

THE DEBATES

OF THE
LEGISLATIVE COUNCIL OF BRITISH GUIANA.

OFFICIAL REPORT

OF

PROCEEDINGS AT THE TWELFTH SESSION OF THE THIRD LEGISLATIVE COUNCIL.

LEGISLATIVE COUNCIL.

WEDNESDAY, 15TH MAY, 1946.

The Twelfth Session of the Third Legislative Council of British Guiana was opened in the Council Chamber, Guiana Public Buildings, Georgetown, at 10 a.m. on Wednesday, 15th May, 1946, with customary formalities and ceremonials. The proceedings were broadcast by Station ZFY.

PRESENT :

The President, His Excellency the Governor, SIR GORDON JAMES LETHEM,
K.C.M.G.

The Honourable, the Colonial Secretary, Mr. W. L. HEAPE, C.M.G.

- ” ” the Attorney-General (Acting), Mr. F. W. HOLDER.
” ” E. G. WOOLFORD, O.B.E., K.C. (New Amsterdam).
” ” F. J. SEAFORD, C.B.E. (Georgetown North).
” ” C. V. WIGHT (Western Essequibo).
” ” J. I. de AGUIAR (Central Demerara).
” ” H. N. CRITCHLOW (Nominated).
” J. B. SINGH, O.B.E. (Demerara-Essequibo).
” F. DIAS, O.B.E. (Nominated).
” PERCY C. WIGHT, O.B.E. (Georgetown Central).
” ” J. GONSALVES, O.B.E. (Georgetown South).
PEER BACCHUS (Western Berbice).
” ” H. C. HUMPHRYS, K.C. (Eastern Demerara).

The Honourable, A. G. KING (Demerara River).

" J. W. JACKSON, O.B.E. (Nominated).

" T. LEE (Essequibo River).

A. M. EDUN (Nominated).

" " V. ROTH (Nominated).

" " C. P. FERREIRA (Berbice River).

T. T. THOMPSON (Nominated).

Clerk of Council—Mr. A. I. Crum Ewing.

Official Reporters—Messrs. H. A. Grimshaw and F. A. Leubin.

The Lord Bishop of Guiana read prayers.

The minutes of the meeting of the Council held on the 10th May, 1946, as printed and circulated, were taken as read and confirmed.

THE PRESIDENT'S SPEECH.

The PRESIDENT addressed the Council as follows :—

Honourable Members of Council,

It has seemed somehow a very long time since I last spoke to Council at the opening of a new Session, and yet it is only ten months ago. The end of the European war only a few weeks before that, and then the very surprising collapse of war in Asia, have thrown us with unexpected suddenness into a new post-war world, a world of new and great difficulties which have somehow seemed—to me at least—completely to fill the mind and make the short period seem long.

There are two salient features emerging since I last spoke thus formally to Council. The first is the sudden switch-over from war to peace which I have just mentioned, and the other is that I had, with some degree of confidence, spoken of that session opening in 1945 as the last of this long Parliament.

I had not reckoned on the opposition in detail to the Bill on the Franchise, on which His Majesty's Government's decision, in accord with that of this Council, had been announced in 1944, nor on the insistence on extending the

time for the numerous procedures necessary before elections can be held. I had anticipated rather an eagerness for the main objective, the new elections, and thought Members would have been rather prepared to expedite that result, at possibly some sacrifice. However, we will look forward hopefully. As it is, this present Council as now constituted has still its work to perform. I would wish again to express my appreciation of the many labours of Members, and to say that I am most confident that the Council will acquit itself honourably in this, its last—shall we venture to guess it—Session.

ABIDING INTEREST IN COLONY

I should like to take this opportunity to say how much touched I am that Members of Council should have thought it fitting to record formally in the minutes of this Honourable Council, an appreciative reference to the services of the Governor to the Council and the Colony. To the Members of Legislative Council may I say that it is a very easy thing for a hard-pressed Governor or Colonial Secretary to step awry in

relations with Council in anxiety to get on with the job. I think Members here know my constant desire to stand meticulously on the Constitution, and be the earnest defender of the rights of this Council. It is a great thing to me to know that any such endeavours of my own have been appreciated. To the people of Guiana let me say that my interest in this country of Guiana is keen, deep and, I am sure, abiding. In thirty-six years of Colonial Service I have known of no country with such challenging and individual interests, if we can look at it as a whole and lift our eyes to the hills. When I say that, I am not decrying the coastlands of Guiana, as some who are not our friends, even sometimes in our midst here, are wont to do. Very far from that: anyone who has listened to what I broadcast recently about the Corentyne, will realise how fascinated I am myself by coastland problems and features. But I am using the words of the Psalmist in its widest metaphorical sense, and looking as in a vision to the height to which this country may reach.

The sudden end of the war a year ago in Europe, and a short nine months ago in Asia, seems to me almost to have jolted us into wakefulness—awareness of the post-war world—as if from a dream, certainly not an inactive and untroubled dream, but perhaps a dream in that this country has emerged unscathed, to a degree which is almost incredible to record. With the most deep thankfulness and gratitude to the Almighty we do so record it.

Future years and students of Guiana's history will be able more accurately than we to-day to assess the balance. We have certainly seen not only absence of war damage and absence of suffering, and the inestimable boon of war years undisturbed by a single shot fired in earnest, but at the same time we have had a great increase in money wealth, an increase in wealth in many sections of the community, for many if not for all, high prices and expansion and openings for our products, a highly valuable diversification of our own economic efforts, and dependence on ourselves with local production rather

than on others for imports from abroad; in fact not a few developments made under stress of war which will have their own value for the future.

Yet I cannot but believe that the other side of the picture will turn out to be more true. Such world wars entail a vast destruction of assets, human and material. In such world wars almost no country can escape. There may be one or two in the happy state of distance from the scene that can count up their balance wholly on one side. Guiana has been part of the effort of the United Nations, the victors it is true, but, like the greatest of them though for ourselves in some small degree, we have had to sustain loss and lack over these years, and shall continue to sustain more, until the new level is reached. Moreover, those fountains from which we could from 1939 onwards in a happier time of peace have looked for resources of equipment, of personal ability and of funds have, though not dried up, inevitably greatly limited their flow in these war years, and must be so limited for the next few years to come.

I have never from this place or any other, ever said anything except that these first post-war years would be our most difficult. I would revert to what I said in my first address to this Council—"Can Guiana stick it? Can Guiana stick it?" I was assured she would, and we have not done altogether badly, though we are not free from criticism. It behoves us the more now to look at this future with the eye of realism; to know that we are not yet across Jordan, and must hold on in hope, for a time yet. But I am in no way fearful for Guiana, even in the face of some of the facts I have tried to assess in these last few months.

I propose to address Council at no great length this morning, in fact, I hope more briefly than I have previously demanded of your time and attention, and on three things only—things constitutional, things financial, and things of future development.

REALITY OF SELF-GOVERNMENT

On things constitutional, Members are very well aware that it had been my

personal inclination, as soon as the new constitutional arrangements in 1943 had begun fairly to run, to proceed to new elections, and give this Colony the opportunity of having a new representative body, even though elected on the old franchise. Many things have combined to prevent that action, the exigencies of war and of many other pressing activities, and perhaps more than any other the clear preference of almost all Members of this House to continue in being until the further stage, the new franchise, was in being. Had I known that was to have been 1947, I might have urged more strongly. But I am not an autocrat in these matters, and I should not be, and I have rightly or wrongly deferred to circumstances. We must now face up to the future.

What I do want to say is this. Important as franchise is—and let us regard that as settled for this next period of years—important as that question is, still more important in my view is the reality of self-government of our own Guiana affairs. We have made, I certainly believe in so far as the part of unofficial Members of this Council in executive government goes, some headway. More could be made without anything revolutionary or changes in the constitutional arrangements. I should be ready to press forward in any way of that kind.

But I think that the time has come when we should look forward in specific manner to formal constitutional changes in the direction of local self-government, by constitutional enactment, whether to materialise in say five years' time or whatever might be possible. I regard this as a cardinal point of policy which should be kept before our eyes. When I review in my mind and experience the handicaps of Colonial Administration, I see no other real and lasting remedy for a colony of the character of Guiana now.

It is no use hesitating and doubting that there will be difficulties, controversies, quarrels between sections, fear of majority rule and the problems of minorities. Of course there will be, even

hot blood and fury. These are the commonplaces of constitutional advance. All countries must go through them, even those who boast of the purest democratic principles: Canada with rebellions and conspiracies coming years after the Durham Report; South Africa with its uneasy politics, ever since the generous grant of self-government forty years ago; the United States with its tragic civil war, two generations after independence and federation; India with the stormy political future she cannot escape. These things are the common places of political advance.

It is no use waiting until we see what happens with some experiment somewhere else, before we begin to do our own planning. Let us learn what we can from other places by all means, but do not let us sit back and passively wait until some constitution-monger, some Abbe Sieyes, fits us with some machine which has worked, or which has not worked, elsewhere. It has been my intention over these last three or four months, since we finished with franchise, to have attempted to get down on paper thus early, how the constitutional changes with the farthest possible step towards self-government could even now be framed.

I am the more inclined to that aspiration in view of trends that we see outside us which sometimes give us concern, trends towards executive direction by outside conference, towards federation as the first step instead of the last in crowning a democratic edifice, easy talk about regionalism as a universal cure, more and more tendencies towards imposition from the outside. The only true democracy must come from the bottom, from the units already as far as possible on their own feet, voluntarily coming together to form the greater machine.

WEST INDIAN FEDERATION

It is very true that the peoples of the Caribbean might carry greater weight in world affairs in a federated state, but we must be very careful that the individual units do not find themselves in bonds of centralised bureaucracy before they have

got their own heads up in their own right. Members will remember our debate on federation. I supported the principle. I tried to speak persuasively against those views expressed which would have thrown out the motion, and I said that it should be very well worth our while to be prepared to go into any discussion with the West Indian territories, and that there might be, and surely would be, immense advantages in securing much more co-operation amongst ourselves, and even worthwhile to create machinery for that purpose. But I said we must remember that if we want reality of self-government of our affairs, that comes not from imposition by a new machine, but in the first place from development of self-government in the individual units, British Guiana, moreover, by its constitution, its character, its size, its affinities with neighbouring Guianas and with continental countries, has a very special reason to maintain its individuality. I trust I shall never see that obliterated in an artificial union however imposed, its title.

EFFECT OF WAR ON FINANCES

I would now speak briefly on things financial. Members will remember our various discussions last year and the need now to give particular attention to the effects on our finance of the wartime conditions. I think one of the things I said myself was that we had a great deal for which to be thankful, in that we had succeeded in coming through the war period with windfalls of revenue which had enabled us to meet the great masses of emergency expenditure imposed upon us, without deterioration of our financial strength, on the contrary with an increase in our surplus and reserve. The other side of the picture of course was that a great many things we ought to have done we have been physically unable to carry through, and therefore we have spent less than we normally should on liabilities other than immediate war exigencies.

I also emphasised that we should regard our surplus as something with which to meet the quite inevitable deficits of the transition period. It is evident to any student of these things that with the end of the war, there should be some contraction of the abnormal revenue, and that occurring just when there would be need

to make up the omissions to which I have just referred, and also for some time to carry certain war liabilities as to which it would remain impossible to rid ourselves totally.

We have tried very definitely in the last budget to cut down on some of these. We have been criticised for doing so. But no one in this Council will, I think, argue that we must with a stroke of the pen cut off all emergency expenditure such as price and commodity control, subsidisation, war bonus, food production, etc. If anyone had thought so last year, I think the picture of the amazing condition now evident in so many parts of the world, with even famine staring millions in the face, should teach us to beware of destroying some of these emergency cushions against the hardships arising from the sequelae of war.

My view therefore, is the philosophic one that there is nothing whatever over which to weep in the fact that we had a deficit in 1945, and face a deficit in 1946 and probably in 1947. I should be content if we got to a stabilisation in 1949, though we should, of course, try to balance earlier if we possibly can.

In studying these things for the future, it is convenient and very useful to consider them in two periods, the first is in the immediately transitional period during which we have still to face up to some continuing war expenditure imposed on us. We can consider that as the years 1946-1949. The second period is that in which we must come down to more normal conditions.

In the intervening period, as I have said, we will have to continue to carry some abnormal expenditure for some time—though we will hope with gradual decrease—such as some degree of price and commodity control, some war emergency and military expenditure not yet liquidated, some subsidisation perhaps and some food production encouragement.

REVENUE PROSPECTS

Fortunately, it is extremely probable that revenue will keep up and enable us to meet for a time such abnormal needs. Revenue results continue to be definitely good. Revenue was accruing in the most notable manner in the last months of 1945, and this, coupled with the inability to spend sums voted, reduced our deficit

for 1945 to little over \$1,000,000, to be exact \$1,050,000. The deficit was in fact very little above the original estimate made so early as the middle of 1944, \$987,000, and it was away below the figure put in our revised estimate made half-way through the year 1945 after we had undertaken much further expenditure, of \$2,707,000. That means moreover that our surplus stands still at the very useful figure of \$5,900,000.

I personally believe that revenue will continue to keep up for some time. Customs revenue has shown so over the first period of the year. There is a great consumer demand for goods, and imports should continue high for some time. There are improved prospects in mining. The demand for our agricultural products is safe for a couple of years at least.

But even allowing for this, we would still have to face a continuing deficit of about a million dollars if we were unable to make effective efforts to reduce expenditure, or on the other hand to increase revenue. The position will not permit any looseness on recurrent expenditure, and surely we have reached the limit of rising expenditure on the basic costs of services, particularly in regard to staff and personal emoluments. Moreover, if we fail to keep within reasonable limits, if we fail to begin a radical improvement in the finance of the Transport system, and if we still have to carry abnormal burdens of wartime economy, we will run into a substantially heavier deficit. In other words, it will be difficult to avoid a deficit of a million or so at least in these transitional years, and it may be very much more.

The important point as it seems to me about this is that our deficit, whatever it is, will reduce by so much the amount we will have available for constructive development and welfare. An immediate question will be therefore, can we balance the budget in 1947, or in 1948, and so the more increase our funds for constructive development? If world affairs were showing any tendency to return early to normal with supplies of things coming forward in quantity at old prices, we might properly hope to do so. But

we are not out of the woods, and until we are so, we may continue to have an inflated budget. Fortunately, as I said in commencing these remarks, we are reasonably well armed for it and we need not be stampeded.

In general, therefore, we can face the immediate future, say these next three years, with reasonable equanimity. The real headaches are elsewhere. These are two.

CAPITAL EXPENDITURE

The first is the question as to how we are to meet the immense requirements for capital works and capital expenditure for this country, in its difficult coastal belt and in its undeveloped and neglected interior, and with the immense and exigent demand of welfare. That is a problem to which any forward-looking Council must specially address its mind. With it I will deal later, but only say here that the chance of success will depend largely on the degree to which we can balance the budget and maintain a revenue sufficient to justify loan commitments.

The other principal headache will be our budget position in the years from 1949, say 1949—1956, which will complete the ten-year period from now. On this question the Economic Adviser has carried through an invaluable examination of which I can now communicate some of the conclusions.

I have spoken of the next three-year period in which we can hope for a fair revenue, though we will still have abnormal demands on it. We should be very foolish to rely on continuance of that revenue. Every canon of wisdom demands that we anticipate some detraction.

NATIONAL INCOME

The examination which has been made has taken into account every possible factor. The "National Income" had been estimated for 1942. It has been again revised for 1944. All trends such as those indicating quantities and values of production over a long series of years and of prices, particularly in regard to exports, the increases in wealth and currency, the

relations of the trade volume with public revenue and expenditure, all these have been carefully taken into account, and also the features of the economics of the country at the end of the first world war and in the immediately succeeding years. All these show many ups and downs but indicate many useful deductions. The relation of public revenue to National Income and of the comparative burden of indebtedness against both, were especially considered.

I mentioned the National Income. That was put by Dr. Benham for 1942 at nearly \$50,000,000. It could be put for 1944 at \$58,000,000. (We can give no comparative figure for the pre-war years, but the measure would be that external trade alone in 1938 was only \$23,000,000 as against an average for 1940-45 of \$40,000,000 not far off double.) Commercial production and professional profits rose from \$5,000,000 per annum in 1938 to \$11,000,000 in the years 1941-1943—more than double—though back to \$9,000,000 in 1944. For the future the Economic Adviser feels we can look for a National Income of the order of \$48,000,000 and an external trade of \$31,000,000.

Against that background a careful estimate of possible public revenue when we return to normal peace-time conditions has been made.

There have been those who, without that background, have put our post-war revenue back to old figures of little over \$6,000,000. We have been enjoying a revenue from ordinary sources of eleven and more million dollars. Most of that increase has come from direct taxation, on those heavily increased profits I have just mentioned, on the increased national income about three quarters of the increase, and only a quarter from indirect taxation. With the expectation that national income will keep fairly up as indicated, and ordinary direct taxation not be reduced, I should certainly not be so pessimistic as to put revenue back to six and seven million. I should place the figure for the years from 1949 at more than nine million, and perhaps a half, but I should not care to put it higher.

EXPENDITURE

Our scale of expenditure on ordinary services could be no doubt carried on that, though with some reductions. But that figure would not allow for the normal expenditure on such things as new buildings, comprehensive re-conditioning of roads, sea defence, drainage and irrigation, such things as we class usually as "Public Works Extraordinary". Reasonable provision for that would probably raise our total normal expenditure to something over \$10,500,000 for those years after 1949. Our precise figures, for what they are worth in precision, are \$9,460,000 revenue and \$10,600,000 expenditure.

There would be a gap of over a million dollars. Can it be closed? If it can, then we can devote all such special funds we might be able to raise, say by loan, to development and welfare projects. If it cannot, our surpluses will have already disappeared, and any development and welfare planning considerably reduced. It will be imperative to keep the gap closed if worthwhile development plans are to go on.

We can put it in this way. We have perhaps three years to put our financial house in order after the bombing and blitzing of war. If we can do it, our development plans might go on well. In fact possibly very well after 1950. If we cannot, it means limitation of new projects.

I should explain that this budget of \$10,600,000 allows already for the elimination of all the wartime emergency expenditure, subsidisation, military and civil war emergency measures of all kinds: it also allows for the elimination of deficit on the Transport and Harbours: and also temporary war bonus. In regard to the latter I had made no estimation of reduction in the transitional period, as I thought it premature to come to any firm opinion while conditions remained abnormal. But it will be very clear that when we come to 1949-1950 with a contracted revenue, the continuation of war bonus will swell our possible deficit to a degree which we could not carry. It would seem to me very clear that we must envisage stepping down.

We are therefore faced with the very difficult position in 1949-1950, wherein

even after allowing for elimination of these items of expenditure imposed on us by the war, we may still have a substantial gap between our normal revenue and our normal expenditure unless we take steps of an effective kind—and from 1947 onwards—to bring about the closing necessary. Necessary, as I explained, if we are going to get our development planning on to a proper scale.

I should also explain that the figure estimated allows already for certain decreases in ordinary recurrent expenditure, public debt for example with conversion operations we can undertake. Also some decline in the votes which have been swollen in recent years in a quite extraordinary manner on material purchases. Dietary and drugs and all equipment are particularly in point. But these savings again would be off-set by the steady growth in basic expenditure commitments through increments to staff. A very particular difficulty is the steady rise in educational costs. In fact, at our present rate the figure would be over \$2,000,000 before 1956, and that without extension of present services of new school commitments which would add to recurrent expenditure.

At the very best I do not think that we could keep expenditure down to less than ten and a half million in the longer term period, and it would be difficult to keep it below eleven million.

I do not propose here to go into details as to the steps we must take to achieve a balance, such as the definite imposition of "ceilings" in the spending departments. But there is a hard core of expenditure which can of course never be reduced.

"DEVELOPMENT TAXES"

It will be asked if the gap can be closed by increase of revenue. I should not favour that apparently simple solution as a sole measure. I think we shall require to increase revenue, even perhaps next year, but I would regard such steps rather as definitely part of the aim to finance development and welfare projects. And we would wish to allow all reasonable concession to new industry. We want to aim rather at stabilising revenue with a proper balance between direct and in-

direct taxation, so as to be able to rely on a steady income to finance future constructive development. "Development Taxes" might be a proper term. We must make an early start with that even next year. The investigation of the Economic Adviser is throwing much light on this question and some of his recommendations are before me even now.

There has been a good deal of talk about the burden of taxation. It is a matter which has received particularly close attention from the Economic Adviser. I have heard loose talk that Guiana is the highest taxed country in the Empire, higher taxed relatively than the United Kingdom, even the highest taxed country in the world. That is what I have just called it—loose talk: we might give it a stronger term. The burden of taxation in this Colony is not low, I have said so myself from this place, but it is not to be compared with that prevailing in the United Kingdom or other such countries. The close examination shows that actual taxation of all sorts perhaps little over 20 per cent. of national income. This compares with the position in the United Kingdom in 1938, but it is still very, very far short of that prevailing in the later war years when British taxation has exceeded 33 per cent. of the National Income. It is important to add this. Although direct taxation in this Colony in 1942-3 rose to about seven per cent. of National Income only, compared with nearly 19 per cent. in the United Kingdom, this has not been compensated by increase in indirect taxation in this country: there has been reduction here. In fact, both countries appropriate about 11 per cent. of National Income in this form.

I quote, if you will allow me, from a note made on the Economic Adviser's memorandum.

"The principle of the matter is as follows:—

"any increase of taxation should be envisaged deliberately and exclusively as a strictly limited means of supporting the increased cost of development and social services which must be regarded as a prior charge upon our resources.

"The exact nature of such taxation cannot yet be foreseen and must engage the close attention of the Government's advisers. It will not

"impede the removal of Excess Profits Tax itself, which is desirable if only because it affects the growing concerns more adversely than any other. The present review of the situation will take all factors into account, including the distribution of the present burden of taxation on the various classes, the part that fair incentive must play in the development of the Colony, the new laws relating to double taxation, and the possibility of luxury imposts".

There is one thing I would like to say, that ultimately the one thing that will carry us is an increase in over-all production and increase in the National Income. This is the important criterion by which to judge all development schemes, in that, if they mean increase in total production and in National Income, they have a very strong justification indeed, even if they be not economic in the sense that they could repay initial capital expenditure.

DEVELOPMENT SKETCH PLAN

I would therefore like to turn to this other question of things of development in the next period of years. Members will remember that in addressing Council last year I had indicated the lines of an extremely comprehensive sketch plan of development in Guiana, put together at the special request of Sir Frank Stockdale to cover the next twenty years. As I said at the time, it was of an outside ideal character, putting up an absolute maximum of projects that various Heads of Departments and Legislative Council Advisory Committees had felt could advantageously be prosecuted over this period. It was of course very clear to all of us, and I made it myself quite clear in this Council, that the very large total of finance required could not possibly be expected from grants from outside the Colony. In fact the idea was to put forward the ideal and every possible scheme of benefit from which to pick and choose according to the importance of priorities, and of course according to the measure of funds available.

I should also refer to the action taken last July, which was to anticipate certain very essential priority works, which would have priority in any plan, and to ask this Council to advance funds for a commencement, rather than that we

should mark time for a further period. I think there was a fairly general public feeling that while a number of development and welfare projects had been started, those projects which appeared to be of the very first importance and of widest public appeal, had not yet come to fruition in 1945, and some public disappointment was natural. It was precisely on that kind of project that this Council was good enough to vote the advance of funds, that is for large scale drainage and irrigation, for rural housing, for land settlement, and for primary school buildings. We did so with the reasonable assurance that the Secretary of State's approval would be given ultimately for the issue of funds under the new Act. This in fact materialised, and it was not necessary to draw on our funds advanced. I think it has been a very considerable gratification to many people in the Colony that 1945 did at length see a real and concrete start with such major projects. Vergenoegen has now been acquired, the major works on the Corentyne have been begun, the housing and school building projects have commenced. One point I should make to wit, that the grants made in so far as not expended before 31st March, 1946, will come against the allocation under the new Act, as I shall explain later.

TEN-YEAR DEVELOPMENT AND WELFARE ALLOCATION

We are now at a fresh turn in this whole matter as a result of a specific allocation of funds for ten years, not twenty, under the new Development and Welfare Act, and as explained at the time both by myself in this Council and in communiques published, the needs of this Colony had perforce to be weighed with those of many other parts of the British Commonwealth, which of necessity must limit the total allocation. According to several ways of reckoning, this Colony had received some preferential consideration.

It was also made very clear that the tackling of development plans must be on a basis, not of relying only on development and welfare grants from the United Kingdom, but of supplementing these in equal, or even substantially greater measure, from local revenue and loans raised

on our own credit. I think that point too has been very clearly understood.

Now to turn to that procedure, a very great deal of examination has been made, and I shall be able to put before Members of this Council and representatives of unofficial communities whom we have engaged to consult on these matters, the results as they have been worked out, for the consideration of priorities which, as I have warned Members before, will be a most difficult task. The Economic Adviser has made a very detailed examination which will greatly help. I had myself made last November tentative calculations which would assist me personally in adjusting ideas of possibilities and priorities, and I have had some correspondence on that with the Secretary of State and the Comptroller.

The complete picture of Development and Welfare taken over the twelve or fourteen years 1942-1956, is an impressive one. It shows that expenditure on projects from funds not only under the Development and Welfare Act but also from local Colonial funds, that is past expenditure and future projects, amounts to the very considerable total of something like \$34,000,000.

My immediate concern is however not with past expenditure but with the future, and particularly what sum we shall have to allocate between different projects. I have therefore to deduct the figure for works already completed which is around about \$4,700,000 under Development and Welfare grants and \$1,300,000 approximately from local funds.

NEW DEVELOPMENT AND WELFARE PROJECTS

With that deduction we have a total programme of new Development and Welfare projects which, according to our present figures of planning, amount to not less than \$28,000,000 in the decade 1947-1956. I think Members will agree that it certainly has an appearance of a substantial programme.

But it should be regarded again as dividing into parts. There are in the first instance projects under Development and Welfare Act grants which are in hand

and will be continuing for some years, and for which funds had been secured and ear-marked. These amount to not less than \$6,000,000. Then there are works in hand already approved by this Council from local funds amounting to about \$2,000,000. That leaves us a \$20,000,000 programme for distribution on various new projects over the next ten years—if all goes well with our finances.

I might put the matter the other way round. We have roughed out a tentative programme of \$20,000,000 expenditure on new projects, for which money has not yet been set aside or even secured in full, in the ten years 1947-1956.

But it is important to remember that there is also about \$6,000,000 worth of works now in hand and continuing under Development and Welfare Act grants, and similarly about \$2,000,000 worth from local funds.

That means that our ten-year programme may be of the very substantial order of \$28,000,000 under our present planning.

In giving the over-all figure of \$34,000,000 I desire to give the really complete picture of Development and Welfare from 1942 onwards, including the works already carried out as well as those to come. We should, I think, bear that total in mind in any discussion of this subject.

It would also be proper to remember the very extensive improvements in welfare services effected from local funds, such as medical and educational and poor relief which have not been included in the above details running over a period of years to many millions of dollars. Again the Labour Department is an entirely new commitment to Government, and Old Age Pensions will have cost the Colony around \$3,000,000 by 1956.

The projects in hand and not yet completed but for which funds are secured, whether under the Development and Welfare Act or local funds, are principally the Bonasika and Corentyne Drainage and Irrigation Schemes, the Vergenoegen Land Settlement Scheme, primary school buildings and school teachers' houses, rural housing in Esse-

quibo principally, Wortmanville Urban Housing Scheme, Georgetown burnt out area lay-out, Georgetown Pure Water Supply, road making equipment on order.

Our immediate concern is however, the securing of something like \$20,000,000 for further and new projects over the ten years, and the decisions as to order of priorities.

Whence can the sum be secured? In the first place there is the twelve million Development and Welfare allocation, but from that we must deduct about six million for schemes already in hand and unfinished, some of which it may be useful to continue throughout the ten-year period.

Then there is the local \$5,000,000 loan, but from that we have to deduct about half already ear-marked, in regard to the expenses of loan conversion about \$700,000, and the rest on several schemes already approved for prosecution and mentioned before: Georgetown replanning, Wortmanville housing, Georgetown Pure Water Supply and Vergenoegen purchase, road construction material, purchase of the Cooperage and so on, about \$2,000,000. Lastly, there is such part of existing surplus as may not be absorbed in meeting deficits in the next two or three years. It is difficult to estimate this exactly, and it might be as high as three million, but if we allow a million and a half, it will bring up our total of funds already definitely in sight for development projects to a total of \$10,000,000. If the budget can be balanced in 1947 we could count on three and a half million, and total \$11,500,000, but it would be premature to rely on that. If so, so much more will be available by one and a half million or more.

TARGET OF TWENTY MILLION DOLLARS

My suggestion is then a target of \$20,000,000 for new projects—this is absolutely as high as I think we can hope to go. With ten million already in hand as above, it would remain to raise \$10,000,000 by loan in the years 1947—1956. Can this be done? It is necessary to be a realist. I regard this, on present estimate and figures, as the absolute maximum which the Colony could hope to raise in the period. It is not a question

of prudent or safe finance but of just possible finance. Wise finance on present figures, I repeat on present figures, could not counsel acceptance of such indebtedness. But I am impressed, as I know we all are, with the urgent demand for development and welfare expenditure, and I am constrained to aim at such a target in the hope that it can be reached.

What I propose, therefore, is as follows :— to plan for the first five-year period for the raising of only \$5,000,000, to add to the \$10,000,000 in hand as already detailed, and to leave any decision as to the further sum to be raised until it is seen, say in 1950, how much the Colony's finances could hope further to carry. In the meantime in these first five years the development plans should be vigorously pursued to the utmost possible degree with the funds available. It will of course be understood that the whole funds would not be spent in that time: the proportionate part of the Development and Welfare allocation which is given to be spread over ten years, would naturally not be obtainable from the United Kingdom with such anticipation.

It should be possible, as far as I can see at present from examination of the figures, to plan to carry through projects of an order of \$12,000,000 in the years 1947—1951 inclusive.

Thereafter, if—it is a big “if”—the economic condition of the Colony were bright, a further loan could be raised and a programme of expenditure of a further \$8,000,000 might be pursued, or of even more if things had boomed. At the worst there would still be some funds available for such projects, though the tempo of prosecution would be slow and might even have to be slowed before 1951.

I wish to make it clear that in putting forward these proposals and figures, which are of course tentative, I am bearing in mind two principal factors. Firstly, the necessity to be realist and not go beyond the bounds of possible finance: and secondly to attempt to envisage a programme of development which would secure a very fair degree of advance in these immediate years. For the later years the way would be left open for

continuance at similar pace, or a speeding up of that pace, or if finances did not go well with us, even perhaps a slowing down, but without disaster: and on the whole with much accomplished and still something doing.

It is absolutely necessary to be realist and face these things, for our own finances are necessarily involved. The programme, if dependent only on outside funds, could only be of limited scope.

Our immediate duty is very clear. To balance our normal budget with careful discrimination and to ensure that our revenue will be large enough to carry the charges for loans of such size as to permit the continuance of a development programme begun hopefully in these war years.

PRIORITIES

I have several times spoken of the difficulties which will face us in the immediate next months in trying to decide priorities for early action. It would be quite premature on my part to attempt to go into all this here and now as between project and project. This will be the immediate business of the representative Committee which I propose to appoint under the chairmanship of the Economic Adviser of persons who can speak fully and competently for unofficial opinion, and who will work with the Heads of Departments. This will be a very difficult task indeed, for they will have to weigh many competing claims of important projects, realising that we very certainly will not be able to have all and every project which this or that section of the community may think essential.

But I think I can usefully record here the ideas I have tentatively followed as to possible apportioning of the available funds between the principal heads of expenditure.

I should first explain that of this \$12,000,000 possible for the first ten years, about \$5,000,000 must be set aside for inescapable commitments over which there cannot be much argument. The reconditioning of the Transport and Harbours will take between \$4,000,000 and \$5,000,000, and there is the burnt-out area buildings, fire protection, Essequibo

housing, essential machinery. There would remain, therefore, under my tentative proposition, about \$7,000,000 which we are free to allocate, and really open for the weighing of possibilities.

Taking the all-important need of drainage and irrigation which Members will remember was comprehensively put up more than three years ago, I have limited the allocation of new money to \$800,000. That should cover the gravity drainage project on the East Coast, Demerara, between Golden Grove and the Mahaica River, and two or three quite minor schemes which are listed in the original sketch plan. It is an acute disappointment to myself to realise that the progress envisaged three years ago cannot go faster between now and 1951, but on the other side we must accept with satisfaction that there has already been a substantial beginning, schemes in hand are absorbing not less than \$3,000,000, and there is still the second five-year period to come when we might be able to complete the Corentyne and do the West Berbice Scheme, which altogether might come to over \$3,000,000. In any case we should remember that the 1943 programme was made—and deliberately made—a twenty-year programme.

AGRICULTURAL DEVELOPMENT

For the important needs of agricultural development I have allowed \$650,000. I had particularly in mind such things as the marketing organisation, direct assistance to farmers and farm school, and needs of improved pasturage, as well as technical staff and equipment and the extension of veterinary services. That would allow, over five years, well over 40 per cent. increase on present annual expenditure, and we must remember that agriculture has already had since 1943 something like \$200,000, and there is an allowance for schemes already approved for about another \$350,000. Moreover, on rice expansion there has been expenditure of something over a million and a half.

For communications, a most expensive need, I have allowed \$2,000,000 altogether, all but \$100,000 of that for reconditioning of roads. It sounds substantial

but we should remember that the reconditioning of the Georgetown—Rosignol road is estimated at \$3,000,000 alone, and the Bartica—Konawaruk road at one and a half million. It may of course be possible to do more cheaply. I hope and think it will, if we will accept reasonable and not fancy standards. We may hope for further funds available in the second period. For aerodromes I have allowed \$100,000, but we should remember that over \$750,000 will have been spent on this objective between 1944 and 1946.

For industrialisation I have allowed \$400,000 in the first five years, including fishery developments, but should investigation show that needs would be greater, an upward revision of this could be considered.

For education I have allowed \$1,300,000, being \$900,000 for school buildings and another \$400,000 for development of educational services, particularly for senior schools, teachers' training and pre-vocational training. We must remember that \$140,000 will have already been spent and about \$110,000 is allowed in funds already ear-marked.

For housing I have allowed \$1,000,000 on the assumption that that would be for outright expenditure, and that necessary funds for advances would be found elsewhere. Again, about \$125,000 has been already spent or is ear-marked apart from the new money.

These large allocations, which have seemed to me minimum, have inevitably reduced the amount of new money available for other services which I have put at Medical \$500,000, Social Welfare \$100,000, Land Settlement \$100,000. But it should be remembered that under Medical something like \$240,000 has already been spent, and about another \$730,000 ear-marked. Social Welfare, too, has had substantial expenditure, over \$100,000, and has about \$120,000 ear-marked. Land Settlement too, has had \$276,000 ear-marked from the Development and Welfare funds, and has \$220,000 from local money.

COMMISSIONER FOR THE INTERIOR

I have not mentioned a specific sum for the Interior. I am in correspondence

with the Secretary of State in regard to that. I have, however, a particular piece of information to record, to wit, that a Commissioner for the Interior has been appointed. He is a Mr. Gregory-Smith and has been for some years in charge of the important frontier district adjoining Abyssinia in East Africa. I hope to meet him in England and with me, the Commissioner of Lands and Mines, the Director of Geological Surveys and the Amerindian Officer—Mr. Peberdy—to talk plans over.

Of all these headings we should remember that large sums are already ear-marked for schemes already approved and in operation, such as the Bonasika and Corentyne, the building of schools, land settlement and housing now begun.

The total of all this new money not yet allocated or ear-marked is therefore \$7,000,000 and it is as to priorities in respect of this that I shall ask the proposed Economic Adviser's Committee particularly to recommend.

I am afraid they will not find it an easy task, as I have already said. It is clear that every project we desire cannot be brought into the picture for prosecution in these first five years. Some of our very particular hopes will have to be deferred. If we can raise a further \$5,000,000 loan in the second five years there will be another \$8,000,000 available for 1951—1956: if the economic position proves really good, we may be able to do much better.

With regard to the projects for the second five years, it would be altogether premature for me to indicate even in the very general form I have already suggested for the first five years. I have said the figure should be another \$8,000,000, and this pre-supposes the raising of a loan of perhaps \$5,000,000 to add to the proportionate balance of Development and Welfare grant. There is one thing to bear in mind, that there may be refunds of some of the expenditure in the first five years which may be coming back into revenue. This might be quite a substantial amount spread over a longish period, and might even exceed

a million dollars. There is something to hope for.

As regards the allocation between classes of projects, I should incline myself to the view that having, shall we hope, dealt with some very urgent needs of our example school buildings, it might be possible to find more money for definitely development projects which increase ultimately National Income. Therefore I should hope that a much larger sum than \$800,000 might go to drainage and irrigation, perhaps \$3,000,000 to \$4,000,000 and also the largest possible allocation for communications. Let me say again that the National Income of the Colony, measured as the value of all the goods and services produced within the country, is the fundamental measure of the potential standard of living of its inhabitants. If it is low, no amount of welfare measures, schools, hospitals, clubs or the like, however important and useful these undoubtedly are, can cure the basic evil of inadequate national productivity. The only remedy is increased output.

BUOYANT REVENUE

If I may review in a few words quite generally the picture of development of resources and services in the Colony in our immediate past and present and in these next few years in the future, I should like to say this. We must remember by and large, that discounting the windfalls and the handicaps of this war period, putting them aside for they are past and done with and we cannot extinguish them, I said putting all that aside, we must realise that we have a great deal for which to be grateful. Much has been done in 1943 to 1946. In terms of money, as I have said, there has been \$6,000,000 found and spent for development and welfare projects in these war years, and another \$8,000,000 on projects in hand and services have been greatly expanded—medical, educational, labour, old age pensions. Then there is now the solid advantage of \$12,000,000 of new money from outside to be spread over these next ten years. Further, the accident of war has not only enriched individually large numbers of people in the Colony, but it has put something in

the public coffers in the war years which will keep us going over the difficult period of transition. A buoyant revenue in this immediate past, and I have every reason to think in the immediate future also, is giving us something in which we can build towards the raising of further capital resources by loan or otherwise. That is a programme of which we need not feel ashamed.

In the immediate present there is a great deal of work in hand, as much as our organisation in fact can carry. We are working to capacity on drainage and irrigation, fortunately now with a reasonable supply of equipment. Land Settlement, Housing and School building are going on. Road conditioning and building only handicapped by shortage of stone and absence of equipment.

I think we all realise now the difficulties of these post-war years, that it is not a case of the sun of peace suddenly emerging from the clouds and shedding a warm, fortifying sunlight upon us, as we might have said with Shakespeare. "Now is the winter of our discontent made glorious summer by this 'sun of York.'" We have still to struggle for a period yet. We have to wait a bit yet for that high summer, but not without high hope. It is not going to be simple and we will have to defer some of our ambitions. But the world does not end in five or ten years, and there is a future to which to look.

We are not singular in our position. We should be fortified in our resolve by realising the austerity and the immense efforts being made in other countries, many of them fearfully hit by the war, particularly those which share our citizenship in the British Commonwealth, perhaps most of all the United Kingdom itself. I would ask again "Can Guiana stick it?" I hope and I wish to believe that she can.

DR. SINGH: On behalf of hon. Members of this Council I desire to express appreciation of the valuable address you have delivered to us this morning. What you have said, Sir, is a general survey of your activities during your administra-

tion. We realise that you have devoted much time in order to collect facts, and you have presented to us a true and clear picture of the position of the Colony today. Your success, Sir, is the direct outcome of the great interest you have shown in the welfare of the Colony. You have endeavoured by many means, such as radio talks, to place before the public the potentialities of our Colony. During your regime, Sir, you have put forward various schemes for the development of this Colony, some of which have already been inaugurated while others are awaiting initiation. We sincerely hope that when you return to this Colony you will be able to place those remaining schemes on a sound foundation.

Some months ago, Sir, we were very much perplexed over the finances of this Colony. When the finances of a colony are not in a healthy condition it places the administration in anxiety and worry. Ways and means have to be devised in order to meet the deficit, and it disturbs the peace of the population when extra taxation is imposed on them. Sir, you will be leaving us very soon for a well deserved holiday. We wish you a safe voyage and a pleasant stay in your homeland,

and we hope you will return with renewed energy so as to assist us in tackling the many problems in order to secure for us a better future. For the benefit of hon. Members of this Council I am asking you kindly to have your address printed and circulated to Members. (applause).

THE PRESIDENT: Dr. Singh and Members of Council, I would like to thank the hon. Member for the words he just addressed to me. I shall certainly endeavour to have my address brought out this afternoon and handed over to the Press, and subsequently printed and circulated to Members. I hope it would have the same interest as it has had from me in the last few weeks in working over financial figures. I know of more interesting things, but it is very well worth our study and review. The hon. Member has referred to my approaching departure. It should have been the day after to-morrow. I cannot say whether I am sorry or glad, but my ship has failed me and I shall at least have a week-end and, perhaps, another week among you. I again thank you. I think I can properly adjourn the meeting without fixing precisely the date of resumption.

The Council adjourned *sine die*.