

LEGISLATIVE COUNCIL.

Friday, 22nd January, 1932.

The Council met pursuant to adjournment, His Excellency the Governor, SIR EDWARD DENHAM, K.C.M.G., K.B.E., President, in the Chair.

PRESENT.

The Hon. the Colonial Secretary, Mr. C. Douglas-Jones, C.M.G.

The Hon. the Attorney-General, Mr. Hector-Josephs, K.C., B.A., LL.M. (Cantab.), LL.B. (Lond.).

The Hon. T. T. Smellie (Nominated Unofficial Member).

The Hon. P. James Kelly, M.B., Ch. B., Surgeon-General.

The Hon. F. Dias (Nominated Unofficial Member).

The Hon. T. Millard, C.M.G., Colonial Treasurer.

Major the Hon. W. Bain Gray, M.A., Ph. D. (Edin.), B. Litt. (Oxon), Director of Education.

The Hon. R. E. Brassington (Western Essequibo).

The Hon. B. R. Wood, M.A., Dip. For. (Cantab.), Conservator of Forests.

The Hon. S. H. Bayley, General Manager, Transport and Harbours Department.

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

Major the Hon. J. C. Craig, M.E.I.C., D.S.O., Director of Public Works.

The Hon. J. Mullin, A.I.M.M., F.S.I., Commissioner of Lands and Mines.

The Hon. N. Cannon (Georgetown North).

The Hon. A. V. Crane, LL.B. (Lond.) (Demerara River).

The Hon. Percy C. Wight, O.B.E., (Georgetown Central).

The Hon. J. Eleazar (Berbice River),

The Hon. A. R. F. Webber, F.R.G.S., (Western Berbice).

The Hon. J. Gonsalves (Georgetown South).

The Hon. A. E. Seeram (Eastern Demerara).

The Hon. V. A. Pires (North Western District).

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

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

The Hon. G. E. Anderson (Nominated Unofficial Member).

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

The Hon. F. J. Seaford (Nominated Unofficial Member).

MINUTES.

The minutes of the meeting of the Council held on the 12th January, as printed and circulated, were confirmed.

MEMBER SWORN.

Mr. J. MULLIN, Commissioner of Lands and Mines, took and subscribed to the oath.

PRESIDENT'S SPEECH.

THE PRESIDENT made the following statement:—

Honourable Members of Council,

We are now, I hope, approaching the end of a session of Council which has been mainly spent on the consideration of the Estimates for 1932 and an attempt to balance the Budget for this year.

I should like to express my indebtedness to Honourable Members for the general spirit of helpfulness and co-operation shown by them.

We are now in a position, I think, to summarise the situation and know exactly how we stand and make our last resolutions to secure relations between expenditure

and revenue which will enable us to balance for this year with the generous help afforded us by the Imperial Government. It must be always borne in mind that of the total deficit of \$958,987 which we had to make up a sum of £120,000 or \$576,000 has been provided as an Imperial grant-in-aid. It behoves us the more therefore to put our own house in order even though considerable sacrifices may be involved.

The position to-day is that the revised Estimate of Expenditure is \$5,107,531. This figure is based on the alterations which have been made in the Estimates as they passed through Council last month and allows for some further amendments, the most important of which is an additional provision of \$5,000 for urgent and essential work on the Mental Hospital in Berbice the need for which was emphasised strongly in Council.

The Secretary of State has approved the inclusion of a sum of \$6,000 for this work—a sum of \$1,000 has already been spent with the assistance of the Unemployment Relief Funds—on the condition that the Budget is balanced.

Further provision has to be made for additional clerical assistance to the Treasury on account of Income Tax collection and there are other sundry adjustments which will be moved in due course when the Estimates are re-committed before being finally passed.

The Estimates of Revenue are now put at \$5,042,954. It has now been possible to revise the Customs and Excise figures on the final totals for 1931—resulting in additions of \$25,000 under the first head which will still leave the Customs revenue as estimated for 1932 at the revenue obtained in 1931 less 5 per cent. and \$20,000 on the rum duty which additional amount the Comptroller of Customs considers may be reasonably anticipated this year.

Government has every hope that with a normal amount of business being done a larger amount than was estimated for when the new Tax Ordinance was introduced may be obtained but it has been decided to leave the figures as already included in the Estimates and not to make any increase.

A sum of \$64,577 remains to be found. Members are aware that Government has budgeted for a sum of \$275,000 from Income Tax in its Estimates of Revenue for 1932 and this sum is included in the revenue total which I have just given to Members. Representations were made when the Income Tax Bill was under consideration on its second reading that the rates set out in the Bill were unduly high in view of the many other additions to taxation which have been rendered necessary. While Members have accepted the principle that Income Tax should be increased it was strongly urged that some further consideration should be given to the introduction of a new basis apart from a general consideration of the incidence of taxation in the Colony. It was, I believe, the feeling of Members that while an increase in the Income Tax is equitable in the circumstances it should be rather in the nature of a surtax than of an entire revision of rates.

A conference was held between Government Officers and representatives of the Elected and Nominated Unofficial Members at which the Colonial Secretary presided and modified proposals were put forward. It was made clear at the time that the Imperial Government attached great importance to the Estimates reached in respect of Income Tax and that the measure is one which in the present financial stress throughout the Empire had been generally adopted in all parts of His Majesty's Dominions as a reasonable, fair and just allocation of burdens and sacrifices which must and should fall relatively higher on those members of the community who are in the best position to make such sacrifices and bear such burdens.

The Committee expressed a view strongly in favour of a surtax of 50% being levied on the present rate of Income Tax with the proposed increases in the rates on Companies. In order to make this sum up to \$235,000, which is the minimum that the Secretary of State and this Government consider should be found from this source, other suggestions were considered.

I placed the proposals before the Secretary of State who has now approved of modifications being made which will reduce the anticipated figure from this source from \$275,000 to \$235,000.

The Secretary of State is prepared to approve of the proposal for the surtax of 50% on last year's figures with the condition that the personal and family allowance should be as in the Bill now before Council with the rates as in the present Ordinance subject to the 50% increase which enables the number of income tax-payers to be approximately trebled thereby extending considerably the frontage on which payment is made.

I feel that Honourable Members will appreciate the necessity that at the present time incomes which should be capable of making some contribution to the State at this very serious juncture in the history of the Colony should do so and that the position should not merely be met by increasing the charges only on a comparatively limited number of incomes.

It is anticipated that these proposals will allow of the sum which it is necessary to find being provided while the charge on an individual income will not ordinarily exceed twice the rate paid at present.

The Hon. the Treasurer will deal fully with the changes proposed when Council goes into Committee on the Bill and I will not anticipate his observations further except by again impressing upon the Council the seriousness of the position which makes every possible sacrifice necessary at this juncture and the essential need of balancing the Budget, which requires the provision of a substantial increase in Income Tax which in its contribution from individuals does to some extent enable them to make those subscriptions according to their means which financial distress must necessarily impose on every good citizen. The splendid example which has been set by the Mother Country and the readiness with which heavy payments have been made in realisation of the urgency of the call is an example which I feel sure this Colony desires to follow. I would further stress the point that the measure is an emergency one and with the improvement in conditions to which we are all now confidently looking forward it will I hope be possible to avoid such heavy calls in the future. The new adjustment which has been approved by the Secretary of State by substituting for the re-adjustment of rates throughout a surtax gives further emphasis

to the exceptional and, I hope, temporary nature of this increase.

A balance of \$104,577 therefore remains to be found—that is to say \$64,577 which would have had to be met by increased taxation in any case to secure a balance and \$40,000 being the anticipated shortage under Income Tax. It is proposed that this should be met by a Bill of Entry Tax of 1½% which it is estimated will bring in a sum of \$105,000. This is not the first time that this form of taxation has been introduced in this Colony and I understand that the incidence was so spread that on its former introduction it did not appreciably raise prices, while I am assured that it is so small an amount that in respect of the main articles of consumption by the poorer classes no rise in prices is likely to result.

Government has a Bill ready which it will introduce if necessary to prevent any undue increase in prices or beyond anything which may be legitimately added in respect of the new imposition. I would add that the rate now proposed is half a cent less than was introduced in 1928. It is believed that these two measures will obviate the necessity for the imposition of any further new taxation in 1932. It must however be recognised that the margin on the credit side is a very small one and that it may be found that the measures which have been introduced are not bringing in the estimated amounts or that their effect is not what is anticipated. I am not proposing however to suggest any modifications at present—all measures which have been introduced by Government have received the fullest and most careful consideration. It has been the object of Government to secure a balance without imposing severer burdens than it is believed the Colony can now bear. The working of the year will show how far the position has been met—if it is found that a return of prosperity gives an added yield on the taxation imposed this will go far to reduce the Colony's indebtedness, a result which is desired by us all—if however the revenue falls short the position will have again to be reviewed and the experience gained from the different avenues of approach in taxation will be of great value.

Opportunity will be further taken dur-

ing this year to appoint a Committee to formulate proposals and make recommendations to Government in respect of the general incidence of taxation in the Colony. It is to be hoped that their consultations will be considerably assisted by an improvement in trade and in the position of sugar which will immediately re-act on all branches of production in the Colony. In any case there is need for re-adjustments. Let us hope that those which will be made in respect of 1933 will be on a basis of the removal of all extraordinary and emergency taxation which by then will, we trust, have enabled the Colony to emerge from its present heavy indebtedness. It is hard to ask for sacrifices; they are being made throughout the world at the present time and they will undoubtedly prove of the highest value in character building and the betterment of conditions in those countries where they are made with the greatest measure of fortitude and cheerfulness. I have no fear that the people of British Guiana will be found lacking in these qualities.

ANNOUNCEMENT.

VOLUNTARY RETIREMENT.

Mr. MILLARD (Colonial Treasurer):
I am the bearer of the following Message from His Excellency the Governor to Members:—

MESSAGE NO. 7.

Honourable Members of the Legislative Council,
I have the honour to inform the Council that in order to ease measures of retrenchment I have with the approval of the Secretary of State extended to officers in the Public Service the offer of voluntary retirement on pension, and I propose to grant permission to an officer to retire in any case where an economy of a permanent character can be effected having regard to the cost of arrangements to be made for the performance of the officer's duties plus the provision necessary for his pension.

2. In all such cases of voluntary retirement, it is proposed that the pension awarded shall be that earned by actual service without addition or compensation in any form.

3. Regarding officers with mixed service, I have been advised by the Secretary of State that the Administrations named in the Schedule below have agreed to award their share of the pensions of any officers with service under them who may retire under a general scheme for voluntary retirements, and that subject to the conditions specified above, in the case of an officer who has previously served under any of these Administrations permission to retire

voluntarily may be granted provided that in each case the officer's aggregate Colonial service amounts to 10 years (or 7 years if he was previously employed in West Africa alone) and that he held a pensionable office in any former Colony for at least 12 months. It is intended that reciprocal arrangements shall apply and that this Colony shall award its share of the superannuation in the case of any officers now in the employ of any of the Administrations named and with previous service in this Colony who may elect and be granted permission to retire voluntarily.

4. Where the retiring officer has purely local service and has not completed the period of service which would entitle him to a pension, a gratuity will be awarded on the basis prescribed for an officer in similar circumstances who is compelled to retire by reason of infirmity.

5. This proposal has received the support of my Executive Council and the Select Committee on the new Pensions Bill nominated at the last session of the Council and I accordingly invite the Council to approve of the introduction of the necessary enabling legislation and of the inclusion in the Estimates of any sums necessary for the purpose pending the passing of such legislation.

EDWARD DENHAM,
Governor.

16th January, 1932.

SCHEDULE.

British Honduras.
Ceylon.
Cyprus.
Falklands.
Federated Malay States.
Fiji.
Gibraltar.
Gold Coast.
Hong Kong.
Kenya.
Kenya—
Uganda Railways and Harbours Administration
Leeward Islands.
Mauritius.
Nigeria.
Northern Rhodesia.
Nyasaland.
St. Helena.
Seychelles.
Sierra Leone.
Somaliland.
Straits Settlements.
Tanganyika.
Trinidad.
Uganda.
Western Pacific.
Windward Islands.
Zanzibar.

PAPER LAID.

The following document was laid on the table:—

Report on Friendly Societies for the year ended 31st December, 1931 (*Colonial Secretary*).

GOVERNMENT NOTICES.

BILLS OF ENTRY TAX.

THE COLONIAL SECRETARY (Mr. C. Douglas-Jones) gave notice that at a later stage he would move the suspension of the Standing Rules and Orders to enable him to introduce and have read the first time :—

A Bill to impose temporarily a tax on Bills of Entry on the value of goods imported into the Colony.

VOLUNTARY RETIREMENT.

Mr. MILLARD gave notice of the following motion :—

THAT, with reference to Governor's Message No. 7 of the 16th of January, 1932, this Council approves of the introduction of the necessary legislation and of the inclusion of the necessary sums in the Estimates to permit the voluntary retirement on pension or gratuity of officers in the Public Service in cases where an economy of a permanent character can be effected having regard to the cost of arrangements to be made for the performance of the duties of the officers and the provision necessary for pension or gratuity or in cases of retirement from other Public Services of officers who have previously served in this Colony.

INCOME TAX BILLS.

Mr. MILLARD gave notice that when the Committee stage was reached he would move certain amendments to (a) "A Bill to amend the Income Tax Ordinance, Chapter 38, by reducing certain deductions and increasing certain rates of duty"; (b) "A Bill to amend the Law relating to Income Tax with respect to the imposition and evasion of tax and other matters."

UNOFFICIAL NOTICE.

SALARIES OF TEACHERS.

Mr. CRANE gave notice of the following motion :—

That in view of the fact that the salaries of Elementary School Teachers have already been reduced by 10% since permanent increases of salaries were given to Public Servants, this Council is of opinion that the proposed cut in Civil Servants' salaries should not apply to the salaries of School Teachers.

ORDER OF THE DAY.

BILLS OF ENTRY TAX.

THE COLONIAL SECRETARY: In

pursuance of notice I move the suspension of the Standing Rules and Orders to enable me to introduce and have read a first time "A Bill to impose temporarily a tax on Bills of Entry on the value of goods imported into the Colony."

Mr. SMELLIE seconded.

Question put, and agreed to.

THE COLONIAL SECRETARY: I move that the Bill be read the first time

Mr. SMELLIE seconded.

Question put, and agreed to.

Bill read the first time.

Notice was given that at a subsequent meeting of the Council it would be moved that the Bill be read the second time (*Colonial Secretary*).

EMBARGO ON FRUIT.

Mr. CANNON asked the following questions of which he had given notice :—

1. When will it be possible to remove the embargo on the importation into this Colony of grapes, apples, pears and such like fruit?

2. Is the Government aware that Californian apples, pears, etc., are imported into England?

3. Is the Government aware that grapes from Spain are imported into England?

4. Why does not the embargo apply to fruit imported from Canada.

5. Is the Government aware that importers in this Colony can only obtain from Canada grapes of an inferior quality?

6. Is there any one in the Colony with a knowledge of the Mediterranean Fly? Might the Government not adopt the same method as is done in Trinidad, namely, that imported fruit be examined before being allowed to land?

THE COLONIAL SECRETARY replied as follows :—

1. The matter has again been taken up with the Secretary of State and the Central Quarantine Committee, Trinidad.

2. The answer is in the affirmative.

3. The answer is in the affirmative.

4. Owing to the absence of the Fruit Fly in that country.

5. This is not a matter which Government can control. It is a matter for importers of fruit.

6. (a) Yes. (b) The same regulations that apply to the importation of fruit to this Colony are in force in Trinidad.

INCOME TAX BILL.

The Council resolved itself into Committee and resumed consideration of "A Bill to amend the Income Tax Ordinance, Chapter 38, by reducing certain deductions and increasing certain rates of duty."

Mr. MILLARD: When the Council was last in Committee on this Bill we had reached clause 3, which deals with a reduction of the allowance of an individual from \$1,200 to \$720 and of a wife from \$720 to \$480. This clause provides, in part, for the widening of the front of the assessment. When we come to clause 5 I will give hon. Members information and data regarding the effect of the assessment on the new basis that is now proposed.

Mr. CRANE: Many things have happened since last we considered this clause, and the position is now in such a state of chaos that one does not know what his real attitude on this particular matter should be. I think there is due to Members, whether they happen to be those who served on the Committee or the general body of this House, some indication beforehand of the position which Government intends to take up on this matter. Had sufficient time been given one might have come here reconciled to the position Government is taking up with regard to these allowances. Though I acquit Government of any intention to deprive Members of sufficient time it is a great handicap to us, if our advice is to be of any assistance, not to be told what is the final attitude of Government. When the Bill was last discussed I enquired what was the estimate of the income which would be the subject of the tax on this alleged wider frontage it is proposed to adopt. I expected to be told that Government had made calculations, and, while it was impossible to give anything like a certain estimate, it would have been prepared to give an approximate idea of what it would mean to the taxpayers. I am prepared to adhere to the view I formed that with all the lowering of the allowances Government will not obtain the revenue it is estimated to produce. Government itself has given no estimate of the revenue to be derived from this wider frontage. I am also of opinion that Government's proposals will not bring into the orbit of the tax a goodly number of persons who should pay and there would still be a number of

persons with fairly large incomes, some approximating £500 per annum, who would pay little or no tax. Doubt must be thrown on the estimate because Government has not vouchsafed any figures showing the result of the new proposal. This is the first combination we have had of the tax plus the 50 per cent. surtax, and I claim that the House is entitled to know what is the amount of revenue it is hoped to get from it.

Mr. MILLARD: In my preliminary remarks I stated that when we come to clause 5 I will give an indication to hon. Members of the effect of the assessment to the new proposals.

Mr. CRANE: It seems to me that the time to give the information is now, so that Members will have it in their minds. The first element of calculation comes up in this clause and I do not think Government should postpone the statement until clause 5 is reached. Let us know now what is the position. If the statement shows a reasonable possibility of a particular class being brought into the orbit of the tax, and that those who escaped taxation before but can afford to pay some tax will be made to pay under this provision, I say "Yes." I want to see a larger number of persons contribute towards the burden of the Colony and not, as is apparently the position, an attempt to make those who are already paying pay more without making those who can afford to pay something also contribute.

Mr. MILLARD: I would like to have a ruling of the Council on the point of making the statement now.

THE CHAIRMAN: There is no objection to the hon. Member making a general statement.

Mr. MILLARD: It is a little difficult in dealing with a technical Bill of this nature over a protracted period to realise clearly how one can best help hon. Members in citing illustrations. There must obviously be a limit to calculations, but there seems to be no limit at all to recalculations. The extent of the assessments under this form of taxation, whatever might be the incidence of the tax, is governed very largely by the provision for the obligation of individuals, and therefore it might easily be misleading to cite illus-

trations from the case of an individual having the highest known maximum of domestic obligations or from the case of an individual having no obligations whatever. When I say "no obligations whatever" I mean none of those recognised in the terms of the Bill. I therefore have, as on previous occasions, compiled tables showing the incidence of the tax in the case of single persons, married couples without children, and married couples having three children. These tables exclude dependents. Subject to that exclusion, and similarly premiums on insurance policies, I can give illustrations against certain incomes calculated at stages which are considered likely to be suitable to help the Council to appreciate the effect of the Bill.

In the statements I have before me I have calculated data not only in respect of the calculation of the tax under the new basis now proposed but under the Bill as drafted and also under the existing law. I think it would help hon. Members if in giving the effect of the assessments and the points at which incomes will come under assessment if the Bill is passed as printed I gave three figures. In the case of a married couple with three children taking full advantage of all deductions allowed to them under the existing Ordinance, the point at which they would come under taxation is £400. They do not pay under the existing Ordinance but under the Bill as printed they would have paid \$4.80 and under the Bill as indicated in the Message from the Chair \$3.60. The position in respect of other incomes is as follows:—

Incomes.	Tax Under		
	Existing Ordinance.	Bill as printed.	Present proposal.
£ 500 ...\$.96	\$ 24	\$ 18.00
£ 700	20.16	68	51.20
£1,000	61.92	190	126.00
£1,250	110.40	310	207.00
£1,500	170.40	450	297.00
£2,000	315.36	810	531.00
£2,500 ...	508.32	1,230	837.00
£5,000 ...	1,841.76	3,630	2,862.00

Those illustrations are given from the table containing the maximum relief in respect of obligations. The illustrations from the table showing the least provision in respect of single relief from obligations or personal allowances only are:—

Incomes.	Tax Under		
	Existing Ordinance.	Bill as printed.	Present proposal.
£ 275 ...\$	2.40	\$ 24	\$ 18.00
£ 500	24.00	74	57.60
£ 700	52.80	154	104.40
£1,000	108.00	298	190.00
£1,500	228.00	612	392.40
£2,000	396.00	972	658.80
£2,500	612.00	1,446	982.80
£5,000 ...	1,980.00	3,846	3,078.00

I will now cite three cases of married couples without children or the intermediate table:—

Incomes.	Tax Under		
	Existing Ordinance.	Bill as printed.	Present proposal.
£ 500 ...\$	9.60	\$ 50	\$ 36.00
£ 700	31.20	106	79.20
£1,000	79.28	250	162.00

The point of entry of a married couple without children into the sphere of Income Tax assessment under the existing Ordinance is £450 and the tax is \$4.80; under the Bill as printed the point of entry is £275 with a tax of \$4.80, while under the present proposal on the same income of £275 the tax is \$3.60.

As regards the question of the estimate of what this tax in its revised form will produce, the hon. Member for Demerara River was very concerned that an estimate could not be given to him. It is calculated that the Bill as printed will yield \$275,000 while the calculation in respect of the proposed amendments of the Bill is \$235,000. I think from the illustrations I have cited hon. Members should now have a clear idea of the relative extent of taxation under the amendments proposed as compared with the Bill as printed and as compared with the existing tax. I also like to make the point clear that the amendments proposed to the Bill do not reduce the number of Income Tax payers in connection with the Bill as printed.

Mr. CRANE: May I ask whether the calculations given include the 50 per cent. surtax?

Mr. MILLARD: I thought I answered that question fully. In order to make matters quite clear I gave three figures. The first is the tax that would be paid under existing circumstances under the Ordinance, the second is the tax that would have been paid if the Bill was passed as printed, and the third is the tax that will be paid under the amendments and in it the 50 per cent. is included,

Clause 3 put, and agreed to.

Mr. MILLARD: For clause 5 I move that the following be substituted:—

5. Section twenty-two of the Principal Ordinance is amended by the addition of the following words:—

And in addition to the above rates of tax there shall be charged, levied and collected on the chargeable income of every person a surtax at the rate of fifty per centum of the tax on such chargeable income.

Question put, and agreed to.

Clause 6—Flat rate of tax on companies.

Mr. MILLARD: It might be helpful if I make a few remarks about this clause. A flat rate of 12½ per cent. represents half-a-crown in the pound sterling. In the United Kingdom the rate was altered last year from 5s. to 4s.6d., therefore companies entitled to obtain relief in respect of double taxation can obtain relief to the full extent of the taxation imposed in this Colony, half-a-crown being half of 5s. The tax imposed by this Bill and also by the Principal Ordinance is on individuals. The tax on companies included in this Bill is taxation at the source, but in the case of individuals with earnings from companies on dividends those individuals when submitting their returns will be assessed on the gross amount of the dividend plus other sources of income at the present rates, and would be given relief in respect of the full amount deducted by the company, so that the individual in his personal assessment is not concerned with the rate fixed for the tax on companies.

Clause put, and agreed to.

Clause 8—Commencement.

Mr. MILLARD: I move that for the words "on the first day of January" the words "with the year of assessment" be substituted.

Question put, and agreed to.

Clause 1—Short title.

Mr. MILLARD: I move that clause 1 be recommitted and "1932" substituted for "(No 2), 1931."

Question put, and agreed to.

The Council resumed.

Notice was given that at the next meeting of the Council it would be moved that the Bill be read the third time (*Mr. Millard*).

INCOME TAX BILL (No. 2).

Mr. MILLARD: In moving the second reading of "A Bill to amend the law relating to Income Tax with respect to the imposition and evasion of tax and other matters" it will be helpful to the Council if I make a few remarks regarding the various clauses as they may not be self-explanatory. There are also certain amendments, copies of which have been laid on the table, which I shall move in Committee. Clause 2 (1) provides for taxation of insurance companies other than life insurance companies and (2) for the taxation of life insurance companies. Certain difficulties arose in respect of the assessment of insurance companies and with a view to meet those difficulties sub-clause (2) as drafted in the Bill was provided. Subsequent consideration, however, has made it clear that sub-clause (1) would provide for the assessment of insurance companies other than life insurance companies having head offices in the Colony and also outside. That represents the introduction of the sub-clause as provided in the Model Income Tax Ordinance with the addition of a certain part which was placed there in an endeavour to provide for insurance companies having their head office in the Colony. There are, however, certain fire insurance companies having their head office here. The circumstances are peculiar and cannot be dealt with by any clause based on a general model wording. This clause has been redrafted as an amendment to the Bill. It has been redrafted in two parts and the first part provides particularly for the fire insurance companies having their head offices in this Colony. The clause as redrafted has been examined by the Secretaries of the two fire insurance companies and an expression has been received to the effect that the clause as drafted does meet the circumstances of the two local companies. The second sub-clause provides special terms for the assessment of insurance companies other than life insurance companies having their head offices outside the

Colony. Section 7 of the Principal Ordinance deals with the period of assessment as the calendar year. At the beginning of the Bill an amendment will be moved to introduce a proviso to section 7. That proviso, it has been pointed out, should be added to ensure that if the period of account differs from the calendar year that period shall be used in each subsequent year. It also provides that the period may be subject to any adjustment as in the opinion of the Commissioner may be just and reasonable. Clause 3 provides for the alteration of section 35 of the Principal Ordinance by a verbal amendment. Clause 4 is to enable the Commissioner to assess and collect the tax in any particular case where there is reason to believe that a person is about to leave the Colony before the expiration of the time allowed for payment. I move that the Bill be read the second time.

Mr. SMELLIE seconded.

Question put, and agreed to.

Bill read the second time.

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

Mr. MILLARD: I move that there be inserted as clause 2 of the Bill a new clause, as printed on the list of amendments, dealing with the special period of assessment:—

2. Section seven of the Principal Ordinance is amended by the addition of the following proviso:—

Provided that where permission has been given for any year of assessment, tax shall be charged, levied and collected for each subsequent year upon the gains or profits for the full year terminating on the like date in the year immediately preceding the year of assessment subject to any such adjustment as in the opinion of the Commissioner may be just and reasonable.

Question put, and agreed to.

Mr. MILLARD: I move that clause 2 be renumbered 3 and amended by the amendments indicated:—

(i) Delete "(a)."

(ii) In place of sub-clause (1) insert the following:—

"(1) In the case of an Insurance Company (other than a Life Insurance Company) incorporated in the Colony as a Mutual Insurance

Company the gains or profits on which tax is payable shall be ascertained by taking the gross premiums, interest and other income (less any premiums returned to the insured and premiums paid on re-insurances) and deducting from the balance so arrived at a reserve at the percentage adopted by the Company for unexpired risks at the end of the year preceding the year of assessment and adding thereto a reserve similarly calculated for unexpired risks outstanding at the commencement of the year preceding the year of assessment, and from the net amount so arrived at deducting the losses (less the amount recovered in respect thereof under re-insurance) the management expenses and any interest or annual payments made by the Company by virtue of any obligation statutory or otherwise."

(iii) In place of sub-clause 2 insert the following:—

"(2) In the case of an Insurance Company (other than a Life Insurance Company) where the gains or profits accrue in part outside the Colony, the gains or profits on which tax is payable shall be ascertained by taking the gross premiums and interest and other income received or receivable in the Colony (less any premiums returned to the insured and premiums paid on re-insurances), and deducting from the balance so arrived at a reserve for unexpired risks at the percentage adopted by the Company in relation to its operations as a whole for such risks at the end of the year preceding the year of assessment, and adding thereto a reserve similarly calculated for unexpired risks outstanding at the commencement of the year preceding the year of assessment, and from the net amount so arrived at deducting the actual losses (less the amount recovered in respect thereof under re-insurance), the agency expenses in the Colony and a fair proportion of the expenses of the head office of the Company."

(iv) Re-number sub-clause (2) as sub-clause (3).

(v) Delete the words,—“(b) by re-numbering sub-section (4) as (3).”

Question put, and agreed to.

The Council resumed.

Notice was given that at the next meeting of the Council it would be moved that the Bill be read the third time (*Mr. Millard*).

ANNUAL ESTIMATES.

DISTRICT ADMINISTRATION.

The Council resumed consideration in Committee of the draft Estimates of expenditure to be defrayed from revenue during the year ending 31st December, 1932, under the head of District Administration.

THE COLONIAL SECRETARY: I move the insertion as item 17 (a) of "Expenses for adjustment of Scales and Weights, \$580." This item is recovered from people who have their scales and weights checked and there is no additional expenditure, but it is considered desirable that this officer should be retained and it is therefore necessary to provide the amount.

THE CHAIRMAN: This item is approved on the undertaking that the whole amount is recovered.

Question put, and agreed to.

TREASURY.

Mr. MILLARD: This head of the Estimates was deferred for consideration of the additional provision necessary for staffing the Income Tax Office. In a small office of that nature and of a peculiarly confidential character the work done requires a very careful selection of the personnel. I am therefore suggesting that provision be made for an additional staff at a cost of \$2,400. That represents the salaries of a Third Class and a Fifth Class Clerk. That is the nearest point I can reach in the staff of the office for additional work at the present time. Under "Other Charges" the item "Miscellaneous, \$80" should be increased to \$140, the extra \$60 being for additional registration of confidential correspondence from the Income Tax Office, and \$400 is required for furniture which will be mainly private steel custody cupboards. I move that these items be approved.

Mr. CRANE: I am not questioning the necessity for the clerical assistance outlined by the Colonial Treasurer but I am against it being put down in a lump sum of \$2,400. The Colonial Treasurer tells us there are to be two clerks and he should have them named.

Mr. MILLARD: I am not proposing that the estimate should remain in that form. In 1933 the staff will be detailed, or it might be indicated on the first Supplementary Estimate.

Mr. CRANE: I am not inclined to do anything to embarrass the Colonial Treasurer but I am against a lump sum

being put down. I hope Government will make retrenchment by transferring these officers from another Department, providing it gives the Treasurer the type of officers he wants.

Mr. MILLARD: The staff of the office requires to be selected with very great care. The hon. Member hopes that the staffing will be done within the Service. I would like to remind him that at the time of its original staffing the hon. Member expressed dissatisfaction that the office was staffed by officers in the Colony. It must be a self-contained staff and in view of the confidential nature of the duties there must be a careful selection of the officers.

THE CHAIRMAN: I suggest that the amount be voted and hope it will be possible to make the appointments from officers already in the Service.

Mr. MILLARD: I was unable to promise definitely that the appointments would be made from officers in the Service in view of retrenchments but I hope it will be possible to do so.

Question put, and agreed to.

FOREST DEPARTMENT.

Mr. WOOD (Conservator of Forests): I move that item 1 (b), which was reduced to \$3,158, be carried out at \$5,000. Hon. Members will remember that on the debate of the Forestry Department it was moved and carried that the sum for the two Assistant Conservators should be halved and one of the officers retrenched. The increase now asked for is to enable the officer to be retrenched to receive the usual notice. One of the two officers has acted as Conservator when I have been away and it is desirable for the efficiency of the Department that he should be retained. The notice to the officer to be retrenched must take effect from the 1st February and his salary of \$1,820 for seven months and the salary of the other officer will bring the vote up to \$5,000.

Question put, and agreed to.

Mr. WOOD: I move that sub-item (d) be also recommitted and carried out as two Forest Surveyors at \$950. Last year it was announced that the post of one

Surveyor would be retrenched as soon as arrangements could be made. The post was retrenched as from the 1st January, but the officer received leave which he had earned and it was overlooked that he was entitled to eight days' pay amounting to \$38.

Question put, and agreed to.

MAGISTRATES.

THE COLONIAL SECRETARY: Under item 1 (m) in the reduction of the number of Bailiffs provision was not made of \$400 for leave and notice necessary. I move that that sum be added, making the vote \$5,795.

Question put, and agreed to.

DEPARTMENT OF AGRICULTURE.

THE COLONIAL SECRETARY: The officer at item 1 (21)—Agricultural Superintendent, Berbice, \$2,670—has been confirmed in his appointment and therefore should go above the line. I move that the item be placed above the line.

Mr. CRANE: The moment this officer is put on the Fixed Establishment the question of compensation and other matters are going to arise. Seeing that this Department is on trial—and it seems to me on grave trial—we ought not to complicate our position any further by placing this officer above the line. If conditions improve and we are satisfied that the Department has justified its existence I will be the first to approve of this officer going above the line.

Mr. SEERAM: I ask Government not to press the motion. There are more deserving cases than this in other Departments.

Mr. CANNON: When the Colonial Secretary rose I hoped he was going to tell us that Government had found a "cushy" job for this gentleman and I am very surprised to hear instead a request to put him above the line and make it difficult for us even now to wipe out this Department.

THE COLONIAL SECRETARY: One appreciates the hon. Member's views in regard to this Department: whether Government agrees with them is another matter. This officer has been appointed by the Secretary of State and, as is the cus-

tom, during his probationary period was below the line. That period is completed and he is confirmed in his appointment. If it is decided to retrench the officer that can be done quite easily, but I am sure that the people in Berbice would be the last to wish this officer to be removed from the district.

Mr. SEAFORD: If it is part of the agreement that officers are placed above the line after the expiration of their probationary period I do not think we can depart from it.

The Committee divided on the question and voted:—

Ayes—Messrs. Anderson, Seaford, Mullin, Major Craig, D'Andrade, Payley, Wood, Major Bain Gray, Millard, Dias, Dr. Kelly, Smellie, the Attorney-General and the Colonial Secretary—14.

Noes—Messrs. Austin, Dr. Singh, De-Aguiar, Pires, Seeram, Gonsalves, Eleazar, Wight, Crane, Cannon and Brassington—11.

The Committee adjourned for the luncheon recess.

POST OFFICE.

THE COLONIAL SECRETARY: Item 1 (30)—Service Allowance, \$840—should be \$912. I move that the item be carried out at that figure.

Question put, and agreed to.

MILITIA.

THE COLONIAL SECRETARY: Hon. Members will remember that Your Excellency said you would not drive a hard bargain with the Bandmaster. The Bandmaster has represented that he would be willing to accept a salary of \$1,200 per annum, which is an addition of \$85. I move that the item be carried out at \$1,200.

Question put, and agreed to.

PUBLIC WORKS—EXTRAORDINARY.

Major CRAIG (Director of Public Works): I beg to move in as item 4 "Reconditioning Central Block, Blocks B and C (single rooms), etc., Mental Hospital, Berbice, \$5,000." This does not include reconstruction of the office of the Matron which it is estimated will cost \$1,000.

Question put, and agreed to.

PENSIONS AND GRATUITIES.

Mr. MILLARD: I move that item 1, (Public Officers' pensions and lump sum payments, \$327,541), be increased by \$10,000. It is considered that this sum will provide for such additional pensions as will come on during the year.

Question put, and agreed to.

MAGISTRATES.

Mr. ELEAZAR: I ask permission to refer to item 2, under the head Magistrates, to ask Government to see its way to increase it by \$60, to permit of the Magistrate of the Berbice District holding an extra Court at No. 51.

THE CHAIRMAN: If the hon. Member will let me have a note of it I will make enquiry. I should like to consult the Attorney-General on the matter.

MEDICAL.

Mr. CRANE: I have already obtained permission to refer to the estimates of the Medical Department. There were two matters I then desired to refer to. One of them the Surgeon-General is dealing with and I propose to leave it unmentioned. The other is the new service that has been established in the Mahaicony District. Suggestions have been made in this House that wherever possible on the retirement of medical officers in districts their places should not be filled but Government should try out a system of subsidised medical officers. Government has apparently given consideration to those suggestions in the appointment of a subsidised officer to the Mahaicony District. I happen to know and was told that Government does not like the system.

THE CHAIRMAN: I do not think the hon. Member is justified in saying that. Government has no objection to the system and has accepted the recommendation of the Council. I understand from the Surgeon-General that the question is being dealt with under two heads and he is quite prepared to give effect to it.

Mr. CRANE: I accept that assurance but, I submit, I am entitled to construe that the provisions made for carrying on that service are rather calculated to make it

fail than succeed. The arrangements made are not calculated to give the scheme a fair chance. The previous medical officer was paid a salary and a travelling allowance and entitled to leave and pension. The officer who has succeeded him is paid a salary of \$100 per month, he gets no travelling allowance, and it was rumoured that he had to pay \$30 for house rent. The Surgeon-General has assured me that the officer has not to pay for his house.

Dr. KELLY (Surgeon-General): The matter has not been finally decided with respect to the house of the medical officer. After the officer went there he made certain representations to Government and the rent has been waived for six months. Incidentally the rent which had been fixed for these subsidised districts was at the rate of \$20 per month as against \$30 for the ordinary district officer.

Mr. CRANE: I think the question ought to be settled. I do not know the officer. I am interested in the system, which I believe will eventually serve the Colony as well as the present system of a whole-time medical officer. I make the complaint because several people have told me that there is a tendency towards extortion.

THE CHAIRMAN: I conclude that the hon. Member is speaking in general terms.

Mr. CRANE: Yes, sir. I am not going to say that the present officer has committed any particular case of extortion. To put it on a lower ground I say there is a tendency to charge higher fees than were charged under the old regime.

THE CHAIRMAN: I suggest in the interest of the profession that that should not be called extortion. I do not think the medical profession would like it to be called extortion and that they charge higher fees because they get a lower salary.

Mr. CRANE: I withdraw the word extortion and say there is a tendency to charge higher fees than were charged under the old regime. This officer gets \$100 per month out of which he may have to pay for a house. The situation is very unsatisfactory and I am entitled to say that Government is not giving the suggestion a fair chance. If it fails now can Govern-

ment say "We have tried the subsidised system and it has failed"? Government cannot say so because they have introduced it with ridiculous terms. The officer has to travel up the creeks of a very large district and he is given no allowance. I do not suggest that he should be given an allowance but suggest that a subsidy should be given the officer not exceeding \$160 per month, and that he should provide his own *locum tenens* whenever necessary. In the advertisement the Surgeon-General called for a whole-time medical officer with private practice. I thought he would have called for an officer who was willing to settle in the district at a specific subsidy and would give the public so many hours of his time in the morning or afternoon, as the case may be. You cannot expect to have a whole-time officer for \$100 per month because it is ridiculous. The people in the district are not likely to be given service at a cost which they can afford to pay and which they were given attendance for in the past. I ask for a fair chance for this new system. I understand also that Government has imposed a restriction that no retired medical officer is to be given this job. If that is so there again Government is putting an obstacle in the way of getting a good man who is drawing a pension and can afford on a subsidy to accept moderate fees. I deprecate this way of giving the system a trial instead of reasonable conditions which are likely to give a fair test of the scheme.

THE CHAIRMAN: The hon. Member has dealt with the subject very fully and in a way that demands consideration by Government.

Dr. KELLY: The position is exactly as Your Excellency has stated. Government accepted the suggestion of the substitution of subsidised officers from time to time as districts fall vacant. This particular appointment is in the nature of an experiment. One aspect which has been pointed out to me very forcibly with respect to this officer is that in the present financial stress it is very difficult for him to make anything like a living from private practice. I think it was in connection with that statement I suggested to Government that the house rent might be waived. The position now has to be examined as to whether, in view of the conditions of the district with regard to private prac-

tice, Government might not give further sympathetic consideration in respect of house rent. Fees in districts are laid down in a schedule, a copy of which was sent to this particular officer, and officers are supposed to conform to them. Not a single complaint has come forward to me of heavy fees having been charged. The hon. Member said that the appointment was advertised as a whole-time one. My recollection is that nothing like whole-time was used. It might have been said that the duties were those of a district medical officer.

THE CHAIRMAN: Government will give further consideration to this matter. Government does desire to see this scheme successful. One reason is the saving of public money that thereby might be effected, therefore Government must see that the service is done at a lower rate but not disproportionate to the rate drawn by the previous medical officer.

The Council resumed.

FINANCIAL COMMISSIONERS' REPORT.

Mr. CANNON: I beg to move the motion standing in my name:—

(1) That the Council consider and discuss the Report of the Financial Commissioners.

(2) That Government should indicate to Council what further steps, if any, it is proposed to take to give effect to the Financial Commissioners' Report.

I have moved in this matter because I feel that the Members of this House should be given an opportunity to express their views in connection with this very valuable document. Some of us think it has no value, and I certainly think that the writers of it are entitled, at any rate, to know what the Members of this House think of it. In doing so, sir, I think the simplest and briefest way of dealing with it is to refer to the pages as I go along. At page 10, under the head of "Contingent Debt," they say:—

There is also a sum of \$28,000 (£6,000) due to the Colonial Development Fund: it is part of the sum of \$58,080 (£12,100) promised for the construction of the Bartica-Potaro road. We think that this and all similar loans received or to be received in future should be recorded in the Treasurer's ledger and accounts under the head "Public Debt."

That paragraph brings me to suggest that all the amounts that were received from the British Treasury, whether in the

form of loan grants, doles or otherwise, are treated by these gentlemen as a loan and they should be so respected if there is anything in their contention. It has confirmed my feeling that although it has been suggested that the moneys we are getting are being given to us in the form of doles sooner or later the unfortunate people of this Colony will have to make good the sums so advanced. I wish that portion of their report at any rate to be kept prominently before the people of this Colony. I turn now to page 12 where my pet hobby is referred to. It might be a bogey or a hobby or a nightmare which I suffer from when I think of the tariff business. I will, however, call attention to the words in paragraph 22 :—

The burden of the tariff is in effect the result of the terms of the Canadian Trade Agreement, 1925, combined with the necessity for realising as large a revenue as possible under this head.

In other words, it means that the Treaty and large revenue returns cannot go hand in hand. Government cannot have the Treaty as well as the revenue, and the revenue has to be raised in various ways as experienced at this session. The Commissioners go on to make a statement. I do not know who are the parties that went before them, but if they are referring to me I wish to say that they must have been very dull because I endeavoured to prove to them conclusively the amount of money this Colony was losing day by day and year by year under this head. However, my views are well known on this question and time only will satisfy Government that the sooner they go into the matter seriously the better it will be for all concerned. On page 14 they go on to say :—

We recommend that the matter be rectified as early as possible by increasing the preferential rate in some cases and reducing the general rate in others.

The next point is with respect to the rum licence. I do not know whether Government are satisfied that they are deriving any increased revenue from rum. I have heard it said that Government have received a certain amount of increased revenue during the latter part of the year 1931. That was due to the fact, I understand, that the dealers in rum anticipated a further increase in the excise duty and took stocks out of bond. That will reflect on the transactions during this year.

Government will find that no rum will be taken out of bond or certainly not as much as is budgetted for. I understand that in England as the result of an increased tax the reduction in the consumption of beer has been very great indeed. It is natural for such a state of affairs to exist and that is bound to happen here with regard to rum. In paragraph 27 they refer to the bus licence. It is quite fresh in the minds of Members of this Council that Government have not accepted the Commissioners' recommendation. They have gone many steps ahead of what the Commissioners recommended. That I am not blaming the Commissioners for because, although I do not respect their report, I think that in a number of instances they were attempting at any rate to give good advice. Time only will satisfy us on that point. The stamp duties have also been increased above what the Commissioners recommended (*vide* paragraph 31). There again it is evident that the Commissioners did not give the matter sufficient consideration or Government are wiser than they. Paragraph 32 deals with estate duty, the increase of which also exceeds the Commissioners' recommendations. Paragraph 33 deals with Income Tax. Government have completely discarded the suggestions in respect of this tax, and I think properly too. Going on to page 18 we come to proposals of a Land Tax. I congratulate Government on not taking any notice of their recommendations. It is impossible for Government to have agreed to any such imposition as a Land Tax in this Colony. There again the report has been found useless.

We go next to page 23, paragraph 59, District Administration. Government have again rejected the recommendations. Government may be right but I am not prepared to say whether they are right or not. We go on to page 30, paragraph 83, which recommends the reduction of the status and pay of the Attorney-General. I am not prepared to say whether we should have an Attorney-General or not; the point I am making is that there again the Commissioners' recommendation has been brushed aside. It might be that when the learned Attorney-General leaves us, which I understand is to be shortly, we might not fill his place (Laughter). We go on now to paragraph 85, which recommends the abolition of the Militia Band.

Government again realise that it would be ridiculous and nothing short of a scandal to abolish the Band. Paragraph 100, page 37, proposes the removal of the Alms House to Mahaica. That is so ridiculous that words won't permit me to give vent to my thoughts in that direction. I will pass that over for what it is worth but emphasise that there again the report was found wanting. We go on to page 40, paragraph 108, which deals with Agriculture. The Commissioners had the chance of their lives to endeavour to induce Government to be reasonable and to reduce the ridiculous expenditure under this head to something normal. They lost that opportunity and recommended that that head should not be touched. Anything that would be the means of reducing expenditure in any degree whatever they simply ignored. We go on to Pensions. They made no reductions. It may be that the law did not permit them, but they might have recommended that if pensions could not be reduced to-day Government might consider it in the near future and so relieve the coming generation of the awful burden. We go on to page 45, paragraph 128, in which there appears the statement:—

The first claim on any balance will be to make provision for the repayment of temporary loans granted from the Colonial Development Fund and also from the Imperial Treasury if it is not possible to forego these loans.

I must say that I agree with the Commissioners under this particular head. I know Your Excellency's views on this matter and remember you said you hoped to be with us when things become prosperous and when we are asked to repay these amounts what you would do.

THE PRESIDENT: The hon. Member is not quite right. I do not think I used the words "when we are asked to repay" but the words "when we are in a position to repay."

Mr. CANNON: It is pretty near what I felt you said, sir. I am perfectly satisfied that if ever we are in a position to pay we are going to pay every penny, and until we are able to pay we shall get no relief whatever in the way of development of this country. Anyhow, up to now I have gone through 44 pages of the report and this is the only thing I can say I agree with. Turning now to paragraph 130, which begins the Chapter on the Development of

the Colony, the Commissioners state "we feel it necessary to refer to a grave problem which has an important bearing on the financial position of the Colony, that is to say, the tendency of the people, or at all events an important section of them, to look to the State to meet all their needs." I look upon that as a libel upon the unfortunate people of this Colony. I do not know as one of those miserable people that I look to the State for all my needs. Far from it. Our needs can very well take care of themselves if the State would only permit us, but I contend that we are not permitted to manage our own affairs, and the result is that we are in this deplorable condition to-day. We should take strong exception to that statement appearing in the report, and I repeat that it is a libel on the people of this country. I do not wish to touch on the question of oil, which is perhaps a vexed question so far as I am concerned and so is bauxite, but I say this Government has done nothing to assist the people in endeavouring to foster these industries. I say so feelingly. I do not wish to rehearse my own grievance so I will say no more on that point than that in 1925 or 1926, through my friends abroad, I made application to this Government to be permitted to build a railway in the diamond fields and I am still awaiting a reply as to whether I would be allowed to do so or not. Therefore when these gentlemen make a statement of that sort it is time for us to protest very vehemently that they should have taken the liberty to say that the people in this country look to the State to meet all their needs. In paragraph 141 the Commissioners say they favour roads. I do not blame them for having an opinion of their own, but I tell them that the roads we have attempted have gone west, and the one we are spending money on will also go west very shortly. As soon as the price of diamonds recovers you will find, whether the money has been given as a gift, a loan or a dole, that that money has been thrown away. They are entitled to their opinion, and, if they would like to see roads in this country instead of a railway, they can enjoy their opinion. Passing on to page 53, paragraph 144, the Commissioners state:—

During our examination of the question of allocating the cost of the Georgetown sewerage scheme, on which we were asked to advise, we were greatly impressed by the embarrassing controversy which has taken place and particu-

larly by the claim, admittedly an extreme one, made by certain ratepayers in Georgetown, that the Government is responsible for the large excess of the actual cost (nearly £1,000,000) over the original figures (under £250,000) on which the Town Council, it is alleged, was mistakenly induced to embark on the scheme. Such a state of affairs is highly undesirable.

This is a vexed question, especially at the present moment, and I do not intend to say more than that I agree with them. Government interference brought any amount of dissatisfaction on this question. Time alone will show who is right, and perhaps it is well that I say no more on the subject. We come now to page 59 on which appears the balance sheet of the Colony at 31st December, 1930. In asking certain questions I had no intention to cast any reflection on the Colonial Treasurer. I am told that this statement is perfectly correct and I was wrong in assuming what I did. When it does not attempt to set out what the assets are how can it be a balance sheet? If it is to be a balance sheet at all an attempt should be made to set out what the various properties cost us. The recommendation in respect of cuts in salaries is, I think, the most ridiculous of all the recommendations. It is suggested that the salary of the Surgeon-General should be reduced from £1,200 to £1,000 and he is to be placed in the same category as the Director of Education who I wish to say nothing against, while my friend the Director of Agriculture is to receive £1,100. I do not know that I can say more than that the thing is so ridiculous that it calls for no further comment from me than that the two old men who signed this report should be ashamed of themselves. \$6,000 has been wasted in sending the Commissioners out on this mission, and it is ridiculous that we should be asked to pay this sum in our present circumstances. I have an idea. I was told when it was suggested that these two gentlemen were coming here that their expenses would be borne by the Colonial Office. I am making that statement subject to correction, but I have an idea that when I asked the question I was told that the expenses would be borne either by the Colonial Office or the Treasury or somebody other than ourselves. The next thing we knew was that we had to foot the bill. I conclude my remarks by saying that I look upon my small contribution to this report as a wicked waste of money and

expenditure which should never have been incurred.

Mr. ELEAZAR: I propose to say very little on this report. I should like to compliment the two gentlemen on the report because if it shows anything it shows that they have been very honest. They were sent out here as financial experts to help to show us how we can mend our finances. They confessed and have put in writing that they have "explored every avenue possible and are unable to suggest how the Budget can be made to balance during the current year or even in future years until there is a recovery in the price of the primary products of the Colony." We all know that we cannot balance the Budget until things improve all round. They have come and found what we had already known. Having failed in the primary object of their visit they embarked upon a totally different line and whatever we thought was a calamity they call a blessing. We thought we did not want a Forest Department, that we are paying too much for that Department, and that it is bringing nothing to us in the immediate present and very little is expected of it in the immediate future. For that they have given us their blessing. We say we are paying too much for the Agricultural Department and there are too many "Ologists"; the Commissioners say it is flourishing and we must find the money to pay these individuals. The people in the country most concerned, who have explored every avenue and are suffering from over-government, are being governed 4,000 miles away and simply on that account our fate is to be determined by people who do not know local conditions at all. That is what we are suffering from.

I have given notice of a motion and I am sure that I can show Government how we can improve our finances. I can advise Government much better than a person 4,000 miles away who has to rely on second-hand information. To be of any good people who come to advise us must spend at least six months in the Colony. These gentlemen were here for a short period. How can Government expect them to go through all the avenues and give a better account than those who are here and have studied the position? Everything we consider should not be done they say should be done. We have three

Judges here. We regard the administration of Justice as the bulwark of our safety and liberty; we also regard it with pride and are content to pay for it. These Commissioners tell us we only want two Judges. They go further and say we do not need an Attorney-General. Can Government conceive how it would get along without such an officer? When Government gets it into its head to follow that advice and not have an Attorney-General that day brings the doom of the Colony worse than it is. You want law and order to save life and property, and you want somebody qualified and untrammelled to advise on these matters. They say you do not want that. That shows that they were not competent to discharge the duties which they undertook. They failed, as they tell us, to be able to recommend any means by which we could improve our finances, and went out of their way to dilate and advise on things they knew nothing about. In support of that statement, for example, this is what they say with respect to the Magistrate's Court in Berbice:—

Some relief might be given to Magistrates if the system of peripatetic courts were curtailed. For instance, the Magistrate at New Amsterdam holds his Court in eight places besides his headquarters, three of which he visits twice a month, four once a month, and the last once in six months. Of these places, one is situated at a distance of two miles from headquarters (across the Berbice river) and one of four miles. Such facilities hardly seem to be required in a locality where communications are good.

These gentlemen did not know that there is a large population at Ithaca and it is easier for the Magistrate, his clerk and bailiff to cross the river than several hundred people. They also speak of one being four miles from headquarters. While that Court is four miles from New Amsterdam it has to accommodate people coming 80 miles from up river. That is the kind of information given 4,000 miles away upon which action is taken. Things must go wrong when people who know nothing about the country dictate what should take place and what should not. Every page of the report is teeming with irrelevant and illogical conclusions that one hardly knows what to say about them. To go on is like beating a dead horse. I told the Commissioners near St. George's Cathedral that the Band was to play "Nearer my God to thee" and they had the courage to go away and say we

should dispense with the Band. We told them we love the Band and the Mounted Police, but they had the audacity to recommend that the Band should be disbanded. Your Excellency saw the un wisdom of that and refused to carry it out. You must yourself from your observations have seen that some of these suggestions were ridiculous and could not be carried out at all. As regards the several heads which are misnamed "Development" we take them for what they are worth. You cannot speak of development of any scheme when after investigation of that scheme you say it is useless. I am not going to take up any more time because I see that we are beating a dead horse now. Whatever should be rejected has been rejected, but the hon. Member for Georgetown North no doubt thought that the gentlemen should know exactly how we regard what they have written. I would not characterise it as my hon. friend has done. I think it is an honest attempt to do something, and it should serve to enlighten those who need to be enlightened on one point, namely, that any attempt to govern this country as at present must end in failure. We say that the easiest way of attracting population and developing the country is by building a railway. It will bring people who will consume our sugar and our rice and naturally we will produce more, import duties would be greater because there would be more to consume, and naturally the country would benefit. This report should serve as an eye-opener to the Colonial Office when these gentlemen arrive at so many erroneous impressions compared with people who live in the country and have investigated all these points. It will teach them that they are too far away to attempt to teach the old lady how to abstract the meat from an egg.

Mr. WEBBER: I am afraid my views do not coincide with popular opinion expressed here sometimes, but I think I have made it clear that I am something of a heretic, therefore I discount a good deal of the value of this report and complain of its neglect of its terms of reference. I have looked in vain for some constructive suggestions with regard to the alternative measures indicated:—

To investigate the financial position of British Guiana in the light of the Colony's present stage of development, its indebtedness,

its population, its cultivated and culturable area, and its economic resources generally: to report thereon: and to advise as to the specific measures to be adopted to reduce expenditure and or increase local revenue in order to secure and maintain a balanced budget without loss of administrative efficiency, or with the minimum loss of such efficiency, and without undue risk of prejudicing future development and future revenue prospects.

The major part of this report is taken up with finicking indications of where economies can be made. Nearly anybody in the Service could have written this report. Certainly the Colonial Treasurer would have been capable of telling us all these things. I myself can write a report on economies in the Civil Service. To reduce expenditure here, to dismiss half the Service, or to repudiate our debt by \$1,000,000, would not take us one day further ahead. That is why I read this report with so much disappointment. At page 46 the Commissioners state:—

Finally, there will always be a number of schemes of development and, possibly, protection for which funds will be required. So far as future expenditure is concerned we would advise the adoption of the procedure that expenditure on development should depend on savings and no attempt should be made to anticipate future revenue. We would further suggest that schemes for development should be examined in the strictest financial manner and that, as a general principle, no project should be undertaken unless proved likely, on the most conservative estimate, to be remunerative on a commercial basis. If these principles are adopted, we think that the Colony will be able to provide effectively for the development which may be necessitated by the growth of its population. This, we are convinced, is the true method for securing the progress of the Colony, progress which will no doubt be slow but will be within the means of the people.

I have to pause to seek adequate terms to describe that which, if I were in another place, I would class as drivel. If this Colony is to wait until it can make savings on its present expenditure to expend on development schemes, and if those schemes are to be examined with the most conservative estimate, this Colony will never be developed. What we want in this Colony are courage and imagination for developing the undeveloped assets of the Colony, and they cannot be developed with this timid policy here advocated. We have Colonies within a Colony here. The territory of the North West District is equal to the West Indian Islands. It would be another generation before you can save enough money to pay

your debts, and then they say when you have saved money you must not use it for development but to pay your debts. It is not in the North West District alone that you have undeveloped territory. You have it along the whole of the coastlands, which cry out for development and constructive statesmanship, not one line of which I can find in this unfortunate report. If I were asked to say what is the need of this Colony at the moment I would say machinery for development. I do not want to drag in the Constitutional Question at this stage, but I do feel that the Colony will never develop until it has an Executive responsible to colonial opinion, an Executive where the Governor himself can feel that he was inspired by colonial opinion, which would help him to take responsibility. I even sympathise with the Governor, who is pulled here and there by the Colonial Office 4,000 miles away with the bridle in their hands. What development can one expect? One can understand that a Governor under these conditions has to be cautious. Before 1891 there was a Government which had authority and responsibility. That has been swept away and replaced by an Executive Council, but you cannot tie the hands of men behind their backs and ask them to exercise their abilities.

I am afraid my contribution to this debate will not be very helpful. Destructive criticism is never very helpful. But until it is possible to create development schemes, until you can bring in 10,000 or 100,000 people from the West Indian Islands and elsewhere, and until the waste places of the country are properly populated, you would never be able to balance the Budget for generations to come. You will have flashes of prosperity and flashes of surpluses, but those make nothing. Until we increase production and consumption, and until we increase our revenue paying capacity, these reports are of no value. If the Imperial Government wants to do something let it send down an all-embracing Commission to live six months in the country and devise something for the development of the country. The Financial Commissioners came like the Official Receiver to take a bankrupt stock and they made a good business of it. That is not the remedy for the present insolvent state of the Colony, but to take courage in both hands and go forward.

You have \$600,000 at the credit of the Colonisation Fund. Get hold of that money and raise \$1,000,000 and put people on the land. Make the North West District habitable and the thousands of acres between Georgetown and Berbice attractive and double up your exports and the Colony will become prosperous. This report I can only describe as coming out of the Official Receiver's Office.

Mr. SEERAM: I was hoping that this report would have made suggestions to help us to develop the Colony, but, unfortunately, it is to cause the Colony to retrograde rather than to progress. In official circles the report would be considered one of importance, but to the Colony it is not worth the paper on which it is printed much less \$6,000 which the unfortunate people of British Guiana have had to pay.

THE COLONIAL SECRETARY: I rise to a point of correction. The people of the Colony are not paying that \$6,000. It is absorbed by the Imperial Government in the grant that has been given to this Colony.

Mr. SEERAM: In the circumstances I withdraw that part of my statement. I am certain that at the end of the year Government will see the fallacy of adopting some of the recommendations for increased revenue, because I am sure that instead of an increase there will be a decrease. I am afraid some of the conclusions arrived at will give British Guiana a bad name and that people who might have been disposed to invest money in schemes of development would be influenced against doing so. It is regrettable that on the question of Tariff Reform they did not go more into details and make suggestions for the revision of the entire tariff laws. There can be no doubt that this Colony has been suffering, and will continue to suffer, on account of its tariff laws. Until there is a proper and equitable assessment that will result in increased revenue the country must continue to suffer. I expected that the Commissioners would have made certain recommendations and the Imperial Government advance us large sums for development, by which one could reasonably hope that at the end of ten years British Guiana would be a prosperous

and happy country to live in. They have expressed the hope that one of the first things the Colony will do is to repay the grants made by the Imperial Government. I am certain that before the time arrives for the Colony to make a gesture to repay it will be called upon to repay these grants. British Guiana can only rise to the desired position of development and prosperity by great development schemes and the expenditure of large sums of money. It will also not become prosperous until we have at least treble the population we now have. The suggestions of the Commissioners will in no way help the Colony to become prosperous or to get over its financial difficulties. At least for the next ten years we shall be compelled by force of circumstances to increase our financial obligations. I compliment Government for rejecting some of the proposals. Had some of them been carried out the result would have been monstrous. I must credit the Commissioners with the best of intentions. (Laughter). They came here and spent a few weeks and it was impossible for them to get the necessary information to compile a report that would have been valuable. They have acted on the advice and instructions of persons who were not the best to give them advice or information, and the official viewpoint is reflected in many of their recommendations.

THE COLONIAL SECRETARY: The mover of this motion confined himself mainly to pointing out where the recommendations of the Financial Commissioners had been of no use to the Colony either in effecting economy or in effecting development. That is probably true. On the other hand, before the Commissioners came out Government was faced with the necessity of making some economy in Administration. It was realised that revenues were falling off and it was impossible for the Colony to carry on as it was doing, and Government welcomed the appointment of Commissioners to come and assist in the effort of effecting economies. It is not always easy when one is living near a wood to see all the trees in it, therefore it was a very great advantage at that time to have two officials, one in the Indian and the other in the Colonial Service, to advise us not only on financial but administrative matters as well. I submit that this report has been of great

assistance to Government. Hon. Members have pointed out where the recommendations of the Commissioners have not been carried out by Government. On the other hand, they pointed out also where the recommendations were not of any use. It is only to be expected that in reviewing a very large area, as they had to do, some of their recommendations would not commend themselves to Government. Even so with some of the recommendations they have made the time is not yet ripe or they cannot be given effect to at the present time, but those recommendations will be borne in mind and it is the hope of Government sooner or later that they may be given effect to. To say that the report is useless and not worth the paper on which it is printed, simply because some of the recommendations do not accord with the individual opinion of hon. Members or not such as Government would put into effect at the present time, is an exaggeration. The report of the Commissioners has been of considerable value in the present crisis and Members must recognise that it has strengthened Government's hands considerably in dealing with the economies which have been made.

I have not the time this afternoon nor do I propose to extend this discussion by detailing or referring to all the points that have been raised, or to the paragraphs and the recommendations of the Commissioners which have been of considerable assistance. Neither am I going to embark on a reply to criticisms of the Agricultural and Forest Departments nor to the manner Government has endeavoured to develop the Colony. The Financial Commissioners, who had very wide experience, recommended that nothing should be done to interfere with or to decrease in any way the activities of these two Departments with which rests the development of the Colony. As regards other attempts at development, we have had very considerable assistance from the Colonial Development Fund. Remarks have been made with reference to the money lent to the Colony from that Fund. At present interest is not paid on that money and will not be paid for five years. We are hoping that the endeavour of opening up the interior by road will have a very marked effect in the near future. That road is already being used, and I think the

General Manager of the Transport and Harbours Department will bear me out when I say that the lorries operating on that road at the present moment are pressed to the utmost capacity to carry not only goods but people to the interior. When that road and bridge across the Potaro are completed a wider area and more land will be brought closer to Georgetown, not only mineral land but agricultural land, and very considerable development of the interior will take place. The road is not going west but going south, but I hope it will go west and that when it does go west it will be to the still waters at Tiboko. I submit it is a bold attempt at development of the interior. I do not say that the criticisms levelled at the report are either justified or unjustified. The report has been, and will be in future, of considerable value to Government in effecting such changes in its system of administration as will not only make for efficiency but will also effect economy. I take it, sir, as the hon. Member is not here, that the motion will be taken as withdrawn.

THE PRESIDENT: I do not think it is necessary for me to add very much more to what has been said in this debate and what has been finally added to by the remarks of the Colonial Secretary. I wish to say in justice to the gentlemen who formed the Commission and came here to examine the finances of the Colony that their task was a very difficult one. In fact, they recognised the difficulty of their task and our own difficulty in solving the problems we were trying to solve alone. They certainly brought home to the people in England the fact that we were trying to retrench in a great many directions, the difficulty of meeting the situation, and the need for assistance to the Colony at the present time. To them must be attributed the fact that we are getting so much assistance and our case is recognised. As long as the position is such there is merit in having had it examined by accredited financial representatives whose representations necessarily have considerable weight. I am aware that their intentions were not only good but that they gave most unsparingly of their best to a situation which they found to be extremely difficult. I have great sympathy with the remarks of the hon. Member for Berbice River. I

was surprised when he said that people must spend six months in the Colony if they are going to do any good. Personally, I suggest millions for months. It is capital and men we want in the Colony. I do not think we need deal further with this report. I had to deal with it very fully myself, and, as the Council has recognised, the recommendations of the Commissioners have by no means met universal approval of Government; but there are a number of suggestions which have given a great deal of food for thought and enable Government to deal with by giving a clearer field and more data to work on.

For those reasons I think the report, even if it has not satisfied everybody, has been a useful contribution of which this Government will take the fullest advantage. I do not think there is any necessity for me to put the motion, especially in the absence of the mover, and we might take it that the motion is withdrawn.

Motion accordingly recorded as withdrawn.

The Council adjourned until Tuesday, 26th January, at 11 a.m.