

LEGISLATIVE COUNCIL.

THURSDAY, 4th JANUARY, 1951.

The Council met at 2 p. m., His Excellency the Governor, Sir Charles Woolley, K.C.M.G., O.B.E., M.C., President, in the Chair.

PRESENT:

The President, His Excellency the Governor, Sir Charles Campbell Woolley, K.C.M.G., O.B.E., M.C.

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

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

The Hon. D. P. Debidin (Eastern Demerara).

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. J. Carter (Georgetown South).

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 Thursday, the 21st of December, 1950, as printed and circulated, were taken as read and confirmed.

ANNOUNCEMENT**TRINIDAD'S NEW CONSTITUTION**

The PRESIDENT: Hon. Members, you will remember that at our meeting on the 9th of November you asked me to convey to the Governor of Trinidad our thanks and appreciation for the hospitality accorded to our representatives at the opening of their new Legislative Council. You also asked me to convey to the Governor of Trinidad our best wishes for the success of their new Constitution. I should like to say that I have now received a letter from the Governor of Trinidad in which he has expressed to me the thanks of the Legislature of Trinidad and his own thanks for the good wishes from me and from the Legislature of British Guiana for the success of Trinidad's new Constitution, and adds that he would be grateful if their expressions of thanks could be conveyed to the Legislature of British Guiana, which I have very much pleasure in doing.

PRESENTATION OF REPORTS AND DOCUMENTS

The COLONIAL SECRETARY laid on the table the following:-

The Report of the Director General of Colonial Audit on the Accounts of British Guiana for the year ended the 31st of December, 1948, together with the Governor's Comments thereon.

The Inland Parcel Postage Rates Regulations, No. 29 of 1950.

The Private Letter Bags Regulations, No. 30 of 1950.

The Cash on Delivery (United Kingdom and British Guiana) (Amendment) Regulations, No. 31 of 1950.

The Parcel Postage Rates (Great Britain, Northern Ireland and beyond and H.M. Forces) Regulations, No. 32 of 1950.

The Stamped Postal Stationery (Charges) Regulations, No. 33 of 1950.

The Post Office Telegraph (Amendment No. 2) Regulations, No. 34 of 1950.

The Telephone Regulations, No. 35 of 1950.

Order in Council No. 47 of 1950, made under sections 16(2) and 17 of the Post and Telegraph Ordinance, Chapter 185.

GOVERNMENT NOTICE

INTRODUCTION OF BILL

The ATTORNEY GENERAL gave notice of the introduction and first reading of the following Bill:—

A Bill intituled "An ordinance to confer power on the Georgetown Town Council to exempt the owners of certain properties in the city from the liability to pay rates or taxes for a limited period."

NOTICE OF QUESTIONS

LOANS TO LABOUR REPRESENTATIVES

Mr. ROTH gave notice of the following questions:-

1. With reference to the loans from Public Funds of \$1,200 and \$1,827.56 made to Mr. A. M. Edun on 28th February, 1947, and to the British Guiana Trades Union Council (on behalf of Messrs. D. M. Harper and H. J. M. Hubbard) on 29th December, 1945, respectively, will Government state how much, if any, of these loans have been repaid to date?

2. In the event of any portion of these amounts remaining unpaid, what action has Government taken to recover same, in accordance with the recommendations of the Finance Committee?

PETITION

Mr. RAATGEVER laid on the table a petition from aerated water manufacturers concerning the proposed tax on aerated waters.

ORDER OF THE DAY

GOVERNMENT PRINTERY.

Mr. LEE asked and the COLONIAL SECRETARY laid over replies to the following questions:—

Q. 1—Will Government state whether tenders have been received for the Government printing and from whom?

A. 1—Yes. Tenders have been received for various sections of the contract from the *Argosy* Company, Limited, the *Daily Chronicle* Limited and the B.G. *Lithographic* Company, Limited.

Q. 2—Will Government state whether the contract has been granted and if so, whether to one person or a Company, and whether it is executed?

A. 2—The present contractor is the **Argosy** Company, Limited, and the existing contract will not expire until the 31st of March, 1951. The contract to commence on the 1st of April, 1951, has not yet been awarded.

Q. 3—Will Government consider the possibility of acquiring its own printery and stationery department as early as possible?

A. 3—This proposal has already been considered, but the conclusion has been reached that the establishment of a Government Printing Department would involve capital and recurrent expenditure on a scale which could not be justified in present circumstances. Government already has a Central Stationery Store.

TAX (AMENDMENT) BILL,

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

"An Ordinance further to amend the Tax Ordinance, 1939".

The Bill seeks to prohibit the issue of licences to sell drugs unless the applicant for such licence has obtained the consent in writing of the Director of Medical Services. This measure is an additional safeguard against the sale of drugs by unqualified persons. Section 27 of the Pharmacy and Poisons Ordinance, Chapter 103, empowers the Governor in Council to authorise the sale of drugs and patent and proprietary medicines by unqualified persons in areas remote from the coastlands.

As licences are issued annually it is necessary to make the Bill operative from the 1st of January this year, and if the principle of the Bill is approved and the Bill is given a second reading I propose in the Committee stage to ask leave to insert a clause to make the Bill operative from the 1st of January, 1951. It will be appreciated that until the enactment of the Ordinance persons may apply for licences. I formally move that the Bill be now read a second time.

Mr. RAATGEVER seconded.

Dr. JAGAN: Only this morning I brought this matter up before the Medical Advisory Committee because on the last occasion when this Bill was considered by the Committee I was absent from the Colony and consequently I was not able to put forward argument against proceeding with the Bill at the present time. I feel that this matter needs a great deal of consideration and I do not think Members of this Council are fully apprised of the situation as it exists at the present time. The Pharmacy and Poisons Ordinance, Chapter 103, contains three Schedules in which certain drugs and poisons are listed, and certain requirements have to be met before licences are issued for the sale of those items. In the case of Schedule 1 it is necessary for a qualified chemist to be employed on the premises. On the other hand, in Schedule 3 there is a list of a large number of drugs for the sale of which there is no necessity for a qualified chemist to be on the premises. I would like to ask the hon. the Attorney-General

whether it is the intention of Government to abolish Chapter 103 completely and to introduce new legislation? If that is so I think it is most inopportune to give the Director of Medical Services the power now sought to be given him by this Bill, unless this Council is fully apprised of all the facts and of what Government intends to do in the future.

My information is that the items listed in the Third Schedule of Chapter 103 can be sold without the necessity of having a qualified chemist on the premises, but it is provided that those items must be sold in unbroken packages, such as patent medicines and so forth. In other words, they must be sold in the containers in which they are imported into the Colony. In that case I do not see any harm in permitting any store to sell items which are not separated from their containers, once they have been permitted entry into the Colony. What is very necessary is the control of the entry of drugs into the Colony. Under the Pure Food and Drugs Act of the U.S.A. I do not think the sale of many drugs is prohibited. I feel that this matter is merely a question of a check-up on the administration at the present time. If it is found that persons are selling drugs listed in the Third Schedule of Chapter 103, by opening the containers in which they are imported, then I believe those are cases in which the police can prosecute.

With regard to Schedules I and II and the drugs listed therein, it is necessary for a registered chemist to be employed on the premises. I am told that the practice is that many stores share possibly one chemist, so that those drugs are sold under the name of a chemist who may not be on the spot. If that is so it seems to me that what is necessary is legislation to stop such practice, but at present it will create a great deal of difficulty. I have in mind that the Ordinance provides that no store beyond two miles of the City limits can sell those drugs. Many individuals have opened small stores, for instance at Kitty when that village was a country district, and those persons are continuing to obtain their livelihood in that way. I can see great danger in allowing blanket legisla-

tion like this to pass, unless we first of all know definitely what Government has in mind — whether it intends to abolish Chapter 103 and to confine the sale of drugs, whether patent medicines or otherwise, to premises which require a registered chemist. Before we know what is Government's intention I think it is inopportune to pass this measure at the present time.

There is another factor which we have to keep in mind. It is pointed out by certain individuals now in the trade, that certain people who have monopolies in drugs are now setting up drug stores in various parts of the City, and in fact in various parts of the country, thereby putting a squeeze on many small persons who have been making a livelihood in this direction. While I see the necessity for the public to be protected I feel that the matter should be carefully considered before this Council passes this Bill to give power to the Director of Medical Services to determine to whom licences should be granted, and to whom they should be denied. I would like to know first of all what is Government's intention in the matter.

Mr. DEBIDIN: I am against the principle of this Bill. In the first place I feel that a simple Bill like this ought to disclose far more information in its memorandum of Objects and Reasons, or the Council ought to have been provided with some Message to explain the reason for this Bill. It is clear that Members of the Council are probably not aware of the fact that the Chemists and Druggists' Association held a meeting and put forward certain proposals to the Medical Department. It is probable that the intention is not so much to regulate the sale of drugs but to safeguard the interests of chemists and druggists. I feel that where safeguards are provided in the interests of one class of persons a certain amount of hardship is created on another class, and it is so in this particular case, because there are in Georgetown 35 unregistered proprietors of drug stores as against 25 registered chemists and druggists. The larger drug stores, wholesalers and retailers, are able to employ those chemists and druggists and to pay them attractive salaries which the proprietors

of small drug stores cannot afford to pay. It follows from what I have said that this proposal by Government will result in giving a monopoly to the larger drug stores because, as the hon. Member has said, where a part-time registered chemist and druggist is employed in one or more small drug stores the law demands that the store be closed for the sale of dangerous drugs during such time as the registered chemist and druggist is not on the premises. If this Bill is passed it would mean that the proprietor of a small drug store would have to close down, because he would not be given a licence, and Bookers or Jaikaran's would be able to set up a drug store in his place. Because the proprietors of the larger drug stores are able to employ registered chemists and druggists they are able to establish a chain of drug stores which are fed from their main stores.

I feel that because this Bill will affect a certain class of people whose number is greater than that of the class of people in whose interest this Bill has been brought forward, a Select Committee should be appointed to go into the matter. For one thing I feel that if the Bill is pursued it would be a legitimate thing to suggest as an amendment that it should not affect those who are already carrying on drug stores in the Colony. In England, I know, there has been a provision in the law, but when the Act was passed it was never made to apply to those already in business. If this Bill is pursued and Members do not agree to my motion, which is that further consideration of this Bill be deferred and that a Select Committee be appointed to go into the implications of this Bill, I would have to move an amendment and to plead strongly in favour of that amendment. We are not able to bring before us all the English provisions, but I feel a Select Committee will be able to go into the English provisions and see to what extent a person in England who had been an apprentice to a chemist and druggist and was carrying on business, was permitted to carry on business and to be licensed. I feel it is too much power to give to the Director of Medical Services that he will be able to wipe out of business any person because this and that did not take place. Let us have something which is

in principle both democratic and reasonable to the classes of people who will be affected by this particular Bill.

Mr. CARTER: This Bill seems innocent in itself, as all that is sought to be introduced by it is a provision giving the Director of Medical Services the power to issue his consent in writing to certain classes of persons. But, Sir, I like other Members would like to know something more about the objects and reasons of this Bill. The Pharmacy and Poisons Ordinance came into force in 1899. When an Ordinance has been in force for over 50 years, if it is sought to amend that Ordinance then some very good reasons should be given us by the hon. the Attorney-General for the proposed change. The bald statements in the Objects and Reasons to my mind are not enough to convince me at least that this change is necessary. The Governor in Council has had the power all these years — for over 50 years — to give persons permission to sell certain drugs. No reason has been given us here today as to why there should be an amendment or some change of the procedure from what we have been used to. Furthermore, I have discussed this matter with certain unregistered proprietors who are very concerned about this proposed change. Many of them have had over 20 years' service in drug stores and are very capable and efficient men, and they feel that they will be excluded from the list of proprietors who will be allowed to sell poisons and other drugs. I would like to know something more about the objects of this Bill and I, too, would favour a Select Committee possibly chosen from the Medical Advisory Committee to discuss this Bill and make recommendations thereon. I second the last speaker's motion.

Dr. GONSALVES: I would like to say a few words in regard to this matter. I am very sorry that the Chairman of the Medical Advisory Committee is not here at this time. Perhaps it would have been best for him to speak. I would urge that the Bill be postponed for these reasons: I do not believe the object of the Bill is to prevent anyone owning a drug store so long as that drug store complies with the requirements of

the law and that is to have a registered pharmacist there. I think it goes further than that stage of protection of the public in respect of the sale of poisonous drugs. I believe it goes further than merely saying we are trying to protect the druggist. Recently we have all heard with horror of a lady giving some children some *cascara sagrada* one morning and three of them died during the course of the day. It was discovered that that drug had been obtained from a grocer's store. I believe it is wrong for grocers to sell or trade in drugs or for druggists to trade in other than medicines. I have not had a chance of studying the Bill, but what is stated in the Objects and Reasons seems to be scant and for that reason I ask that consideration of it be postponed. I cannot say I am against the Bill. Therefore I ask that we get a little more explanation about it.

Dr. NICHOLSON: As far as I know, the object of the Bill is not to interfere with those long established businesses which have been operating for 12 or 20 years. All the Bill seeks to do is to prevent all those little grocers in remote areas — persons who are not quite responsible — handling patent medicines. There is no doubt about it, that patent medicines can be very dangerous in the hands of persons who have no knowledge about them. It was brought to our notice that there are persons in the remote areas of the Colony who sell drugs and who are not even literate. These patent medicines have no directions sometimes on them as to the administration of the drugs, and one will therefore see how dangerous a practice it will be to issue permits willy-nilly to persons to sell dangerous drugs and patent medicines. The Bill, as the hon. Member for Georgetown South has said, appears to be rather innocent in its objects. I believe there was such innocence intended. It is not sought to destroy businesses that are well established. What I do feel is, if it is necessary to send the Bill to a Select Committee, rather I would say postpone the Bill and let the hon. the Attorney-General give a fuller account of the Objects and Reasons.

Mr. THOMPSON: A while ago I was

handed a protest from an Association on this Bill. I have not had time to go into it fully. When the last speaker says it does not tend to take away the right of druggists who had been long in the field, I do not think I can accept that because it is said clearly that it depends on the Director of Medical Services as to whether or not he appreciates the person who applies. I certainly agree that the Bill should be postponed so that we can have a chance of going into it more fully. As I said before, I have not had a chance to study the protest which has just been handed me, and I would certainly like to see if there is anything in it to be pursued. I am supporting that consideration of this Bill be postponed.

Mr. FARNUM: Sir, I also am asking that the Bill be postponed because I am convinced that if this Bill is carried through it would impose a great deal of hardship on the people in the rural districts and not only there but in the mining districts of the Colony as well. It is well known that Medical Officers are stationed very far apart in the rural districts, and these patent medicines have been used year in and year out among those people, and certainly they have brought some sort of remedy to them. I therefore do not think it should be rushed. I think we should get the Bill postponed and let us go fully into it.

The ATTORNEY-GENERAL: I am sorry that some hon. Members have not had the opportunity of perusing the Bill or studying it. The Bill is a very short one and only seeks to give the Director of Medical Services the opportunity to give his consent in writing before the licences are issued. From the observations of hon. Members it is clear that it is realized that there is necessity for some measure whereby the public is protected, and I am sure it is the feeling of all hon. Members that nothing should be done to avoid that protection to the public. As far as the remarks of hon. Members are concerned regarding those who sell medicines in the outlying districts, that is already provided for in the Principal Ordinance, Chapter 103, section 27 which reads as follows:

"(1) Notwithstanding anything contained in this or any amending

Ordinance, the Governor in Council may, in areas remote from the coastlands, authorise the sale of drugs and patent or proprietary medicines by persons not registered as chemists and druggists.

(2) The drugs or medicines that may be sold in any area, the boundaries of every area, and the names of the persons authorised to sell, shall be published in the **Gazette**.

(3) The Governor in Council may make rules regulating the sale of drugs and medicines under this section."

So hon. Members will see that there is provision with regard to the point raised by the last speaker. As regards the question of those who now sell medicines, as provided in the Third Schedule, the point is the Bill is not seeking to interfere with that. The law provides under section 26 of the Pharmacy and Poisons Ordinance, Chapter 103 — paragraph (e) of sub-section (1);

"the sale by anyone of the following articles, namely: —

- (i) mineral or artificial waters or the salts or other material employed in their preparation;
- (ii) substances mentioned in the third schedule hereto, or any other substance which the Governor may declare by notice in the **Gazette**;"

In the Third Schedule referred to are set out the various items which any person may sell. Hon. Members can peruse that list, but from the list it will be seen that at that time it was considered that those items were not such as could not be sold by any person keeping a business. But the point is, as was hinted by the hon. Member for Eastern Berbice (Dr. Gonsalves), very often those who begin by selling the items set out in the Schedule which may be items not liable to cause any trouble, or personal discomfiture or even worse, may extend their operations to the selling of drugs and things which they have no right to sell. This Bill only seeks to provide the Director of Medical Services with the opportunity of seeing who are the persons on the list. All persons have to apply to him for his consent in writing for the purpose of obtaining a licence so that they can sell the things set out in

the Pharmacy and Poisons Ordinance, Chapter 103. In other words, the people who have no right to sell poisons or other drugs cannot do so, as there will be a greater opportunity of keeping a check upon those persons if they go beyond what they are permitted under the law to sell as set out in the Schedule. For example a shop starts somewhere in a district and on enquiry it is discovered that it may not only be selling what is right but it is going outside and beyond that to sell things deleterious to the health of the people of the district. Those people buy in good faith and then there is trouble.

It is not a question of the Bill being innocent on the face of it and carrying a sting behind it. It is nothing of the sort. All it seek to do is to provide a certain amount of safeguard by seeing that those persons who apply for a licence annually to sell drugs first obtain the consent of the Director of Medical Services in writing. I do not think there is anything in the Bill against which hon. Members may cavil or raise objection. As far as the question raised by the hon. Member for Essequibo-Demerara (Dr. Singh) is concerned, it is proposed to provide a Consolidation Ordinance with regard to this Pharmacy and Poisons legislation, but it will also be appreciated that this is the beginning of the year, and this Bill was on the Order Paper at the last meeting and it was hoped to have it passed before the end of last year, as it is desirable that persons applying for their licences should follow the procedure which is contemplated by this Bill. So I suggest to hon. Members that it is not necessary to postpone the Bill or to think that behind the Bill there are reasons which do not appear in the very simple Bill which is now before hon. Members. I therefore ask that this Bill be given the second reading and passed, because persons are applying for their licences now or will be applying shortly, as this is the first month of the year.

The PRESIDENT: There is a motion by the hon. Member for Eastern Demerara (Mr. Debidin) that consideration of this Bill be postponed. That seems to be the opinion of nearly every Member who

spoke. This Bill was considered fully by the Medical Advisory Committee and, I am advised, supported unanimously by that Committee. But if it is the wish of hon. Members that it should be deferred it can be deferred though, as pointed out by the Attorney-General, licences for this year will be affected.

Motion "That further consideration of the Bill be deferred" put, and agreed to.

Bill deferred.

BUDGET DEBATE

The Council resumed consideration of the following motion:—

"That this Council approves of the Estimates of Expenditure for the service of the Civil Government of the Colony for the year ending 31st December, 1951, to be defrayed from the annual revenue of the year and other sources of the Colony and from loan funds."

Mr. ROTH: It is customary on this occasion to congratulate the hon. Financial Secretary and Treasurer on his masterly exposition of the Budget Statement. On this occasion, however, these congratulations must be tempered with expressions of sympathy—sympathy for being in the position of being compelled to paint such a drab picture of the financial and economic situation, and congratulations on his skill in overlapping these drab shades with the brightest possible tints of optimism. I therefore sympathise with and congratulate the hon. gentleman.

With regard to the general economic situation, I am afraid I am going to shock Government with an apparently retrograde suggestion. I sincerely, though regretfully, believe that the time has come when we must consider seriously the advisability of abandoning, at least temporarily, some of the Ten-Year Development Schemes upon which we already have embarked, and most particularly that apparently bottomless quick sand, the Bonasika Scheme. As is only too well-known, this particular project already has swallowed a sum far in excess of the original estimate, and I shudder to think of the further sum that must actually and literally be thrown down this drain before there is any likelihood of its func-

tioning successfully. In plain language we cannot afford it, so let us be realists, cut our losses, and abandon this scheme until such time as the country is in a financial situation that will permit the reshouldering of this burden. The money thus saved, or a portion of it, could be used to throw open to those who will use them, the privately-owned but to a great extent unoccupied riparian lands on the lower courses of our great rivers. I recommend to Government the careful consideration of this proposal in all its aspects.

With regard to the new taxation proposals, I take strong objection to two of them, those regarding aerated water and the increased fees for Queen's College and Bishops' High School. With regard to the former, I shall reserve my detailed comment for the second reading of the relevant Bill — merely stating now my conviction that it will affect the poorer classes more than the not so poor.

With regard to the proposed 25 per cent. increases in College fees, I do not know whether we shall have another opportunity of discussing them, so I will deal with this subject now. I cannot believe there is any truth in the whispered allegation that the idea behind these increased fees is to prevent the admission of undesirables. Surely there are more equitable methods of doing this. Government seems to have overlooked the fact that in addition to the actual fees there are many "extras" of no inappreciable amount. Government must also remember that there are not a few parents who make great self-sacrifices to maintain their children at the Colleges under the existing fees. An increase of 25 per cent. will be more than they can bear, and the children will be removed to their own and the country's loss. If Government persists in putting on an increase then let it not exceed 10 per cent.

In lieu of these taxes, to which I take objection, may I suggest to Government the imposition of the following:—

(1) A tax on a sliding scale not only on aerated water factories but on all manufacturers, such as sugar factories, rice-mills, saw-mills, foundries, carpenter

shops, etc., the tax to be apportioned either according to floor space or number employed.

(2) A tax of one cent a pack on manufactured cigarettes. The imposition of this tax was so much expected by manufacturers and smokers alike, that its non-imposition came almost as a disappointment.

(3) An increased entertainment tax. Judging from the number of patrons of the cinemas, cricket and football matches, boxing bouts and horse races, this tax can well be imposed.

(4) The increase of the Wine and malt licence from \$24 to \$50, which the majority of licence holders would be willing to pay provided it gave them the right to permit consumption on the premises. There are several thousand cake-shops, parlours and restaurants, most of which have a wine and malt licence but all of which break the law by permitting consumption on the premises. I know that Government is well aware of this and winks at this infraction of the law. Let Government adjust the law and rake in revenue at the same time.

(5) An increase in Liquor Store licences. In view of the number of these licences that are now being taken up to the detriment of the highly taxed spirit shops, these licences in all fairness should be increased 75 to 100%, as there is not the slightest doubt they form a serious competition to the retail spirit dealer, who pays his \$480 licence.

My last and, perhaps, most important suggestion is not for the imposition of a new tax but that Government make more strenuous efforts to collect all the Income Tax that is payable. If this were done and the "flying pheasants" as well as the "sitting ducks" aimed at, Government would be surprised at the increase of revenue therefrom. Are the Income Tax Commissioners collecting all that is payable by all professional men, the tax on the \$20 here and the \$10 there taken on account by legal gentlemen, the consulting prescription and insurance fees taken by the brethren of the scalpel. Do they collect the tax from the apparently small

rural businesses, some of which do better than in town? Do they collect the tax from East Coast truck drivers of the type of the gentleman who at the Cove and John Magistrate's Court deposed that he hired a lorry from Government at \$144 per month and made \$1,000 per month transporting rice to the Scheme? Do they collect the tax or even see returns from those sugar workers both in factory and field who earn between \$30 and \$60 per week? I trust Government will take thought of these matters and see to it that all those who are liable to Income Tax pay their just dues. If these suggestions are followed, I am certain that the hon. the Financial Secretary and Treasurer will not have cause to spend sleepless nights searching for new methods of raising the revenue to balance this budget.

Mr. SMELLIE: I said last year on the 5th of January, in this Council, that since the Budget of the Financial Secretary and Treasurer for 1949 had proved so accurate, he deserved our confidence in respect of the new draft estimates for 1950. Results have once again proved that he fully deserved that confidence, for having estimated for a surplus of \$390,122 he has shown us that we have come out on the right side with a sum of \$151,050 to the credit of the Colony's finances. I do wish once more to congratulate him on his extremely accurate forecast.

I think, however, that it is a matter of some importance closely to follow him in his analysis of the results which have been obtained, and which seem to be on the face of it, satisfactory. Last year I drew attention to the small excess of anticipated revenue over expenditure and pointed out that we might well be faced with supplementary estimates during the year to the extent of \$5,000,000.

Actually these supplementary estimates amounted to \$4,417,938. But we still came out on the right side with a surplus of \$151,050, and this is the final result of the transaction for the year 1950.

The Financial Secretary and Treasurer has told us quite frankly how we managed to do this. In the first place, the revised estimates of revenue showed an increase of \$652,745, and in the second

place we spent \$3,677,382 from the accumulated surplus revenue balance. Details of this he gave. I think that it is necessary to emphasize that these payments did not come from ordinary revenue and I should like to make a few remarks about this accumulated surplus revenue balance.

As I understand the position, at the beginning of 1950, this stood at \$7,760,645, a sum of \$3,312,000 had been earmarked for capital expenditure on the 10-year Development Plan, while a further \$2,000,000 was to be set aside as a reserve to meet the expenditure of a very special character on the rehabilitation of certain public works. A sum of \$2,500,000 remained, which was to provide working capital

According to the Financial Secretary and Treasurer, we would end the year 1950 with an accumulated surplus revenue balance of \$4,234,312 which by a simple process of subtraction means that in 1950 \$3,526,332 has been appropriated from this source. It will be observed that there is a difference of \$15,050 between this figure and the one which I have mentioned up above and this is the surplus of ordinary revenue over ordinary expenditure for the year 1950.

The Financial Secretary and Treasurer has taken \$3,677,383 from the accumulated surplus revenue balance and has added to it the so-called surplus on the year's transactions, which is set down as \$151,050.

At this point there was loud taking among the spectators in the corridor outside the Chamber, which made Mr. Smellie's voice inaudible.

The PRESIDENT: I am sorry to interrupt the hon. Member. Will the people in the gallery please keep quiet, otherwise I will ask you to go away. We cannot hear the speaker's inside the Council.

Mr. SMELLIE: It will be appreciated that the amount of \$960,500 for flood relief and rehabilitation has not been absorbed into ordinary expenditure but has

been charged to the accumulated surplus revenue balance. So far so good, or so far so bad, whichever way you like to look at it.

In respect to the second item of \$1,692,892 for Development Plan services, I presume that this forms part of the \$3,312,000 earmarked for capital expenditure on the 10-year Development Plan, and in this connection I would like, with Your Excellency's permission, to refer to Hansard of January 6, 1948 on page 133 of which I questioned the wisdom of this allocation of \$3,312,000 from the accumulated surplus revenue balance to the 10-year Development Plan. I described it, if I remember rightly, as robbing the hen-roost, and I went on to say that we ought to keep something in reserve for the rainy days. Those words, of course, were a figure of speech. I feel now that I ought to have kept my fingers crossed when uttering them, for the disastrous rainy days of December, 1949, and January, 1950 having resulted in a reduction in the accumulated surplus revenue balance of \$960,500.

The third item of capital adjustments has further depleted by an amount of \$1,023,990, that buffer against insolvency. There was in the first place, a depreciation in the market value of the investments of the Post Office Savings Bank. I hope that, conversely, when market values appreciate, that the accumulated surplus revenue balance will benefit. No doubt among the investments, for example, is 3½ per cent. war stock which is redeemable at par in 1952.

The other items of capital adjustments for which provision has been made out of the A.S.R. balance are a discrepancy in the Post Office Savings Bank accounts following the fire of February, 1944, when its records were destroyed and the "write-off" of the balance of the purchase price of the capital assets acquired at Atkinson Field.

If it is still intended to use 3¼ million of the A.S.R. balance on the 10-year Development Plan, about half that amount remains to be drawn. But I am seriously suggesting to Government that there should be no further withdrawal for this purpose from the A.S.R. balance.

I regard the following as one of the most significant statements which the Financial Secretary and Treasurer has made in his address. It is on page 2. He said :

'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 10-year Development Plan is not in keeping with the realisation of the situation'.

I myself would prefer to regard the 10-year Development Plan as a limited programme of capital works and projects leading to economic advancement and improvement of the social conditions of the people from which items would be selected from time to time in suitable priorities as the necessary funds, materials and technical direction become available.

I hope that this means that we are not going to use our reserves to finance developments. I hope also that we are not going to embark on development schemes unless the country can pay for the recurrent costs of these. I hope finally that all will turn out well with the Bonasika and Torani schemes.

I think that the Financial Secretary and Treasurer has done a good service to the community in emphasising on the first page of this statement the point made by the Fletcher Cost of Living Advisory Committee, that of the rise of 14 points in the cost of living index which took place between October, 1949 and October 1950, only 4.1 points are due to the increased prices of imported items. He went on to say that the remaining 9.9 points are due to the rise in the prices of local products.

Turning now to the Budget for 1951, if the forecasts of the Financial Secretary and Treasurer work out according to his estimates, and if his proposals for fresh taxation realise the 1½ million dollars which he anticipates, we shall end the year with a surplus of revenue over expenditure of \$307,052. But he will, I think, be the first to admit that such a result is highly problematical. He has assured that the recommendations contained in the majority report of the

Fletcher C.O.L. Advisory Committee will be adopted and made provision for, but what of the supplementary estimates in the year which lies before us?

The Financial Secretary and Treasurer has stated that quarterly supplementary estimates for the year 1950, approved by Finance Committee to November 30, came to \$4,417,938. What, I wonder, will these amount to at November 30, 1951?

I have already shown how these were absorbed in respect of the year 1950, but supposing that the revenue for the year 1951 is not greater than was anticipated, how is he going to deal with the total of these supplementary estimates? I can only urge again, most strongly, that nothing be taken from the A.S.R. balance to bolster up the deficit, and that instead the pruning-knife be rigorously applied to such expenditure.

All taxation proposals must of necessity come as a bolt from the blue upon the unfortunate taxpayer. Government cannot be expected to give notice to interested parties of its sinister intentions. But I submit that in the case of the increases in fees at Queen's College and the B.H.S. some notice to parents of the impending charges could have done little harm.

Representations have been made to me under three of the heads of taxation and I believe that it is my duty to put these forward for the consideration of the Council.

The first is the Export Tax on bauxite. The increase in the duty on calcined bauxite almost coincides with an announcement by the Demerara Bauxite Co., Ltd., of expansion on this particular field with the installation of a new kiln for the manufacture of another bauxite product. While some relief may be obtained by the Company through the Industries Aid and Encouragement Bill, which the Financial Secretary and Treasurer proposes to introduce in this Council at an early date, the coincidence seems unfortunate. It is felt that the establishment of a new industry giving increased employment to local labour, has

been in this instance the signal for an additional burden

The second head is that of Duty on Aerated and Artificial Mineral Waters. The statement by the Financial Secretary and Treasurer that this has recently been introduced in the neighbouring Colony of Suriname is challenged. I was under the impression that it was in existence there, but I am now informed that this is not the case. It is felt that any increase in the retail price will affect sales in the country districts, which will in turn result in the cutting-down of employment among the distributing personnel.

The third head is that of Income Tax in so far as this affects the Life Insurance Companies. Objection is raised on the grounds that they are regarded as organisations for the promotion of thrift, their profits being derived from interest on investments and not from engaging in trade.

I have noticed that in explaining the new Income Tax proposals in respect of companies other than life insurance companies, the Financial Secretary and Treasurer admitted that an increase in the rate of tax would act as a brake in the accumulation of revenue. This is most true and I sincerely trust as he sees an opportunity of releasing the brake, he will do so. Most business concerns are anxious to attain the greatest measure, if possible, of financial stability in these very unstable present-day conditions.

In conclusion I would like once more to congratulate the Financial Secretary and Treasurer on his Budget which, allowing for criticisms which I have made and those representations which I have passed on, I believe to be on the whole a well-intentioned and admirable attempt to grapple with a very difficult situation in a reasonable and statesmanlike manner.

Mr. CARTER: We are told that on the occasion of this debate on the budget we should review our economic and social situation and make what comments we think necessary, and what suggestions we feel fit to meet the occasion. I too feel a little dismayed at the grim prospect which the hon. the Financial Secretary

holds before us, and I think that what is necessary for the year we have just entered is a greater acceleration of our economic development plans and a greater acceleration of our programme of social services. It seems to me, Sir, from the hon. the Financial Secretary's comment on the Ten-Year Development Plan that this Plan seems to be little more than mere eye-wash. He has used very polite and parliamentary language in describing this Plan and has said that the Ten-Year Development Plan is not in keeping with the realities of the situation. I think that those words can only be interpreted in the way I have already said, because there seems to be little progress made in implementing this Plan, and it seems from what he has said, as I have said here, that we can expect very little implementation of this Plan. I think it is a bad thing to raise the hopes of people in this way and then to have their hopes dashed to the ground. I think, Sir, that when we bear in mind that there has been a steady increase in our population, we see the need for immediate development of our agricultural and industrial resources. If it is true that as the result of D.D.T. the mortality rate is somewhat lowered, and if it is true also that the birth rate is increasing, then, I think, we will be faced with a very parlous situation here in British Guiana unless we can find avenues of employment for our unemployed. The only way that our unemployment can be relieved and the standard of living of our people can be raised is to have an acceleration of our drainage and irrigation programme so that lands will become available and by such means unemployment will be relieved and the standard of living of our people will also be raised.

We seem to hear very little today about secondary industries. A few years ago there was great hope that we will be able to establish enough secondary industries in this country as to be of assistance to the people here, but today almost nothing is heard of our secondary industries. While we plan economic development, while we plan expenditure, I think at the same time we have to consider the care which must be taken in making expenditure. To take only one item—the question of our roads. So often

on the East Coast Demerara road and the East Bank Demerara road we find a stretch for about four or five miles of a fairly good red brick surface, and then four to five weeks later we find that very stretch has deteriorated into puddles and channels. If we spend money on other items in the same way as we spend money on our roads, it can be seen clearly why we will always instance, it is time that we get Road Experts. I know there are students in England who have been sent there by our Public Works Department, but I do not think any of them is studying the construction of roads which, I think, is so necessary for this Colony. I do not propose, Sir, to be unduly long, nor do I propose to touch on each and every item of the Budget Statement.

On the question of Social Services I would like to bring to your attention the housing situation of this Colony. People today are still living in squalor for the most part; particularly in my constituency, South Georgetown, there is a great deal of over-crowding. I think, Your Excellency had an opportunity of visiting some of the rooms or apartments, as they are called, in that area, and I am sure Your Excellency must have been struck by the conditions of over-crowding and squalor which exist there. I know there is a housing programme to relieve the situation, but I think this programme must be accelerated a great deal if we are going to give relief to a substantial part of that community within a reasonable period. Recently, Sir, we have had a Committee which has gone into the question of the cost of living. I refer to the Fletcher Committee. One thing remains certain from that Committee's Report and that is, the standard of living continues to rise. If that happens, we have to adopt one or two measures. We either have to increase the wage-rates not only in the Government Services but make provision for adequate minimum wages in this country, or we shall have to step up food production and other production in this country in order to lower the high cost of living.

The third alternative possible that is desirable is to cushion the effect of the rise in the cost of living by Subsidization.

But it is clear to me that people today are becoming so frustrated that one of these measures must be adopted to meet the immediate situation. I think that in the first place there should be a minimum wage, as has been suggested by the hon. Member for Georgetown North (Dr. Nicholson) and the hon. Member for Central Demerara (Dr. Jagan) that in view of the high cost of living there should be a minimum wage of \$2.00 a day. I think, Sir, that Government should give serious consideration to these proposals. We may find that if we do this only, that is to establish a minimum wage and do not pay attention to production, even the \$2.00 a day would not be adequate to meet the needs of the workingman. So in addition to a minimum wage, I think, steps should be taken also to lower the cost of living. Reference has been made by the hon. the Fifth Nominated Member (Mr. Smellie) to the Report of the Fletcher Committee and to the statement that so far as the increase of local products is concerned it was up something like 9 points. I think certainly that is the situation which this Government has to give attention to, because there is no point in giving with one hand and taking away with the other. I think if it is necessary we should have another Grow More Food Campaign in this country.

On the question of the taxation proposals, I was somewhat amazed to see that there is to be a tax on aerated and artificial mineral water and an additional tax on rum and no corresponding tax on whisky or gin. It might be argued that for every bottle of whisky sold in this country we possibly sell 500 bottles of rum. But why should not a tax of \$1.00 a bottle be imposed on whisky or gin, or any of the drinks which are consumed by the higher income groups, and why these tax proposals should be directed mainly to the lower income group? I feel, Sir, that the only way I can support the proposed duty on rum and on aerated and artificial mineral water is if a corresponding tax is imposed on those other more refined beverages which I mentioned. While I congratulate the hon. the Financial Secretary for his tax proposal with regard to the bauxite industry, I can only

say that this tax has come much too late. I feel this tax ought to have been imposed some time before. I myself made reference on three occasions to the fact that owing to the devaluation of the Sterling this Company had without introducing any fresh capital or exerting any extra energy on their part succeeded in making substantial profits merely as a result of Devaluation.

I am happy to see an increase in taxation on companies. It is something that a minority of Members of this Council had been advocating in this Council. I am not quite sure, however, about the tax with regard to the Life Insurance Companies, because most of the companies in British Guiana are mutual companies, and while we know there are a few persons who have large insurances, I think, about 50 per cent. of the insurance policies issued consist of insurances around \$500 to \$1,000, which suggest that the low income group will suffer as the result of this taxation. I would have thought that an increase possibly of only 100 per cent., that is from 5 to 10 per cent., would have met the position rather than this increase to 15 per cent. The hon. the Fifth Nominated Member in speaking on the taxation proposals with regard to the Bauxite Company suggested that the Industries Aid Bill may provide some measure of relief to that Company. I would like to hear the hon. the Financial Secretary on that, because I have been under the impression all along that this Industries Aid Bill will not apply to established companies and undertakings such as Bauxite, although the object of the Industries Aid Bill is to encourage — which is a good thing — capital to this country, because if the Government cannot provide the capital it is necessary for us to attract capital to British Guiana. But if this Industries Aid Bill is going to be used to assist well-established undertakings like the Bauxite Company, I think it would be better if we did not have it at all. Sir, that is all I propose to say with regard to this Budget. When the time comes to deal with the Bills which are before this Council with regard to the items of taxation I mentioned, I will be able to give my point of view on them

Mr. MORRISH: The hon. the Financial Secretary and Treasurer has already been complimented and commiserated with, and I do not think I need go over that part of it again. Furthermore his Budget Statement appears to me to have been dealt with very exhaustively indeed by the hon. the Fifth Nominated Member (Mr. Smellie). Therefore I do not propose to take up the time of the Council more than to make some brief observations on the taxation proposals. If I may, I will take them in the order as printed and make some brief comments on most of them. In the first place and as I am intimately connected with the sugar industry, although I am afraid I have to accept it as inevitable, it is nevertheless regrettable that Government finds it impossible to implement the Venn Commission recommendations. The non-implementation of those recommendations, including not only No. 39 mentioned by the hon. the Financial Secretary but also No 41, and this further coupled with the refusal of His Majesty's Government to implement the recommendation to assist the industry in this Colony on account of our peculiar physical disabilities, actually deprives the industry and all those engaged in it of something like \$1½ million. In the same breath almost the industry is expected to implement its part of the Venn Commission Report, which it is trying to do in so far as it is financially able.

The next item on the taxation proposals is this Aerated and Artificial Mineral Water Tax Bill. I am not at all sure I like it. I do not think I do. I wonder how Government, first of all, is going to collect that tax. I understand that other than some half dozen large firms, there is a very large number of small producers of aerated and mineral water in the Colony, and, I am afraid, it will cost more money to collect it from them than the revenue which will accrue from the tax. I wonder whether Government has realized that in the making of aerated water there is one essential ingredient without which it cannot be made — carbon dioxide gas. It would have been easier, if this tax must be imposed, to tax carbon dioxide gas rather than to set up what seems to be an extremely diffi-

cult machinery. I do not like the tax, but I am suggesting a means whereby, if it must be, it can be done much more easily.

With reference to the rum duty, like the other speakers previous to myself, I too was somewhat surprised that such things as cigarettes and tobacco, although I am a heavy smoker myself, were not included. I am not sure that they too should not have been taxed. Like the hon. the Fifth Nominated Member I too was approached in connection with the tax on aerated and mineral water, bauxite and the Life Insurance Companies. As a result of what I have learnt and as the debate proceeds I will have to make up my mind as to what attitude I should take, but I wonder whether Government quite realises what it is taxing.

As I understand the position, the bauxite industry first of all exports dry bauxite ore. That is the ore as mined, which is at present taxed 30 cents per ton. That tax is to be increased to 45 cents. That bauxite ore contains some 14 per cent. of water and is at present dried off in kilns and shipped away. The Company at Mackenzie also has made, I believe, a certain amount of what is described as calcined ore, and my information is that this calcined ore is a material which is connected in no way with the manufacture of aluminum, but it is a finished product and is used as an abrasive in making grinding stones and things of that sort. Further the Company has declared its intention to spend some \$2 million on the installation of a further plant which will produce another product which is termed at this stage a "dead burnt" ore. This dead burnt ore is also calcined but to a much higher degree than the presently named calcined ore and produces another type of product which is also a finished article — refractory — which is used in making and shaping high temperature firebricks. I am also informed that the ordinary dried ore, as exported in bulk, enters the U.S.A. and Canada as raw material, whereas this calcine ore for making abrasives and the dead burnt ore which will become a source of material for making refractories are regarded in the

U.S.A. and Canada as finished articles and are required to pay an import duty.

I am suggesting that Government should look very carefully into the matter, in case the Company be frightened off from installing the plant for producing these finished articles. It is stated in the taxation proposals that the increase in the tax on dried ore, and this new tax on the two calcined products is justified by Devaluation, but I suggest it should be remembered that, though the pound (sterling) is now now, we hope it will go up again. Therefore it is fair to say that because sterling is low the tax is justified? Should there not be a clause to say it will be reconsidered if sterling is valued upward? There is another point which strikes me on this bauxite taxation proposal. If my information is correct, the Parent Company after Devaluation continued to pay the local Company the same amount per ton in Canadian dollars, which meant a larger amount per ton in B.G. dollars than before Devaluation. In other words, if they paid \$1,000 B.G. dollars before Devaluation they paid \$1,000 Canadian dollars after Devaluation, resulting in increased profits to the local Company and greater Income Tax accruing to Government.

Has Government considered the possibility of the Parent Company saying, we will in future only pay the same amount to the local Company in B.G. dollars as they paid before Devaluation? I am only suggesting that if the parent Company took it into their heads that taxation in British Guiana is too high, and that they would continue to pay in Canadian dollars (which, converted into British Guiana dollars would be exactly the same as we received in the Colony prior to devaluation) the immediate result would be a very quick and large drop in the Company's profits, with a corresponding large drop in income tax that would accrue to this Government.

There are other items with which I can deal more quickly. The increased postal charges and telecommunications and telephone rates may be regrettable. Unfortunately I live on the East Bank and have almost daily communication with

the West Bank by telephone. I am no relation of Job but I sometimes wish I were.

With regard to the proposed increase in the fees at Queen's College and the Bishops' High School I feel that the revenue which will accrue as a result of the increase, though small, will mean a considerable sum to a large number of people in the lower income group. I know of numerous instances in which people do really make great sacrifices in order to send their children to those schools.

As regards the tax on life assurance companies I do not know very much about the subject, but life assurance is certainly a means of encouraging thrift, and any proposal to increase the tax on life assurance companies should be scrutinized very carefully.

While on the subject of income tax I would like to stress the necessity for roping in the very large number of persons who, I am convinced, will never pay income tax until they are actually assessed. I would willingly support any proposal for strengthening the staff of the Income Tax Department by one or two very highly paid persons whose main job would be to follow that through. I do not think there is any question that a great many people in the Colony who should be paying income tax are not doing so.

The proposed increases in the rail and steamer charges are also unfortunate and, I believe, inevitable. Whilst on that subject I would like to refer particularly to the ferry service which I have to use very often. It certainly wants shaking up. Schedules are rarely adhered to, and I sometimes marvel how people are not pushed overboard by overcrowding. I have seen people scrambling and trying to put their bicycles on the steamer whilst it was already on the move, and it is just the mercy of Providence that there has not been serious loss of life.

Generally, the position again appears to be that 1951 is going to be a very difficult year indeed. I am speaking now with my mind related to the fact that I am Chairman of two important Boards

which distribute large sums of taxpayers' money. I refer to the Sea Defence Board and the Drainage and Irrigation Board. I know that Government has been faced with very great difficulty in getting experienced and adequate staff, and that during the past year it has been confronted on too many occasions with some problem which involved a great deal of additional expenditure which might have been avoided had there been a really experienced and competent staff. I know that engineers, especially civil engineers, are hard to find, but I would stress that every effort should be made to strengthen the staffs of those Departments.

I remember that at the time when salaries of civil servants were being revised it was suggested by certain Members that the working hours in certain Government Departments should be examined. I think we were told that civil servants worked 33½ hours per week. I suggest that that is one way in which economy may be effected, if those persons who are so fortunately placed have to do a little more.

Mr. FERREIRA: It was obvious to most of us during the consideration of the 1950 Estimates that as a result of the disasters which had cost us more than we had anticipated, the year 1951 would find us requiring a lot more money to finance our schemes and to keep on balancing our budget. It was not surprising to us either that we had to face new taxation or additional taxation, but most of us looked forward to taxation that would be fair and equally distributed. To most of us the taxation proposals are not just and fair, and while it is not my desire at this moment to go into details I will say that I am opposed to certain of the proposals on which I will speak fully on the second reading of the Bills to be brought forward. In times of stress, and trouble one should not lose one's head and panic, but rather than curb our activities, now is the time when we should endeavour to develop our resources and carry out our schemes. Let us not talk of abandoning schemes like Bonasika and Torani, or lay aside the million dollars we have voted for road equipment. Brit-

ish Guiana has been crying out for development for several years. If we are to feed our people and offer them proper and decent employment we must be prepared to provide them with lands to work and jobs which could keep them properly employed.

I am in principle against certain of the tax proposals. The average person asks himself: why should locally manufactured articles which provide employment and put money into circulation be taxed, while other items are not taxed? While it is not my desire to go into the proposals in detail I would draw attention to the fact that an item like beer, which is imported largely from Holland, has not been taxed. We find that Jamaica and Trinidad are pushing ahead with their development schemes. In Jamaica there are textile and glass factories and citrus plants. We have just come out of one war and the shadows of another are gathering over us. British Guiana must see to it that she is prepared for the next war which apparently is not very far off. (*Applause from spectators in the public gallery*).

THE PRESIDENT: Will members of the public please keep order, otherwise I must have the gallery cleared. You are privileged persons and you must keep order.

Mr. FERREIRA: The principle I would like to establish is that any item which can be manufactured locally, and which can provide employment, should be protected within limits. There is no reason today why this Colony should import jams, and even guava jelly from Grenada and marmalade from Jamaica. Such importations should never be allowed. I consider the tax proposals which have been put forward as the erection of road blocks to private enterprise and initiative. As I look along the banks of the rivers I see empty lands, because some proprietors cannot be bothered about doing something to cultivate those lands. I think taxes should be levied on such lands that are lying waste. Government should tax those people who sit back and do nothing to cultivate their lands; not those who are enterprising.

Some time ago I gave notice of a motion with reference to our railways. If that motion is carried it would wipe off the deficit of half a million dollars and put into Government's coffers a quarter of a million dollars in revenue. Today we are told that railway charges will be increased. I will await the results of those increased charges, bearing in mind the comments made by Col. Spencer.

I would like to correct two statements — one by the hon. the First Nominated Member (Mr. Roth.) I understand him to say that liquor stores only pay a licence of \$75. That is not correct. They pay licences totalling \$200, but I am not suggesting that the tax should not be increased. The hon. the Sixth Nominated Member (Mr. Morrish) suggested that a tax should be imposed on carbon dioxide gas, but as far as I am aware that gas can only be used in modern factories. There are some factories which can use sulphuric acid which is dangerous and considered obsolete. I reserve my further remarks until the actual proposals are being considered.

Dr. NICHOLSON: It seems to me that the imposition of taxation from year to year is hardly an answer to the balancing of our budget, but additional taxation at this time is an immediate and urgent need. The question is where must the impost fall? I am in agreement with the hon. the First Nominated Member (Mr. Roth) that all is not coming to Government in the way of income tax. The hon. the Sixth Nominated Member (Mr. Morrish) felt that Government is making too great a demand on the bauxite industry, but I am very much afraid that the bauxite industry is getting away with murder, and I was happy to find the hon. the Financial Secretary looking in that direction for further taxation.

Some remarks were made in regard to the proposed tax on aerated drinks. It is felt that the burden of additional taxation will fall on the consumers, but what the consumers perhaps do not know is that Government has in some way anticipated the producers of aerated drinks, and is really, I believe, going to get what was intended to go to the producers.

Some time ago I introduced a motion to place agriculture and its ancillary industries on a firm basis. I felt that the one opening for us to acquire revenue to run this country was the implementing of our agricultural economy. We do not need to embark upon very expensive schemes of drainage and irrigation right away. There are many parts of our coastal areas where there is sufficient land lying idle along the river banks on which we could settle families, build houses, and equip them properly and set up agricultural and ancillary industries on a large scale. We should make British Guiana become the granary of the West Indies. We should secure the entire West Indian market for our rice by expanding our rice industry. Unless we do something of the sort we are going to find ourselves in a very difficult position. Besides developing our rice industry we should make every effort to establish and develop other industries, such as a banana industry and a jute industry. As the hon. Member for Berbice River (Mr. Ferreira) has said, we need not import such things as butter, cheese, milk, hams and pickled meat.

As regards our health conditions we have eliminated malaria and in a great measure the mosquitoes which convey malaria and filariasis. Our population is increasing considerably, and experts tell us that within another 20 years we shall double our population. That is going to place us in a great plight if we do not do something to produce more. We talk of more and more production but I am afraid that we undermine our production machinery when we do not pay the worker a decent wage. Some time early in 1947 I introduced a motion in this Council suggesting a minimum wage for workers. In November we had the Fletcher Cost of Living Committee of which I was a member. After examining the situation thoroughly I came to the conclusion that we should fix a minimum wage for the workers of this country. I feel that it is impossible for any man who works hard and produces something, to live on less than \$2 per day, and I hope that Government will in the very near future examine the situation more thoroughly with a view to satisfying the worker because, after all, it is those people who

bear the brunt of hard toil who should be satisfied. They are the producers, and if they are dissatisfied or discontented they are apt to adopt go-slow tactics. We have to make our workers feel satisfied if we are to implement any sort of production scheme.

The imposition of taxation from year to year is not popular. Some persons feel that we should go to the producer and devour his profits, but we cannot do that because, if we did, there would be no development. The worker must work hard to produce the fruits of industry, and when he does that Government can come along and say that he should get sufficient of the fruits of industry to enable him to live a decent life. I do not propose to discuss the several items on which increased taxation is proposed, but will wait until they come up for consideration.

Dr. GONSALVES: I wish to make a small contribution to this debate. Compliments have been paid to the hon. the Financial Secretary for his genius in presenting his Budget Statement. Ways and means must be found in order to balance our budget, but I am afraid that we have reached the point where, unless some better system of distribution is adopted, the people of the Colony are going to be taxed out of existence. I am quite sure that a goodly number of people are not against taxation, but they are against uneven taxation, because the ordinary worker pays the same 30 cents per tin for condensed milk as anybody else. The Financial Secretary and Treasurer must find ways and means of balancing the budget, and is quite right in proposing taxation which he feels will provide the required revenue, but it is for us to consider the reaction to such proposals. If the proposed tax on aerated drinks is considered undesirable I would suggest the re-imposition of an excess profits tax, perhaps to the extent of 25 or 50 per cent of what it was before. In my opinion it would result in a more even distribution of taxation.

The hon. Member for Berbice River (Mr. Ferreira) asked why was not imported beer taxed instead of locally manufactured aerated drinks? Imported

beer, inasmuch as the Government tax on it is heavy, is still landed here at a cost of 23 cents per bottle, but when we go to buy that 10 or 12 oz. bottle we have to pay 36 or 40 cents for it. That is the reason why I say it would be better if a certain percentage of Excess Profits Tax be reintroduced. I do not think it is fair that the ordinary poor person should be called upon to pay 12 cents for a bottle of pepsi-cola when buying that drink. I do not believe that was Government's intention. I believe Government intended that there should be an addition of one cent per bottle and that same amount should be passed on to the consumer if the manufacturer feels he cannot bear the strain. But the other fellow comes along and says "Government allows us 20 per cent." and increases the price further. We pay at Crabwood Creek 16 cents for the same thing that Government intends should only cost 8 cents. Therefore I contend that since he continues to filch the ordinary consumer he must then bear the brunt through the Excess Profits Tax. I am being crushed under the burden as anyone else. One man told me the other day "I am getting so much money but it has not got any value." I asked him "what about me? If I came to the Legislative Council and said I was not getting enough I would be chased out. I am feeling the strain too and I have to stand it." But there is a limit. I too have a family and I have to provide for them. I am not opposed to this tax, because it is only by this means we can run a State properly, but we want to tax evenly the districts.

The FINANCIAL SECRETARY & TREASURER: I am surprised to hear hon. Members quoting price figures in regard to aerated and artificial water which are alarming. A petition was placed on the table this morning in which the manufacturers suggest an increase of one cent per bottle on each grade. That is to say, drinks which now sell at four cents per bottle they suggest they would find it difficult to get five cents for and six cents for the higher grade. They suggest that the increase should be seven and eight cents and for the high grade 12 oz. bottle they suggest that the price should be nine cents.

It is an increase of one cent on all grades and the petition suggests the people are unwilling to pay it. If it is a fact that the increases are above one cent per bottle, it is a matter which requires some investigation.

Dr. GONSALVES: I am very glad to hear that, and I am prepared to prove what I have said. I give the hon. the Financial Secretary the benefit that his intention was only one cent should have been passed on to the consumer ultimately. I am prepared to tell him now that in New Amsterdam these drinks are already being sold — one bottle of Coca-cola at 12 cents and 11 cents, and one bottle of Pepsi-cola at 12 cents, and one bottle of Quencher at 10 and 11 cents. As I have said, I give the hon. the Financial Secretary the benefit of the doubt and I am positive that was not his intention, but that is what is being done. Since that is so, it is unfair to the consumer. This beverage is not a drink in the sense like a bottle of beer. A person buys a bottle of aerated drink to quench his thirst and, perhaps, two of them may use a bottle. If it is the intention to add one cent only, I can understand.

The FINANCIAL SECRETARY & TREASURER: I strongly suggest to the hon. Member that he should take steps in New Amsterdam to demonstrate against the situation there.

The PRESIDENT: That is sheer profiteering by people who, when a small tax is put on, take advantage of it. If what the hon. Member has said is true those people's licences should be cancelled and, if there are no licences, we should see that they are prohibited from selling. It is sheer profiteering. I hope the blame is not put on the Financial Secretary or anyone else. We should see that is stopped.

The FINANCIAL SECRETARY & TREASURER: I may add that it had occurred to Government Officers who deal with this matter that it might be necessary to introduce Price Control. Steps might be taken to introduce effective control.

Dr. GONSALVES: I have no intention of saying that the hon. the Financial Secretary is passing this tax on to the consumer, neither am I saying that the manufacturers are passing it on, but I am saying it is a general system of profiteering. For plantains you have to pay eight cents per lb. for stalk and everything. The answer is an equal distribution of taxation and an intensification of our efforts in regard to production. I know that unless we get busy and mechanize our industries to such an extent that they will increase our production, we are going to be left in the cold. Already we have learnt at the Conference recently held that Surinam is now going in for parboiled rice and, we may assume, that she will be catering for the very markets that we have. Trinidad and Jamaica are growing rice, but we are not concerned about that because we know that Trinidad cannot grow enough to meet her needs. We want to preserve those markets that we have and, if that is so, we must be in a position to stand up to competition. A group of Hollanders will be going for rice production in Surinam on a large mechanised scale.

I believe that this "sweet water" tax is a bad tax. I believe there are other ways and means by which we can find the same amount calculated to be derived from this tax on "sweet water", but if the other fellow is avoiding his responsibility by playing a leech on others then he must be brought to justice and made to pay his tax as everybody else has to. I come now to the next item. I think, when it comes to the question of education, it is the business of every Government to see that so much money is spent on it. We know that the Education Vote is high but, as I say, it is not so high in comparison with taxation. I believe that the tax on the fees at Queen's College and Bishops' High School is a bad one. It is one right. The amount that is calculated to be derived from that tax should be found in those industries and people who make tremendous excess profits. They should pay it. In Surinam when the new Government came into power, they imposed a certain amount of taxes on the export of bauxite, which was double that in existence. The bauxite people said they were going to close down and they did. But

one remained and the Government collected more from the one than they did from the two companies they had previously. It does not mean to say that we want investors taxed. I would be the last one to say that. We want to encourage the development of the Colony.

It is not fair if we continue to allow the cost of living to rise as it is going. A few people of the lower income group in the Civil Service made a stranglehold on Government and had to be given a cost of living allowance, and we have to put that money back, but it is not only they who are feeling the brunt of it. When the last war was on we thought the cost of living was high, but it is only now that we are beginning to see that it was not so. What then is to be the answer? We must see to it that we have an even system of taxation. I say that we may tax the soda water manufacturer, but we have seen what happened in countries where that tax was imposed. One of the places I have in mind is Pennsylvania. They realized that some of the soda water manufacturers had to go out of business because of the drop in the sales as the people were buying the other five cents articles. In other words, the manufacturers claimed that they catered largely to school children, and if the price was removed from five cents to six cents they feared competition with the other five cents articles which were not taxed. The tax caused them to drop in sales and ultimately resulted in the closing down of the factories. I feel that particular tax is not right. I do not think it is right to put a tax on Queen's College. As the hon. the First Nominated Member said it was mooted, I think that the whole thing is bad because in other countries up to High School education is perfectly free.

The PRESIDENT: Is the hon. Member correct?

Dr. GONSALVES: Yes, Sir, in some countries.

The PRESIDENT: In Barbados and Trinidad?

Dr. GONSALVES: No, Sir, I do not say that. There are some countries where up to High School education is free.

While we are satisfied to pay for High School education, when it comes to the increase I think it is too much. What, I think, we need is to intensify our agricultural production and to intensify our education programme so as to be able to remove illiteracy from this country, because education is going to be one of the means by which we are going to make this country progress. It was one of the first things India did after she became an independent State—intensification of the education system so as to remove illiteracy in order that it should not be a block in the way of progress. I cannot agree with the tax on soda water unless we are going to take the entire Police Force to see that only one cent is handed down to the consumer. I am willing to say, and I believe Government would agree with me, it is not so now and I know it will be worse later. There is a drink which is called "Pepindor". It is a harmless non-alcoholic cider, a very refreshing drink. When the ordinary fellow gets hold of it—I believe he pays twelve cents (12c.) per bottle for it—he begins to compete with the imported alcoholic cider. The manufacturer is not responsible for that. What is going to prevent them from adding four cents when only one cent should be added? The hon. the Financial Secretary suggests that I should go to my constituency and make a noise. I have no noise to make. It is for the Police Department to do that. What I will do is not to buy the drinks; I will prefer to make ginger beer. I think Sir Gordon said that Georgetown wanted champagne and the country parts got ginger beer. But even the ginger to be had now is so costly that he cannot buy it. When this Bill goes into Committee I am going to say what I want. I admit that the hon. the Financial Secretary must find ways and means to balance his budget, but I think the elasticity has been stretched out and it is becoming too hard.

Capt. COGLAN: I do not intend to go over any of the arguments that have been advanced by Members who have spoken. I will reserve what I have to say to when the items come before the Council for deliberation. But just as a passing comment I may say that it is a question of revenue and expenditure, and it seems to me that, according to the Bud-

gel, expenditure is going up. It has gone up from \$7 million some years ago to over \$21 million at the present time. It looks as if the hon. the Financial Secretary has to be like a dog chasing its own tail in order to see how he is going to find ways and means to get the revenue to cope with the rising expenditure. We have heard a lot about the high cost of living, about a minimum \$2 a day wage. There is another way and a better way to my mind of looking at this high cost of living, and that is to deal with the low purchasing power of money. What good is it to give a man \$2 a day and the next week the shops put up the prices of commodities that he is bound to purchase by 30 or 40 per cent? If you go back to 10 or 15 years ago, the ordinary working man was able to purchase a working shirt for 60 cents, today he has to pay \$3.60 for the same shirt. The price of working implements has gone up equally. Therefore it is not a question so much of the high cost of living as it is the low purchasing power of money. It is so low that it takes three or four times the amount to purchase an article now that could have been purchased for that amount before, and no alteration is made to the living wage. The cure to this supposed high cost of living to my mind is, there must be a great output of what is essential. Government should see to it that accordingly as you put up the labourers' wages you must also not have the shopkeepers putting up the prices of their goods. It is true, however, they may be forced to do so as they have to purchase the goods at a higher cost. It is just a vicious spiral all the time—revenue chasing expenditure.

Everybody seems to be against the aerated and artificial mineral waters duty. I do not remember it having been pointed out by any of the Members that it is in effect a double tax. These mineral waters factories are already paying a duty for the essences that they import to make the drinks; they pay a duty on the crown corks and other things they import. I have gone into the figures supplied me by one mineral water manufacturer on a small scale, and it appears to me that if the man was not using his own labour and doing most of the work himself with his family and friends, it would

not have been possible for him to live out of what he was able to make from the manufacture of mineral waters. As this tax is bound to be passed on — one cent per bottle—to the small man who takes the drink for his lunch, if you put it on to whisky there is a substitute in rum but in respect of these drinks there is no substitute. As soon as you put it on these drinks the people will be forced to take either mauby or some other form of beverage if they want a substitute. That is my information. I shall not deal any further with that.

Let us deal with the next item—telecommunication rates and charges. It seems to me, Sir, that there is some mistake in this. In the *Gazette* it is published that the Georgetown telephone rents are increased from \$80 to \$110 for business and from \$40 to \$55 for residence; New Amsterdam, it was formerly \$48 for business and that is now \$66 and for residence \$32 formerly is now \$44. Vreed-en-Hoop Exchange, it was formerly \$60 for business and \$50 for residence, but now the people on the Vreed-en-Hoop Exchange will have to pay the same as the renters in Georgetown—\$110 for business and \$55 for ordinary residence. It is now \$110 for business in the Vreed-en-Hoop Exchange as against \$66 in New Amsterdam. I am told by the Postmaster General that it was not paying. What is the answer to why it is not paying? I will give the answer very quickly. There are 45 persons on the Vreed-en-Hoop Exchange and only 15 pay any rent at all, the remainder is comprised of Government Officers, Police and Post Offices. They are allowed not only to have telephones at their offices but at their private residence as well. The latest directions are, if you want to telephone from Vreed-en-Hoop to Georgetown in addition to paying the additional \$5 on your rental you have to pay 18 cents extra for a trunk call to Georgetown. That is my information. Even though you have your own telephone the new Regulations say:—

“Local and trunk calls shall be defined as follows:—

- (1) A local call is one made to a number on the same exchange or sub-exchange as the calling number, provided that for the purpose of applying this

definition in the Berbice Area the following shall each be regarded as a separate exchange or sub-exchange —

- (a) Mahaicony which includes De Kinderen, Weldaad, Fort Wellington and Blairmont Post Offices and Rosignol Call Office.
- (b) Reliance Call Office and Post Office
- (c) Sisters do do do Office.
- (d) Rose Hall do do do Office.
- (e) Nigg do do do Office.
- (f) Skeldon do do do Office.
- (g) New Amsterdam do do Office.

In those areas where the call office is transferred to the nearest Police Station after office hours, such Police Station shall be regarded as the Post Office for the purpose of the definition

(2) A "Trunk" Call is one to an exchange in another area. The charge for trunk lines for Broadcasts shall be at call office rates."

Under the new Regulations they give no definition of an area. An area call is one confined to areas prescribed as follows —

"Essequibo — including Leuan and Wakenaam.

Demerara — extending from Parika to Mahaica.

Berbice — extending from De Kinderen to Skeldon."

They go further and say that for every exchange or sub-exchange other than New Amsterdam the charges shall be based on a mileage rate of two cents per 8 miles between exchanges with 6 cents minimum. But in the exchange the charge is 6 cents per minute. So you are worse off in paying \$110 although you may be living only a stone's throw from the exchange. You get a local call for 4 cents for each 3 minutes or a trunk call for six cents. Calls from a public call office shall be charged at 50 per cent. above those for residential subscribers. But if you own a telephone you are to be charged 18 cents. *A gentleman at Blankenburg wanted to

get me on the telephone and he was told he would have to pay 18 cents to be connected to me. I would ask that these Regulations be revised and that something be done at once, because if you say that for every exchange or sub-exchange the charge will now be 2 cents per 8 miles, and between Vreed-en-Hoop and Georgetown is under 8 miles and as the old Regulations have not been rescinded the area should still be defined as before. I think there is something very wrong about the new rates. As I said, you pay \$110 for your phone and in addition you have to pay 18 cents for a call. A call may cost you anything like \$1. I think something should be done because if one in West Demerara wants to get connected with Georgetown he has to wait for one or two hours because there are supposed to be three cables across the river and generally two of them are out of order. In Georgetown you have two persons on one line and they get a reduction, but in Vreed-en-Hoop you have 45 persons on one line, and taking into account the number of persons in Georgetown to get connection with Vreed-en-hoop I think that this is one of the things that should be seen into. There is something ridiculously wrong with the new Regulations.

The next thing is in regard to the Motor Vehicles licence duty. There has been a lot of comments about that. The small man who can only afford a 8 horse power car has to pay an increased tax from \$20 to \$27, whereas the people who can afford to buy very large cars and limousines will get \$20 taken off their tax. It does not appear to be a fair distribution. The small man has not really a car at all but just a means of conveyance.

The PRESIDENT: I am afraid the hon. Member was not in the Council when the Bill was passed. I do not think he is in order to discuss a Bill which was passed some days ago.

Capt. COGHLAN: I am quite in order in saying what I have to say, whether I was here or not. Everyone has the right to stand up here and say this tax should not be as it is.

The PRESIDENT: The Bill was passed.

Capt. COGHLAN: One hon. Member cannot stop a Bill from passing. With regard to Life Insurance companies that used to pay 5 per cent. and are now to pay 15 per cent., I think that in view of the fact that most of the people who are in those companies are very small people and they are the people who will feel the brunt of this increase it should be made $7\frac{1}{2}$ per cent. for the benefit of those people. I come now to the Railways and Steamers. I need not say much

about that as everybody knows what my feelings are about the Steamer Service. We have had to wait for one hour at Vreed-en-Hoop for the steamer to leave, and I have seen people get on these small steamers and another boat having to go and take them off in the middle of the river and back to Vreed-en-Hoop. I have a motion before this Council for the bridging of the Demerara River and I shall then have a lot more to say on this subject.

The Council adjourned to Friday, 5th January, 1951, at 2 p.m.