

# LEGISLATIVE COUNCIL

*Wednesday, 21st March, 1945.*

The Council met at 2 p.m., the Hon. E. G. Woolford, O.B.E., K.C., Deputy President, in the Chair.

## PRESENT

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

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

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

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

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

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

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

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

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

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

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

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. A. G. King (Demerara River).

The Hon. T. Lee (Essequibo River).

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

The Hon. V. Roth (Nominated).

The Hon. C. P. Ferreira (Berbice River).

The Hon. A. A. Thorne (Nominated).

The Clerk read prayers.

The minutes of the meeting of the Council held on 16th March, 1945, as printed and circulated, were taken as read and confirmed.

## ANNOUNCEMENTS.

### PRESIDENT'S ABSENCE.

The DEPUTY PRESIDENT: Hon. Members of Council will have noticed from the newspapers that His Excellency the President, who is absent, is in Jamaica, but so far as my information goes I think he will be present at the next session of the Council, I merely mention that for the information of Members.

### GOVERNMENT NOTICES.

#### INTRODUCTION OF BILLS.

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

A Bill intituled "An Ordinance to appropriate the supplies granted in the current session of the Legislative Council."

## ORDER OF THE DAY.

## BANKS' LICENCE FEES.

Mr. EDUN: This motion that stands in my name is a very simple one indeed, but it involves a very great principle. Therefore I wish to ask this Council to have patience and bear with me as I go along point after point in my exposition of this same principle. Perhaps I should read the motion:—

“Whereas there is in fact a deficit in revenue to meet the Colony's expenditure for the year 1945;

“Be it resolved that this Honourable Council levies from the Banks, to wit—Barclay's Bank (D.C. & C.) and the Royal Bank of Canada—the sum of five thousand dollars (\$5,000.00) each as licence fees, beginning as from the 1st of January to 31st December, 1945, and for subsequent years.”

In November last, on the 29th to be precise, this Council moved a reduction of the licence fees which the Banks used to pay for issuing currency. Those fees were reduced from \$3,000 to \$1,200, a reduction of \$1,800 each, and a loss to revenue of a sum of \$3,600. I can remember asking the hon. the Attorney-General whether the Banks were paying a flat licence fee for doing business in this Colony and the reply was “No”. Further I queried whether or not this Council has the right to ask the Banks to pay licence fees as any other commercial firms do. The hon. the Attorney-General said it was competent for any Member of this Council to move a motion asking that the Banks should pay licence fees. This motion is the result of that advice.

When I viewed with some degree of alarm the financial position as shown in that month when there was a deficit of \$960,393, I felt it queer that the Banks should at this crisis ask for a reduction of their licence fees, Government having substituted its own Currency Notes thereby collecting revenue to the extent of pretty nearly \$90,000 for the year 1945. I think the Banks should have been patriotic enough to say: “At this crisis why

should we ask for a rebate, for a reduction of the licence fees we used to pay for a number of years?” The point I want to make is this—the Banks and all commercial concerns, I do not think, have any special privilege or right to do business in this Colony and thus making profits and declaring dividends without paying a licence fee. The Insurance companies pay a licence fee; the pawnbrokers and other firms all contribute to the revenue of this Colony and, I think, if for nothing else but the urge of patriotism, the Banks should have been broadminded enough to say “Let these payments continue until after the war.” But what I do see is this—an indecent haste to relieve the Banks of these two small sums of money, \$1,800 each, in their licence fees. So quickly it was done. None of us had notice as to the intention of Government to so relieve the Banks. No Member of this Council had any idea that the Banks would have asked for relief.

There was such an indecent haste to relieve the promised financial bulwark of this country, the Banks, and there is such tardiness to give relief when you ask for a gratuity for a poor workingman of a few dollars a month. I had to do that in the interest of a poor man in the employ of Government, and it takes you two years to get that gratuity. But that was not the case when it came to the Banks; there was such an indecent haste. That is why I thought, in the interest of this country and as a duty devolving on myself, I should move this motion in order to see what special privilege the Banks have as not to pay a licence fee to do business in British Guiana.

Apart from that, I have found here at my disposal one of the largest firms in British Guiana asking at the same time, somewhere about the 2nd November, 1944, for a drawback on Customs Duties paid in respect of the manufacture of Limacol and Ferrol. Bookers' Drug Stores asked for a

refund of \$8,107.67 and this Council readily agreed to pay that drawback to that firm. It was easily and quickly done without any fuss, but so much fuss is made when in the interest of an employee of this Government something is asked for, some gratuity or small pension, or something of that kind.

The COLONIAL SECRETARY: To a point of order! Would the hon. Member quote a case where this Council refused Government granting a gratuity or small pension to an employee of Government? I have been here twelve months and each time this Government has introduced such a motion that it has been passed without hesitation.

Mr. EDUN: I am prepared to give a case and, I think, that case is not even settled up to now. It has certain legal complications. Although the man was given a gratuity yet his son could not draw that gratuity. All sorts of complications set in when the average man is involved.

Mr. C. V. WIGHT: Does the hon. Member seriously mean that because a gratuity is granted it must be just paid out to anyone who comes along? There must be no legal complications?

The DEPUTY PRESIDENT: It must be paid to the legal representative.

Mr. EDUN: I am only giving certain instances of tardiness on the part of Government when the matter concerns the smallest unit, those who are its employees. In any case I shall proceed. But, sir, you as a man of the world and with all your experience would certainly view the moving of a motion of this kind with a little bit of alarm. Perhaps, I should say that it takes a man of courage to move a motion of this kind, especially if that man or Member has financial business with the Banks. Fortunately for myself I am not financially obligated to the Banks, neither would I go to the Banks and ask any favours. I do not

intend to and, therefore, being in that fortunate position of not having to ask the Banks any favours I consider it my duty to see to it that the Banks are taxed in order that we may get more revenue to carry on this country. Therefore I would ask every Member of this Council to discard his personal affairs in dealing with a matter of this kind. Let us take this motion out of the realms of personality. Let us view it as a motion endeavouring to bring in more revenue, as a motion trying to evolve a principle that this Council can with pride ask the citadel of capitalism to pay their share of the upkeep of the State.

I shall take this opportunity to examine fully the functioning of the Banks in British Guiana as related to the finances and the economic structure of the Colony. I would ask myself and hon. Members to think whether the Banks are discharging their functions properly in order to expand the industrialism of British Guiana, in order to let us get more industries and in order that we should create more industries, produce more goods and so forth. I would ask hon. Members to view it in that light, whether the Banks are really discharging their financial obligations in the expansion of industries and in the production of more goods, and whether they feel that we should not tax them. I am yet to be convinced on that score. But let me examine their functions. I shall use the average commonsense. I want to see how these imponderable influences of finance work in the interest of this Colony and, if I find or Members convince me that the Banks are functioning in the interest of British Guiana and they should have the special privilege of not paying any licence or tax, I would be the first man to say "Let us not tax the Banks at all".

But, sir, in my endeavour to examine the functions of the Banks I shall divide those functions into seven categories. Let me enumerate them in

the interest of all concerned. — (1) Current Account; (2) Deposits (3) Loans; (4) Advances; (5) Discounts; (6) Trusteeship; (7) Agency. Those are the essential functions of the Banks. Now let us see No. 1—Current Account. This puts a large sum of money in the possession of the Banks. That means every person who has a current account gives to the Bank his money and no guarantee is given of security at all. I have an account there and they do not tell me it is guaranteed; further than that, there is no guarantee.

Mr. SEAFORD: May I ask what the hon. Member is quoting from?

The DEPUTY PRESIDENT: His own dictation.

Mr. SEAFORD: I do not think so. I think it is a quotation.

Mr. EDUN: I am using my own notes, and I am privileged to do so. The Bankers alone have the right to say what interest they will give on my savings. Although the Bankers have the right to use my money in order to invest in gilt-edged securities and buying gold, I have no right to say "Messrs. Banks, you must pay me more interest." I want to know how many small agriculturists in British Guiana and small industrialists have received financial assistance by way of loans from the Banks. It is a difficult proposition for any small enterprise to go to the Banks and say "I have a big pulp industry in view and I can see it made to work, but I want you to finance it in the interest of British Guiana so that we can give people more employment and create a big concern." The Banks will not even think about it, especially the Banks in British Guiana.

I come to "Advances". Let anyone be in difficulty in a small enterprise, see if the Banks would advance him any money to tide him over that difficulty. They will not, I want to

examine how the Banks function, whether it is in the interest of a small minority or in the interest of the majority of the people of this Colony, and if I prove to this Council that the Banks are not functioning in the interest of the majority then I shall have done a duty to this Colony.

"Discounts" are only given to the big industrialists, to the merchants.

The DEPUTY PRESIDENT: I do not think that is the meaning of the expression. The illustration given is not the meaning of the expression as I know it. Does the hon. Member know what that means?

Mr. EDUN: That is only given to the big industrialists, the merchants and the sugar planting community.

The DEPUTY PRESIDENT: I must interrupt the hon. Member. Discounts are made on Bills. If you want to refer to discounts you must apply the ordinary meaning of the word.

Mr. EDUN: It is one of the functions of the Banks, but only the big industries, or the planting community, or the big merchants can secure that discount.

The DEPUTY PRESIDENT: I do not find that so.

Mr. EDUN: It is open to any Member to reply to my remarks, but do not endeavour to confuse me as I go along. The sixth function — Trusteeship. The two Banks act as trustees for absentee-proprietors and manufacturers. The last function — Agency. The Banks are agents of the big businesses, industrialists and the sugar planting community. So you see, sir, that within these seven functions five are in the interest of the small financial units of British Guiana and two — current accounts and deposits — are in the interest of another small

minority. Therefore it will be found that on the whole the Banks cater for the good of a small section of the peoples of British Guiana, and that alone gives me the idea that I should endeavour to see that the Banks pay a licence fee as any other commercial concern, so that it could not be said that they have a special privilege in doing business here without paying a licence fee.

The licence for currency is another matter altogether. Even if the Banks pay \$1,800 a year for issuing part of the currency notes they have been issuing for the past year or so they recoup more than \$1,800 each per year through loss of currency notes in people's possession either by fire or destruction by moths. So that although the Banks pay \$1,800 each per year they make huge profit out of the issue of currency notes because, if I may make a comparison, it would be found that Government is today recouping the huge sum of \$90,000 on the issue of currency note alone. Therefore, if I calculate \$90,000 over the past 100 years we would find that the Banks have been making huge profits by the issue of currency notes, yet they were only paying \$3,000 to Government.

The COLONIAL TREASURER: The hon. Member's comparison exaggerates the past profits derived by the Banks from their note circulation, for the simple reason that the income now being received by Government from currency notes is derived from a note circulation abnormally expanded as the result of the peculiar circumstances of the war. The circulation of Bank note in the past was very small indeed compared with present day figures of currency note circulation, and the income derived by the Banks from this source was, of course, correspondingly less.

Mr. EDUN: It will be found that although the Banks paid only \$3,000 a year they were making an abnormal sum of money all these years, and

during the past 100 years they did a roaring trade yet the Government could not see its way to increase the licence duty. Now that Government has taken the opportunity and realized that it is its duty to issue currency notes, perhaps one day it will be its duty to establish a National Bank of British Guiana, with which the other Banks would have to compete.

But let me carry the matter a little further. I have here a five dollar currency note in my pocket issued by Barclays Bank, and it is stated on the note that the Bank "promises to pay bearer on demand" the sum of five dollars in local currency. The fact is that the Banks as moneylenders are issuing prom notes to everybody, and are not paying a licence in conformity with the law, because every person who lends money in this Colony or carries on the business of a moneylender has to pay a licence. In the case of the Banks no licence at all is charged in respect of the issue of promissory notes. If I had a \$100 Bank note here I would not see the proper stamps on it. Government closes its eyes and allows the Banks to continue the issue of notes without a penny going into the revenue of the Colony. Is it that Government fears the Banks? Is it because of certain financial influences at work that Government has no hope of making the Banks contribute an equitable sum to the revenue of the Colony? I think the time has come when in equity, and in view of the volume of business they do in this Colony, the Banks should pay a licence.

I shall continue to harp on this theme because I feel sore about it. Perhaps we will have other firms asking for drawbacks, and I want to put a stop to firms asking for rebates when, in a crisis like this, there ought to be a patriotic urge on their part to stand on their own, especially in view of the amount of money they make out of the people of British Guiana. His Excellency the Governor, the Official

Members, and other Members of this Council complain bitterly of lack of production of sugar, rice, cattle and every kind of commodity in this Colony. Is it possible that the Banks of their own volition cannot create a condition whereby we can have more production, even one ounce more of sugar? I remember the days when the Banks had branches at Rosehall, Corentyne, in the Mahaica-Mahaicony district, and in Essequibo. They followed the trade in rice, and perhaps, did a little bit of financing cautiously. I do not think they lost money. I expect that the Banks in British Guiana should do something of their own volition to expand industry. If they do not do that then I feel certain that I should tell the whole world that these Banks have discharged their duty but are parasitical concerns living off the people's substance. We cannot at the moment take pride in the fact that we have been able to produce one ounce more of sugar because the Banks have advanced money. They are simply catering for safer investments—hoarding all the time.

I heard it said this morning by a big industrialist that the Banks have so much money that they do not know what to do with it. They do not want to take people's savings now because they do not want to pay interest on those savings. They have reduced their interest on savings deposits to 1 per cent. as compared with 2.4 per cent. at the Post Office Savings Bank. If the reduction of the interest paid on people's savings is a kind of incentive to production I would condemn the Banks for their sphinx-like attitude existing in the Sahara of non-productivity—not doing anything at all in common with the interest of the people of British Guiana—because if I would wish the Banks to do anything at all I would expect small industries to be financed by them.

Apart from that let us examine the personnel of the staffs of the Banks and see who are being employed there.

I do not wish to raise any racial issue at all, but as an Indian my father came here and worked for this country. He died here and saved the sugar plantations from ruin. You will not find one Indian working for a salary in either of the Banks, and I as a public man have the right to examine the functions of the Banks and say: "Well, you do not employ my people, why should I put my savings into your vaults?" Because of a special privilege granted by some antiquated and obsolete Charter we have the Banks coming here and pressing us down, not doing anything to assist in the progress of British Guiana, except giving advances to the big firms such as the Bauxite Company, the sugar companies, and firms in Water Street. I want the Banks to give the pulp industry an opportunity to raise itself. If I take the production of sugar and rice as a criterion I must condemn the Banks of having no influences at all in the financial progress and the economic progress of British Guiana.

If I may make a comparison I will take Canada for an example, and what the Banks have done for Canada—the same Royal Bank of Canada. Look at the industrial strides made by that Dominion. Look at the economics of every Dominion and you will see that the Banks were responsible for their industrialization and expansion, but in the Colonies, oh no! In the Colonies the Banks exist in order to help big business against the enterprise of the small man. That is true because somehow these Banks have the right to say to whom they will lend money. They smother the enterprise of the small man.

Perhaps I may go a little further in my argument. Why is it the Banks were so interested in the expansion of industry in Canada, Australia, New Zealand, South Africa and so on? Because those in authority in the Dominions are of an exclusive race of

people who have everything in common with the Bankers. In the case of the Colonies, where the coloured communities predominate, the Bankers do not take an interest in the natives and in their urge to do something tangible for their country. Instead they expect the Government to establish Co-operative Credit Banks for the purpose of giving loans of \$100 to small men. That is the kind of economics we have in the Colonies. Perhaps in the next five years Members of this Council will have enough power to tax all such parasitical concerns which do nothing else but live off the substance of the people. I would tax them because I do not see any hope of the establishment of other Banks here to finance industries, and we will be left at the mercy of these two Banks. I think many Members of this Council have had experience of dealing with the Banks. Perhaps they know better than I do. When dark clouds set in one's shadow leaves. In a dark room your shadow is the nearest thing you find. As soon as a small industrialist gets into difficulties the first thing that happens is that the Bank withdraws its credit and crushes him to the ground. That is the kind of obstinacy we find in the capitalist system in the Colonies, and the sooner we secure power and get self-government the better for the people of this country.

I will give an instance. The Royal Bank of Canada had a very large institution in the city of Calcutta. In those days Indians were refused citizenship in Canada, and Mr. J. C. Ghose, the Mayor of Calcutta, said that if the Canadians did not give citizenship to or did not receive Indians in Canada every Indian should withdraw his money from the Royal Bank of Canada in Calcutta. Within a month every Indian withdrew his savings from that Bank, and today you can go to Calcutta and see the cobwebs hanging within the portals of that edifice, simply because people stood up for their

rights and would not allow a financial concern to dominate their economics any longer. So long as I remain a Member of this Council and lead two persons I shall always tell them that these two Banks do not stand in the interest of the majority of the citizens of British Guiana. They are simply here to consolidate the interests of a few people who can be reckoned on the fingers of one's hands—the absentee proprietors.

I am asking this Council to agree with me to tax the Banks now so that we can show the British Government and these financiers that, having got out of Treasury control, we are not prepared to get back into it. We want to tax every man, woman and every large concern according to their capacity to pay. Every commercial firm pays licence, income tax and excess profits tax, but when I go through these estimates of revenue I see no specific item through which the Banks contribute, except perhaps income tax. I am not in a position to say how much income tax the Banks pay, but if Bookers and other firms are paying licence to do business in this Colony, and are also paying income tax and excess profits tax, why the Banks which are doing business here, declaring profits and dividends, should not pay an equitable tax? I resent the fact that this Government took the opportunity to reduce the tax on the Banks from \$3,000 to \$1,200. Was it because the Banks could not afford to pay that small sum of money? No, there is something more than that. Some people have an elastic principle of commercial virtue, and in this case I see the Banks exercising that same kind of commercial virtue. They were out to stand up for their legal rights. Therefore, no matter how big or how financial they are I, as a Member of this Council, will say without hesitation that they must pay in equity a sum of money to ensure for them the ordinary protection of the State. It is just a



human problem, but I go further and say that if the Banks represent in their finances more than the average businessman then they ought to pay more. Instead of that I find this Government reducing the amount.

I visualize the day when we ought to take courage, in our hands and create in the Treasury of this country a National Bank of British Guiana. It is just the other day that bouquets were showered on that genius of finance, the Colonial Treasurer, for doing what the Banks would otherwise have done. Isn't that an indication to the whole world that we are rushing towards self-government and a State Bank? I remember the British Guiana Bank, of which you, sir, know more than I do.

The COLONIAL TREASURER: Far from the British Guiana Bank being a State Bank, it was a private Bank which eventually failed.

Mr. THORNE: The small man did not make the British Guiana Bank fail.

Mr. EDUN: We have the example of the Mother Country, the Bank of England standing as the one edifice of financial fame in a world of turmoil, assisting the British Government to fight today as it never did before. That is the Bank of England, and that is why I feel that private Banks are institutions which ought to be effaced.

Mr. SEAFORD: Is the Bank of England a State Bank?

Mr. EDUN: Yes, it is. (laughter).

Mr. C. V. WIGHT: Surely the "Old Lady of Throgmorton Street" is not a State Bank.

Mr. EDUN: That is a matter of opinion.

Mr. WIGHT: No, we should not show our ignorance to the outside world.

The DEPUTY PRESIDENT: If the hon. Member makes mistakes of that kind he must be subject to interruption.

Mr. EDUN: Knowing the situation as I do I am sure the Bank of England is a State Bank. I do not wish to take up more time but I am asking this Council to agree with me in my endeavour to secure more revenue in the interest of British Guiana. I have asked in my motion that the Banks should pay \$5,000 each as a licence to carry on business in this country. I think that the Banks cannot come to us and say that they cannot afford this sum. I was inclined to raise the sum to \$10,000, but I did not want to inflate it in a way to make people believe that I have something in mind against the Banks. But, sir, I view with grave misgivings the financial position of this country, especially after the calamity of the great fire which happened some weeks ago. We had voted \$50,000 to meet the crisis when like a bolt from the blue that \$50,000 went with the fire. I do not know how much more this Council will have to vote in order to meet that calamity. We have just begun and, therefore, I have made a search for more revenue and found that the Banks ought not to murmur to give us \$10,000 as their contribution at this time.

I am, however, not satisfied with that and am prepared to come back to this Council with other proposals whereby more revenue can be secured to carry out the business of this country. But that is another matter which will come up in time. I intend to take up the question of mortgages, the question of retail shop licences, hotel and tavern licences, and the duties on transports whereby this Council will also be able to secure more revenue in



order to carry out the business of the State. I want to ask every Member of this Council not to take this motion very lightly. It is a serious motion. I must confess we are at the parting of the ways. It would not have been possible 10 or 15 years ago for a Member of this Council to say or do something against the Banks. Now, I think, I am opening myself to be victimized one day or another by the Banks, perhaps, should I have the occasion to ask them a favour, but I hope that would not be. However, that is not my immediate concern. The principal concern of mine is that in order to carry out the business of this country those who make the most money should contribute the most to the Colony's revenue and, I think, the Banks come in there. If you look up the recent publication of the Balance Sheets of the Banks showing the profits made and the dividends declared, you would find that they are prosperous concerns and they ought to be made to pay more for operating here.

But apart from that, I want to repeat that if I were convinced that the Banks exist in the interest of this Colony on a wide scale, in the interest of enterprise and production, and on their own volition were responsible for the production of one ounce of sugar more or one penny-weight of gold more, I would be the first to say we should not touch the Banks. But convinced as I am that the Banks exist not in the interest of the country but in the interest of certain financiers and absentee-proprietors, I say that if we get this motion through we would be creating history, a precedent, whereby those who come after us can take courage and say "Wherever we find we can tax let us do so".

Before I take my seat I must say, and you will agree with me, sir, more than anyone else as the result of your wide experience, that the coloured natives of all the Colonies must now open their eyes and endeavour to secure

every right of theirs in order to develop their constitutional rights to dominion status. The only way we can do that is by being self-supporting, by meeting our current expenditure and not worrying others for grants and loans. How can we do that? If the Banks must do all the business they do and pay no money for doing so, then we would be fools for getting back under Treasury control and losing this wonderful opportunity for Self-government. Self-support is taxation, and I am assuming that every Member agrees with me. If we tax the Banks making them pay \$5,000 each, small sums in themselves, it would be the beginning of a great future where nobody at all can expect to get out of taxation simply because they happen to be an imponderable source of finance. This is a new age, an age in which everyone's eyes are opened. It would be a very sad day when the masses rise unanimously and demand that every man be taxed according to his means.

I speak feelingly because I am paying the way for making this Colony a self-supporting one and not continuing to get Colonial Development and Welfare funds. Take courage and tax those who can pay irrespective of who they may be, and it is then and only then we can hope to ask the British Government for effective control of our own affairs. With these few words (laughter)—parting words I should say—I beg to move this motion in all sincerity. There is no motive behind it, I want to assure every Member of this Council, except the one motive I have advanced. When the hon. the Attorney-General said "Gentlemen anyone of you can move a motion and ask that the Banks be taxed," I took the cue from him. I said to myself here is an opportunity to test the Members of this Council and see how they will vote. That is the test. I ask hon. Members to give this motion the support it

deserves because without finance we will be nowhere, we will be only playing into the hands of our enemies. When I say enemies, I do so advisedly because I feel there are certain persons in this country who are willing for us to get into financial difficulties and lose our country's hope for self-government, when they will say "I told you those natives cannot govern themselves". Perhaps I may live to see that day when we will be able to govern ourselves in British Guiana and to tax every Bank equitably. Today the tax is \$5,000, but in the days to come each Bank will have to pay \$25,000. I must ask you not to think that I have wasted the time of the Council but that I have done my best in putting forward what I think.

Dr. SINGH: I beg to second the motion

Mr. KING: Speaking against the motion, I do not do so because the Banks need any help in their affairs, ably and competently run as they are by two very responsible gentlemen, but I rise to take exception to some of the remarks which have been made by the hon. mover of the motion and which, I think, is ill-becoming of any Member of this Council to make against any such concerns as the Banks in this Colony. I had come here to listen, I had hoped to reason, commonsense and argument in favour of the motion, but instead of that, I am sorry to say, I listened to weak and somewhat cryptic abuse of the Banks. The hon. Member's remarks were unfortunate because instead of doing his case any good, as far as I am concerned, they have done it irretrievable harm. He has insinuated that the Banks of this Colony have never financed nor helped any industry in this Colony. He evidently has not taken the trouble to enquire into the history of the Banks in this Colony and the risks they have taken over a period of years in supporting various industries here, including one industry especially—rice—in which he should be most interested.

It is well known to those of us in this Colony who take any interest in the affairs of the Colony that both Banks many years ago lost considerable sums of money through helping what he referred to as the small men. It is to their credit that in an effort to establish that industry then the Banks came forward and with their money assisted those people, who were concerned with and interested in the industry, in their endeavour to establish it. The failure of the industry was due to the collapse of prices in the West Indies. Both Banks in this Colony certainly lost a very large and solid sum of money. To me, to increase or to attempt to increase the licence fees presently paid by the Banks of this Colony in the way suggested is rather small and weak.

The hon. Member has chosen one industry to advocate his cause and has said he is going to bring forward other motions relative to other industries, but up to the present he has not done so. There are other industries in this Colony and various commercial houses who are undoubtedly making money and do not even pay a licence to the extent of what the two Banks pay. I can think of some commercial houses of this City who make far more profits than either of the Banks. But that is no argument, one way or the other, to increase or decrease the licence fee. After all, the Members of this Council are to a great extent guided by the Government in the introduction of any proposed fees which Government in its opinion considers commensurate that any individual or firm or company should pay for the privilege it has of operating in this Colony. I for one will always be guided by Government in that respect.

Licences, after all, are things which it is difficult to apportion against business either in respect of its profits or in respect of its sales. It is to a certain extent something that is dif-

difficult to the ordinary man to realise and to say that the licence paid by a certain industry is not sufficient for what that industry is getting from the Colony. Government should be far more able to advise this Council what sum should be paid by any particular industry than any particular Member. I take it that when the Government reduced the Banks' licences, it did so as a matter of justice to the Banks and not as a matter of fun or for the purpose of reducing the revenue of the Colony. I have never known one instance where the Government has deferred any endeavour to obtain revenue to carry on the affairs of the Colony. I can think of instances where Government has been rather forward in its endeavour to obtain revenue from those capable to pay so as to assist it.

The Banks at one time had the right to issue Currency Notes. That was a right given to them by law for which they paid a higher licence. That right undoubtedly gave them revenue. I have not the slightest idea how much, but I think when Government took away that right in justice to the Banks it must reduce its licence, as it was taking away a source of revenue from which the Banks derived some profits. Government has assumed the right to issue Currency Notes and the Banks act as a sort of agency to put the notes in circulation. The Banks have to pay Government's issue of notes, and in that way Government obtains revenue. It would be very difficult indeed for Government to get its notes into circulation except through the Banks. It must be borne in mind by every Member of this Council that in rendering that service to the Colony and to the Government the Banks are doing a good turn to this Colony from which the Colony derives at the present time a not inconsiderable sum of money.

It seems to me that in moving the motion the speech by the hon. Member, who has just taken his seat, was

somewhat tinged with disappointment from what he said, as he does not keep his money in the Banks. He feels the Banks should be made to pay more than they do. I hope the day will never come when Government is going to tell either the Banks or any commercial firm in this Colony the best way to run their particular business. The various businesses of the world have men at the head of them who by experience and knowledge are capable of running those particular businesses, and we look to the Government of this Colony with the experience and knowledge of its advisers to run the government as it should and we look to the commercial interests to have at their various heads people competent and able to advise and to run those businesses. The hon. Member seems to think the Banks are not capable to run their business and do not know how much interest to give depositors. Perhaps he thinks 20 to 30 per cent. is quite enough for them to give.

The hon. mover referred to the Banks using the money on deposits for the purpose of business. That is banking, and if the hon. mover does not like to place his money in the Bank he is perfectly justified to keep it where he likes. I only hope that in doing so the moths he speaks of will not destroy his money, as I know it has happened where the money was kept in a house or buried in tins in the ground. It is far safer to keep money in the Bank where there are many safeguards, and the fact that the Banks of this Colony are branches of very large commercial concerns with roots in other parts of the world must satisfy the people of the country that their money is safe when they leave it there either as deposit or as current account. I have no desire to make a speech, but I do feel that in justice to the Banks an explanation should be made as to the reason why the licence was reduced and, as I said before, I have heard nothing

from the hon. mover which would justify me or any other hon. Member voting for the motion which he has moved.

Mr. HUMPHRYS: I am unfortunate in not hearing the opening of the hon. mover of the motion, but I have been fortunate in hearing the reply by the hon. Member for Demerara River. All he has said I endorse and it is unnecessary for me to add anything. All the facts are well known to each and every Member of this Council. It is really not a trifling matter to say the Banks must pay another dollar or \$2,000 or \$3,000 licence having just reduced the fee, because the fact is the issue of their Currency Notes has been taken from them. Government carefully considered that and reduced the licence fee, and not even a year later the hon. Nominated Member, Mr. Edun, comes forward and says "Increase the licence to \$5,000." The question of increasing any licence of this kind is one Government considers from the point of view of policy and not as the hon. Member thinks—the Banks can afford to pay more and, therefore, make them pay more. If that is the principle we are acting on, then I suggest to the hon. Member that he moves that all registered moneylenders in this Colony should pay a very high licence fee. They are the blood-suckers of this Colony. I have never been in their hands, but I know many persons who have been. They charge 200 per cent. interest, and it would be a good thing for this Colony if everybody who charges an interest above six per cent. is made to pay a very high licence fee, as I believe obtains in the Island of Barbados. I believe that at one period of time the hon. the Colonial Secretary was in Barbados, and he can enlighten us.

The DEPUTY PRESIDENT: I think such a procedure still exists. The old Ordinance is here.

Mr. HUMPHRYS: But it is never enforced. They charge what interest they like until their victims

are forced to have the transaction disclosed in Court. I think the hon. Member should think twice about his motion and not bother to put it to the vote. It is just playing with the situation. \$5,000 licence will not kill the Banks but it is exorbitant.

Mr. THORNE: I would like to make my position clear. I am unable to vote for the motion because I have always felt the necessity of having not only two Banks operating in British Guiana. I would like to see more Banks in British Guiana, as competition among the Banks would make them endeavour to give the people more opportunity to get financial assistance. On that ground I am not prepared to vote along the lines the hon. mover wants. It seems that will be acting in the opposite direction to what I desire.

There is one other point I would like to speak on, and that is the hon. mover's reference to the fact that the Banks have been very loth in opening their doors to members of the community who are non-Europeans for employment. I may mention that that is a matter of Imperial concern, and it is of so great importance that I thought I should bring from my file a telegram I received just two years ago from London when the New York Manager of Barclays Bank was going on a tour through the West Indies. He got as far as Trinidad. The question was raised in London that it is necessary for the Banks to open employment to non-Europeans on their staffs. In the circumstances I presume I am in order in passing on that telegram so that the President can see it, and when I speak it cannot be said that I am against the personnel of the Banks. I mention it because I do feel the Banks should give it some attention as has been done in the West Indies. I think a good deal of what has been said by the hon. mover of the motion should be answered. I know personally that many of the younger generation

are taking that view, and it is just as well that the managers of concerns know these facts, as when they know them they will be able to answer them and to meet the situation and prevent a feeling of distrust and antagonism.

There is that feeling of antagonism—I believe that—when people put their money in Banks and their deposits are used by the Banks, and then the Banks discriminate in the employment of the personnel of their staff. This thing is not new. It was raised many years ago, but recently it has become acute since the war began and it is still being insisted on right through the Colonies, and the Banks particularly would be doing an Imperial service if they follow suit and state once and for all that no discrimination is intended. No man has made himself. Every man, whatever his race or colour, has a right to live and, therefore, it is absurd to look at any man as unsuited because he carries on him some brand of nature, as he did not make himself.

Mr. EDUN (replying): I do not think there is much for me to reply to except to say, for the information of the hon. Member for Eastern Demerara (Mr. Humphrys), that I explained at the outset that when the reduction was passed in this Council I particularly enquired of the Attorney-General the reason for the reduction. That was explained fully, and I then asked whether a Member could not move a motion asking that the Banks be made to pay a licence. I stated that I took the cue from the Attorney-General, and the result is this motion.

I was pained to hear the opinions of three Members as to the financial aspect of this motion. How do we stand as regards meeting our current expenditure? Perhaps the hon. Member for Eastern Demerara should be told that I agree with him that moneylenders should be taxed, and as hard as

we could tax them. I know that they are parasites in this community. I know of very many instances where they charge abnormal interest, but that does not prove that the Banks provide any incentive to that class of persons who deal with moneylenders to secure loans from them. It would be impossible for a person who goes to a moneylender to enter the door of either of the Banks and ask for a loan. Therefore there is no alternative. The conditions put up by the Banks are hard, therefore small men have to go to moneylenders.

I had thought that the hon. Nominated Member, Mr. Thorne, would have voted for the motion. Being a socialist himself he will agree with me that the best way to socialize or to equalize society is to tax those who can well afford to pay. In this instance I have proved beyond doubt that the Banks can afford to pay, but they asked for a reduction from this Government because they thought it was a legal right of theirs. I went further than that. I have been asking all along that the Banks should exercise some patriotic urge at this crisis, but what do we find? We do not find anybody or any firms going out of their way to give anything to the State in order to carry on the finances of the Colony. I have seen that elsewhere. I have seen where Members of the Cabinet in the Indian National Congress Ministry reduced their own salaries in order to facilitate the proper financial functions of the Government. They did that through high patriotic motives, and I expected the Banks in this Colony to do the same thing, especially at a time when we need all the money we can get to meet the requirements of the Government.

I am happy to know that Mr. Thorne agrees with me on the question on non-Europeans not being employed at the Banks. It is a sore question and a vexed question and the sooner the

Banks get to know that the coloured peoples are beginning to realize these things the better. I am sure that there are coloured natives who could do as good a job in these Banks as any European.

I had expected to hear the views of other Members of the Council; perhaps their silence means consent. I do not know, therefore I want to have a test of that in the voting. Perhaps I will be alone. Before I conclude I would ask the hon. Member for Demerara River (Mr. King) whether he can supply me with the figures of the Banks' losses in the rice industry. I do not believe that the Banks suffered any loss. Those who borrowed from the Banks lost money. The Banks are very clever in their financial affairs, and whenever they advance money they never lose. They are not investors themselves. They have no shares in the rice industry. How can they lose in their investments? They lend money and see to it that they secure all the loans they make. I am yet to be convinced that they lost money in the rice industry. I know that certain big firms like Messrs. Sandbach, Parker & Co. and Wieting & Richter did lose money in rice, but to say that the Banks lost money is not true.

Mr. SEAFORD: I do not think it is right that that statement should go unchallenged. The hon. Member says it is untrue, and he has just made the statement that he did not know the figures. On what basis then does he say that the statement is untrue?

Mr. EDUN: I do not think I need answer that.

The DEPUTY PRESIDENT: I may inform the hon. Member and other Members of the Council, as a matter of history, that I was present here when the Government's desire to increase the denomination of its currency note issue from \$1 and \$2 to \$5 was opposed by some of the commercial men for

reasons of policy which they did not disclose. As the hon. Member has already been told, the licence fee previously paid by the Banks was recently reduced as the result of the restriction of what is a valuable privilege -- the issue of Bank notes -- and in that respect the Government's action was quite right.

Some remarks have been made about the attitude of the Banks towards private individuals. Without knowing the circumstances I would say that there may have been very good reasons for the Banks refusing assistance to private persons. After all the funds of the Banks do not belong to the Managers but to the shareholders. The Banks are private institutions and they have to be careful. You must never expect a commercial Bank to make the same advances as an Agricultural Bank, which I think is what the hon. Member has in mind. There is no doubt that we should all like to see an Agricultural Bank established in this Colony, but you must not expect commercial Banks to be quite as liberal in their advances and assistance to industry as an Agricultural Bank would be.

So far as the employment of people is concerned I know what Mr. Thorne was referring to. There again, the Banks are private institutions and it is for them to decide who should be employed. We have not reached the stage when we can have State Banks. I personally would not like to see one instituted, I do not know what the capital is going to be. The hon. Member himself has not suggested the amount, but I have no doubt that it would have to be a very large figure, and I have still less doubt that there would be such a run on the Bank that it would not be able to exist. I think it is far better for Banks to be controlled and not to be run as State concerns, which evidently is the object of the hon. Member.



I think the Banks have paid licence duty for the year already. The hon. Member's motion calls for payment for 1945, so that in that respect it is ineffective, but it is always open to him at the Budget session to move an increase of the licence without moving a special motion. I will now put the question.

The Council divided and voted:—

For — Mr. Edun and Dr. Singh — 2.

Against Messrs. Thorne, Ferreira, Roth, Lee, King, Jacob, Humphrys, Peer Bacchus, Austin, Jackson, C. V. Wight, Seaford, the Colonial Treasurer, the Attorney-General and the Colonial Secretary—15.

Motion lost.

The DEPUTY PRESIDENT: As it is very near the time for adjournment would the hon. Member like another day for his other motion?

Mr. EDUN: Yes, sir.

The DEPUTY PRESIDENT: Consideration of that motion is therefore deferred. With the consent of Members the Colonial Treasurer would like to move motion (b) in his name on the Order Paper.

#### PAYMENT OF WAR BONUS IN 1945.

The Standing Rules and Orders of the Council were suspended to enable the following motion by the Colonial Treasurer to be taken out of the order in which it appeared on the Order Paper:—

That, with reference to Governor's Message No. 30 of the 10th of March, 1945, this Council approves of the payment of

war bonus to Government employees during the year 1945 in accordance with the rates set out in Governor's Message No. 10 dated 15th July, 1943.

The COLONIAL TREASURER: Sir, this is a purely formal motion. The position is that on the 3rd of June, 1943, the Council approved of war bonus being paid at certain specified rates set out in the Governor's Message, and subsequently Government announced certain modifications on the 15th July, 1943. In 1944 the Council provided the various votes on the 1944 Estimates, and the funds necessary to permit of payment of war bonus being continued on the same basis. That was announced in the Budget. A similar procedure has been followed this year by merely introducing into the Budget provision for the payment of temporary war bonus, and merely announcing that it is proposed to carry out those payments on the same basis already in force. Government has been advised that that procedure is not strictly correct, and that what is required is a formal resolution by the Council authorising Government to continue payments on the basis approved by the Council in 1943. If this motion is passed it becomes effective for one year. The object of the motion is to secure formal approval of the Council for payment of war bonus at the approved rates for the year 1945. I formally move the motion.

The COLONIAL SECRETARY seconded.

Motion put, and agreed to.

The DEPUTY PRESIDENT: There being no other business the Council is adjourned until April 5 at 2 p.m.