

LEGISLATIVE COUNCIL.

Friday, 7th December, 1945

The Council met at 2 p.m., His Excellency the Governor, Sir Gordon James Lethem, K.C.M.G., President, in the Chair.

PRESENT:

The President, His Excellency the Governor, Sir Gordon James Lethem, K.C.M.G.

The Hon. the Colonial Secretary, Mr. W. L. Heape, C.M.G.

The Hon. the Attorney-General, Mr. F. W. Holder.

The Hon. the Colonial Treasurer, Mr. E. F. McDavid, C.B.E.

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

The Hon. F. J. Seaford, C.B.E. (Georgetown North).

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

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

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

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

The Hon. Peer Bacchus (Western Berbice).

The Hon. H. C. Humphrys, K.C. (Eastern Demerara).

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

The Hon. J. W. Jackson, O.B.E. (Nominated).

The Hon. A. M. Edun (Nominated).

The Hon. V. Roth (Nominated).

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

The Hon. T. Lee (Essequibo River).

The Clerk read prayers.

The minutes of the meeting of the Council held on Thursday, 6th December, 1945, as printed and circulated, were taken as read and confirmed.

ANNOUNCEMENTS.

ERRORS IN NEWSPAPER REPORTS.

The PRESIDENT: I should like to record one or two corrections in the report of what I said yesterday, as contained in this morning's newspapers. There are some purely printers' errors and some partly due to myself and my staff who, I think, rather rushed through corrections in the manuscript and in doing so one or two points may have escaped. The first thing I went on to speak about yesterday was that we should arrange new hours for sitting by the time we get into Committee on the Budget and I suggested that we should adjourn our afternoon session half an hour earlier and return for an evening session from 8.30 to 10.30. I said I knew that some Members might not want to sit later, but the *Daily Chronicle* says I knew some Members might want to sit later, the word "not" being omitted.

The next correction deals with something of greater importance to hon. Members and refers to that part

of my address in which I am reported to have said: "We are waiting still for the reports of these Development Committees, principally composed of unofficial Members of Council. They are taking a long time to make up their minds and submit reports." I did not say "unofficial Members of Council:" I said "unofficial persons" as I know that those Committees have very few unofficial Members on them. That is a correction of some importance and I should like hon. Members to take some notice of it.

The next point is this: Speaking on expenditure, it is shown under "Agriculture" that I said: "You will find that Education has trebled; you will find that Medical has more than trebled, and expenditure on Poor has much more than quadrupled. Altogether, from very little over a million the sum has gone up to something not much under four million." That reads as though the four million dollars concerns expenditure on Poor alone, but it refers to all three services.

There is another correction dealing with the comparison I drew between the senior Government Officers in this Colony "and those of nearly all the rest of the Colonial Empire with their perquisites of passages, houses, medical attention and so on." I said: "I myself have appreciated the advantages of the better climate and the opportunity of family life in the Caribbean colonies, but it is now much of a question as to whether they outweigh on the balance." The context has "it is not", but should have read "it is now."

The next instance is where I am reported to have said: "When I got to the Colony we had all the money swallowed up in loans and Government was paying salaries with an overdraft $8\frac{1}{2}$ per cent. interest to pay." What I said was "swallowed up by loans"; then I went on to show that we are now paying our way without an overdraft, but I find expenditure pressing up again.

Another correction that should be made is one in which \$120,000,000 should read \$130,000,000—the total under Development and Welfare.

Then there is another money mistake which I should correct. It is where I said: "Unless we are prepared to do something like that we should waive all claim to Imperial funds and our own effort should supply at least a half and possibly more of what the United Kingdom can give us." What I intended to say was that "we should supply as much ourselves as we got from the United Kingdom, and possibly more."

INFORMAL CONFERENCE PROPOSED.

As regards the business before the Council, I stated yesterday the suggestions of which I am in favour, but hon. Members may put up any other suggestions they wish to make so that we might consider them. It is probable that the Treasurer and myself would plan to meet hon. Members—possibly next week—and the question is whether any hon. Member would bring forward a suggestion which would expedite consideration of the Budget in Committee stage. Before we adjourn today I will find out if that course is agreeable to hon. Members.

PAPERS LAID.

The COLONIAL SECRETARY laid the following document on the table:—

Despatch No. 198 dated 29th November, 1945, to the Secretary of State for the Colonies on the Colony's food production policy.

The COLONIAL TREASURER laid the following documents on the table:—

Schedule of Additional Provision for October—November, 1945.

Supplementary Schedule of Additional Provision for October—November, 1945.

GOVERNMENT NOTICE.

SUPPLEMENTARY ESTIMATES, 1945.

The COLONIAL TREASURER gave notice of the following motion:—

THAT, this Council approves of the Schedule of Additional Provision for October–November, 1945, required to meet expenditure in excess of the provision made in the Estimates for the year 1945, which have been laid on the table.

ORDER OF THE DAY.

ESTIMATES, 1946.

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, 1946, which have been laid on the table.

The PRESIDENT: I have just one bit of information which might be of interest to hon. Members on the question of the rates of income tax. When I was in Barbados recently, I mentioned to the Governor there that British Guiana was the first Colony in the Caribbean area to put up its rates of income tax substantially and that, by and large, we were as high as anywhere else. He stated that the rates in Barbados were substantially increased last year so I asked him what the Barbados rates were and he kindly consented to send them to me. The Treasurer has worked them out to see how they compare with our own rates and he says that as regards incomes ranging from £500 to £3,000 per annum, roughly, we are substantially below Barbados. At £500 our figure is £15 and Barbados £21; at £600 we are £27 and Barbados £32; at £700 we are £39 and Barbados £48; at £800 we are £51 and Barbados £65; at £900 we are £63 and Barbados £86; at £1,000 we are £75 and Barbados £107; at £1,500 we are £195 and Barbados £268;

at £2,000 we are £365 and Barbados £450; at £3,000 we are £905 and Barbados £906; while at £5,000 and more the tax in British Guiana is £2,185 as against £2,006 in Barbados. These figures seem rather interesting to me and they may be of some interest to hon. Members, not at this moment but perhaps later on.

Dr. SINGH: As I sat here listening to the Budget Statement, I was reminded that there were increases in expenditure during the war years and, of course, that was largely due to commitments on war emergency measures and old age pensions. Then we had subsidisation of certain articles and foodstuffs, increased salaries for teachers in Primary schools, an improved scale of salaries for civil servants and one or two other items. Fortunately, there were corresponding increases in revenue during those years, by means of which we were able to meet our expenses and also leave a surplus balance. Hostilities have now ceased and we find that we are still burdened with certain commitments such as subsidisation and war emergency measures. I think that if we can obtain some measure of relief in these items, we can reduce our anticipated deficit for 1946 and make it negligible. It is also possible that the anticipated revenue for 1946 would meet the expenditure for that year and also leave a surplus balance.

As regards direct taxation of income, I feel that I am unable to support all the proposals in the Budget Statement. I feel, especially, that the allowance of one-sixth of the income should be retained and that the inhabitants of the Colony should be encouraged to save money, as this would be an incentive to our commercial men to carry on their work. We should not make them feel at the end of the year that the more they save the more they would have to pay into revenue. I have heard many comments this week on this question of the budget, but I

feel that nothing substantial has been suggested to show how we could raise more money to meet our high expenditure. I feel that Your Excellency's suggestion for an informal meeting is a very good one and that we should be able to devise some means of meeting our increased expenditure from revenue without oppressing any particular firm or group in any way.

Mr. AUSTIN: I also welcome heartily the suggestion Your Excellency has made to have an informal meeting here in order to decide whether any of the various items in the Estimates could be cut. There are many proposals which I think could be altered after the Council has heard the views of certain hon. Members who are concerned with business firms. The remarks made by Your Excellency, yesterday, were very interesting and one feels there would have been fewer headaches over the last week-end if those remarks were made before the Budget Statement was read by the hon. the Colonial Treasurer. There is no doubt that the Statement by the Treasurer—whether it came from his own personality or through orders from the Secretary of State—caused a lot of heart-burning which was entirely unnecessary. Your Excellency has, however, very clearly outlined the whole position and as the hon. Member for Georgetown North stated yesterday, we are all endeavouring to help as much as we possibly can in this very trying time. There is one other point which I would like to refer to and it is this: Your Excellency remarked that it was no good slashing the estimates of expenditure in a small way and that if slashing is to be done it is to be done in a big way. I think that remark should also refer to the collection of revenue, and I would ask what is Government likely to budget from the suggested new sources of revenue. I think it would only be about \$100,000 or less than that, and I would also ask whether it would be worthwhile to tinker with the present taxation just to collect a small sum of that nature.

According to the Colonial Treasurer's Statement, the prospects for 1946 seem to be very dark indeed, but perhaps when we meet at the informal meeting on Tuesday next further light might be thrown upon it and we might be able to carry on in 1946 on present taxation.

Mr. ROTH: Sir, the reaction of one section of the community to the budget proposals was rather well exemplified by an incident which occurred on the rising of the Council after the hon. the Colonial Treasurer had made his Budget Statement. One hon. Member came to me and said: "Roth, what is the easiest thing a man can do?" Well, I naturally replied, 'falling off a log.' 'No,' he said, 'spending other people's money.' It would appear that the ingenuity of man has not yet reached a stage when the cost of living would permit the presentation of a budget to please everybody and from remarks made during the past week, both inside and outside the Council, it would appear that those who have the deepest purses are howling the loudest. That is to be expected. This is a democracy and we have a democratic right to yell out and also a democratic privilege to "shell" out.

Listening to yesterday's debate, it struck me that a considerable amount of time could be saved, if certain hon. Members made themselves conversant with the subjects on which they speak. I have heard statements made which could only arise from the speaker's lack of knowledge of his facts. I think I heard one hon. Member ask what Government had done for the minor industries of the Colony, but is that hon. Member not aware that Government has advanced at least \$15,000 in one case alone? Another hon. Member has suggested that the Governor's office staff should be reduced, but had he taken the trouble to investigate he would have found that the office referred to is one of the most hard-working in the whole Service and that some of the members of the staff do not leave their desks before 10 o'clock at night.

Personally, I consider, taking all the circumstances into consideration, that the proposed budget is a reasonable one and with a few amendments and additions I think it can be passed by this Council with a clear conscience. My greatest criticism of it is, perhaps, in respect of the proposed reduction of the exemption limit from \$720 to \$480 for income tax, and the exorbitant taxation on gold mining. They seem to me to be a breach of faith on the part of Government and I leave those hon. Members better acquainted with the subjects to further that argument. Further, I am in sympathy with the suggestion made by the hon. Member for Georgetown North that Government should devise means to encourage more industries if we are to balance our budget in future years and I desire to take this opportunity of suggesting that Government should permit the various reports of the Secondary and Minor Industries Committee to be circulated among Members of this Council. Already, enquiries are being made of this Colony by every possible form of communication with the object of starting gold mining and other industries, but there is the question of the very heavy and exorbitant taxation on gold mining which is now gradually expanding. I have the authority of one of the leading Bankers to state that quite recently a large amount of capital was turned away from this Colony solely on the ground of the very high income tax on mining. It gave me very great pleasure to notice in the Treasurer's Statement that Government proposes to take cognisance of the position and to grant a certain measure of relief. I am sure that if Government does the right thing this Colony would get all the capital we want for gold mining.

Mr. HUMPHRYS: It gives me the greatest pleasure to be able to join in supporting the motion, for as the hon. Member on my right (Mr. Austin) has stated, Your Excellency's statement has done much to allay our fears. I heartily appreciate Your Excellency's

statement for it is lucid and clear in every respect, but while we admire Your Excellency for it we cannot overlook what has been stated by the hon. the Colonial Treasurer—our financial wizard. As I see it, sir, even if things become normal by the end of next year we will have completely wiped out our surplus—with a deficit of 2½ million dollars met already and one of 3½ million dollars to come. I therefore cannot agree with the hon. Member for North Western District when he says we would have no deficit because we have a surplus of \$7,000,000. A surplus and a deficit in actual revenue are two different things; one is a saving which has been put aside, while the other is a shortage of revenue as against expenditure. I would be the last person not to agree with Your Excellency in saying that we do not want to go backward but forward, but we can only go forward if we have the means to do so. We cannot go forward with a falling revenue and according to the Budget Statement for 1946 we can expect our revenue to fall off considerably. I think the revenue from bauxite will be a very large item which we shall lose. It will figure to some extent, but will not be anything as high as what Government has been receiving in the last few years. I do not know what the position would be with regard to excise duty on rum, but I hope it would not decrease. Our estimated expenditure would probably be exceeded, however, and it seems to me that Government ought to say what is going to be the revenue for the year and try to keep our expenditure within that revenue. All that Government says is that "X" is going to be expenditure and the revenue must try and get as near to "X" as it can. I think that any businessman would go about it in the other way and that in effect we should cut our coat according to our cloth.

We have during the last few years assumed a sort of neutrality—I do not say we want Hitlerism or fascism—with regard to our expenditure, with the result that it has been growing unnecessarily. I think there are many cuts that we can make, and while Your Excellency stated that if we cut we should slash right, left and in the centre, I do think we can take small bites. I do not think we should slash, but I think we could make cuts which would save several hundred thousand dollars, with little effect on any one section of the community. Subsidisation is one of the items we could deal with. I think it should go entirely and that would result in a saving of \$1,000,000 right away. I am not going to deal at this moment with the various social and agricultural services that may be cut because those would be dealt with as the heads come up, but I feel that so far as we possibly can each case of expenditure that is not of an essential character should be cut. Your Excellency has asked why should we be pessimistic about it, but I cannot imagine where we would get all the revenue from next year in order to meet this expenditure. What I feel about it is that if you accustom people for a long time to a certain standard of living and you suddenly say it must cease, the dissatisfaction is going to be very much greater than if you say to them “we have not got as much as we used to have and therefore we have to cut down to some extent.” I think that if you break the news to them gently like that, they would feel it far less than if you cut everything suddenly.

What would happen at the end of 1946 if our revenue is not as much as we anticipated? The deficit would be enormous and then in 1947 and 1948 hard times might really begin to set in and revenue might run down to \$7,000,000 or \$6,000,000. In such a case how can we possibly carry out all the financial obligations we have. I

think it should be remembered that when a lot of this expenditure was undertaken during the last three years, none of us knew when the war would have been over. We knew that during the war revenue would continue to be high, but no one knew that the war would have come to an end in 1945 causing revenue to go down rapidly. I feel that during 1947 we are going to have a considerable drop. I do not want to be a prophet, but I want to warn Government that in 1947 we are going to be a far way out from \$7,000,000 or \$8,000,000. If our expenditure amounts to between 12 and 13 million dollars a year how can we possibly meet it? If I may say so with every respect, Your Excellency has been in this Colony at a period when revenue has been plentiful. I do not suggest that you have had an easy time, but so far as cash is concerned you have certainly had an easy time as compared with the years when the late Sir Gordon Guggisburg was here. He came at a time when it was necessary to go through the Estimates and cut, not with a knife but with an axe. It was done then, and one wonders how it can be said now that it cannot be done. The salaries of Government officers were cut, public services were considerably reduced, but it had to be done because we were in a state of financial embarrassment. Your Excellency may not be here but I think that in 1947 and 1948 we are going to find ourselves in the same state of financial embarrassment. Many of your executive officers may not be here. I see the Colonial Secretary and the Colonial Treasurer smiling.

The COLONIAL SECRETARY: I am not. I am thinking that Members always say “Cut Government officers’ salaries.” They never say that they will put their hands into their own pockets and raise taxation.

Mr. HUMPHRYS: I am going to suggest a very good way of raising taxation from Government officers.

The PRESIDENT: But not from others?

Mr. HUMPHRYS: Yes, from others too. I want them all in the same line. I will show how it can be done. I see the Colonial Secretary and the Treasurer smiling because they do not think revenue is going to fall off to such an extent. We should take this budget and these estimates in the most serious manner possible. I am not suggesting that we should make unnecessary cuts just for the sake of cutting. I am not suggesting that taxation should not be imposed in some directions simply because it would hurt somebody's back, but let us see whether we cannot reduce expenditure and to what extent we can raise taxation to meet expenditure that is absolutely necessary.

A great deal has been said and more will be said as regards insurance allowance to the limit of one-sixth of a person's income in regard to income tax. I consider that it would be unfair to those persons who have insured on the strength of an allowance of one-sixth of their salaries. Insurance companies will be dealt a very severe blow because not only would they lose policies now in force but the tax on their income is to be increased from 5 to 10 per cent. That, however, is a proposal to be considered if and when the necessary legislation comes up for consideration.

As regards an individual not being allowed one-sixth, and being limited to \$700, I consider that not only unfair but in the nature of a fraud, because the only persons who insure to any great extent do so because they have no pensions to look forward to. I do not think I am wrong in saying that Government servants do not insure very heavily, and the reason that they do not is because they have pensions coming to them at the end of their service. I say it without fear of contradiction that on every possible occa-

sion I have endeavoured in this Council for the last 14 years to protect Government officers as far as I possibly could, not only as regards salaries and pensions but working conditions generally. I am not trying to get at them for one moment, but a couple of days ago a businessman asked me on what is a Government officer's pension based? I said it was his service, and he replied: "But they tell me it is really deferred salary—that he should have been getting more salary." If a Government officer's pension is based on deferred salary then surely the fairest thing would be to work out what rate per \$100 is that deferred salary, add it to his salary and tax him on that. For instance, if a Government officer's salary is \$400 per month, and of that \$50 per month is deferred for his pension, then he should be taxed as if his salary was \$450 so as to bring him into line. That would be the most equitable way of dealing with the matter if it is Government's intention—and I hope it is—to treat everybody alike. The Colonial Secretary remarked to me just now that we are always going for Government officials' salaries and not putting our hands into our own pockets.

There is no one in this Colony who does not think that income tax is very harsh, but we know we have to pay it and we try to pay it as cheerfully as we can. What I want to get at is treatment of everybody on the same basis. Government's attempt to rope in the smaller incomes is not only justifiable but right and equitable, because although there will be little to get from each of them the number who will have to pay will be considerable. I do not know whether the Labour Members appreciate it but a large number of the labouring class of people will be affected because many of them get over \$40 per month and they will have to contribute a little bit to income tax for a

change—an experience which is strange to them. Income tax, they say, has nothing to do with them because they are poor labourers, but if Government's proposal goes through it will touch many of the labouring classes. People in Water Street and labourers elsewhere have been earning considerable wages during the last two or three years, and if their rates of pay continue they will have to contribute to income tax. I consider that part of Government's proposals is sound, and I will support it although it will involve those who are at present paying income tax.

I am appealing to the Council on the question of the allowance in respect of insurance, and I am doing so not only on account of the fact that a great many people have insured on the strength that they would be afforded an allowance of one-sixth of their income, but have been allowed that since the inception of income tax in 1928. I think it would be a bad thing for the Colony as a whole, because the insurance companies would be hit by the lapsing policies. There is no doubt that if expenditure is necessary then revenue has to be found to meet it, but at the same time one must try to be equitable in obtaining that revenue.

Your Excellency is a great believer in direct taxation. So am I, but I believe still more in indirect taxation. There are many things in this Colony in respect of which the poor man should pay a little bit of direct taxation, but I think it has been the policy of Government to exempt him from direct taxation. I am referring to small things because they very often have big endings. I believe that a great deal of direct taxation could be collected from donkey carts, mule drays, and other animal drawn vehicles. A short while ago, on the proposal of one hon. Member—(I think it was the hon. Member for Western Berbice (Mr. Peer Bacchus) — the tax on bullock

carts was removed, the idea being that those carts were to be used only for transporting padi from the fields and rice from the factories to the railway stations.

Recently I was on the Corentyne Coast where I saw vast numbers of those carts being used on the public road transporting furniture and other things. A complaint was actually made to me by a lorry driver who said that that was going on all the time while other vehicles were paying heavy licences. If bullock carts are being used for that purpose Government should do something about it. The tax should either be re-imposed or instructions issued that on no account should bullock carts be used on the public road. They destroy the road as much as any other vehicles do, and all the time no licence is being paid. Much the same thing applies to donkey carts. I think a very small licence is paid on them, while the profit made by their owners is not at all inconsiderable, but the mere thought that the owner of a donkey cart should contribute to the revenue of the Colony is abhorrent to the people.

Social services are not only for the big man but also for the benefit of the small man. Why then should the revenue to provide those services be taken out of the pockets of one class of people? As long as taxation is felt by every taxpayer to be equitable in its incidence these complaints cannot be listened to. I quite agree that he who has more should pay more, but he who has little should pay a little. If that policy is adopted by Government and our taxation laws are revised so that revenue can be got from everybody who can be taxed, and we cannot get sufficient revenue, by all means Government should increase the rates of income tax. There comes a time when taxation reaches saturation point, and when that happens we have to cut down our expenditure.

In conclusion I wish to say that I very much appreciate the exposition of the position given by Your Excellency yesterday, and while I thoroughly understand all that is in your mind I nevertheless feel that I cannot be optimistic over the present position. I feel that we are heading dangerously near the rocks. I think that in 1947 or 1948 we are going to be right on the rocks, and it is no good continuing in a fool's paradise. Let us face the position that revenue is going to drop, and that we cannot receive in the post-war years what revenue we collected in the war years. We must therefore cut our services and our expenditure gradually. I would be the last to suggest that there should be a cut in Government officers' salaries. No doubt the Colonial Secretary is highly delighted to hear that. I do not want to see a recurrence of what happened after the first World War when there was a 10 per cent. cut on civil servants' salaries.

As regards the war bonus I think that is a matter which this Council should seriously consider. It is not a part of their salaries, and the question is whether it should not be taken off or reduced. These matters will come up one by one, and I can assure you it is in no carping spirit that I make the remarks I have made. I think every Nominated and every Elected Member wants to help and is prepared to help, but we do not want to rush into a state of chaos and what would lead to the destruction of our finances if we are not careful to see that we do not go beyond our limit.

Mr. C. V. WIGHT: Sir, I think you should be complimented on the very frank and lucid exposition of Government's policy in your speech yesterday. The Colonial Treasurer should also be congratulated on having thrown a ball for us to kick. It was a bold Budget statement which he presented, and I feel sure that in

presenting it he did not for one moment contemplate that everything therein stated would be accepted and would be palatable to this Council. No doubt he expected criticism both from the expenditure point of view and the revenue side. He took the bull by its horns and presented that statement so that we could realize where we are now and attempt to visualize where we would be in 1947. I have some diffidence in expressing the view which I feel sure will meet with majority support, and perhaps strong minority opposition. That view is this: that while Your Excellency has outlined your policy as Head of the Administration, the question is whether you will be permitted by the Colonial Office to remain to see that policy carried out. You have had to carry out that policy of this Government through arduous years; the years ahead will still be arduous. Are you going to be permitted by the Colonial Office to carry that policy through? I support the policy of Government but I feel hesitant in doing so *in toto*, unless some assurance is given that there will be continuity of that policy. It is quite easy for the Colonial Office to say that your policy will be continued, but when another Governor comes he may reverse that policy without any idea of what was behind it, and without any idea of what he is going to do in the future. That is the fear I have, and I think we need some assurance as to whether your policy will be continued or not.

We have several colonial development projects which are to be taken in hand, and in this connection I am going to cross swords with you, sir. We are to obtain certain sums of money on that account, but I do not think we will obtain a fair share of the amount of money allocated for colonial development. I think there are others who will be preferred. Be that as it may we must anticipate a proportionate share under the Colonial

Development and Welfare Act, and we thank the U.K. Government for granting us such sums, but we have to bear the recurrent expenditure. The question of revenue and expenditure as portrayed in the Budget statement needs some keen attention; it does not need complacency. Everyone of us anticipates that there will be keen debates and keen combing of our expenditure during the consideration of the Estimates, but because we anticipate a little difficulty in a couple of years hence are we going to chop and cut our expenditure on public services or are we going to continue to make a determined effort to carry out our policy of development? Why should we be pessimistic and anticipate that in 1947 our revenue is going to flop right down, and that we will fall short by four or five million dollars? Why anticipate that there will be no development? When we get on the rocks in 1947 that will be the time to get down to bedrock and make the necessary cuts in order to balance our budget. We are all gamblers but we have never been given full opportunity to gamble with our reserves. We should now take that opportunity, and with those ideals ahead, if Government can anticipate very favourable progress with our development schemes, why should we anticipate that in 1947 we may find ourselves on the shoals?

With regard to the general question of taxation I think that if certain persons are roped in and are made to pay even a dollar in direct taxation they would be made to feel that they have some direct representation. As soon as they realize their responsibilities they will pay it cheerfully if they have the interest of their country at heart. There have been suggestions that in regard to income tax there will be no allowances except for families and dependents. I feel sure that Government's revenue proposals can be expanded. There are several other methods of raising taxation. One hon.

Member suggested a tax on newspapers. I do not know whether the B.P.I. is considered a newspaper. There are several sources of taxation. For instance there is considerable speculation in properties, but what do those inspectors contribute to the revenue? They do not even contribute to income tax. That is one of the avenues we can explore. We have a representative body of opinion in this Council. I hear certain hon. Members say that this Council does not represent the people. I consider that we have a very representative cross-section of the community in this Council, and I feel that if we put our heads together we could control our expenditure and also the policy of Government. This is not the time to create unemployment. This is not the time to reduce the personnel of the Governor's staff as one hon. Member suggests.

Mr. JACOB: I rise to a point of correction. I never suggested the reduction of the Governor's staff. I opposed the increase of the vote.

Mr. WIGHT: The hon. Member suggested the vote should not be increased. Does he suggest that officers in the Governor's office should not get increments?

While on that topic I would ask what is there that we can find to cut at this moment? Only a few months ago we increased teachers' salaries and also increased the basic rates of pay for certain employees in the lower branches of the Service. All of that is some direct benefit and contribution to the country's progress, although some people thought that increasing teachers' salaries was a political move. Are we going to expand our educational policy and pay our teachers nothing—only paltry salaries? I do not agree entirely that Government's revenue proposals should be extended and that further benefits could be derived from income tax as it affects the Fire Insurance Companies. I think we have two

or three companies that are very big and they stood up against very considerable loss owing to the recent fire.

The COLONIAL TREASURER: I think the hon. Member is going off the rails. The proposals affect life insurance, not fire insurance.

Mr. WIGHT: I quite realise that. One of the Fire Insurance companies has stood up to a very devastating fire. I want to see the local companies continue to expand, and it would be pleasing to see them with branches in Canada, Australia, New Zealand and elsewhere. Why should we start to hamper these lending companies by taxation? We did that to the tobacco industry and we should not repeat any such mistake. I think hon. Members have already seen what is possible with other industries such as the match industry and there is also the question of expanding minor industries. It has been alleged that the Minor Industries Committee has done nothing, but they have expended more than \$15,000 in assisting various people, and a Message is expected to come before this Council shortly asking for a sum of \$100,000 in order to extend the work. The Committee is, however, not prepared to give money to speculators. One man got some tackling and wanted Government to lend him \$10,000 or \$15,000 to go in for fishing when he had no experience in it. Surely that is not what the Committee is there for. Some hon. Members seem to have faith in the Committee, but we should not attempt to develop without a programme—one which would help us to determine what industries we should expand—and I hope this Council will support the Committee with funds to the extent of \$100,000. I also hope that hon. Members are going to support Government's policy in this matter. We might not get full benefit for the money spent, but what do we care when our interest lies in this Colony?

Hon. Members should think about service without financial reward, and really endeavour to place this Colony where it should be. We have a small community, but not a small country in area. We have not got an island but a large undeveloped territory, and while little or no attempt has been made to develop it in the past, I think I can say that some attempt is being made now.

There are other suggestions with regard to the revenue situation which would be forthcoming, I think, when the proper time comes. I think that if Your Excellency and the Colonial Treasurer could meet hon. Members at a meeting on Tuesday next—however informal that meeting might be—it would serve a useful purpose. We do not expect that it will shorten the debate on the Estimates, for some hon. Members would still get hot under their collars and say things like: "I am doing my public duty and not talking hot air." Some hon. Members seem to think that they should do all the talking and get all the praise they could, and some are even prepared to say "I am going to talk and if the newspapers do not report me with 10 columns I am going to threaten them because I am not going to be returned by my constituency." I think one of the newspapers—the *Daily Chronicle* has actually suggested how the debates should be carried out—that Members should realise that mere repetition was not eloquence and could have no weight.

Certain hon. Members wail that the Public Works Department is no good, but are we to be told that the whole year? We should get down to basic facts and show a little initiative, following the policy advocated by the *Daily Chronicle*. I repeat that I should like some definite assurance as to whether there is going to be a continuation of the policy we have had during the last two or three years, or whether we would have any swopping of

horses in mid-stream. In the latter case, the whole thing would collapse and the collapse would be from the other side.

Mr. THOMPSON: Sometimes one delays and finds someone else stealing his thunder. I came to this Council yesterday prepared to suggest that we meet in Finance Committee so that we could have something definite to go upon. I am sorry to say that the experience I have had in the meanwhile has not been worth-while, so far as the debate is concerned. Some Members seem to think that we come here only to quarrel with each other. The last speaker referred to the question of wasting time, but I have to thank the hon. the Colonial Treasurer for preparing this Budget which is now before us. He has told hon. Members in no uncertain terms: "Stop your hot air and give me something to go upon for the progress of the Colony." That, I think, is our purpose here, and I do hope when we meet formally that we will restore—if it is not there at present—that mutual confidence which is so necessary to bring us success. I do not entirely agree with all the items in the Budget, but I am never a pessimist. I always wear an optimistic face and I am satisfied that if we roll up our sleeves we will bring ourselves out of what is regarded as chaos by some hon. Members.

I do not feel alarmed at all over this question of subsidisation. I feel that the item should go clear over or nearly so. Hon. Members would remember that when we had a severe shortage of flour our people rose to the occasion rapidly. The "Grow More Food" campaign was brought in and it worked very successfully indeed, since we grew nearly everything that was required for local consumption, and there were very good results from all sources. Now that the war is over, produce is being brought in from outside sources again, with the result

that we have a mill which cost a lot of money but which is not being used for the preparation of foodstuff from locally grown products. I think it is time that we begin to make use of this Pilot mill and instead of sending excess products to feed pigs they should be made into flour. Let us try this mill out and let the people help themselves. We have seen houses springing up in various parts of the country and there is evidence that the people are really willing to help themselves. In the case of the poor farmer with his donkey cart, I think his licence should be reduced and if he has to pay any further licence he would not be able to see his way out. I cannot see anything wrong in allowing him to use his cart without a licence and I will heartily agree with such a proposal. There are many sources from which we can get more revenue than we would get from licences and I do hope that when we meet informally suggestions would be put forward that would help us out of the hole.

It has been noticed that the Agriculture Department has been doing a reasonable amount of good work within recent times. The Department has been sending around corn grinders in order to encourage the people to plant corn and that sort of thing helps considerably. When it comes to the question of labour, we have to help the people because most of the industries are being mechanized at the present time and that refers particularly to the sugar and the mining industries. I think it is time for us to try and set up a few mills in the interior and use machinery that could handle trees without the large amount of manual labour that was hitherto necessary. We could get expert advice and help in that direction—for the opening of a new industry which would help us to keep our coastlands going. There would be ready sales in a large market for our timber and these things would

certainly assist in bringing more revenue to the country. I say again that when we meet informally in Committee, I hope to be able to make some suggestions that would help this country onward.

Mr. JACKSON: Sir, this is a difficult question which we have before us today and it is as important as it is difficult. If I was responsible for this Budget Statement I should have felt exceedingly pleased at the turn events have taken and I think His Excellency the Governor and the hon. the Colonial Treasurer who are partners in this business ought to feel proud that they have produced a Budget statement which has called for so much comment and so much criticism adverse or otherwise. I think that if a Budget Statement was produced and everybody just said "yes" to it, then it should be considered that those who produced that Statement had not done their duty and had not come up to expectation. The hon. the Seventh Nominated Member (Mr. Thompson) is an optimist, he says, and so am I. I have a very firm belief in the future of this country and I have no doubt that if we were to face the facts and put our shoulders to the struggle, we shall, in the end, come out victorious. I am not an accountant and am not in a position to offer any solid criticism on the construction of this Budget statement, neither can I say that I agree *in toto* with all that has been said in it, but I look upon it as a free and frank statement of what we have to face, of the possibilities before us, and also of the sources from which we may be able to draw sufficient funds to help us in this great and difficult task.

I do not for the moment suggest that anything should be taken out of the proposals or that something should be added to them, but I think that calm and dispassionate consideration of them as suggested by His Excellency the Governor would do a great deal to brush away the cobwebs and clarify the

position. I do sincerely trust that we would get something out of the informal meeting when it is held. Yesterday afternoon, one hon. Member remarked that he was not in favour of these informal meetings with His Excellency the Governor in attendance, because Members were afraid to say what they would otherwise have said—if His Excellency had not been present. I do not think that hon. Member who himself is a free lance is right in thinking that other Members would not do what they consider to be their duty at an informal meeting as at any other meeting.

There is no doubt that there could be modifications in the suggestions put forward in the Budget Statement and, as a matter of fact, there may be additions as someone has suggested. There are, I believe, several other ways in which we might increase our revenue. For instance, I think the time has come when we might put a tax on bachelors. I do not think anyone can reasonably object to that; we know that **their** commitments are not as large as those of benedicts, so why shouldn't they pay something for their single blessedness—I wanted to say cussedness. I sincerely trust that at the informal meeting to be held we would be able to go into the proposals and suggest modifications which would contribute towards bringing the Budget up to mark and satisfy the majority of hon. Members at least. I quite agree with the holding of an informal meeting and if my congratulations are worth anything I shower them on His Excellency the Governor and the hon. the Colonial Treasurer.

Mr. PEER BACCHUS: Sir, the Budget Statement as I see it forecasts a deficit and for that reason I think criticisms have been levelled against it by almost every hon. Member in this Council. I do not think, however, that any of the critics has expressed surprise that there should be a deficit during this transition period. I think most of us expected a deficit

during this period and that the criticisms more or less expressed fear of the future—that if provision is not made to meet the expenditure that has been incurred during the war years, it is doubtful whether the financial position of the Colony would remain in a healthy state. I am not a pessimist, but if I am to be optimistic I would like to have some reason for being so.

At present I can see no reason for feeling confident to any great extent that the Colony would be able to withstand this growing expenditure, unless we endeavour to increase our revenue in some form or the other. The only thing I could think of for helping the Colony's financial position to remain at its present level if not increased, is the completion of some of the development schemes which Government have in hand — schemes that would be of some economic value. So long as these schemes are delayed so long will the Colony be burdened with a certain amount of unproductive expenditure, because if they are not completed they would not be able to bear their own maintenance cost. In that respect, I refer particularly to the drainage and irrigation schemes. These schemes are fitted into a programme originally intended to last 20 years, but now that hostilities have ceased we might soon find it easier to get the necessary machinery from abroad and therefore it should be possible to reduce the period during which the schemes should be completed. It is my firm belief that these schemes would be a salvation to this Colony and, as I have already stated, the longer they are delayed the longer would we have to bear the strain of increased expenditure.

I do agree that certain items in the Budget might be reduced. As regards subsidisation, however, I do not think that a single ha'penny should be struck off from it. It is an item which I supported from the

inception, guided by expert advice. I am convinced that subsidisation would prevent inflation during the post-war period and I intend to support it more especially to test the advice of our financial experts. As regards Emergency Measures, I had not the privilege of seeing the list but I hope to secure a copy from the hon. the Colonial Treasurer and I think that in going through it we would find that there are certain items we can very well strike off for next year. As regards the question of bonuses, I think we should also go carefully into it and that something should be taken off because it was a war measure. That brings me to the point of considering whether Government are consistent in their proposal to enact legislation for lessening the allowance to be made in the case of income tax.

Government in its discretion has decided that war bonuses should be continued next year, but on the other hand we find Government proposing to reduce the allowances in respect of income tax in order to rope in the very employees who, it thinks, should still receive war bonuses. What does that amount to? It means giving with one hand and taking back with the other. I would prefer to be consistent. I would support a reduction of the bonus and delay the lowering of the income tax allowances until such time as such a step would be justified. I am paying income tax and it does not matter to me whether I have to pay \$240 more, but it would mean quite a lot to those persons who have not been paying income tax to tax them on the war bonus they are now receiving. I consider that very inconsistent. If Government thinks that those people are in a position to pay income tax it should withdraw the bonus.

One of the Departments we will have to go into very carefully is the new Social Welfare Department. For one to consider the welfare of another

he should be faring well himself. If the Colony is in such a financial position that it has to reduce even necessary services one has to think a hundred times before he considers favourably any measure concerning the Social Welfare Department. As soon as the various development schemes are completed we will begin to see improvement in the economic position of the Colony and the social amenities of the community. My observation is that as soon as a person is able to earn something more he seeks to secure a little more comfort for himself. The success of the welfare projects depends upon the economic standard of the community. I know that most of the welfare measures are being financed by grants given for five years, and that after five years the Colony will have to bear the expense of those measures, but unless the economic standard of the community is improved during that period we would not be able to maintain those projects. It would mean a waste of the five-year grant from the Imperial Government. For that reason I am urging Government to expedite the completion of the development schemes by getting the equipment and machinery necessary, so that we might reduce the period by half.

Mr. LUCKHOO: I have just whispered to a colleague what I think we should do about this particular question. I have thrown out the suggestion that the Elected Members might meet and discuss the Budget Speech and examine the review Your Excellency gave yesterday. I was not here but I had the privilege of reading your comments. I think we should be given an opportunity to consider the matter in all its phases and arrive at some definite conclusion. It is no use expressing the views I have heard today without something constructive being put up to Government as to how we can meet this huge expenditure we are about to face. The hon. Member

for Eastern Demerara (Mr. Humphrys) has made remarks which deserve serious consideration. I have nothing to put forward by way of opposition to Your Excellency's suggestion that Members should meet you in an informal manner, but I would like the Elected Members to meet and discuss the matter before we take advantage of Your Excellency's kind invitation.

Mr. WOOLFORD: The suggestion which has just been made by the hon. Member for Eastern Berbice (Mr. Luckhoo)—it has been made before—is one which I would like to see meet with ready agreement, but more than that—with some result. From time to time I have listened here to a comparison of the proceedings of past legislative assemblies in this Colony, like the Court of Policy and Combined Court when we met in combined session. As one who first joined the Combined Court in 1910 I should like to say that however conservative some of the Members of the old brigade may seem to some Members to have been, when the Governor delivered his annual address in this Chamber in those days the Elected Members found no difficulty whatever in meeting together, not only on one day but on several days to prepare their reply to the Governor's speech. Government's policy, as outlined in that speech, was carefully considered, and a written reply was prepared. It was then the duty of the Senior Elected Member to produce the reply. If you look back at the records you will find that in that reply if criticism was needed it was respectfully made. Therefore Your Excellency must not attribute what appears not to be a desire on the part of the Elected Members to meet under such conditions, to hesitancy on the part of Members like myself and the last speaker, to take part in proceedings to which we have been accustomed. You will find that the practice, if resumed, would be a very great success.

I am one of those who deplore the cessation of the meetings of the Finance Committee. We started very well, and in my judgment the attendances were far better than in the Legislative Council itself. I know that Your Excellency found some difficulty in securing the attendance of Members when a very important matter was being discussed, but when we met and discussed the estimates, in my view the discussion was not limited or curtailed. I have presided and the Colonial Treasurer has presided at Finance Committee meetings. Your Excellency has also presided on several occasions, and I do not remember any Member refraining from criticising you. The hon. Member for North-Western District (Mr. Jacob) is not capable of doing that: he was the principal speaker. I do not see any modesty in him at all, either in private or in this Council. Therefore when he was the chief objector to the meetings of the Finance Committee I could not understand him, except for the reason he gave himself -- that he felt that whatever his remarks were they were not reported. Well, something can be said for that. Some Members like to have their comments broadcast, and there are others who do not so long as other Members of the Council hear them.

Mr. JACOB: I rise to a point of correction. I have no objection whatever to my remarks not being reported. In fact I wish the newspapers would not report me, but I do wish my remarks to be recorded in Hansard. Whether the hon. Member believes that I want my remarks broadcast or not I am not concerned. As a matter of fact the newspapers report me wrongly almost every day.

Mr. WOOLFORD: What I am saying is perfectly right. When the hon. Member announced his intention to discontinue his attendance at these meetings he plainly stated that he

wanted his remarks to be put on record, and he was quite right in repeating those remarks from his seat in this Council. Because the hon. Member continued to absent himself from the meetings of the Finance Committee is no reason why those meetings should not be held again and start almost immediately. I am quite sure that Members get a lot of information by attending those meetings, and that a lot of criticism made here from time to time was uninformed because, through lack of attendance at those meetings, Members did not know the policy of the Government. As an old Member I think that the proceedings in this Council have been very much better since those meetings were held.

There is another feature of the debate to which I would like to call attention. When I joined the Combined Court in 1910 I made certain suggestions regarding direct taxation for which I was severely criticised by the older Members for having dared to suggest new imposition of taxation. As a result of that I lost my seat at the next General Election, but I held then and I hold today that it is within the power of any Elected Member to make suggestions to the Government for the raising of taxation. It is on record that I submitted certain proposals, one of which was the introduction of income tax. I lived to see Mr. Clementi, then Colonial Secretary, (the budget was then presented by the Colonial Secretary and not by the Colonial Treasurer) rise from his seat and quote from the very document I had submitted. So that I have more than a nodding acquaintance with the question of income tax, its history and incidence, its good and bad effects. I belong to the higher income class, and I say it publicly that I have never found it convenient to pay my income tax when it is due, which is on the 10th of December. I know of course I can ask for time to pay it, but it only illustrates

what a man in my position suffers. One has to maintain a certain standard of living, and unless you are a miser—and I can never hope to be one, and there are others like me—the cost of living in this Colony is tremendously high. When His Excellency the Governor of Barbados told you, sir, about income tax rates in that island you should have reminded him that the import duty in Barbados is about one-third of what we pay here.

The PRESIDENT: Have you got the figures?

Mr. WOOLFORD: No, sir. I am speaking from recollection and a very good one. I am not positive about it, nor am I saying that my statements are incontestable, but I know there was a time when the Customs duty in Barbados was 10 per cent. It is not very much more now. The fact is that the cost of living in Barbados is very much lower than it is in this Colony.

The PRESIDENT: I have a letter from an officer in the Comptroller's office, who was formerly in this Colony and is receiving a very much higher pay in Barbados, and he complains that he cannot make both ends meet. In this Colony he was able to live on a very much smaller salary. I am incredulous about these loose statements. Everybody makes them. It is difficult to believe that the cost of living is higher here than it is in Barbados.

Mr. WOOLFORD: I am speaking of actual knowledge as seen in print. Whether the Customs duty has been recently altered in Barbados I do not know. The statement I made is that it was once 10 per cent. I have never heard of any alteration, but at that time our Customs duty was 33¼ per cent. Someone must tell me that I am wrong.

Mr. JACOB: That is not the Preferential Tariff it is a General Tariff.

Mr. WOOLFORD: The bulk of our importations in the days of which I speak came from the United States, so that the cost of living must be increased. Do not let us go into details. My answer to Your Excellency's statement about the income tax rates being higher in Barbados is met by the rejoinder that the cost of living is lower. It must be borne in mind that in Barbados the cost of living to a visitor is quite different from what it is to those who live there. For instance, if a stranger went to the Barbados hospital for surgical treatment a private practitioner would be allowed to perform the operation, but his charge would be exactly double the sum a Barbadian would have to pay. In the case of our Public Hospital it will be found that the expenses would be about one and a half what one would have to pay outside. I give those instances only to show that on the surface it is perfectly clear to anyone who goes to Barbados that the cost of living there is not as high as it is here.

In the days of which I speak all manner of proposals were made by Elected Members in Committee of Ways and Means for taxation. I do not know that there was anything wrong in that, but if a Member of this Council now hesitates to make suggestions as regards taxation it is not because of fear of the Government but fear of an unenlightened electorate. The people of this Colony should learn to recognize that it is a part of the duty of an Elected Member of this Council not merely to discourage Government expenditure, or not merely to reduce it, but to suggest alternatives in the case of revenue proposals. It must not be said by the electorate that they did not elect Members of the Council to suggest new avenues of

taxation. It must be appreciated that Members of the Council are always up against that difficulty.

I hope Your Excellency will find it convenient to preside at meetings of the Finance Committee. I do not like to preside because I am not sufficiently well informed on some of the items on the Estimates. I think the Finance Committee has its use because it gives a Member a better understanding of what is intended. He is able to make a quick decision, and in this particular month, for example, as long as Government has the approval of the Elected Members of the essential items, the other items can be got through quite easily. It is a bad month, and I agree that we need to hurry on with the budget. As long as Government gets the approval of the majority of Members in the Finance Committee Your Excellency can allow Mr. Jacob and Mr. Edun to give expression to their feelings and to speak as often as they wish. Let us meet in Finance Committee, but I would be glad if Your Excellency would preside. I think we would be able to get through a good many items in much shorter time than if we sat in Council without having considered the Estimates in Committee. I make the suggestion and hope that it will be accepted.

The COLONIAL SECRETARY: When Members of this Council desire to reduce expenditure I would like them to realize the position which always faces Government in framing the budget and estimating expenditure. The hon. the Sixth Nominated Member (Mr. Roth) remarked that there was nothing easier than spending other people's money.

Mr. ROTH: Somebody else said so. (laughter).

The COLONIAL SECRETARY: Well, the hon. Member told us what somebody had said to him—what the policeman said. (laughter). I want to point

out that since I have been in this Colony Government has been pressed from every possible source in the country to spend money—by the people, the newspapers, the Chamber of Commerce, and by Members of this Council. For example, in the recent debate on the question whether a Committee should be appointed to go into the question of the wages of the employees of the Public Works Department I endeavoured to point out that Government had already done a tremendous lot in increasing the wages of the lower paid employees. I quoted as an example something like \$90,000 for the nursing and other staffs of the Medical Department. One hon. Member said he thought I would have said \$900,000.

The hon. Member inferred -- if I read his mind rightly—that \$90,000 was a mere flea-bite. He also said—I was present at a meeting of the Georgetown Chamber of Commerce. I had just returned from England and the first thing they said to me at the Chamber was: "what is Government going to do about an aerodrome for Georgetown?" I said: "I have not got the papers on me and I cannot give you an answer today, but where is the money to come from?" They said: "Don't worry about that, we can borrow it from the Imperial Government—this Colony can pay—if you cut down the Government Service this Colony can pay." I have got a very bad memory for figures, but—although I have to say it myself—I have an excellent memory for other things and I think I am about right in saying that the capital cost according to the original estimate for the Georgetown aerodrome is between \$4,000,000 and \$5,000,000.

The PRESIDENT: Over \$4,000,000.

The COLONIAL SECRETARY: That estimate has been substantially reduced owing to a new proposal, but no one knows whether that proposal is workable.

I think all the people must realize that if we are going to have our Georgetown aerodrome it is going to cost a terrific amount, and yet members of the community in pressing for curtailment of Government expenditure do not hesitate to press Government for the immediate building of an aerodrome in Georgetown. I give that just as an illustration. I can go on and on giving instances of Government being asked by Members around this table to spend money uneconomically on things like taking over the Berbice High School, paying higher salaries to our engineers, and so on. I quite agree that we might pay the higher salaries referred to, but by doing these things we would be weighing up the Budget.

The other point I desire to make is that judging from what hon. Members have said, the consensus of opinion seems to be against the continuation of subsidisation. I have no very strong views to express on that point, but one hon. Member has suggested that all commodity control should be abolished immediately as suggested by the Chamber of Commerce. I just want to point out and, maybe, let it remain on record that Your Excellency has issued a statement and answered a letter from one hon. Member that when commodities are in plentiful supply then control of those commodities would be abolished, but not until then. Any hon. Member who gets up and says "Abolish commodity control", is doing the worse disservice to the people he professes to speak for. When a commodity is in short supply, if you have no control it is only the man with a long purse who gets any and this very control that the hon. Member wishes to abolish is the fairest, the best and the most proper method of ensuring equal distribution of a short-supply commodity. That is the only point I wish to make.

The COLONIAL TREASURER: It is not customary for Government when it produces a Budget to reply. It gives

an opportunity for hon. Members to go through the very wide range of subjects and it is usually quite impossible for the reply to deal comprehensively with all the complaints made. There is another reason why I would not speak at any great length and that is, of course, I feel sure that all hon. Members realise that the very comprehensive exposition which Your Excellency gave at the beginning of this debate has, in effect, answered all the points made in advance. For that I am particularly grateful to Your Excellency because I certainly could not have done it in anything like the way Your Excellency did. There are, however, just one or two points to which I should like to refer. The hon. Mr. Edun and I think, the hon. Member for Georgetown North who is on my right, made some remarks which have struck me very forcibly indeed. Mr. Edun said in the course of his speech: "These Budget statements do not do any good," and the hon. Member on my right (Mr. Seaford) said: "Members might have expected this before." Now, with regard to my Budget statement, I do not think they are right at all. I prepared that Statement very hurriedly and I think I wrote it at night, but I had one definite object in mind, and that was to present to this Council and to this Colony a realistic picture of the facts as I saw them, endeavouring neither to be pessimistic nor to be optimistic. What I wanted to do was to stimulate public interest in the matter; I wanted to warn the Members of this Council and the public not to continue in any spirit of easy optimism as regards the future. One hon. Member has alluded to the Budget statement as "a challenge" and he is the hon. Member for Western Essequibo—that is how he felt about it. He might not have put it very eloquently, but my idea was that people should sit up and take notice of what is happening. There was no intention whatever on my part of suggesting a gloomy picture.

I have been asked by the hon. Member for Eastern Demerara about the absence of details relating to plans for the future, but I can say that there is no reason whatever on my part for not giving more space to Recurrent Expenditure, Extraordinary Expenditure and Reconstruction and Rehabilitation. We have got the money and should go ahead with plans in these respects. What I want to do is to make sure that we have a full grasp of the financial position as it relates to the future and make up our minds as to what we are going to do in order to get things going. Perhaps I should state that in July last year I prepared for His Excellency the Governor a note on the prospective financial position of the Colony so far as I was able to see it. I was not very willing to do it because, as I said, I am no prophet, but something had to be done. His Excellency was going to discuss our affairs with the Home Government and as Treasurer I had to make some sort of statement as to what the position might be later. Hon. Members would recall that at the end of that statement I suggested that what we most required was a Stabilization Fund of, I think \$8,000,000. If that is done we would have all the money we could want to meet deficits over the next five post-war years. Therefore, hon. Members should not be surprised at what this particular Budget has revealed. That statement passed unnoticed, but I do not want it to pass unnoticed at this meeting. Therefore, I think that contrary to what the hon. Mr. Edun has said, the Budget statement has done some good and more so because of the comprehensive statement with which it was supported by His Excellency the Governor, yesterday.

There is one other part of the statement to which nobody has called any attention at all. After referring to the prospective deficits, I said that questions of policy which arise during these years would require careful and

matured consideration. I did not leave it there; I went on to say that Lieutenant Colonel Spencer, the new Economic Adviser, had arrived in the Colony and assumed his duties. I would pause at this stage to express my own personal welcome to Colonel Spencer; he could not have come to the Colony at a better time. I want to say that in the course of his investigations he would, of course, review the whole of the Budget situation—past and present — and in view of what is to be done and the time it will take, those are plans which will affect this Budget and possibly all future Budgets.

As hon. Members might know, Colonel Spencer intended during his stay in the Colony to devote the most of his time to investigating the question of direct and indirect taxation. He would be able to see what people are paying and what each social group should be able to pay. Perhaps he would find that it is the people in the middle class who very happily pay indirect taxation, when we consider the facts of a public investigation and the evidence given by landlords in the City. Colonel Spencer would be asked to make recommendations and they will be laid before this Council in the course of time, but what I want to say about taxation—direct taxation — should not be brought about by taxing as much as we can—beyond a reasonable level. I really hope that Colonel Spencer will, with the assistance of all of us, get going with that particular matter and I am quite sure that at the end of his investigations he would be able to put forward such schemes as would make for the progress and improvement of the Colony. I repeat that there is no reason whatever for any gloom—I think that would be stretching things too far—but we must face up to the future and put matters right.

As regards the question of expenditure there are one or two further remarks which I would like to make. The hon. Member for North Western

District has criticised Government and myself because we took opportunity to put forward what he calls Cost of Living figures. Last year, he accused us of having omitted them deliberately, but this year he says we want to create a panic. Naturally, every Colony in the Empire has been finding it difficult to curtail expenditure owing to the exigencies of the war and we are in the same position. I notice that the estimates of expenditure put forward in nearly every Colony have been exceeded. The people responsible for these Budgets, naturally, frame their estimates on a conservative basis. We were always being told in this Colony during the war that we would suffer a great reduction in the volume of our imports but, to our good fortune, we did not. We got a fairly reasonable amount of goods from abroad—the United States of America and Canada came to our aid—with the result that our Customs revenue was maintained at a very high level. Much of the customs duties levied on those goods were levied at non-preferential rates and, consequently, our revenue kept up well.

Let us come now to the question of bauxite. It was absolutely impossible for any officer of Government to state what was going to be the amount of revenue payable by the Bauxite Company. As a matter of fact, the estimate of the Bauxite Company's excess profits tax and income tax gave an immense amount of trouble and it was not finally settled until representatives of the Company from abroad came to British Guiana and entered a good deal of negotiations. That enabled the revenue officers to balance the estimates of expenditure and show a surplus through excess profits tax. Instead of criticism, I think Government should have earned the gratitude of hon. Members here for not having done the wrong thing. Government did not over-estimate the revenue and that is a worse crime, if it is a crime to under-estimate revenue. I go further

and submit that if Government over-estimated a drop in current revenue it was not wrong, and if anyone says that the estimates have been disgraceful during the last three years that would not be a fact at all, having regard to the fact that we have had no complaints filed against the expenditure voted by this Council. We have been extremely fortunate that the result of our revenue stands as it is. The hon. Member for North Western District describes how he would estimate revenue for next year's Excess Profits Tax; he would look at the 1945 figures and say "We have \$3,000,000 and so I would put that figure in".

Mr. JACOB: To a point of correction; I never suggested that at all. I said that from practical experience a person in your position should estimate better.

The COLONIAL TREASURER: If the hon. Member was a Government officer and had prepared these estimates, he would have known that we prepared them as reasonably as we could. Every person concerned with this question of Excess Profits Tax knows that a memorandum of about six pages was prepared on the subject by the Income Tax Commissioners. May I tell the hon. Member (Mr. Jacob) that the figure in the estimates might increase or it might not. My desire would not be to slash, but to put it higher if the circumstances warrant it. We cannot be accurate with these figures, but there are no arrears outstanding. There were arrears which were extremely complicated and we had to get in touch with the United Kingdom authorities in order to settle them. We might get a wrong figure, but we cannot estimate without accurate information. Let us be content that we do not over-estimate revenue.

The hon. Member for Eastern Demerara is not here now, but I was a little surprised to hear the remarks made by him, when he said that the

proposed reduction in the allowance for insurance in paying income tax, would have an unfavourable reaction on the public. What is the position? I do not want to anticipate a drop in income tax, but I think hon. Members will be interested to know what Government feels. At the present time, any taxpayer is allowed to deduct one-sixth of his income for life insurance premiums. Before the war that was quite all right, but when incomes went up what did we find? Many people took advantage of the situation and if their premium did not amount to one-sixth of their income they took out single premium policies to cover the difference between what they had been actually paying and one-sixth of their income. They paid the single premium policies to be quite sure they got the one-sixth allowance. That might have been good business, but the Income Tax Commissioners feel they were not quite right. Therefore, the proposal has been put forward that there should be a deduction of one-sixth, but that there should be a limit of \$720.

Some people feel that this is going to have such a terrible effect on the public that it might bring a run on life insurance companies. Let us assume that an individual is paying \$960 per annum—the amount allowed in Barbados—for life insurance premiums and that he is allowed to deduct that amount from his income. If this particular proposal comes into effect, he would be limited to \$720 and that means he would not be allowed to deduct the further \$240. Now, what is the effect of that on his tax? Let us assume again that he is paying on the Barbados scale; the most he would have to pay is \$28.80 for a year. In other words, the cost to him would be 10 shillings per month. I have illustrated what the difference between the present and the proposed allowance would mean and no one would tell me that any individual who desires that much insurance is going to stop and refuse to take out a policy which he intended to take out, because of this

small amount of increased taxation. I do not believe for one moment that any of those other factors would prevail.

I do not want to take up the time of the Council any more, but I want to assure hon. Members that I do not think for a moment the Council would be doing a wrong thing in passing the Budget along the lines in which it is presented, with modifications of course as regards subsidisation and other expenditure with which, perhaps, you do not agree. Generally speaking, I cannot see anything wrong in our finances, provided that at the moment we face up to what the future appears to be. That is why the Budget is put forward in this way and that is why we have come forward with suggestions for an increase in income tax. I am afraid this latter proposal has given much more trouble to hon. Members than it should have done.

The PRESIDENT: The question of subsidization is not for today, as hon. Members are aware, so we could come back to it after having gone through various heads of the Estimates. I propose, therefore, that we go right ahead. I think we might take one or two of the non-controversial heads and get them finished; I would not take any head of great importance. I will, of course, take the head "Governor" along with the suggested reduction of my staff; then I will take Legislature, Analyst, and Audit; and then perhaps, Customs if there is sufficient time today. If hon. Members are agreeable to that course, I would suggest that we move into Committee and take some of those heads.

Mr. SEAFORD: I cannot help saying that it was practically a settled question that we would not go into Committee until next week, and but for that understanding certain Members who are not here might have been present today.

The PRESIDENT: That is quite true.

Mr. SEAFORD: We might also have had the informal meeting before we began this yesterday.

The PRESIDENT: The only thing is that I wanted to seize the flying moment. It is quite true that I gave an undertaking that we would not go into Committee before next week. I am quite prepared to do that, but I would like to draw the attention of hon. Members to the fact that I looked up to see what is done in England and I found that 20 days—not more—must be allowed for consideration of the Navy, Army, Air Force, and Civil List estimates. That is usually done in England—the 600 odd Members of the United Kingdom Parliament are expected to complete those estimates in 20 days—not more.

Mr. WOOLFORD: There are Standing Committees in England; the House is advised by Standing Committees and that lessens the work.

The PRESIDENT: Yes, but that is also intended here.

Mr. WOOLFORD: Then there is the difference between the amateur and the professional politician.

Mr. JACOB: As a matter of fact, in England the House does not meet for 2½ hours only; it meets for a longer period. I want to support the remarks made by the hon. Member for Georgetown North, since the understanding was that we would not meet in Committee until next week. As regards informal meetings, I was not aware of the fact that my absence resulted in the breaking up of the Finance Committee. I am sorry that my plain speaking resulted in something unfortunate, but what I want to say now is that I am not in favour of any repetition of the Finance Committee. I am wholly in favour of the suggestion made by the hon. Mem-

ber for Eastern Berbice and I support, partly, what has been said by the hon. Member for New Amsterdam—the Deputy President of this Council. The latter began by saying that in the past when we had the Combined Court and the Court of Policy, Elected Members met and decided what arguments they would adduce—whether they would support a particular Budget proposal or not.

That is the principle I would like to see re-established. I do not like these alloyed meetings—with the Governor as President, and the Colonial Treasurer and others to give explanations. I would prefer the Electives to meet and frame their policies—deciding whether we should vote “for” or “against” an item—rather than meeting informally and then coming back to this Council to decide what to do. The Finance Committee would be of more assistance to this Council if we—the Elected Members—met by ourselves. If we do not understand certain items in the Estimates, we could make a note of them and ask the Colonial Secretary or Your Excellency to explain them. It is for Members to meet and decide what they should do. They have had previous experience. Not only in Your Excellency’s regime but during the regime of Sir Geoffry Northcote and Sir Wilfrid Jackson we had those meetings at which I said it was impossible to express a free and unbiassed opinion on several matters. If I may say so, Your Excellency’s presence tends to cause Members to refrain from attending, or to come and agree to everything. That is not the proper way to do it. I must ask the Deputy President when he speaks to let us know exactly what he is saying. He started off by saying that the course adopted by the Combined Court was the best. Then he ended up by saying that the Finance Committee was the best thing. After all they are too distinct things.

Mr. WOOLFORD: I did not express preference for one or the other. What I did was to refer to the prac-

tice in 1910, which was merely a reply or a reminder of what was in existence in practice. I did not express any preference. The Finance Committee only dealt with items on the Estimate. The other meetings I referred to dealt with questions of general policy and the attitude of Members towards the Speech of the Administrator—two different things.

Mr. JACOB: At the present time I will confine myself to the opposition. Perhaps I am always in the opposition, but that does not mean that I oppose everything. Government knows that I support almost wholly the proposals in the Budget for raising additional revenue, but I am not satisfied that the proposed expenditure under the various heads should be carried through. What is more, the money is not profitably spent. That is what I wish Members to meet and decide—whether certain sums of money will be properly spent. The Unofficial Members of the Council should have an opportunity to meet and decide. It may not result in anything but I would be glad if an opportunity was given Members to meet.

Mr. LEE: I support the application on the principle that sooner or later, if we are heading towards more responsible government, the time must arrive when we will divide into Parties. It is therefore necessary that Members should get to know each other's views on the Budget. In that way we may save a lot of time by avoiding the overlapping of speeches here. I think it would lead towards the achievement of our common aim of self-government. It is essential that we meet and discuss the Budget in detail so as to know each other's views before we come into Council.

The PRESIDENT: There is not the slightest objection if Unofficial Members agree to meet and discuss the Budget or anything else, and to put up their suggestions to Government. If

you think you can do it effectively certainly do it, but my regret has been that I have referred matters like this to Unofficial Members but I have not got any results. However, let that be done. You will have the whole of this week-end to do it, but I do wish to get busy again on Tuesday.

Mr. WOOLFORD: It will be a short week-end.

The PRESIDENT: You talk about self-government and progress but you are not measuring up to it. There is a slowness of thinking and there is a lot of strain on three senior officers of Government who come here and sit for hours, and we have been sitting almost continuously since last July. It is a very difficult matter indeed to get on with the work we have in front of us—from every conceivable angle far greater than has ever existed in previous Administrations—and we must get on with it. We have some matters in addition to the Budget, and my suggestion to you is have your meetings by all means, but if you care to accept my invitation to meet me with the Colonial Treasurer I am quite sure we can, in a very few minutes, put data in front of you on several points which would be useful.

I also said yesterday that I had one very particular reason for desiring to meet Members informally on Tuesday and being able, as I expected, to put them *au fait* with certain matters which would be very relevant indeed to the future financial policy of the Government. I issued that invitation. If you do not care to accept it I shall not press it upon you. If you do not want to meet and discuss those points informally I would take the ordinary Committee stage of the Budget on Tuesday at 2 o'clock. I would like to know whether Members will be prepared to go into Committee straight away at 2 o'clock, or whether they would like to have an informal meeting.

Mr. WOOLFORD: We are all anxious to know what Your Excellency has to tell us, and it would certainly be a good precedent. That is my view.

The PRESIDENT: You do not want to have a general discussion on methods of reduction of expenditure and things of that sort?

Mr. WOOLFORD: I do not think it will be possible for the Electives to meet, at any rate on this occasion, before the Budget. I think we could have a very successful meeting in Finance Committee, and we might do so on Tuesday. The only Member who objects is the hon. Member for North-Western District (Mr. Jacob), and for a fairly good reason. Remarks or criticisms in Finance Committee are not recorded. I do not refer to the newspaper reports; I am thinking of the Hansard reports. He can achieve his object in Council. No one has accused him of breaking up the Finance Committee. Your Excellency has told me that the attendance at the meetings of the Finance Committee was very far from satisfactory, but I disagreed with Your Excellency that they should be discontinued. It was no ground for supposing that Members lacked interest. I think they manifested very great interest, and you have admitted that the Budget items were approved in a very short time. Let us try again.

Mr. EDUN: What I suggested was that Members of the Council ought to meet and elect a Standing Committee to examine all budgetary matters.

The PRESIDENT: That is just what I asked you to do several months ago, but you did not rise to it.

Mr. EDUN: The remedy is not so much with individual Members. I think that the attendances were fairly well maintained by the new Members who have joined the Council. Perhaps you will find that some of the older Members became disgusted.

The PRESIDENT: That is perfectly true.

Mr. EDUN: I have attended regularly and I think the Finance Committee has done very good work. Unfortunately the attendances by other Members were not good at all.

The PRESIDENT: I am perfectly certain, and I think the Treasurer will agree, that if we have an informal meeting at 2 o'clock on Tuesday we could get through a good deal of useful work in sounding out Members and giving them information very relevant to our financial policy generally. I will therefore hold that meeting at 2 o'clock on Tuesday.

As regards Members meeting together, as I have said before, I have no objection, but you must be prepared to jump to it. You have to-night, the whole of tomorrow, Sunday and Monday, and up to Tuesday morning. If you do not succeed in having a meeting in those days then Heaven help self-government in British Guiana. (Laughter).

The Council was adjourned until Wednesday, 12th December, at 2 p.m.