

LEGISLATIVE COUNCIL.*Wednesday, 10th December, 1941.*

The Council met at 11 a.m., pursuant to adjournment, His Excellency the Governor, Sir Gordon Lethem, K.C.M.G., President, in the Chair.

PRESENT.

The Hon. the Colonial Secretary, Mr. G. D. Owen, C.M.G.

The Hon. the Attorney-General, Mr. E. O. Pretheroe, M.C., K.C.

The Hon. F. Dias, O.B.E. (Nominated Unofficial Member).

The Hon. J. S. Dash, Director of Agriculture.

The Hon. E. A. Luckhoo, O.B.E., (Eastern Berbice).

The Hon. E. G. Woolford, K.C. (New Amsterdam).

The Hon. E. F. Mc David, M.B.E., Colonial Treasurer.

The Hon. M. B. G. Austin, O.B.E. (Nominated Unofficial Member).

The Hon. W. A. D'Andrade, O.B.E., Comptroller of Customs.

The Hon. N. M. MacLennan, Director of Medical Services.

The Hon. M. B. Laing, O.B.E., Commissioner of Labour and Local Government.

The Hon. G. O. Case, Consulting Engineer.

The Hon. B. R. Wood, Conservator of Forests.

The Hon. F. Ogle, Director of Education (Acting).

The Hon. J. Eleazar (Berbice River).

The Hon. J. Gonsalves, O.B.E. (Georgetown South).

The Hon. J. I. de Aguiar (Central Demerara).

The Hon. Jung Bahadur Singh (Demerara-Essequibo).

The Hon. Peer Bacchus (Western Berbice).

The Hon. C. R. Jacob (North-Western District).

The Hon. J. W. Jackson (Nominated Unofficial Member).

The Hon. F. A. Mackey (Nominated Unofficial Member).

The Hon. C. V. Wight (Western Essequibo).

The Hon. T. Lee (Essequibo River).

MINUTES.

The minutes of the meeting of the Council held on Thursday, the 4th December, 1941, as printed and circulated, were confirmed.

ANNOUNCEMENT.**INCOME TAX AND EXCESS PROFITS TAX PROPOSALS.**

Mr. MC DAVID (Colonial Treasurer): I am authorized to announce to the Council that in addition to the proposal to increase the Income Tax rates in the manner set out in the Colonial Secretary's Budget address, Government also has under consideration a proposal to increase the rate of the Excess Profits Tax from 60 per cent. to 80 per cent. and to remove the existing provisions in the Excess Profits Tax Ordinance allowing refunds in the case of a deficiency of profits. No final decision in the matter has been taken.

It has, however, been decided to introduce an amendment to the Ordinance to increase the statutory allowance for "working proprietors" from \$3,000 to \$4,800 so as to provide relief in cases of extreme hardship which have arisen in the assessment of partnership firms.

PAPER LAID.

THE COLONIAL SECRETARY laid on the table the following report:—

The Report of the British Guiana Rice Marketing Board for the period 1st April, 1941, to 30th September, 1941.

ANGLO-AMERICAN SOLIDARITY.

THE PRESIDENT: Before proceeding to the Order of the Day I would like to say one word on those very momentous events which have occurred since our last meeting, in the extension of the war. The declaration of war by H. M. Government of the United Kingdom against the Governments of Rumania, Hungary and Finland, is little more than a clarification of an anomalous position. The outbreak of war between the United States of America and Japan, which has involved Britain in a new war at a great distance from our centre and has conversely created a situation whereby the United States of America must be regarded as in open conflict with Germany and Italy, is an event of the very first magnitude and fraught with very momentous consequences to the life of the whole world, in a degree and manner which it is at present impossible to calculate.

While we must deplore the extension of the war for reasons of common humanity, and particularly reasons of interest to Great Britain, we must realize that this has forged the solidarity of all peoples who believe in individual and national freedom which is required if the battle for those beliefs is going to be fully won. Further and particularly it is going to create a new and, I trust, a lasting bond between the United States of America and ourselves.

On returning to Georgetown on Sunday night and hearing the news of the attacks on the overseas territories of the United States of America I telephoned the United States Consul, the representative of his Government in this Colony, to express our sentiments of unity and of community of mind and feeling in the crisis facing the United States, and I asked him to convey that message to the Commanding Officers of the armed forces of the United States in this Colony. I also asked the Consul to attend here this morning in order that I could here publicly repeat that expression as President of the Legislative Council.

I feel that Members would wish to put into some formal shape those sentiments which we must all feel in this British Colony, and I shall be very happy to accept a Resolution to that effect before we proceed with our ordinary business.

The regrettable and severe loss of which we have heard this morning in the sinking of our great ships, *Prince of Wales* and *Repulse*, must make us more deeply sensible of those casualties the United States have suffered by an act in defiance of all honour and common humanity, a fact which I hope will come into the reckoning when that day comes. Gentlemen, there is a very long way to go but I think we can feel that in this solidarity of the many Nations of the world against this hideous aggression aiming at abominable domination by a few, that goal with surely be reached.

Mr. WOOLFORD: Sir, I crave your indulgence and those of my fellow Members to endeavour, in a way I know and feel I cannot do, to emulate the manner in which you have already performed the duty which you have just discharged. I have therefore risen with very great reluctance to endorse what you have already said, and which I know will meet with the full concurrence of Members of this Council. It is our wish, sir, that you should know that in tendering the United States Government through its Consulate here and those of its other representatives in the Army and Navy, the assurances which were conveyed by you to them, and which were published yesterday, you rendered a very great public service, and it was a most timely and appropriate inspiration which must have prompted you to convey to the United States Government what were the feelings not only of Members of this Council but of the general community. There are times when we ought to be grateful that there is someone in the community who has the power to do what you have done since your arrival here, and that is to instil in the community a sense of its duty on public occasions such as this. I do not think there is any member of the community who could have done it.

I desire to ask you to convey to the representatives of the United States Government in this Colony our very great sympathy with them in their present anxieties, and how very deeply sensitive and sympathetic we are in the very great trouble which they are undergoing. It is to us who are accustomed to think otherwise a very painful reflection to have to contemplate, that conversations which had for their object the arrival at some common agreement should have been met

by a betrayal of confidence which the world had never yet witnessed, and by an interruption of so ruthless and treacherous a character that has resulted in the invasion of American territory and destruction and damage to property of some of the inhabitants of those islands in portions of their territory in the Pacific. We can only hope sir, that in the course of time those ravages will be met by some method of reprisal, not perhaps as ruthless but such at any rate as will repay the immense forfeiture of lives and ideals, and perhaps repay both the United States and Great Britain in the common effort which they are making to make the world safe for civilisation and for the peoples inhabiting it. I am unable to say more for reasons which are known, but I do hope to be able to assist in framing a Resolution which will convey in a very practical and sincere form some of the ideas that occur to me at this moment.

THE PRESIDENT: Gentlemen, one of the Senior Unofficial Members has requested Government to convey to the Consul of the United States of America, as the representative of his Government in this Colony, an expression, a suitable expression of our feelings of solidarity, unity and sympathy with the United States in this very grave event and the future which faces our united countries. I propose, therefore, that we should frame at a more convenient opportunity the wording of such Resolution which we will send to the United States Consul. If that is the feeling of the Council I will convey that to the Consul now and we will proceed with the business of the Council.

Mr. Consul, we hope to send you in the future a written expression of our feelings in this matter.

Mr. R. C. Bates, United States Vice-Consul in British Guiana, bowed his acknowledgment and left the Council Chamber.

ORDER OF THE DAY.

BUDGET DEBATE.

The Council resumed the debate on the following motion:—

That, this Council approves the estimates of expenditure to be defrayed from Revenue during the year ending 31st December, 1942, which have been laid on the table.

Mr. ELEAZAR: Sir, in keeping with the time-honoured custom of the Council I will now attempt to discuss Government's proposals for the working of this Colony during the year 1942. In view of what has transpired since the last meeting of this Council I think it is only fitting that I should mention in passing and give Your Excellency an assurance that whatever may be the repercussions on this Colony as the result of the aggression of the Japanese, an enemy no less formidable, but I think, more treacherous and subtle than the Germans, the people of British Guiana wish to reiterate our unswerving loyalty to the British Throne and our determination to share that part of the burden which must inevitably fall on this Colony in a calamity which is of the gravest concern not only to the Mother Country but to British Guiana.

With those few remarks I desire to pass on and make a few observations, not exactly in reply to Your Excellency's Speech, because my condition is such that I cannot take full advantage of what Your Excellency has said so as to be able to deal with your very inspiring and hopeful address to this Council in a manner which it deserves. It was a source of great gratification to me because, as one of the super-optimists as regards the potentialities of this country, it is my conviction that no development worthy of the name can take place in this country without money, and plenty of it. Members of the Council will bear me out when I say that for more years than I care to think of I have stood in my place in this Council and told Government to get money, and suggested means whereby money could be got, and measures which should be adopted if that money was obtained. One Member was so sick of me that he told me that I had money on my brain. On another occasion he told me that I was seeing visions. I refer to the hon. Mr. Wood. I answered: "Yes, I am seeing visions; I am seeing a new Georgetown in the interior. I am seeing more than that, I am seeing a railway to Brazil." I then added: "Where there is no vision the people perish." At last the British Government has seen fit, in spite of the war, to expand the industries

of the Colony and to find money to make a start with development in this country. Your Excellency's Speech contained one remark to which I desire particularly to refer. I read the whole Speech but I also read a precis of it in the *Daily Chronicle* in this form:—

“Success depends not on Government or the Governor, as I am so often told, but on the spirit of the people.”

And then Your Excellency asked this pertinent question:—

“Could the people of British Guiana stick it and stick it out for the period, not only because of the hard work but the adjustment to new ways of life?”

That, Sir, is what I elect to take as my text this morning, to speak on it for five minutes and take my seat. Can the people of British Guiana stick it? Your Excellency I say with the modicum of strength which remains in my body, that the people of British Guiana can come up to anything. Having taken a retrospective glance over the whole of the country and its vicissitudes I can say that it is my firm conviction to-day that in reply to Your Excellency's challenge I can assure you, sir, that if you lead British Guiana will follow. Our people can come up to anything.

I observe that Your Excellency referred to a fairly elaborate scheme which you expect to put into operation. That scheme embraces nearly everything we can conceive of and some of which everybody in the country is agreed upon. There is no dissentient voice as regards irrigation and drainage and animal husbandry, but I do not think any scheme for the development of British Guiana can be complete unless it includes the opening up of the interior by a railway. When I say that I speak subject to the exigencies of the war, because I know we cannot embark on a scheme of any magnitude at the present time, but any scheme of development must be incomplete which does not take into consideration the opening up of the interior of the country by means of a railway.

I note that Your Excellency speaks of the establishment of a Labour Department. Everyone knows that I do not like the number of separate Departments which we have. Those Departments have a way of duplicating themselves in a very short

period, and I am sure that this one will be a duplication of the District Administration Scheme. In its whole history this Colony has never had a superabundance of labour or a sufficiency of labour, hence the indentured immigration of nearly all the races. That is how we have such a heterogeneous population. Government's policy contrived to give us what we have now—a white elephant—and that cannot be cured by a Labour Department. We cannot get that elephant out of the way when the policy was to conserve all the labour possible on the coastlands, resulting at the present moment in a permanent superabundance of labour around the sugar estates. The estates have ten times as much labour as they need to carry on their work, partly due to the reduction in the price of sugar and mechanization in the factories as well as in the field. The result is that if they do not ration the work it cannot go around. How a Labour Commissioner will remedy that I cannot tell, but I am afraid he will find that he has the same thing to do as the District Commissioners.

As for those, when Your Excellency has enough time to give the matter a thought with the background of your knowledge of countries like Nigeria where, as the late Sir Gordon Guggisberg, would say, a District Commissioner is a king in his own country, you will find out that a District Commissioner in this Colony has to send to headquarters to find out what he must do, and you will see what a sorry farce we have been carrying on all this time. Where is the District Commissioner's Treasury? He cannot spend a shilling without asking headquarters. That is the reason why I say that I cannot visualize what the new Labour Commissioner is going to do now that there is no indentured labour and very few labour organizations in the Colony. If we are going to have the officer alone to direct and give advice I do not think very much of it, because these experts from abroad have helped to ruin us. I cannot see how a perfect stranger to British Guiana can come here and regulate our labour. One of Your Excellency's predecessors, the now revered Sir Edward Denham, told me in confidence more than once that given a Director of Education, an Inspector General of Police and a Director of Medical Services he could find men on the spot to run the

Government of this Colony as successfully as it could be run anywhere. He told me that more than once and he was sincere. He was an optimist, and finding a super-optimist was perhaps one of the reasons why he spoke to me thus confidentially. I give it to you as I got it from him.

Your Excellency referred to the Electives' share in the Government of the country. I do not intend to take up much time on that question because there is a Franchise Commission now sitting and I intend to go before that Commission and give evidence. It will then be up to the members of the Commission to cross-examine me.

Your Excellency also spoke of schools and technical schools. Our first school in this Colony is Queen's College, but we have not had a Queen's College worthy of the name for several years. We have a barn which was formerly an Orphanage. It shows the aesthetic taste of the people—we can stand anything. As I move about the country I observe that every police station has been constructed in an elaborate manner, and it seems passing strange to me that Government should spend so much money in enlarging and improving police stations and building others too. It does look as if Government is manufacturing criminals and preparing the means of punishing them.

Mr. JACOB: I would like first of all to thank the hon. Colonial Secretary for his interesting and somewhat exhaustive Budget statement, and to say that I trust that his predictions as regards revenue will come true. The paragraphs have not been numbered but I have taken the opportunity to number them and what I regard as paragraph 9 states:—

"The draft estimates for 1942 as presented to Council call for an expenditure of \$7,727,140 against revenue of \$7,324,375 on the basis of existing taxation with an estimated deficit on the year's working of \$402,765."

The succeeding paragraph shows that there are certain considerable items of expenditure not included in the Budget which will add about \$100,000 to the total. From its statement it appears that Government expects a deficit for 1942 of \$502,765, but in paragraph 5 of the statement it is stated that the Colonization Reserve of \$400,000 is to be added to the

anticipated surplus up to the end of 1941 and will make the estimated surplus at the end of this year \$1,677,997, so that even if there is a deficit in 1942 of half a million dollars we can look forward with some confidence to the Colony's finances being still somewhat satisfactory. I have objected in the past, and I want to say in passing to-day that I object very strongly to the Colonization Reserve of \$400,000 being absorbed into general revenue and spent. If it remains under the head of general revenue it would be all right, but I do not think it should be spent in the manner Government intends to spend it. I think that money should be spent on surveys to improve conditions in the Colony generally. I have just made that point to show that if that \$400,000 is not put into the general expenditure of the Colony we would have something with which we could plan for the immediate future to settle a large number of people who are finding it very difficult to eke out an existence from the work they obtain from the various employers of labour.

Reference has been made in this statement to Lord Moyne's circular despatch of June 5, 1941, which has been published as Sessional Paper No. 3 of 1941. In paragraph 3 of that despatch Lord Moyne makes the position perfectly clear. He says:—

"The economic needs of the war require that efforts much more nearly commensurate with those now being made in this country should be made by all those inhabitants of the Colonial Empire who enjoy a comparatively high standard of life."

Later in that paragraph he states:—

"Nor do I forget that in distant territories far removed from the theatres of war (as many Colonial Dependencies are) the need for economic sacrifices of the magnitude of those gladly undertaken in the United Kingdom is not so obvious."

In paragraph 12 Lord Moyne makes this statement:—

"I turn now to the other aspect of Government policy which I wish to emphasise, namely, the obligation to raise the standard of living of all those classes in the Colonial Empire whose standard is at present below the minimum that can be regarded as adequate."

Basing what I have to say on those two quotations from Lord Moyne's despatch I should like to refer to the Draft Estimate at page 48, Appendix J—Revised Salary

Scales of Classified Officers and Clerks. I want to make what may be considered a very bold suggestion, especially at this time, but I am not unmindful of the fact that the day is coming very soon when we will have to look to the man and woman power of this Colony to face the greatest crisis in the history of the Empire. I want at this stage to endeavour to safeguard the health and the happiness of those unfortunate people. I notice that the scale of salaries is distressingly low, beginning from the bottom of the Unclassified Service. A junior Government employee starts at \$15 per month and goes up to \$30 per month, &c. In view of Lord Moyne's statement in paragraph 12 of his despatch I want to suggest that the pay of the most junior employee be increased by 50 per cent.—from \$15 to \$22.50 per month. I therefore suggest that the scales be revised as follows:—

The scale \$180 x \$24—\$240 be increased by 50 per cent; \$240 x \$24—\$360 be increased by 40 per cent; \$288 x \$24—\$408 x \$24—\$480 be increased by 35 per cent; \$450 x \$30—\$600 be increased by 25 per cent; \$570 x \$30—\$720 be increased by 20 per cent; \$672 x \$48—\$864 x \$48—\$960 be increased by 15 per cent; \$912 x \$48—\$1,104 x \$48—\$1,200 be increased by 10 per cent. and the scale \$1,140 x \$60—\$1,440 be increased by 5 per cent.

In other words, I am suggesting that there should be a general increase in the salaries of the Unclassified Service, starting from \$15 per month with an increase of 50 per cent. and ending with \$95 per month with an increase of 5 per cent. It is a very bold suggestion to make, and I think there would be certain anomalies in the percentages I have enumerated, but I make it on the broad basis that a Committee should go into it very carefully so as to increase the standard of living among those unclassified employees of the Service. When Government takes that lead other employers in the country will have to follow. That ought to be done and steps should be taken almost immediately to do it. When those increases come into force the temporary war bonus which is given to certain employees may have to cease, but it may be necessary to continue the bonus so long as the war lasts.

I know I will be promptly asked if I realise

what my suggestion would mean? I do realise what it would mean, and I am going to suggest, as Lord Moyne has suggested, that there should be certain decreases in salaries in the highest grades. I have not worked it out very carefully but I suggest that salaries from \$220 to \$250 should be reduced by 5 per cent.; salaries from \$270 to \$290 by 7 per cent., salaries from \$330 to \$360 be reduced by 10 per cent., and the higher grades reduced up to 20 per cent. I think the amount that would be realised from those reductions would more than offset the increases I have suggested in the salaries of the Unclassified Service.

I have some further suggestions to make as regards income tax, and I was very glad to hear this morning that it has been decided to increase the excess profits tax to 80 per cent.

Mr. Mc DAVID (Colonial Treasurer): I said that the proposal was under consideration but no final decision had yet been made.

Mr. JACOB: I remember well that when the Excess Profits Tax Bill was being considered here the suggestion was made that excess profits should be taxed to the extent of 90 per cent. I am glad that Government has seen the necessity to increase it to 80 per cent., but I still say that it should go up to 90 per cent. It is a tax on excess profits and will not touch ordinary and legitimate profits. As a matter of fact the whole of the excess profits should be taxed, as is done in the United Kingdom. It should be taken by Government to be used for a better purpose than what the profiteers are doing with the money. I feel very strongly on that point for several reasons. It is most difficult to give those reasons at a time like this and from my place here, but no one who takes every opportunity to make excess profits should grudge giving it back to the Government for the benefit of people who have been forced to pay increased prices for bare necessities of life or even for luxuries.

On page 4 of the Budget statement the proposed new rates of income tax are shown. I wish to suggest the following amendments: After the second item of \$2,400 the amount of chargeable income should be \$3,600 instead of \$4,800, and

the rate of tax on \$3,600 should be 40 per cent.; on \$4,800 it should be 50 per cent.; on \$6,000—60 per cent.; on \$7,200—70 per cent.; on \$8,400—80 per cent., and the remainder 90 per cent. There should be the highest tax on incomes which are in some cases obtained in the same way as excess profits, and I think those incomes should not escape a legitimate tax in the same way as excess profits are to be taxed up to 80 per cent. I feel that excess profits tax should go up to 90 per cent. and income tax up to 80 per cent., but incomes above \$8,400 should be taxed 90 per cent.

As regards companies I think the rate of income tax should be increased to 30 per cent. After all it is 50 per cent. in England according to this statement. I am not prepared to question it, but if it is 50 per cent. in England I do not see why it should not be a little more than half in this Colony, especially as the Secretary of State has said that the standard of living in this Colony is on a high scale. I think those higher rates should be put into operation very shortly. I am not suggesting that it should be done immediately, but when the Colony's finances are in a better state, when all the poverty that is seen throughout the Colony is removed to some extent, we may then reduce income tax.

I think Your Excellency has had the privilege in your very short time here to go around nearly the whole Colony. You have had, so to speak, a bird's-eye-view of the Colony, and you must have been particularly struck by the position of the people, and the way they have to live, and I think those of us who have should not think it too much to let some of that money be used for the benefit of those who have not got. I do not know if I have made myself clear on those two points—excess profits tax and income tax—but a Committee should be appointed to go into the matter and see what can be done to increase the standard of living of the unfortunate poor in this Colony.

I was a little surprised when Your Excellency made the announcement that Mr. John Verity had been appointed Chief Justice of this Colony at a salary of £1,800 per annum. There can be no doubt that the previous holder of that office gave

excellent service and was considered one of the most brilliant men who adorned the Bench. His salary was £1,600. At the present time the maximum salary of the Colonial Secretary is £1,635. I cannot understand it; I think there is something wrong somewhere when, in view of Lord Moyne's despatch and his reference to the high standard of living in these Colonies, that appointment should have been made at this time at a salary £200 above that of the previous holder of the office, and which the late Chief Justice thought commensurate with the work he was doing. But that is not all. Would it be fair to have the Chief Justice of the Colony receiving £1,800 and the Colonial Secretary £1,635 when it is by custom the duty of the Colonial Secretary to act as Governor of the Colony?

Immediately Mr. Justice Verity assumes office here it will be said, and very rightly too and with great force, that the salary of the Colonial Secretary should be increased, and I would be the first to support such an increase in those circumstances ("Hear, hear"). But I am suggesting at this early stage that the Secretary of State's attention be drawn to the matter, and it should be pointed out to him what it would mean to this over-burdened Colony. It has always been said, and it can be said to-day with greater force, that the Administration here is top-heavy, and I cannot understand how the appointment could have been made in these circumstances at such a salary. I do not think it is the very best thing for an officer who has served in this Colony in the past to return here so early. I do not think it is good in practice. The reasons are so obvious that I am not going to detail them, but I just wish to say that we have had an experience of that kind quite recently. I do not think this can be considered personal. It may be a little bit painful for me to do it but, as I have always said, I am here to discharge the duty imposed upon me by the Constitution of this Colony. I am here to represent the views of my constituents and the people of this Colony, and if in expressing those views it is considered that I am personal in any way I can only say I regret that it should be considered as such.

We have in this Council a Colonial Secretary who came here from Barbados, where he enjoyed a salary of £1,000, to

receive a salary of £1,600. When Sir Wilfrid Jackson became ill in 1939 Sir John Waddington had to come from Barbados to act as Governor of this Colony, with the result that the taxpayers had to pay an additional \$10,000 for that acting appointment. Taking all the circumstances into consideration I do not think this Colony was very well served, and is being well served by the appointment of that officer. I shall say nothing more about it, but I want to have it on record. Someone must bring these things to light, and if it happens to be my painful duty to do so I do so willingly. Taking everything into consideration I do not think it is the best thing that the taxpayers should be burdened with additional salary to any officer, no matter what position he will fill in this Colony, at this crisis. As a matter of fact I believe there is some mistake somewhere. In view of Lord Moyne's despatch I cannot imagine what could have been the reason for increasing the salary of one of the highest officials in this Colony.

I think some attempt ought to be made to give effect to the recommendations made by the Old Age Pensions Committee in order that those unfortunate people who are finding it extremely difficult to barely exist might get some relief. Some of them are getting some relief from the Poor Law Commissioners. I understand that the relief given is \$1 per month to those living in the country districts, but if it is discovered that a person receiving that dollar is trying in any way to help himself or herself the amount is promptly withdrawn. As a member of the Committee I think it was recommended—I think this was copied to some extent from the Barbados and Trinidad recommendations—that people should be assisted to the extent of \$6 per month, and that persons who were able to earn over that sum should get nothing. Picture for yourselves the position of old and decrepit people living in the country districts, and even in Georgetown, receiving \$1 per month to exist on. We have a large number of such people. I believe that Government is afraid to face the problem. If an enquiry were instituted it would be found that there are a number of people who are starving practically every day of the week. I think this is a service which has been postponed in this Colony too long. It must be remembered that some of those people

must have given very valuable service to the Colony in the past, and if by circumstances over which they had no control they have been reduced to that state it is only fair that they should be given something reasonable to exist on. I say that \$1 per month is practically nothing at all. If the recommendations of the Committee cannot be put into effect immediately I think the amount given to the poor should be increased by 100 per cent. In Georgetown the minimum is 2/- per week and the maximum 2/6 for those who are blind or suffering from some infirmity.

That reminds me that during my cross-examination of a witness before the Franchise Commission I was told by a representative of the Clerks' Association that women were working in shops and stores in Georgetown for 3/- per week. I think the allowance to the poor should be increased by 100 per cent. without much delay. I think the Labour Code makes it somewhat compulsory—I am not sure about it—that there should be some minimum wage. There ought to be some minimum standard. I am willing to agree to anything that is reasonable, because it can be said with equal force on the other side that a good many people will not give you of their best, and if you begin to fix a minimum wage it may not have the desired effect in this Colony at the present time, but I think something ought to be done. If by increasing income tax and excess profits tax employees would be better paid then that problem would be met. The fact that young women are being paid 3/- per week must have influenced those responsible in fixing the dole to the poor at 2/- per week, but I do not think it should have influenced them at all. I feel that the allowances to the poor should be doubled, and during this session of the Council. It is not our privilege to do that, but I trust that prerogative is coming to us very shortly, and that we will face all the responsibilities when we have it.

I have not touched on the several heads of the Estimate. When we begin to discuss each head in the Committee stage I will plead with Your Excellency that we make haste somewhat slowly. There has been a tendency in the past to rush certain things. I do not think, especially at this transition stage of the Council, that we should rush things too fast. I should like to

take the opportunity to say certain things so that they may be on record for all time. I am not going to burden the Council at this moment with certain other things which I have to say, and that is why I plead that we should make haste slowly in considering the Estimates.

I want to say a word about conscription. The Mother Country is conscripting man and woman power and conscripting everything. I am wondering whether we cannot do some conscription here. I am not referring to man or woman power; I am referring to something else, something a little more delicate. I would like to plate people on the land and give them something to do; conscript them and make it possible for them to earn a livelihood. In order that we may do that we will have to get money. I have pleaded with Government in various ways for nearly 20 years that something be done to let the people work, and I would be the first to recommend the strict enforcement of the Vagrancy Law, but for some reason or another nothing has been done up to this moment. In this severe crisis through which the Empire is passing, what is British Guiana doing to make itself self-supporting? Absolutely nothing. I will be told there is no money. That is why I said that the \$400,000 of the Colonization Reserve Fund should be augmented, and if we want \$400,000,000 more I think it should and could be conscripted in this Colony. I have a suspicion that there are millions of dollars in this Colony lying idle, and Government ought to know what amount of money is lying idle here, and that money ought to be conscripted. I use that term for the want of a better word. I do not wish to say very much more about it, but I think there is money in the Colony which should be put to proper use. Government has taken upon itself all kinds of powers. It has the power to conscript that money and I think it ought to be done.

The excuse has always been that there is no money. We have been told that we are going to get money now from the Development and Welfare Fund, but I am wondering, especially in view of what we have been hearing these last few days, whether it will be available and whether we should be dependent on that. Why shouldn't we look after ourselves here? Why shouldn't we give some rather than receive? I think we can do some work to

help the Mother Country. This idea of being dependent upon the Mother Country at all times has never appealed to me. I have never been in favour of it and I will never be. This Colony has resources and man-power. It has not the money, but it has sufficient man-power and resources to make us self-supporting and a little more helpful to the Mother Country. I look forward to you, sir. You have initiated a very bold policy and you have started to show what an Administrator can do and how he can work. I do hope you will be blessed with greater energy, that energy will be diffused among the other officers of the Government, and that we will all work and work hard during the hard days ahead of us to make this Colony what it should be. We can do it. We ought to do something at this early stage. We ought to use all the man-power and woman-power available in the Colony to the utmost in order to make ourselves self-supporting. If we cannot get money from abroad we ought to devise means to get it here. I think it is within the power of the Government to get that money.

I observe in the *Official Gazette* of October 25, a Government Notice, No. 1,410, under which Government has taken certain powers of control, if necessary, "of the whole or any part of an existing undertaking." I think Government ought to consider very carefully and should take powers to make this Colony somewhat self-supporting. This dependence upon the Mother Country should cease. I am not suggesting that it should cease abruptly; it should cease gradually. I am sorry to say—and I say it with all the emphasis I can—that little or nothing is being done up to the present, and I can be no party to the existing state of affairs continuing. I say that capital should be conscripted. That statement is wide enough to be interpreted in many ways. I do not think it would be advisable to suggest details at this stage, but I say there is a large amount of capital lying idle here, and in view of the wide powers Government has taken unto itself and the control it is exercising I think it ought to consider and go into the question very carefully to see whether something cannot be done.

I notice that Lord Moyné's despatch of June 5 was published as a Sessional Paper which I received on the 29th August, 1940.

Another despatch from Lord Moyne dated May 22, 1941, was only published in the *Official Gazette* on December 6. I think it is within the right of Members of this Council to enquire about these things. Maybe I had no right to enquire, but I think the rights and privileges of Members of this Council are unlimited. Here we have an important despatch of far-reaching consequences to the very life of this Council, received by this Government in May, but not seeing the light of day until December.

THE PRESIDENT: I think I can solve the hon. Member's difficulty. It is true that that despatch arrived in July but by specific instructions of the Secretary of State it was not published until the other day. That was a specific direction in writing and we could not go beyond that.

Mr. JACOB: Perhaps that direction was asked for.

THE PRESIDENT: That is surely an improper observation. I have given an explanation to the hon. Member and he should accept it in the spirit in which it was given.

Mr. JACOB: I do not wish to cast any reflection on you, sir, but I have documentary evidence in my possession and that is why I am pleading that we should make haste slowly. I have to make certain exposures here and I will make them. Your Excellency has been here only four weeks and I am happy to say that we welcome the way in which things are being done now, but it cannot be said that in the past the public was satisfied.

At this stage the Council was adjourned for the luncheon recess until 2 p.m.

2 p.m.—

The Council resumed. Mr. Lee present.

Mr. JACOB: When the Council adjourned I was referring to the despatch of the Secretary of State for the Colonies (Lord Moyne) of the 22nd May, 1941. I have gathered that it was on Lord Moyne's instructions that the despatch was not published here before the 6th December, 1941. Paragraph 7 of the despatch reads follows:

I desire that my views in this matter should be generally known and it should be made clear that in formulating these views I have been influenced solely by the consideration that more frequent changes in the appointed personnel of these Councils are desirable.

As Your Excellency knows, there has been a good deal of trouble in this Colony in regard to the change of the Constitution, the composition of the Legislative and Executive Councils. On the 5th June last the then President of this Council delivered an address—a written speech—and the whole Colony became very much concerned and the people began to take interest. I took the opportunity to travel to my constituency, the North-West District, to get the views of the people there, and it would have been of great assistance to me if this despatch had been published then. Nevertheless I went there and ten resolutions were passed at two well-attended meetings. I crave your indulgence to read two of those resolutions as they have a direct bearing on this matter. Resolution No. 2 reads—

THE PRESIDENT: I may draw the hon. Member's attention to the fact that we are on a motion to deal with the Estimates, and I think he should confine his speech to matters directly or fairly directly concerned with our Estimates. It is not necessary to touch on constitutional matters.

Mr. JACOB: While I bow to your ruling I wish that I will have an opportunity of raising it in this Legislature and I crave your indulgence to do so. I am not going to detain the Council too long. It is necessary that this matter should remain on record. I understand that the trend of thought is that the people's views must be heard, if not respected, and here I am giving what may be considered the views of the people of my constituency. In addition the hon. Member for Essequibo River (Mr. Lee) and myself toured the whole Colony. We held nineteen meetings, and we went to much trouble—I say so, advisedly—to get the views of the people so as to put them before this Council. I think the Secretary of State for the Colonies will be very pleased to know what the people think and that his views expressed in this despatch have found nearly wholesale or unanimous approval in this Colony. I

crave Your Excellency's indulgence to read those two resolutions. One reads:

Be it resolved that the number of Nominated Unofficial Members of the Legislative Council should be increased from five to seven on the distinct understanding that the Members now serving should retire and that seven Members be nominated by the Governor with the advice of the new Executive Council representative of interests and organizations not represented by the fourteen Elected Members of the Legislative Council.

At one meeting this resolution was carried unanimously, and at the other meeting in my constituency it was carried with but one person dissenting. Another resolution touching the Executive Council was passed. This resolution, No. 3 reads:

Be it resolved that the composition of the Executive Council of British Guiana be restricted to Members of the Legislative Council with the Elected Members holding the deciding number of votes in the Executive Council.

That resolution was carried at one meeting unanimously and at the other meeting one person dissented. My hon. friend, the Member for Essequibo River, can tell you something of what happened in his constituency at seven public meetings. I accompanied him and the decisions were almost unanimous. It is necessary, especially from the remarks you made before the adjournment, that I relate a certain incident so that there shall be no misunderstanding in this matter. I communicated to this Government by letters the results of all those meetings. I was responsible for the organization and the holding of those meetings. Immediately a meeting was through I communicated with Government and got an acknowledgment. On the 14th October I informed Government by letter that apart from the resolutions that were passed in my constituency five resolutions, Nos. 1 to 5, were passed at nineteen largely attended public meetings held throughout the Colony except in Georgetown. They were not actually put in Georgetown for one or two very good reasons, Georgetown already having expressed its views on these matters. I received a reply from Government on the 31st October to my letter of the 14th October. It reads:

With reference to your letter dated 14th October, 1941, I am directed to refer you to letter No. 259/1/9/41 of 10th October, 1941, and to inform you that the Secretary of State for the Colonies has been furnished with copies of the resolutions referred to in your letter in acknowledgment.

I have had a little unfortunate experience with the Colonial Secretariat during the last few years. I can get no precise replies to my letters. This is my file of letters (exhibited) with the Government for a year and a half (laughter). I took the opportunity to telephone the Clerk in the Secretariat who signed this letter and to ask him if he could explain to me or make it a little plainer whether the five resolutions passed at those meetings were communicated to the Secretary of State for the Colonies. He said "Very well I will tell you to-morrow."

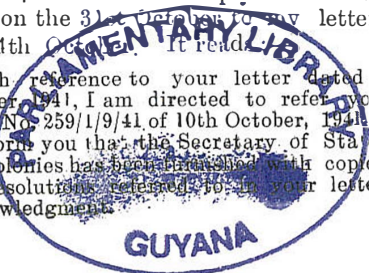
THE PRESIDENT: We should now resume business. Ten minutes have elapsed and the hon. Member has not yet touched upon the motion that is before the Council which is the consideration of the Estimates. The hon. Member will have ample opportunity to speak on the Constitution at another stage of the session. I must ask him, unless it is the will of hon. Members that we should speak on general questions, to confine his speech to the Estimates.

Mr. JACOB: I thought it would delay the business of this Council if I spoke under the several Heads. Very well, under "Legislature" I would move the deletion of the whole vote and speak on it for the whole day (laughter). I am not going to detain the Council more than ten minutes, and I ask Your Excellency to allow me to finish this matter.

THE PRESIDENT: I am afraid I must ask the hon. Member to confine himself to the Estimates. I think that is the sense of the Council that we get on with the business.

Mr. JACOB: As Your Excellency is insisting on that I will conclude my remarks on the Budget by saying that when the several Heads of Expenditure come up for discussion I will then take the fullest opportunity to express my views on the subject.

Mr. LUCKHOO: I would just like to say a few words in connection with this Budget Speech, but before proceeding I would like to take this opportunity to intimate that it is the general opinion that Your Excellency has set about your task with commendable zeal and quick despatch. We feel, sir, that you have had an oppor-



tunity of visiting various parts of the Colony and are in a position to assess in some measure what is required in some of the districts you have actually visited. There is one point in the Budget Speech which has given me some concern and that is where the hon. Colonial Secretary said on the first page of the printed copy—

However, it must be emphasized that it is essential to maintain a substantial surplus in reserve if the Colony's financial position is to be properly safeguarded. A fall in revenue as the result of the restrictions already referred to is inevitable while, at any moment, exceptionally heavy expenditure on emergency and other services may have to be incurred. Furthermore, apart from immediate needs the Colony must build up an adequate reserve in accordance with the financial and economic policy outlined in Lord Moyné's circular despatch of 5th June, 1941, which was published as Sessional Paper No.3 of 1941.

My general concern about that building up of a reserve fund is where the money is to come from. I feel that with the restrictions imposed the Colony's revenue will be considerably diminished under this Head, and I am asking Government to realize that particular position. I think, sir, that every care will have to be taken in the scrutiny of expenditure for this present year. True statesmanship imperatively demands that we should proceed cautiously, keeping at the same time our eyes upon opportunities for extending and developing in certain directions. I believe that the majority of Members here will be able to assist you in the spirit of real and practical co-operation in the discharge of the duties which you have now undertaken.

There is another point I should like to mention—Your Excellency has referred to it in your speech—and that is with respect to the building up of certain proprietary interests in the country districts. You referred in your address to having happy and competent land-owning peasants, self-reliant and self-supporting. That is the thing we should aim at. I know efforts have been made by Government to settle people on the land, and any well devised scheme in that direction will certainly meet with the approval of the general community. If you have the people settled on lands where they are able to make an independent existence and are able to carry on farming and other agricultural pursuits, and pastoral pursuits as well, and the settlements are established near working sugar

plantations, there would be every hope of that scheme becoming a success. The rice industry has been built up by the initiative of the East Indians of this Colony without any help from Government, and it is to their credit that despite adverse weather conditions—despite the vicissitudes of the weather—they have been able to work together and keep this industry alive. Today it is an industry offering a great deal of employment to a large number of people—Blacks and East Indians—and has a very large export trade. In that connection I would like to see Government—I know Your Excellency will pay some attention to this point—have properly devised schemes of irrigation and drainage for some areas considered in order to enable the people to reap what they have sown. It is a matter of considerable concern to them that they be assured of a proper water supply or proper drainage and of being able to reap the full value of their crops.

Your Excellency, I have no desire to detain the Council at any great length as there are other items to be gone into, but I trust you will bear this point in mind: Every visitor to these shores appreciate the Colony's attraction and opportunities. There is opportunity now for Your Excellency with your wide experience and matured judgment to assist us in formulating such schemes that will be to the betterment and well being of the community as a whole.

Mr. DE AGUIAR: Sir, when the hon. Member for Eastern Berbice (Mr. Luckhoo) at the close of Your Excellency's speech last Wednesday rose to pay tribute to you on the eloquent and interesting way in which it was delivered, he echoed at that time the sentiments of every Member of this Council. Since its publication in the Press it is within my knowledge that the speech has been read with a good deal of interest by all classes of the community and they now look forward with hope to the new era that has been envisaged by you. During the short time Your Excellency has been in this Colony you have been able to visit certain of the remotest parts of the country. As a matter of fact I venture to say you have visited certain parts of this Colony that even a number of Members of this Council have not yet been able to visit for one reason or

another. You have also made a number of public appearances and in those appearances you have met a large number of people. You have also in this Council made a few appearances and you have had an opportunity of also meeting most of the Members of this Council. It is true, sir, that this Colony stands second to none in its loyalty, civility and homage to those who are in authority, and I have no doubt that even within your short experience here it may have been your misfortune to meet some people who had the temerity to offer rudeness sometimes objectionable, but I wish to assure Your Excellency that in the vast majority of people in this Colony you will find them most humble, most loyal and endeavouring at all times to do all they can to assist you in administering the affairs of this Government.

Your speech was undoubtedly of a general character. One could have expected but little more than that, arriving here as you have done within the last three or four weeks and at a time when this Council was getting ready to consider the Estimates for the following year. It will be unreasonable therefore for Members of this Council to expect you to try to put forward solutions of our financial problems. The most we can expect you to do at this stage is to bear with us, to listen to our suggestions and to assist us in one way or another for the benefit of this Colony. Your speech, however, had this redeeming feature. It dealt very forcibly with your vision of the future, and despite the dark days of war that lie ahead of us we can at least look forward with a certain amount of confidence to the future. The business of the Council to-day is to consider the Estimates of Expenditure for the year 1942 and, as is the practice, I propose to make a few general observations in the hope—Your Excellency will observe that I do not refer to them as criticisms but as observations—that full consideration will be given to what I am about to say. I may add for the information of Your Excellency that I have had the unpleasant, or perhaps unfortunate, experience to speak in this strain on more than one occasion.

This Government has framed a Budget which has been presented to this Council anticipating a deficit of some \$400,000—a deficit of such a large amount on an annual expenditure of \$7,727,000. As a

prelude to what I am about to say it is necessary for me to make some reference to the Colony's expenditure within recent years, and I invite the Council's attention to the Estimates, Appendix H, page 46, where the totals are given. Your Excellency will observe, without burdening the Council with too many figures, that inside of a period of ten years the annual expenditure of this Colony has risen from \$6,008,317 to \$7,727,140. As a matter of fact, I prefer you to permit me to quote the annual recurrent figures, as the comparison I am about to make will appear more striking than if I quote the figures at the bottom of the page.

The annual recurrent expenditure in 1931 was \$5,134,000 as against \$6,898,000 for 1942. I want just to pause for a moment to make this observation. The balance of the expenditure was on extraordinary works but, nevertheless, it will be seen that the annual expenditure of this Colony has increased within ten years by no less a sum than \$1,700,000. I do not think that this Government can be complimented for this state of affairs, for the simple reason that we have had very little, if anything at all, to show what we have done with this money. As a Member of this Council I find it extremely difficult to speak on any particular item of expenditure, and therefore I must confine my remarks to general observation. I find it extremely difficult too to keep abreast of the constant changes that are made from time to time in the presentation of these Estimates before this Council. I will mention *en passant* a complaint I have made year after year and, I think, I am justified in saying that I have accused not the Government but those responsible for the preparation for presenting these Estimates in the manner that it is done. There must be some reason for it, because unless Members of this Council have the time and are prepared to delve into every item of expenditure it is almost impossible to find out how and where and when this money is spent. I will give you a simple illustration. It is a very small one, it is true, but there are several others more serious than that. They have abolished, for instance, the post of "Botanist and Plant Pathologist" and now call the officer "Curator, Botanic Gardens." I do not wish to refer to the Agricultural Department particularly, but Members

have to fish around and find out what are the duties of this officer, whether he will be worth his pinch of salt or whether the work he will do is sufficient for the salary he will earn, and so on.

This year we find the whole Clerical Establishment is merged into one, so to speak, and the statement is given. "See Appendix K." You are thus invited to refer to that Appendix if you want further information. But they have omitted to say in grouping the officers in the various Departments together what provision has been made for an increase in numbers. Perhaps it may not be much, but the increase may not be necessary. I know of one or two instances where the increase is necessary; for instance, in the Customs Department and in the Treasury there is no doubt that as the result of the war the work has increased and you must have somebody to do the work. In those cases there can be no serious objection. Nevertheless I mention that so as to point out that these things are done with the view—that is a very serious accusation to make—that these matters should escape attention.

THE COLONIAL SECRETARY: That is not so!

Mr. DEAGUIAR: I am very grateful for the explanation and I accept it. Perhaps the accusation may not be levelled at the Secretariat in what I am about to say. Several items have found their way on these Estimates which in my opinion - I am sure I am right and I do not think the hon. Colonial Treasurer can say I am wrong - are not properly chargeable to the current year's expenditure. Am I not therefore correct in assuming that it is done for the purpose of increasing our deficit so that we can have increased taxation? Because, sir, if you were to examine these Estimates very closely you would find that the items I am referring to represent very large sums of money and those items are recoverable. I will give a recent addition to the Estimates. The Executive Government has decided that temporary advances, short term advances that are made to Local Village Authorities, shall no longer be made from the funds at the disposal of the proper Authority, but that these loans shall be financed by this Government. In these Estimates there is a sum of not less than \$10,000—I think the actual amount is \$10,717—in order to

wipe off the amount's that are at present outstanding and to provide a certain amount for future loans. Now, sir, that sum of \$10,717 has found its way into these Estimates as an item of expenditure, but it is recoverable. And so I can go on and give a number of illustrations. By not making this innovation I think that the estimated deficit can be considerably reduced from the large figure of \$100,000. I have not seen it mentioned anywhere that there is a corresponding item under the Head of Revenue to show that it is recoverable.

Mr. McDAVID (Colonial Treasurer): If the hon. Member look at Head IX in the details of Estimates of Revenue he would see Sub Head 2— "From Revenue, \$18,000." That represents repayment of loans to Village Authorities.

Mr. DE AGUIAR: The hon. Colonial Treasurer has just told me what I wanted to know, but he has not answered the question. \$18,000 is put down as revenue but the Revised Estimate for 1941 has \$19,000, and it was originally \$24,000 the year before. I do not know how this \$10,000 has got in there, unless I am going to be told that the figure is not quite right. I can hardly conceive of that figure of \$10,000 finding its way under that head of Revenue or any other, for that matter. I go further. You find in the Estimates of Expenditure under Departments—the Agricultural Department, for instance, where they are going to advance loans to farmers and to the Co-operative Credit Banks—the sum of \$25,000 is put down. Am I to understand that \$25,000 is part of the \$18,000 just referred to by the hon. Colonial Treasurer? The answer to that must be in the negative. This 18,000 cannot include and is never intended to include the items I am referring to. There is the sum of \$25,000 in loans to Co-operative Credit Banks, \$10,000 in loans to Village Authorities and there are several other loans—loans to small farmers and things of that kind—and further there are items of expenditure put down that will bring in a return, as for instance the enlargement of the Stock Farm where there is bound to be an increase of revenue. But what do we find? Under "Agricultural Department" in the Estimates of Revenue, the revised estimate for 1941 is \$9,710 and that for 1942 is \$3,000. In spite of the

fact that the Department will be given more funds to expand its activities from which increased revenue will be earned, the revenue is put down at a low figure. I ask the question here now, whether it is not right to assume that the policy of Government is to show expenditure on the large side and revenue on the small side? If I am to understand that is the policy, then it seems to me that Government is endeavouring to carry out its financial policy at the wrong end of the stick. I must assume that from the answer, and I am rather shocked as I observe from the hon. Colonial Treasurer's explanation that what has happened here is that we have framed our Estimates of Expenditure and of Revenue to show half a million dollars deficit. That seems to be the answer, and I make bold the statement that it is the only conclusion any reasonable-minded person can arrive at. If that is the policy of Government, then it seems to me to be all wrong.

I make these observations not by way of wholesale condemnation or criticism of Government's policy, but because they bear relation to the Budget position of this Government, and one must speak very strongly especially when this Colony is faced with a deficit. It is the duty of every citizen to tighten his belt and provide more funds in order to cover that deficit. Am I to understand these deficits are put forward with the view of enlisting the sympathy of the taxpayers? It seems to me that no other answer can be given to it, and I put it quite strongly to my brother colleagues here, that if we were meeting to-day with a Budget that showed a surplus instead of a deficit we would all probably rise and sing "We are all jolly good fellows." Unfortunately that is not the picture that is presented to us. The picture presented to us is one of disaster—a very strong word to use especially in these days when we hope to bring forward a surplus. I am going to say something about that surplus in a moment. It is the only view any person can take. So much for my views on this deficit that is put forward to the Council although, perhaps, there is something else I may say which also has a bearing on it. It is all very well and fine for us to try and spend money, but I think if what is done in private life is adopted by this Government it would be better. No private individual

can spend more than he earns unless of course he is going to live on borrowed money. This Government with its resources behind it undoubtedly can spend more than it earns because this Government also can borrow the money. If the extraordinary expenditure of this Colony has a long-range view, it seems to me the wise course to adopt is to borrow the money so long as we are satisfied ample provision is made for the repayment of it. In these estimates to-day there are items of which in my opinion a long range view can be taken. But no, sir, that has not been done. Those items to which a long-range view can be taken are being used as a means of permitting this Government to embark upon a policy of squandermania.

Just at this stage I would like with your permission, sir, to endorse what Your Excellency said to this Council last Wednesday. It appears on page 12 of the printed-speech :

I do incline to believe that we are attempting far too much on our own resources and therefore doing some of it very far from well.

In this Budget before the Council we are continuing that policy—the policy that Your Excellency rightly condemns. We are attempting here to spend money on projects that are not within the limits of our resources, and I invite the Council's attention to the items of expenditure under the Head of Public Works Department—Extraordinary, and to ask hon. Members seriously whether they consider this Colony can reasonably afford to spend the money that is put down under that Head. Incidentally in passing I may mention the vote under that Head for 1942 is \$649,333 as against \$255,978 which was originally estimated for 1941 but since amended to \$494,658.

THE COLONIAL SECRETARY: The hon. Member is reading the wrong column. I think the hon. Member is referring to "Public Works—Extraordinary." The revised estimate for 1941 is \$494,658. The column before it is in respect of the approved expenditure for 1941 and the other one is the actual expenditure for 1940.

Mr. DE AGUIAR: Nevertheless the estimate for 1941 is very much less,

The estimate put before this Council at the end of 1940 was much less than the revised estimate of \$494,658. What is the inference to be drawn from that? Let us cast our minds back twelve months ago in respect of this very estimate—

THE COLONIAL SECRETARY: I do not want to interrupt the hon. Member but it may save time if I quote the correct figures. The hon. Member stated that whereas the revised figure for 1941 is \$494,658 the figure on the Estimates for 1941 as passed by this Council was much less. I have got the 1941 Estimates in front of me. It shows "Public Works—Extraordinary" (Head XLV) \$530,935.

Mr. DE AGULAR: If I said 1941 I made an error. I am referring to 1940. The inference to be drawn from the comparison I am trying to make is this: When we sat here at the end of 1940, and even at the end of 1941, a very gloomy picture was painted before us. We knew there were dark days ahead. We knew that we would have expenditure of an extraordinary nature to be met. Everybody was trying to do his little bit. But we now know also that we have passed through those stages with our fears of falling revenue not yet realized. It might be later. As a matter of fact I feel almost inclined to venture the opinion that our revenue will fall in 1942, but we will take the position as it is at the moment. Our revenue instead of even maintaining the level that was forecast at the end of last year showed a surplus, and Government and its advisers found there was money to play with—to use a common expression—and they played with it. These words are spoken in a very simple manner but they carry a very serious meaning from my point of view, because if in spending this money we are attempting to do more than we can reasonably afford to carry on with then we can only arrive at the conclusion that the money is being frittered away. I would have preferred instead of embarking upon such reckless expenditure, if by chance of good fortune our revenue had exceeded our expectations, we had retained that money to increase our surplus. This is taking a long range view of the situation. Had that been done much of this criticism that I am making now would not have been justified, but it is because I feel that

advantage was taken of the buoyancy of our revenue to embark upon schemes we cannot afford that I speak as strongly as I do on the matter, and we are continuing that policy. Unless some serious view is taken of the position I am afraid, even although it is admitted that the incidence of taxation in this Colony is exceedingly high—in fact higher than in most places—we shall continue to carry an increased burden which, I submit, the people of this Colony cannot afford to carry.

I heard the hon. Member for North-Western District (Mr. Jacob) refer to the wealth of this Colony, but he was cautious enough a little later on to say that we have no money. I am not quite sure what he was dealing with, whether in the first instance he thought the Government had money and the people had none, or that the people had money and Government had none. I am not quite sure what comparison he was trying to make. Nevertheless he started off by suggesting that capital be conscripted. By that he means that the people have a lot of money and, therefore their money should be conscripted. I do not know that is a democratic idea. It sounds a little communistic. That, however, is by the way. I personally think we have not got the money. That has been the trouble all these years. I know that Government has no money, as only until recently we have had to depend on the Imperial Government for assistance. For myself I am very glad the day has arrived, and I hope it will continue, when we need not turn to the Imperial Government for financial assistance to carry on the administration of this Colony.

Incidentally as I have referred to that assistance we had been getting, I would like to make this observation for Your Excellency's information, as it is well known to Members of this Council. When that assistance was coming some of the people of this Colony, including some of the Members of this Council, felt that we were getting money for nothing and so we must spend it. That was the consensus of opinion. We were told "Oh, the Imperial Government will balance our Budget for us, let us put down how much we want to spend and then let us see how much we are going to get as revenue and the balance will be met by the Imperial

Government." That is what we are suffering from to-day. Our estimates were framed on that basis and ever since this Colony began to receive assistance from the Imperial Government that method was employed in preparing the estimates of expenditure for this Colony, and it is continuing to this day. I personally regret it and say without fear of contradiction that even in these prosperous times—that is to say the Colony is in a position now to balance its Budget and one can only speak of the position as seen at the moment—if it is the view that this Colony can balance its Budget then it is a wrong method for this Government to adopt in still framing its estimates of expenditure in the manner I have indicated. A lesson should be taken from the days when we obtained assistance from the Imperial Government. If we are going to adopt the suggestion of the hon. Member for North-Western District to conscript capital, then we may proceed along those lines but, sir, unless we can reasonably safeguard the expenditure of money here I do not see how we can reasonably expect a sufficient amount of revenue to cover our expenditure.

May I ask a question at this stage? What is the view of Government in putting forward proposals for 1942 that will result in a deficit of \$400,000? Assuming that the figures on all sides remain as printed, is it because we can draw upon the surplus we hope to bring forward at the end of this year? If the answer to that question is in the affirmative, then may I put the question in another way. How can we ever hope not only to increase our surplus but to maintain it? I think it is the desire of this Government and of the community not only to maintain the surplus, that is going to be shown at the end of the year but, if possible, to increase or augment the figure, so that at some future time we can raise our heads and say "Very well we are in a position to take care of ourselves." We should try to carry on within the limits of our own resources, but we do not do that. We have a surplus and so we budget for a deficit as the money is there to be drawn on. No sound commercial man will ever attempt to carry on his business along those lines, though it is true that business by its very name is of a speculative nature. I cannot compliment Government on the method it has adopted

in framing the Budget. There again, Your Excellency had something to say on the question with which I heartily agree. It appears on page 13 of Your Excellency's printed speech.

Touching the uses of our revenue, my impression of British Guiana at the moment is that we are attempting to do too much with the normal recurrent revenue on which we can depend.

With this view I heartily agree. That is the policy I would like to see adopted by this Government. Let us frame our Budget along the lines indicated so clearly in Your Excellency's speech, and then half of my criticisms will disappear—as a matter of fact not only my criticisms but the criticisms of people even outside this Council. I am in a position to know and to inform this Government of some of the criticisms which are levelled at the manner in which Government estimates of expenditure are framed. We do not want to conscript capital, as the hon. Member has suggested. It is not done in any British Colony; it is not done in England. What we want is conscription of ideas. What we want is co-ordination of efforts and co-operation. Most of all we want conscription of ideas and not of capital, unless we are thinking along the lines of the "Aggressors of Europe." They are the people who do that sort of thing, but no democratic form of government will even dream of doing such a thing.

Hon. Members rose here and welcomed the utterance of the hon. Colonial Treasurer this morning, when he said that Government has under consideration an increase of the Excess Profits Tax from 60 to 80 per cent. One hon. Member said it should be 90 per cent., another said quietly it should be 100 per cent, but he has not yet got on his feet. I expect him later on to suggest it. I am going to take this opportunity to answer those hon. Members. They do not mind if it should be 100 per cent. because they have not to pay even one per cent. Is that a sound opinion? Is that sound advice? I am not against the proposed increase of the Excess Profits Tax nor of the Income Tax. I am not against an increase of any form of direct taxation. What I am against is the imposition of a tax that will probably effect a strangle hold on the financial or industrial resources of this country. That I am against and shall always be

against. When the Excess Profits Tax was first introduced here I stated at the time that it was my opinion that it was a form of tax most unsuitable to this Colony. We have no war industries here. What we have here are sugar, rice and another which for obvious reasons I will not call. We have also a little bit of ground provisions here and there but we have no manufacturing industries. The industries that we have here can be counted on the fingers of one hand. We have no industries here that are likely to benefit directly or to receive any benefit from war conditions. If we were making ammunitions or ships, or guns and things of that kind where the profits earned from those sources are huge, I do not think any person would object to pay as much as possible out of the profits earned. Even the Imperial Government has realized that. Although it has considered it wise at the moment to impose an Excess Profits tax of 100 per cent., provision is made for a certain amount of relief later on. It is not really relief but the handing back of some of the tax later on. Is it not right then to assume that those gentlemen in England realize that for the moment they need all the money they can put their hands on to assist in the war effort, and therefore the people are taxed to the utmost. Carry the Income Tax to the highest figure! I think it is 20/- in the £. Charge 100 per cent. Excess Profits Tax! That is the need and the position of the Imperial Government at the present time, but we are not in that position. It is not enough to say that because in England Excess Profits tax is 100 per cent. and Income Tax so much we must do the same with our rates of taxation. There is no necessity to do that. What are we going to do with the money, spend it and throw it away? Yes; because I can hardly see what is going to be done with it, judging from what I know has been done in the past.

I do not propose to carry on too much on these Excess Profits Tax and Income Tax proposals to-day, because they are not properly before this Council, but I think the observations I have made are worthy of some serious thought. I do wish to repeat that if it is the intention of this Government to stifle enterprise, cripple industrial effort and thus make our unemployment position worse than it is at the moment, then raise the Income Tax

to 100 per cent. Let us open canteens; let us adopt in short the policy of one of the Governments of Europe where a man works only for food and shelter. If that is the policy then by all means bring it about. Do not play with it as we are doing. We are trying to shelter ourselves under an excuse for introducing these measures. To my mind it is a most retrograde step.

I wish to say one word more, and here I shall be dealing with the revenue side particularly. I want to make a humble request. I doubt very much whether it can be done, but if it can be done I will be very glad. In framing our estimates of revenue no attempt should be made to put down figures that we have no hope of realizing, but put down instead figures that we have every reason to believe will be obtained. A short while ago I gave an illustration where an item is put down as expenditure but it is recoverable and no provision is made for it. There are other items here I can supply to give force to what I am saying. We have had to reduce the estimates of revenue of the Customs Department. That is quite a reasonable thing to do, and there can be no complaint about that whatever, because in these days of restriction of imports it is reasonable to expect that our Customs receipts will fall. As a matter of fact I venture to say that we are indeed very well off in so far as our Customs receipts are concerned, but I feel that the time has come when we should no longer look forward to those figures. Therefore we are very wise indeed to reduce them. I have nothing to complain about that, but where you put down under the various departmental heads less revenue than I know will be received, it is my duty to refer to them.

You have got here under Revenue—"Carnegie Trade Centre, \$4,500" for 1941, but I know the figure is nearer \$7,000 than anything else. I am also in a position to know that representations will be made as the result of which even the estimate for 1942 will exceed \$4,500. That is only a small illustration. I do not wish to touch upon the big ones, as if I attempt to do so I will detain the Council rather longer than I desire. I am merely dealing with principles rather than items.

THE PRESIDENT: May I just ask which item of revenue the hon. Member is referring to?

Mr. DE AGUIAR: Head IV—item 35, on page viii. I first referred to item 17—and then I passed on to item 35. I may mention that I have skipped a few other items that I had marked as I do not want to continue with the whole lot of them. Perhaps the hon. Colonial Treasurer may revise Head IX, item 2. He is entitled to do so. The point I am making is this: We have framed our estimates of expenditure on the high side and those of our revenue on the low side. What then must we do but increase taxation? There is no other solution to that problem unless we are going to draw on our surplus, which we may have to do unless we increase our revenue. We must draw on our surplus so long as there is a deficit. I trust that these general observations I have made will serve some useful purpose. I have refrained from dealing with any particular item or head, although I may mention there are a number of items and heads on which I will have something to say. I do hope when the time comes for consideration to be given to any representation that will be made regarding items of expenditure, this Council will give those representations the consideration which in my humble opinion they deserve.

LOANS TO PUBLIC OFFICERS.

Mr. C. V. WIGHT: I had intended under the proper Heads to raise certain questions, but I find myself in a quandary as to the Head under which I can raise the question as to loans to public officers. The question of loans to public officers has been referred to in the hon. Colonial Secretary's report. The last time they amounted to the sum of \$50,000. One would have thought that in the Budget Statement some reference would have been made to the fact that this amount would be increased or decreased because of the present circumstances of the war. That is an omission, perhaps I may be wrong, which I cannot visualise should be. Some reference should have been made to it as it is a pretty large amount.

THE PRESIDENT: Will the hon. Member let me know to which item he is referring?

Mr. C. V. WIGHT: It is not on the Estimates. It is the matter of loans to public officers, and I am referring to the Budget Statement. I think some reference may have been made to the fact that the expenditure in respect of that item is not the same as had been made in the past year. I thought that the hon. Colonial Secretary's report would have had some reference to that. Dealing generally with the question of the shortage of revenue he just touched lightly on it. Perhaps when these matters are put on the Estimates one does not consider legislation passed in respect of them. By that I refer to the recent legislation passed in respect of Building Operations. I take it the sale of local woods will automatically increase the revenue somehow or other. I have been informed subsequently that there is a proposal on foot to amend that Order to allow the use of local wood for building operations. One should say that the Order as it stands is necessary because of the necessity for steel and other articles. That proposal will affect revenue slightly one way or another. I do not propose to say much more regarding that.

There is another omission and that is the introduction of proposals for Old Age Pensions. Now that we have proposals to increase the Income Tax and the Excess Profits Tax, surely we can make some attempt in regard to Old Age Pensions, I do not think it is thoroughly grasped in certain quarters that Old Age Pensions will relieve considerably some of the acute questions which constantly arise in relation to Labour and the Poor.

Another omission, I think, in the Budget Speech is provision for the establishment of another department or the expansion of the Labour Department so as to formulate a Register of Labour. We have none in this Colony and we are in the dark when we talk about unemployment or otherwise. We know that unemployment exists, but we have no record. We do not know in what particular branch of labour it exists. A register of that sort is very important at the present time on account of the necessity for manhood power which will arise in this Colony.

Whilst it is mentioned in Your Excellency's speech that there will be a Marketing Officer coming to the Colony shortly, I

hope that it will be as soon as possible. I submit there is an entire absence in the policy of the Agricultural Department in respect of the subsidization of various products and the keeping of farm produce at remunerative prices to the farmer. One of the main ingredients of the food of the people of this Colony is rice, but a bolder line of action will have to be adopted in regard to the rice question and the encouraging of farmers to grow more food, especially in view of the conflict which has now arisen in the Pacific and as the result of which the rice situation may mean much to this Colony. Demands on this Colony for rice may eventually be great and the industry may be placed in a better position than it has ever been. I submit, if it does, it may necessitate a subsidy and, I think, the Budget should provide for it.

THE COLONIAL SECRETARY: I will deal first with the points raised by the last speaker, the hon. Member for Western Essequibo (Mr. C. V. Wight). He has expressed regret at not seeing any provision for a Register of Labour. The position is this: Under the Head "Miscellaneous" there is a small item for a Labour Bureau, but when the new Labour Department is formed it is Government's intention to place an item under that Head. It is proposed that there should be an Employment Bureau, its scope being limited to providing labourers for relief works. The present institution, if it can be so called, was started many years ago. There is a Committee in charge of it. The idea is that any individual or firm wanting labour to be contracted for work in the interior should communicate with the Bureau and the Bureau would get the type of persons wanted. What is done now is that the men go there daily and try to get work through the Bureau. A certain number of the men who call there are sent on to the Public Works Department or any other Government Department carrying out works. The filling in of Government Lands provided a good deal of work in this respect. Since the work on the American Bases has started here the number of men calling at the Bureau has reduced very considerably, and it is hoped to start a fresh register next year or when the Labour Department is established.

I am afraid I was out of the room when the hon. Member said something about

loans to Public Officers. I should like to correct him and say that no such item is shown in the Estimates. If I have misunderstood the point he raised I shall be glad if he let me know. No loans to Public Officers appear in the Estimates.

The hon. Member for Central Demerara (Mr. De Aguiar) raised several points to which I would like to refer in the order in which he dealt with them. The hon. Member referred to the Expenditure Estimates for 1931 and gave the figure of \$5,100,000. He compared that figure with the 1942 figure of \$6,800,000—a difference of \$1,700,000. In other words there is provided in this year's estimates under Annually Recurrent expenditure \$1,700,000 more than was provided ten years ago. Seven items almost make up that amount. I should like to refer to these seven items which cause an increase of over \$1,500,000. Education—\$304,000.

MR. DEAGUIAR: If the hon. Colonial Secretary is going to quote figures in the matter I hope he is going to say what is the expenditure on the several items in the year 1931, otherwise a comparison cannot be drawn.

THE COLONIAL SECRETARY: I am glad the hon. Member has said that. I am going to give the difference between the Estimates of 1931 and that of 1942 Education, \$304,000 more; Medical, \$163,000 more; Hospitals, \$256,000 more; Police, \$125,000 more; Post Office, \$103,000 more; Public Works Annually Recurrent, \$375,000 more; Sea Defences, \$186,000—making a total of \$1,512,000. I do not think the hon. Member will want to reduce the increase on Education nor on Medical, nor on Hospitals, nor on Sea Defences. We can therefore take out those four items. That leaves an increase of \$603,000. The increase in expenditure of the Post Office Department over a period of ten years is actually around \$26,000. The revenue of that Department was \$191,783 in 1931 as against \$269,055 estimated for 1942.

As regards the remaining items, we will now take the Police Department with an increase of \$125,000. Only three years ago the Force was increased by 100 men and more horses were bought. The matter came before the Council and

there was no opposition to that increased expenditure. I do not think the hon. Member feels that we are providing more than we should under "Police".

We come to "Public Works—Annually Recurrent". The hon. Member has referred several times to what Your Excellency said, but Your Excellency also said that we must make sure that we keep existing services up to the mark, and I do not think we are able to cut down "Public Works—Annually Recurrent" to any great extent. I should also like to mention in connection with "Public Works—Extraordinary" that the hon. Member referred to the expenditure in 1940. If the hon. Member would add on to the 1940 expenditure—I think it is \$256,000—the sum of \$250,000, he would find that the amount would be round about \$506,000 which is only \$1,143,000 less than what is provided for 1942. I will remind the hon. Member that in 1941 this Council agreed to spend \$250,000 on relief works. The Imperial Government had undertaken to make good that expenditure, but this Council very wisely passed a resolution to the effect that it preferred to balance its Budget and not take any grant from the Imperial Government. It was made clear that the Estimates were introduced with that additional \$250,000. That was included in "Public Works—Extraordinary" \$31,500 and "Public Works" \$182,000. It was in 1941 that this Colony agreed to spend \$250,000 on relief works and provision has been made again this year for the payment of \$250,000 as we had done in the past two years.

May I for a moment turn to "Public Works—Extraordinary"? I would just like to refer to one or two items on pages 87 and 89. If the hon. Member would turn to page 87 and pick out some of the large items, I would ask him to consider them and say whether he feels that Government was wrong in putting them in. I think the hon. Member for Central Demerara would be very disappointed if any attempt is made to cut out any of the items. Under "Education" there is the sum of \$30,000 in connection with the Teachers' Training Centre.

Mr. DE AGUIAR: That is going to be cut out.

THE COLONIAL SECRETARY: We

must have a Teachers' Training Centre and we must get the money somewhere. The next item is under "Land and Mines Department"—"New officers for the Geological Department, \$10,000". I hope Your Excellency has not visited that department yet. Your Excellency would have a shock if you went there. The building is in a most disgraceful condition. I do not see how we can carry on with the existing building. Then there is \$15,000 under "Leprosy Hospital" for the continuation of the programme of reconditioning buildings, sanitary works and water supply, which has been going on for some years. I doubt whether the hon. Member wishes to reduce that. On the next page—88—there is \$12,000 for the construction of four additional Health Centres. I think the hon. Member agrees that we should continue with the programme of building Health Centres. Then there are two large items under "Police Department." There again the money that is to be spent on two stations is so large that it cannot be put under "Annually Recurrent," as it means the rebuilding of those two stations. Those places, Your Excellency has not yet visited. The station at Leguan is beyond economical repair, and I am sure the hon. Member who represents Leguan will agree with me that a new station is needed.

Mr. LEE: I agree with you!

THE COLONIAL SECRETARY: Hon. Members agree with Your Excellency's policy of keeping existing buildings up to standard. The items are not all for new buildings. As Your Excellency informed this Council a few days ago, some Warrant Officers are being sent out in connection with the defences of the Colony and they are entitled to quarters. An amount of \$20,000 is provided for such quarters at Eve Leary Compound, Georgetown. There is a further sum of \$12,000 to provide quarters for four married Policemen at Christianburg Police Station. Another \$12,000 is inserted in the Estimates for reconditioning buildings and making necessary alterations at the Forest Station, Mazaruni, for the partial re-establishment of a convict prison. \$24,000 is provided for drilling new and reconditioning old artesian wells. I don't think the hon. Member is going to move the reduction of that amount. "Roads and Bridges Extraordinary", \$124,350, and there is another \$80,000

added to that item. I leave it to the hon. Member to move the reduction of that item. There is the other item for \$30,000—Houston and Craig, East Bank Demerara River Defences. \$10,000 is added to the Temporary War Bonus of \$19,000 provided in this year's Estimates, and the increase is due to a greater number of people being employed.

I think I have covered most of the hon. Member's remarks under expenditure and I would like to refer to his remarks under revenue. The hon. Member referred to the estimate of \$4,500 under "Carnegie Trade Centre." That estimate came from the Trade Centre and, I think, the hon. Member said he is a member of the Committee. That estimate came from the Committee and, if it is wrong, I am quite prepared to alter it. The hon. Colonial Treasurer will be only too pleased to increase an item under revenue. The hon. Member pointed out that under "Agricultural Department" the amount is \$3,000 as against \$9,710 in 1941. The explanation is that in 1941 loans which had been made were repaid. We are hoping not to make loans during this year. The hon. Member criticized the fact that the Clerical Establishment is now shown in an appendix. I was hoping that would be a help to hon. Members, but apparently it is not. The hon. Member will like to be informed of the increase in the number of clerical officers. Assuming for the moment that he has not found it out by subtraction, the difference is then between the number in 1941 and that for 1942. The Explanatory Memorandum is put before hon. Members with the Estimates to be a help to them; all this information is set out therein and I fail to see how Government can make it clearer.

MR. DEAGUIAR: To a point of explanation I am afraid the hon. Colonial Secretary has given the wrong answer. My criticism was that the method of putting these Estimates before the Council keeps on changing year after year. I think, I said what occurred last year and I gave instances of this year. I may mention that last year I used the word "confusion". I do not want to use the same word again. Last year I said it was being done with the idea of confusing hon. Members in arriving at a proper understanding of the Estimates,

THE COLONIAL SECRETARY; I

have covered all the Heads referred to by the hon. Member, and he may remind me if I have forgotten any. I now turn to the remarks of the hon. Member for North Western District (Mr. Jacob). He has asked Government to consider the regrading of the Unclassified Service. For Your Excellency's information and to remind the hon. Member I may state that a few years ago—I think it was 1938—the whole question of the salaries attached to posts in the Unclassified Service was submitted in a report, and the recommendations were dealt with by this Council. If hon. Members think an increase should be given, I hold that it should be in the form of a war bonus, and that is what Government has already done. Salaries have recently been regraded, but if it is desired to give a slight increase I think the course adopted by Government is the fairest way rather than that the whole Service should be regraded and new salaries attached to the posts.

The hon. Member blames Government for delaying the publication of a document received from the Secretary of State for the Colonies. Your Excellency has dealt with one despatch but the hon. Member referred to two. He referred to a despatch of the 5th June, 1941. That despatch was received by the Government on the 19th July. Here again the direction of the Secretary of State for the Colonies was that it was not to be released before the 6th August. The despatch went to the Printers in August—one of the busiest months for the Printers as the Estimates were then being prepared and there was also going to be a meeting of the Legislature in October and several reports had to be printed—and it was not printed until the end of August. I think it was a matter of three weeks that elapsed, and the despatch was issued on the 3rd September. The delay was unavoidable.

I would like to take this opportunity to answer the hon. Member's question in regard to the date on which certain Resolutions were sent to the Secretary of State for the Colonies. There again the hon. Member is suspicious that Government has not sent them and is trying to detain them.

Government received a further letter from him and I would like to read the reply which is going to him tonight. There

is only one other point I need refer to and that is the question of the salary of the Chief Justice. For the information of hon. Members I may say that it is quite usual for the Chief Justice's salary to be higher than the salary of the Colonial Secretary. I know it is so in all the West Indian Colonies; I do not know about the African Colonies. The Chief Justice ranks higher than the Colonial Secretary and usually gets a higher salary. The hon. Member may, therefore, remove from his mind the idea that the increase to the Chief Justice's salary is a plot to enable the Colonial Secretary to get an increase of salary. I say this so that he may be fully aware of the position.

Mr. JACOB: I know it is provided for in the Civil List, so I think it is unnecessary to refer to the question of a plot.

THE COLONIAL SECRETARY: The hon. Member for Berbice River (Mr. Eleazar) has never liked the District Administration Scheme. Whether he can put any other scheme in its place I do not know, but the hon. Member will never be satisfied with the District Administration Scheme. With regard to the Labour Department, he objects to the separation of the Labour and Local Government Department into two departments. Your Excellency in your speech stated that it is desirable to get two officers for the Labour Department—one with special training in the solution of trade disputes, while his assistant will be an officer who has had considerable experience as a Trade Union official. I hope I have covered all the points raised, if not I am prepared to answer anything I have forgotten.

THE PRESIDENT: Before putting the question I would like to make a few remarks of a general kind, particularly with reference to the observations of the hon. Member for Central Demerara. I would like to say that I have listened with a good deal of sympathy to many of his observations—I refer to his comment as to the manner of showing increases in Estimates. I do not agree that it is the deliberate intention to conceal even a slight increase or that the policy of Government is to frame the Expenditure Budget first and deliberately put the Revenue low so as to show a deficit. I am prepared to explain any point the hon.

Member may raise under any particular Head when we come to it in Committee. I might have clearly conceived the main object of his remarks had he put a constructive Budget of his own before us. Whether he seriously means we must live within the limits of our own revenue or that he prefers to borrow and spend from loans, I am not quite sure. I may mention that I had found myself in sympathy with the hon. Member's remarks when he referred to the difficulty of understanding the figures of Estimates extending over a period of years, particularly when they show a substantial increase, and there is nothing of a statement from year to year or data over a period of years to show whether we had value for the money expended. I sympathize with that because we have been subjected in this Colony to changes in the form of estimates which have been difficult and baffling. I had taken the matter up with the Colonial Office as to the increasingly difficulty of Unofficials to follow precisely what the financial position is from the Estimates, and in that respect I greatly sympathize with the hon. Member. The Colonial Governments have been told not very long ago that we must show everything in the Budget. That means bringing a great many self-balancing items on both the revenue and expenditure sides. Previously, propositions and projects necessitating a good deal of expenditure from loans, which are recoverable, were sometimes shown in the appendices but, as I said, we now have to show them in the Budget, swelling both sides substantially. We have also to put in the Budget in all the Colonies during the last ten years a great deal of expenditure of a novel kind. When I joined the Colonial Service the Government had not to any great extent to go in for social expenditure interpreted in the widest possible way. That is an innovation. Big agricultural schemes with advances to peasants mean not only big expenditure and revenue of a self-balancing character but call for a substantial increase in staff and machinery.

If the Financial Commission which visited certain of the West Indian Colonies in 1932 had come here they would have found the same results—60 to 70 per cent. of the whole increase in the Budget due to increases in social welfare projects. To my own feeling there is an insufficient discrimination between extraordinary and

capital expenditure and annually recurrent expenditure. Therefore while the hon. Member was speaking I looked up the figures and found in the Budget that the annually recurrent revenue is \$7,323,770 while the annually recurrent expenditure is \$6,898,946. In other words, we have completely balanced the Budget in so far as the annually recurrent revenue and expenditure are concerned and we have actually a surplus of \$424,824. I have been accustomed in putting up a Budget to show on the first page in a general statement the financial position, carefully showing the revenue under annually recurrent and extraordinary and the expenditure under annually recurrent and extraordinary. By doing that one can see at a glance whether we balance on the present year or anticipate not to do that. It can be done with the figures before us, but we have to pick them out. I have been in the habit of doing that myself—to pick out of the revenue and expenditure sides quite a number of items of an extraordinary character. Very often there are items of expenditure which for reasons of finance are being shown under annually recurrent expenditure but are really capital expenditure. Our deficit is entirely due to extraordinary expenditure. We have a surplus balance of \$1,400,000 and we are going to spend \$800,000 on capital and extraordinary. I do not call that a bad position at all.

As regards my own remarks in my speech at the opening of the Session which are relevant to the point, when I said we are trying to carry too much on annually recurrent expenditure I was not suggesting we would have cause to cut down and keep within our revenue, because I went on to say: "We are faced with a change of policy—a re-orientation of policy—since 1938-39." What I meant to imply was that I have noticed a readiness to take on new items of expenditure, though very desirable, without ensuring that the

existing services are properly kept up. I will just point to one—\$19,000 contribution to Missions. It is no doubt an admirable project and there is everything to be said in its favour, but in doing that we must do it with our eyes open to the question as to whether our annually recurrent expenditure is adequate enough for the services we have. We should attempt to keep within our annually recurrent revenue, but we should keep up our services to a decent standard. I feel it my responsibility as Governor to get a certain amount of essential services maintained to standard. At the moment our revenue is standing up reasonably well, but what may happen in the future I cannot say. The policy is one followed precisely by nearly every civilized country. The hon. Member for North-Western District was perfectly logical in the attitude he took up that in certain essential things calling for necessary expenditure we have to face it, and he came back to the logical result that the money must come from the conscription of capital as is done in Europe. But we have no desire to do that here, and perhaps the hon. Member for Central Demerara will be perfectly happy to know that he will escape that at least.

Question put, and agreed to.

The Council resolved itself into Committee to consider the Estimated Expenditure to be defrayed from Revenue during the year ending 31st December, 1942, which had been laid on the table.

THE CHAIRMAN: We have but four minutes available. It is the general feeling that we adjourn and resuming at 10.30 o'clock tomorrow morning go into Committee right way?

Question put, and agreed to.

The Council resumed and adjourned to the following day at 10.30 a.m.