that Members would give priority to the Plan. Coming to the point I said that having regard to our financial resources, and having regard to the increased cost of the schemes, we were compelled not to take the schemes as a whole but to select with care those schemes which seem to us to deserve the highest priority, and as we go on and see our way, add to what we are already doing. But we must be careful not to try to do the whole or part of the programme, but merely work on the question of priority. That is the point I was trying to make.

Mr. RAATGEVER : Thank you. When this matter was being discussed I did not agree to give Government a blank cheque as far as the Ten-Year Development Plan is concerned. I said that we must abandon any thought of a Ten-Year Plan at all. The expenditure on the schemes already started was money wasted, in my humble opinion, and in the opinion of a good many of the taxpayers of this Colony. I said that in considering the schemes by Col. Spencer we were to take into account schemes that would produce revenue; schemes that would increase the productivity of this Colony, and not schemes to further throw money down the drain, like the Bonasika and Torani Schemes on which \$3½ million of the taxpayers' money was expended uselessly. I would like to make it clear that before I agree to one penny being spent on the Ten-Year Development Plan it would have to be discussed fully and, if necessary, we could put up alternative suggestions of schemes of increased productivity and schemes bringing revenue to the Colony.

Dr. JAGAN : I too would like to agree with the hon. Member who has just taken his seat. It seems to me that unless we are very careful in planning our programme policy for the future, we would be like the people in the U.S.A.

who, during the depression, merely paid out doles, digging holes and filling them up. His Excellency the Governor in this Council stated how much money we were spending on Social Services, Education, Medical Services, etc. And that brings out the point which the hon. Member has just made. What we need today is to spend money on productive schemes in this country so that the National Income can be increased. Why have we to spend year in and year out more and more money on hospitals, the T.B. Sanatorium and other institutions? It is because we have a sick population. People who are sick cannot produce, and have to be taken care of. That is what we are doing in this country. We cannot find jobs for the people, and most of them are walking the streets and breaking shops because they have no other means of livelihood and are forced to steal. If they cannot get food they must fall victims to Tuberculosis and the various other ills to which mankind is subjected. Then we have to house them in the hospitals and pay exorbitant costs which those hospitals impose for maintenance. Then we have the Prisons where it is costing to keep one man in there more than to keep him in outside life. We have the figures—\$400 a year to keep one man in prison—and Government does not pay \$400 to keep one man and his family living outside. That is the kind of society we must be careful not to preserve.

I have in mind that while we must borrow money because, as the hon. Member for Georgetown Central said, it is no use having a man wasting his time and energies to clear bush and take out tree-stumps when a bulldozer can be used in preparing land for cultivation cheaply. We need money and possibly more money than is contemplated to be borrowed. Get the necessary capital equipment—tractors, bulldozers and what not so that we can carry on all these heavy works, whether it is irrigation and drainage, whether it is preparing the land or putting it into a proper state for cultivation. But I do not see that that is the aim for the future, because most of this money is already earmarked for the revised Ten-Year Plan. We can well imagine that when the ten-year period is up we will

be in no better position than we are today. We will spend the money on the Agricultural Department and other departments and will find that the real productivity of the country is not increasing. Dr. Denham was here in 1942 and in his report after he had made an economic study of this country, he stated that out of this Colony's National Income \$3½ million is being drained out of the Colony. That is being done at the present time. We are concentrating on agriculture but merely on a few items, predominantly sugar, and now rice, and we have extracting industries — gold, diamonds, timber and bauxite. That is how the money is being drained out of the Colony.

I remember asking the hon. the Financial Secretary and Treasurer some time ago about the operations of the C.D.C. — whether after making all these concessions to these companies like the C.D.C. the profits earned should be spent here for the development of this country, and he mentioned that there could be no controls put on those persons to use the profits earned for the further development of this country. That is why we do not have any development in this country, because up to now we have been concentrating on extracting industries, and this Colony is not getting much out of them at all. Let us face that fact. I mentioned in this Council, not too long ago, the fact that from the Department of Lands and Mines, the Forest, Interior and Geological Departments, which take care of the gold, diamonds, timbers, etc., all we derive by way of revenue from Royalties and Export Tax was \$511,000. But when we consider that we have to spend as much as \$500,000 for the upkeep of these four Departments, then we see what the Colony really gets from the development or exploitation of these industries. This country should concentrate on several schemes to convert the raw materials we have here into other products by building factories for that purpose. The late Mr. G. O. Case had suggested that we should make woodpulp, glass, bottles, cement, etc., here, but I notice that these companies are not embarking on these projects. If these companies are not going to embark on those

projects, to convert our raw material into real wealth to provide jobs for the people here and increase the wealth of the country, then I feel Government should undertake the setting up of those schemes itself. The Government of Puerto Rico has done it, and I recently read that the 100th factory has been established in that country. We are waiting and hoping that capitalists will come to this Colony, but so far we have found that some of those who have come have gone into commerce, buying and selling, and making handsome profits. Others have gone into the mining industries in which the wealth of this country is being drained away. Of course I have left the sugar industry aside; we all know what is happening there.

I hope that this Government will follow the example of the Puerto Rican Government by borrowing \$5 million and making it available to some Development Commission. We could then go into those schemes on which the late Mr. G. O. Case spent so many long hours in preparing, and which so many experts came to this Colony to test at great expense to the taxpayers of this country. Let us review those schemes and find out whether we can undertake them ourselves, so that ultimately we would be able to stop spending so much money on our prisons and medical services. Until we are able to provide adequate drainage and irrigation for our lands, and are able to establish factories we will not be able to produce real wealth.

On the question of raising loans I observed when I was in Jamaica that the Government there was sponsoring some sort of bonds. I have forgotten what they were called.

The FINANCIAL SECRETARY & TREASURER : Premium bonds,

Dr. JAGAN : I feel that in this country there is a great deal of capital lying idle, some of which is in the Post Office Savings Bank and the commercial Banks. People in this country generally have no knowledge of what the Americans call "know-how" to go into small manufacturing enterprises, and they can-

not be blamed for that. They either invest their money in a shop or put it on a Bank. I feel that Government should introduce premium bonds with lottery features and encourage people by establishing minor industries. It has been done in many countries, particularly in the Latin-American countries, and in Japan industry has been aided by such a venture.

Mr. ROTH: For the information of the hon. Member I may mention that a Committee is now considering that very question of lotteries.

The CHAIRMAN: The hon. Member is a member of that Committee.

Mr. ROTH: The hon. Member was not present at the first meeting of the Committee.

Dr. JAGAN: At the first meeting of the Committee I was not present; the notice was too short. I feel that if a lottery feature was introduced into these loans many people would subscribe to them. I refer to individuals with small savings.

Mr. LEE: I would like to refer to one remark made by the last speaker. I do not agree that many of the law-breakers are forced to break into places because they cannot get work. I admit that there is unemployment in certain spheres of our life in this City but I do not think it compels people to break houses and business places. I endorse the suggestions of Members that we should utilize this borrowed money in launching schemes which would bring revenue to the Colony.

Mr. FERNANDES: We discussed the Ten-Year Development Plan in 1949 and, as the hon. the Financial Secretary has said, it was found that owing to increased costs we could not carry through the Plan as originally decided upon. I was pleased to hear him say that the terms and conditions of this loan permit of money being spent on any changes in the Plan as well as the Plan itself as originally proposed. I was also pleased to hear him say that this Council will have the op-

portunity to decide what priorities should be given, but I would remind him that this Council really will only have an opportunity to decide what priorities should not be given, and not what should be given, because this Council cannot say to Government that it thinks (a) should be given priority over (b) or (b) over (c). It is only when Government comes to the Council and says that it wants to put forward (b) to the tune of \$2 million that the Council can say it does not want that, and that something else should be given priority. I just want to make that clear.

When we discussed the Plan in 1949 the assurance was given by His Excellency that we would have an opportunity to discuss the Report of the Evans Commission. That assurance was given when the hon. Member for Central Demerara (Dr. Jagan) attempted to discuss the Evans Report along with the Development Plan, because they are related in certain respects. The hon. Member was given the assurance then, which I think was meant for the whole Council, that we would have an opportunity to discuss the Evans Report, but up to the present we have not had an opportunity to discuss that Report, and I would like it put on record that it is the desire of at least certain Members of this Council that Government should live up to that undertaking and give us an opportunity to discuss the Evans Commission Report.

I would like to endorse the remarks made by the hon. Nominated Members, Mr. Smellie and Mr. Raatgever, on the question of the use of our surplus balances. I agree with them that it should be kept against the possibility of very urgent need at some time in the not too distant future. I would also like to support the hon. Member for Central Demerara (Dr. Jagan) in his suggestion that we should try to get \$25 million and not \$15 million. The hon. the Financial Secretary has told us that we have already spent \$8,900,000. I would like him to say, for my guidance, whether that sum is already spent or only already voted. If we have already spent that amount then there would be very little left out of the \$15 million to be spent

on anything else. That is, of course, if we do not use our surplus balances.

I am going to support the Bill. I would have liked to support a loan of \$25 million instead of \$15 million, and I, like the hon. the Financial Secretary, believe that some of this money should be raised in the Colony. Of course it is an easy matter for Members of the Council to say that we should borrow \$25 or \$50 million, but we have to find the people who are willing to put up the money. As long as this Council remains sane and balanced I have no doubt that people will have confidence in British Guiana and will be willing to put up the money, but if we conduct ourselves and our business in such a way as to even suggest that we are heading towards instability of government then, naturally, we would not only not get \$25 million but we may not even be able to raise a loan of \$15 million. At present I do not think there is any difficulty in our getting this money, so I am supporting the Bill, but I will remind Government of the undertaking given to Members that we will be given an opportunity to discuss the Evans Commission Report, because Government has tackled certain portions of it, having gone into the investigation of the growing of cocoa, and embarked on an experimental banana plot. Both are items proposed in the Evans Commission Report. I think that before Government goes any further—whether a company will spend the money, the British Guiana Government or the C.D.C.—Members of this Council should be given an opportunity to express their opinions on the various sections of that Report.

The FINANCIAL SECRETARY & TREASURER: There are one or two points to which I ought to reply. The hon. Nominated Member, Mr. Smellie, with his characteristic prudence referred to the reserve and to the necessity to maintain that reserve. He went a little further and said he would not have spent any money from our reserve fund at all on the Development Plan. I think I am quoting him correctly. As a matter of fact, those who framed that Plan did definitely count on a substantial allocation from the reserve fund, leaving what

they then considered was an adequate reserve. In my opinion, if we have a reserve fund which can reasonably be used for capital development, there is no particular reason why that should not be done. But to come to the point. In my Budget Statement I was careful, as the hon. Member has said, to emphasize that we should maintain (I am using his words) a reserve of not less than \$3 million and I went on to say:

“Thus, we should now have left little more than \$1,000,000 for further appropriation towards the Development Plan”.

Since the accounting year has been closed that figure has gone up to about \$1½ million, and Members will remember that the Schedule of Development Plan Services expenditure, which we passed last week, to be met from surplus balances totalled \$1,306,000. I hope that the Council will not permit or urge any further expenditure on these Development Plan Services to be met from our own reserves at this stage, because we are now, as I have tried to emphasize, down to the point where we have no more local money to devote to it. That is why it is so necessary to raise this loan at this time. My estimate of the position now is that all we have left is that \$3 million reserve, and I entirely agree with those who say we should go no further into our local reserves.

As regards the comments made as to the character of the expenditure, I remember repeating on a previous occasion this paragraph from my Budget Statement of last year, and in view of what has been said I think I may be forgiven for repeating it again. I said then:

“What is now very clear is that the character of the Plan, as originally conceived, must of necessity be radically altered, and even its description as a ‘Ten-Year Development Plan’ is not in keeping with the realities of the situation. I myself would prefer to regard it as a limited programme of capital works and projects leading to economic advancement and improvement of the social condition of the people, from which items would be selected for execution from time to time in suitable priorities as the necessary funds, materials and technical direction become available. The most suitable

order of priority for such works and projects will always be most difficult to determine. For example, notwithstanding the strongest reasons that undoubtedly now exist for the selection of purely productive economic schemes, few will disagree that housing should have the highest priority at the present time."

I say that because everyone will agree that what we should concentrate on is what is called an economic scheme which will produce income from which the Government can get revenue, but we cannot tie ourselves to that. Members, I am sure, do realise that housing and education must have their due place in this Development Plan. Education is not entirely uneconomic; it will pay its way in due course. Nor is housing for that matter, but at the same time they are not immediately economic; they are social schemes, and I hope Members will not insist that those schemes should go by the board because they are not immediately remunerative in revenue to the Government.

I would just like to make a few points regarding some of the remarks of the hon. Member for Central Demerara (Dr. Jagan). He began by painting an extremely gloomy picture by talking about people in the gaol costing the Colony \$400 per head per annum, and of the number of people who are unemployed. I think the picture was too gloomy altogether. He then went on to paint a highly imaginative picture of Government borrowing a very large sum of money and indulging in the setting up of industrial undertakings on the basis of Mr. Case's report. I can assure the hon. Member that if those schemes were really profitable they would have been taken up at once by capitalists in this country. To suggest that Government should borrow millions of dollars to set up glass factories here, and factories for the making of woodpulp and cement is, I think, going a little too far. We would be undertaking a much greater risk than we are justified in doing in the interests of the taxpayers. I gathered from what the hon. Member said that he envisages Government as the greatest industrialists of the community in the future of which he dreams, but I fear that if we rushed

in too much along those lines bankruptcy might stare us in the face. I think myself that the C.D.C. will undoubtedly undertake schemes which are proved to be economical, and we must give them a chance. They are here and I know that they intend to pursue in every way those schemes which are proved to be reasonably economic and promise a fair margin of profit.

The hon. Member referred to the question of premium bonds, a form of State gambling which I feel sure most people would approve of in this country, and I am hoping that when the report of the Committee discussing the question of lotteries comes forward we may undertake that particular form of minor public gambling. I may tell him, however, that the premium bonds scheme in Jamaica proved a failure. I do not know why, but it did. Possibly we in British Guiana might like a little more gambling, and I hope that if we do have it it will be a success.

As regards the comment by the hon. Member for Georgetown Central (Mr. Fernandes) it is a fact that we have actually spent the sum I mentioned — \$8,900,000 — first on schemes approved, and on the changes approved by this Council. We have spent rather more than we estimated from our surplus balances, but it was not thought necessary to borrow this \$10 million until now. I will conclude by assuring the hon. Member that all items which come within this loan will of course appear on Schedules for approval by the Council from time to time, although that was not quite the point he made.

Mr. FERNANDES: I wish to thank the hon. the Financial Secretary for that last assurance, but my point is that this Council cannot initiate priorities; we can only turn them down.

The FINANCIAL SECRETARY & TREASURER: The hon. Member for Eastern Berbice (Dr. Gonsalves) succeeded in securing priority for the reconstruction of the Conrentyne road.

Question put, and agreed to.

Bill read a second time.

COUNCIL IN COMMITTEE

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

Clause 1. — Short Title.

The FINANCIAL SECRETARY & TREASURER: I move that the Short Title of the Bill be amended to read "the Public Loan Ordinance (No. 2), 1951."

Question put, and agreed to.

Clause 2. — Power to raise loan of £3,000,000 with expenses of issue.

The FINANCIAL SECRETARY & TREASURER: I move the insertion of the words "or loans" after the word "loan" in the last line of the clause. It is to provide power to raise either a single loan or a series of loans.

Question put, and agreed to.

Clause 3(2) — Schedule.

The FINANCIAL SECRETARY & TREASURER: I move the insertion of the words "from time to time" between the words "as may be approved" and "by the Secretary of State" in the fourth line of the Schedule to the Bill.

Question put, and agreed to.

Clause 4. — Method of raising loan.

Mr. KENDALL: I am wondering whether the hon. the Financial Secretary could make it possible for a certain amount of this loan to be issued in a manner which would enable the ordinary man in the street to take part in the Development Plan by contributing either in the form of saving certificates or bonds of very small denominations.

The FINANCIAL SECRETARY & TREASURER: I cannot give an assurance but I have already indicated in my opening remarks that I hope that if not in the loan to be issued this year, in the supplementary loan to be issued next year, part or all of it will be applied to

this Colony for public subscription. I understand the hon. Member's point is that it should be divided into such small denominations as would interest the small man to take part in the issue. I will certainly discuss the matter with the Crown Agents in London to see what can be done. If, of course, we issue a local loan here, and not a loan in London allocated here, certainly I will give him that assurance at once, that there would be small denomination bonds.

Mr. KENDALL: It is my feeling that \$4 million of that loan should be issued locally, and I do not know if the Crown Agents have anything to do with it, but I sincerely trust that the Financial Secretary will see to it. It is time that the man in the street be given an opportunity to take up his responsibilities in this particular manner. In other parts of the world — for instance in the U.S.A. and England — 10/- saving certificates are issued, and I do not see why it cannot be done here. If it is felt that it would entail too much work I think that aspect should be forgotten when it is taken into consideration that this is a development programme and every citizen should be given an opportunity to take part in it and thus show his faith in the development of British Guiana.

The FINANCIAL SECRETARY & TREASURER: There is no question of too much work, but when we issue a loan we must guarantee its success. It is no good putting a loan on the local market and finding that half of it is not taken up. That ruins the Colony's credit. Consequently it is desirable to put a large loan on the London market and allocate part of it here, knowing that if it is not a success in the Colony there is something to fall back upon. It is not always possible to be quite sure that it is going to be a success. The hon. Member need not be troubled about it. The small man in this Colony has done his bit, because he has put his money in the Savings Bank, and we are very proud that we have \$13 million there. Of course it is not quite the same thing, because he can always draw it out, but nevertheless it is invested in London and other areas, and they in turn invest with us. I do not

think it should be implied from what the hon. Member has said, that the small man is not thrifty.

Mr. KENDALL: I think our greatest trouble here is that we do not do sufficient saving in this particular direction. I am not dealing with the Post Office Savings Bank; I am talking about long-term saving which has assisted the U.S.A. and England even during the war years when there were such slogans as "Buy a war bond". I am referring to bonds which this Colony should issue. I know about the small man's savings in the Post Office Savings Bank, but I want a further fillip to be given him to take his full share in the development of the country. I think the B.P.I. can assist by advertising that Government will issue bonds of small denominations so that the man in the street may take them up. I think that would provide another means of saving for the small man.

The ATTORNEY-GENERAL: I move that the word "Loan" be inserted between the words "Public General" and "Supplementary" and that the date "1941" be substituted for "1951."

Clause 4, as amended, agreed to.

Council resumed.

The FINANCIAL SECRETARY & TREASURER: With the consent of Council I move that the 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.

Council was then adjourned until 2 p.m. the following day.