

LEGISLATIVE COUNCIL

FRIDAY, 5th JANUARY, 1951.

The Council met at 2.00 p.m., His Excellency the Governor, Sir Charles Woolley, K.C.M.G., O.B.E., M.C., President, in the Chair.

PRESENT:

The President, His Excellency the Governor, Sir Charles Campbell Woolley, K.C.M.G., O.B.E., M.C.

The Hon. the Colonial Secretary, Mr. J. Gutch, O.B.E.

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

The Hon. the Financial Secretary and Treasurer, Mr. E. F. McDavid, C.M.G., C.B.E.

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

The Hon. Dr. J. A. Nicholson (Georgetown North).

The Hon. T. Lee (Essequibo River).

The Hon. W. J. Raatgever (Nominated).

The Hon. V. Roth, (Nominated).

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

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

The Hon. G. A. C. Farnum, O.B.E., (Nominated).

The Hon. Capt J. P. Coghlan (Demerara River).

The Hon. D. P. Debidin (Eastern Demerara).

The Hon. Dr. G. M. Gonsalves (Eastern Berbice).

The Hon. Dr. C. Jagan (Central Demerara).

The Hon. W. O. R. Kendall (New Amsterdam).

The Hon. A. T. Peters (Western Berbice).

The Hon. W. A. Phang (North Western District).

The Hon. G. H. Smellie (Nominated).

The Hon. J. Carter (Georgetown South)

The Hon. F. E. Morrish (Nominated).

The Hon. L. A. Luckhoo (Nominated),

The Clerk read prayers.

The minutes of the meeting of the Council held on the 4th of January, 1951, as printed and circulated, were taken as read and confirmed.

PAPERS LAID.

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

The Report of the Commissioners of Currency for the year 1949.

NOTICE OF QUESTIONS.**NEW AMSTERDAM-CRABWOOD CREEK ROAD.**

Mr. LUCKHOO gave notice of the following questions:—

1. What is the total estimated cost of widening and reconstructing the New Amsterdam-Crabwood Creek Road?
2. What is the total estimated cost of widening the bridges on the road? And how many bridges are there?
3. How much has been spent on the road up to the present? And how much has been spent on the bridges?
4. Is Government satisfied with the progress of the work on this road project, in relation to the money already expended?

5. Have trenches been dug in error and had to be subsequently re-filled? If so, at what cost.
6. What price was paid for burnt earth prior to the road project? And what price is being paid now?
7. Is the work likely to be completed within the estimate?

PUBLIC MISBEHAVIOUR DISAPPROVED.

Mr. ROTH: Sir, before the Council proceeds with the Order of the Day I crave your indulgence on behalf of responsible Members of this Council to deprecate the action of certain members of the public towards yourself yesterday afternoon when leaving this building. It is the first occasion within living memory such has occurred though, I believe, it occurred years ago. It is quite obvious that the parties concerned are quite ignorant of the fact that not only Your Excellency is the Head of the Administration of this Colony but is also the personal representative of His Majesty the King. Any public insult offered to you, therefore, is as if it were offered to His Majesty. I sincerely trust that there will be no recurrence of such an incident.

Mr. SMELLIE: I beg to associate myself with the remarks made by the hon. the First Nominated Member.

The PRESIDENT: I do not know that the people themselves have done it of their own accord really. We will proceed with the debate.

ORDER OF THE DAY.

BUDGET DEBATE.

The Council resumed the debate on the following motion:—

That, this Council approves of the Estimates of Expenditure for the services of the Civil Government of the Colony for the year ending 31st December, 1951, to be defrayed from the annual revenue of the year and other resources of the Colony and from loan funds.

Mr. KENDALL: In adding my contribution to the debate on the Budget Statement I would like to state, that on paper the hon. the Financial Secretary's Statement is a very fine document which should find a worthy place in our

archives, and I want to say that his exposition on that document on the 21st December was as usual most impressive. But there is another side to it—the side which is most important to the people of this country, the side which has to do with the effect the Tax Proposals will have on the working class people of this country, who for some years now have been living in a state of frustration with a growing disappointment in the Government's attitude towards their welfare. I regard it my duty, Your Excellency, to remind you of their fears for the future, especially when they are called upon each succeeding year to contribute more to the revenue of this country without compensating benefits in order to meet the demands of the Administration. I wondered after reading the Statement made by the hon. the Financial Secretary especially in respect of paragraph 5 of his Budget Statement — I quote — "The cost of living has continued to rise and no one can be unsympathetic with those for whom this results in hardship and distress...". how much sincerity is expressed in those words when, in the face of it, the ordinary man has to pay more for certain articles of consumption and contribute more through the various services that are being contributed to by him and run by the Government.

There are times when one feels that all Government has in mind is to balance the Budget. How that budget is balanced it does not seem to concern one very much. It is unfortunate, Sir, to observe that when these added taxations are brought about other countries are cited as examples, but this Government on many occasions has been slow in adopting the very measures those other countries have adopted so that the burden may not appear as heartless and burdensome as it appears on this particular occasion. The time has come when we should adopt our own pattern to fit in with our own economic structure and not copy countries that are self-governing and self-supporting. If this Government really has the interest of the people at heart and appreciates the high cost of living, and how our people are unable to eke out an existence under the present circumstances, it would realize

that less than one-third of the population of this Colony has to bear the burden of taxation, less than one-third of the population has to find \$20 million (odd) to run this Government. It must also be realized that a large portion of that population comprises men and women who are unable to eke out a decent living today.

I think, Sir, it is imperative at this time, taking into consideration public reaction to this Budget Statement, that the hon. the Financial Secretary and Treasurer be instructed to withdraw that Budget Statement and make a new one which will fit in well and give a more equitable distribution of the contribution of the people towards the running of the Colony. I think it was you, Sir, who observed on an occasion like this, when public interest was as it is today, that "justice must not only be done but it must appear to be done". We know that there is not enough employment for the boys and girls who leave school, and we know, too, that there are countries that are willing to take some of our population and give them better facilities than we can offer, and we understand that it is this Government who is attempting to suggest that these people are needed for the advancement of the Colony and should not be allowed to leave British Guiana to go to the United States of America and Canada, I think such an attitude is not right and Government should be made to understand that the public is not satisfied with that observation as coming from—

The FINANCIAL SECRETARY & TREASURER: I would like to ask the hon. Member, if I may, for further particulars. I do not think anyone here is aware of any attempt by this Government to prevent any emigration to the United States of America for the purpose of seeking work. I hope the hon. Member would give further particulars of such an act by Government.

Mr. KENDALL: Sir, it is suggested that persons from Barbados, Jamaica and even British Guiana should be taken to the U.S.A. and Canada as farm labourers. In the past Jamaica and Barbados enjoyed this privilege and it is known that those countries concerned have benefited

immensely by that. I think, I saw in the papers recently where a representative of this Government observed that such individuals are needed for the agricultural advancement of British Guiana. If that is not a Government directive, then I am somewhat mistaken.

The FINANCIAL SECRETARY & TREASURER: I would like to say the hon. Member is entirely misled that any arrangement was made for the transfer of working agriculturists to the U.S.A. The arrangements were made by a special conference and the allocations from the various territories in the Caribbean were made by that body and not by this Government at all. There is an allocation in certain circumstances which might be taken from British Guiana but, as I said, the arrangements have nothing to do with the Government of British Guiana.

Mr. KENDALL: I appreciate that there is an allocation. I am not dealing with the allocation. I am saying that this Government is not anxious in having that allocation carried out.

The COLONIAL SECRETARY: I think the Hon. Member is referring to a letter written by myself in which I said that there was also the consideration that this Colony needs the best agricultural labour for increased production here. If the hon. Member feels there is need for increased production to reduce the cost of living, it is rather inconsistent that the hon. Member should take exception to my remark.

Mr. KENDALL: It is unfortunate that the last speaker feels I have taken exception to his remarks. I know this Council time and again has been talking about increased production, and since we have been talking I am still to be satisfied that this Government has given the assistance that is necessary to bring about this increased production to bring talked so much about.

As regards the Tax Proposals, I am going to make my contribution now under the various Heads. Under Aerated and Mineral Waters Duty I, like other Members, do not agree with this measure. This is a poor man's drink, and there are

times when they are forced to use it as an important part of their meal. Their children also are forced to use it as such, and if the hon. the Financial Secretary and Treasurer does not know that I would like to let him know it now, so that he would be able after the debate is over to readjust this particular tax in order that additional burden might not be placed on those who are facing the high cost of living. If, however, it must be taxed and there is no other alternative, I would like to suggest that control be placed on the wholesale and retail prices of this particular commodity so that the one cent increase as envisaged by the hon. the Financial Secretary might be assured and certain people not allowed to misuse this tax to their own benefit. Under rum duty there is no reason why the imported alcoholic beverages should not be similarly taxed. I do not see why whisky, gin, vermouth and all those things used by the people who can afford it should not be taxed. Rum is made locally and gives employment to people here, but that is taxed.

The PRESIDENT: Does the hon. Member suggest that imported spirits are not taxed? They are taxed to the extent of some \$3 a bottle and not one cent. The hon. Member means additional taxation, I presume.

Mr. KENDALL: Rum was taxed previously. We are talking about the Tax Proposals for 1951. I am saying that whisky and all imported alcoholic beverages should be taxed again. Under the export duty on bauxite I agree, Sir, with the hon. the Financial Secretary and Treasurer that on account of the increase of the sterling there should be additional taxation on bauxite, but I think in view of the remarks made by the hon. Nominated Member, Mr. Morrish, that the non-calcined bauxite can still have a further amount of taxation; that is to say, instead of from 30 to 45 cents it should be 30 to 60 cents. It must be remembered, Sir, that bauxite is a wasting asset and British Guiana is not the only place that is producing it. Therefore whenever you can make something out of it that is the time to do so. There is now a demand for it and we do not know how long that demand will last. I think that at least

for 1951 it should be taxed to the extent of 60 cents per ton.

Postal Charges! The hon. the Financial Secretary and Treasurer anticipates a yield of \$77,000 under this Head. I think, Sir, that the local charge of four cents should not be carried out but it should remain at three cents, while Empire and foreign rates coupled with the mail rates should be so adjusted as to bring about that anticipated yield. Telecommunication rates and charges! I am sorry to observe, Sir, that the charges made under this Head are due to the majority of Members not accepting the suggestion of this Government to have Cable and Wireless Ltd. run our system. Because of that there is this reaction.

The FINANCIAL SECRETARY & TREASURER: I must rise to a point of correction. There is nothing in the Budget Statement that justifies that remark. The increases are not due to the fact that the proposal for Cable and Wireless Ltd. has not so far received complete approval. There is nothing in the Budget Statement to justify that.

Mr. KENDALL: I am glad the hon. the Financial Secretary has relieved my mind of that suspicion, but I say, Sir, that he has observed here that these increased charges must be earmarked towards the cost of carrying out improvements and extensions. At this time, when this country is in such a bad economic way and our Public Debt is only one year of our revenue, I do not see why that Public Debt cannot be increased. If the hon. the Financial Secretary and Treasurer is as sympathetic as he expressed in his opening remarks, he would see to it that these improvements and extensions be carried out by capital expenditure and not have them under maintenance. Members have spoken on the motor vehicles duty and I agree with them, in spite of the fact that Your Excellency observed that one Member who criticized the rates was present at the meeting when it was passed. A good many of us know how certain things are passed.

The PRESIDENT: I never said anything of the sort. I just reminded the hon. Member that the particular Bill has

been passed by this Council and he was unfortunately absent when it was passed.

Capt. COGHLAN: If you permit me to mention, I did not want to interrupt but you made a mistake in saying that I was not present. Not only I was present but I voted on the Bill on the motion by Dr. Jagan. If you refer to the minutes of the meeting you would see that I voted. I am very sorry Your Excellency made the mistake. I did not like to mention it.

The PRESIDENT: I beg the hon. Member pardon. When the hon. Member started to speak I presumed that he was not present when the Bill was passed. I beg the hon. Member's pardon.

Mr. KENDALL: I hope that in view of the present circumstances the hon. the Financial Secretary would see his way in making the fellow who rides in the big limousine pay more than the small fellow who rides in the small car. Under Queen's College and Bishops' High School it has been brought to my notice that it is the intention of the authorities to make these institutions exclusive, and because of that fact they are carrying out this increase of the fees. It must be borne in mind that the 25 per cent. increase is only for fees. Some of the children who attend these institutions come from the country districts where similar facilities are not granted them in spite of those districts' contribution to the Colony's revenue. The parents of these children have to pay for boarding and lodging of the children in Georgetown and in most cases it costs a parent over \$35 a month to keep a child at Queen's College or Bishops' High School. If that parent is making that sacrifice I do not think it is the duty of Government to increase the fees especially when the suggestion I have heard outside the Council is true that it is the intention of the authorities to make these institutions exclusive.

There is a suggestion here under minor amendments that the duty should be reduced on imported aluminum sheets. I am not in favour of that. My reason for that is this: There is a feeling by those interested in the timber industry that the use of aluminum sheets may become

popular to the extent that it will take away from that industry some of the benefits it derives now. I do not see why there should be a reduction in the import duty on aluminum sheets. We who are able to build houses can pay for the aluminum sheets as they are now. They should not be permitted to interfere with the timber industry. If these sheets are allowed to come in not only to cover houses but to build houses, then the time would come when people would not worry with wooden houses and those persons engaged in the timber industry would suffer and there would be less money circulated in the country if that is encouraged. Those are my observations I have to make as my contribution to the debate on the Budget Statement.

I sincerely trust that the hon. the Financial Secretary will review his Budget in the light of what is happening and the feelings of most of the Elected Members of this Council. I believe that all of them feel that these Tax Proposals are harsh and do not come in a way that the people are satisfied that there is an even keel in the distribution of the contribution to the revenue of this Colony. It should be borne in mind that one-third of the population of this country has to bear its revenue burden and a large portion of those persons is unable presently to eke out a decent living and, therefore, to put this proposed taxation on them is a hardship which they cannot carry.

Mr. DEBIDIN: I desire at this stage to contribute my small quota to this debate, but before doing so may I say how much I deprecate the conduct of our people in their attitude towards Your Excellency personally, and to the Government of our Colony indirectly. I feel that I should be wanting in my duty if I did not say that I am very concerned about the fair name and the prestige of British Guiana, and I would not like to know that that prestige is brought down by any untoward behaviour of our people at any time. We may have just cause for criticism of Government but we should make such criticism constitutionally. Today I have many points on which I would like to criticize Government, and I will do so as the people's representative. I

feel that the people should have confidence in their representatives to do their bidding.

Budget time is the time for stock-taking, to review the year or the years which have passed, and to see whether we have made progress in the light of our revenue and expenditure, accounts. In approaching this question I feel rather disappointed, and I speak with a sense of frustration when I say that I regard the whole of the budget as merely another document of the failure of our Colony to progress evenly. In saying that I want to make it clear that British Guiana is a country which has great possibilities, and we ought not to be too slow in proclaiming that fact to the public and to the outside world. It is a rich country, upon whose credit we ought to have a greater measure of investment in its welfare and development. We have in hand plans to raise a loan of \$10 million on the London market. We can only do so if we can present to the outside world that this Colony, in spite of its budget, has every reason to be solvent. We are therefore faced with the question: What then has been responsible for our failure, since 1946, to balance our budget, or to have a surplus balance at the end of the year?

I venture to think that there are possibly three reasons. One is that I feel that the Imperial Government may be dictating very unwisely the policy of this Government, and possibly for some reason or other they do not concur in its rapid development. I place first blame on the Imperial Government, on those in the Colonial Office who are steering the destiny of this Colony in so far as its development particularly is concerned. Secondly, I feel that I should say it, and say it boldly, that the sugar industry of this Colony has been adopting a dog-in-the-manger policy which has been responsible to a very large extent for the non-development of British Guiana. It is idle to ask that the sugar industry be developed, and when it is put on a stable footing, to say that British Guiana has a stable economy and is well on the way to progress. I do not believe that this Colony can be regarded as being developed until we can safely say we

have, not one dozen but two dozen thriving industries in this Colony—industries which will not only absorb the Indian population on a sugar plantation but other classes of people. I have described it as a dog-in-the-manger policy by the sugar industry because I find that, although we have received a fair amount of money from the Colonial Development and Welfare Fund, that money has been devoted very largely or primarily to the cause of the sugar industry of this Colony.

Today we have heard Members of this Council suggest that the Bonasika and Torani schemes should be abandoned. It is a great pity to think that way. There is a local proverb which says "Boat gone a fall it can't turn back." It would be tantamount to vandalism to stop the work on those schemes and lose all that has been put into them. At the same time it is a matter for grave thought that, in spite of the fact that large sums of money have been put into the Colony, we have not been able, except in the one case of the Block III area, to show more possibilities of development as a result of those schemes. Instead we find that the C.D.C., who wish to embark upon rice cultivation, have deliberately shunned the possibility of using the triangular area of Torani—Canje—Berbice for rice development, but will utilize those areas which are already occupied and can be developed by our own people. It seems to me that schemes have been embarked upon which have not yet shown that they will benefit the Colony to an extent commensurate with the sums of money spent.

The Colonial Development Corporation has been vested with a large sum of money for the development of the Colonies, but in spite of the fact that Lord Trefgarne told this Council that that money was intended for the purpose of under-pinning development and social welfare work in the Colonies we find that there has been what must be regarded as cold business on the part of the C.D.C. I say it with all conviction that the Imperial Government should have been very charitable to her Colonies and should have been more concerned about their development if they were steering the

destinies of the Colonies, by devoting that £100 million to substantial development, and not merely spending a small part here and a small part there with the intention of getting a penny for every penny invested. Are we really thinking of development in this country which requires large sums of money for substantial development schemes? It seems to me that by her policy Great Britain is robbing herself, because even if this Colony becomes self-sufficient and obtains self-government, wouldn't it be to the advantage of the Imperial Government to have considerable investment in British Guiana? In that development the Imperial Government would have the same amount of control, and would be able to have what it has been aiming at—international reputation of being good trustees. It may be that Downing Street has been neglecting or deliberately not helping the development of this country.

The sugar industry has been adopting a policy against the development of any other industry which would draw labour away from it. That has been the policy in the past, and I do not intend to mince matters about saying that. We know that the sugar industry is powerful in London where the policy of this Government it being directed so as to safeguard the interests of the industry. That is the reason why British Guiana is not better off today, and why we have the painful task of imposing taxation which will strike at the very root of the living conditions of the masses.

Another reason why this Colony is not better off today may be attributed to maladministration in the past, or at least non-administration. I say that with all deference to Your Excellency, because neither you nor your predecessors should come in for any great blame, but I lay a deliberate charge against those on whom the Governors of this Colony have had to rely for advice, and because their advice can be summed up only in their own peculiar knowledge. That advice is crystalized into action which can only be regarded as running the Colony in a one-groove channel all the time. From year to year we have the same type of taxation put forward. The reason for

that is that those who are supposed to advise the Government have been allowed to do so too long, perhaps, with their noses in the City of Georgetown only, with no consideration for the people in the rural districts and in the interior, and their development. I feel that those are possibly the three reasons why we stand here at the threshold of further frustration in 1951.

It is always painful to have to resort to further taxation of the people. I would rather like to know that the Colony is able to have increased revenue so as to reduce taxation. We are doing the reverse. We are taxing an already heavily taxed people, with the result that the cost of living goes up in a spiral. We have taxed the people without any possibility of the revenue of the Colony being gingered up so as to help in the development of the Colony and to benefit the people indirectly. I think it was the hon. the Fifth Nominated Member (Mr. Smellie) who referred to the fact that Government is securing a large amount of revenue, particularly from Customs duties, as a result of the higher prices of imported articles. As a result of devaluation of the pound and the necessity to rehabilitate herself Great Britain is dumping goods upon this Colony to the extent of about five or ten times the quantity exported to this country before devaluation.

Mr. SMELLIE: I apologize for interrupting the hon. Member but I must disclaim having made any such remarks.

Mr. DEBIDIN: Some Member made that remark. Probably it was the hon. Member for Georgetown South (Mr. Carter) who has previously made a similar remark. Nevertheless, let it be mine. I am very proud to accept responsibility for the point I am making. It is that it must be patent to every Member of this Council that the revenue Government is securing today is merely a bolstered revenue which may or may not be sustained. In other words, if prices go down our Customs revenue will go down, so that we do not face a very happy future, with stability of prices and markets. For this reason I must agree with the hon.

Member for Eastern Berbice (Dr. Gon-salves) who suggested the reintroduction of the excess profits tax. It seems to me to be a very correct course to adopt for the reason that Water Street merchants are today making five times the profit on the same amount of business, because the cost of the imported articles is very much higher. The percentage of profit which they are allowed must be greater in view of the increased cost of the goods. They are making considerable profits as a result of this inflation of the prices of goods from the United Kingdom, and they ought not to grumble if and when an excess profits tax is reimposed. I think there is a great deal of merit in the suggestion of the hon. Member, and if Government does not take action some Member might well move a motion for the re-introduction of the excess profits tax.

Mr. CARTER: I think I tabled a motion only two weeks ago on the subject.

Mr. DEBIDIN: I am glad to hear that. The hon. Member will surely get my support when he moves his motion. There are one or two aspects of our position in the last year, and in the future, with which I would like to deal. First of all I think the Administration is top-heavy for the Colony in the light of its economic development, and, like one Member who spoke before, I feel that the pruning knife might very well be used. I have in mind certain Departments which might very well be cut out. I think that the B.P.I. might be well wiped out in spite of the argument in its favour. That is my hardy annual but I think we could save a considerable sum of money by so doing. Then something ought to be done about the Transport and Harbours Department. The hon. Member for Berbice River (Mr. Ferreira) has spoken on this subject and has tabled a motion with respect to it. We have to pay a considerable sum of money every year in the form of a subsidy to this Department, and the hon. Member says that not only would so much money be saved but the resulting increase in vehicular traffic would benefit the Colony considerably by increased revenue from licences on vehicles. It is something which ought to be considered.

Then there is the B.G. Airways which is a sore question with Members of this Council including myself. On the advice of certain technical advisers Government spent nearly a million dollars for the purchase of Atkinson Field, the expediency of which I will not discuss now, except to say that the cost of maintenance of Atkinson Field, together with the subsidy to B.G. Airways, will be a tremendous drain upon the Colony's resources. To B.G. Airways we had to pay \$91,750 last year, and I feel that if we had to pay for all the internal air service we require our expenditure would have been far less than \$91,750. I think the pruning knife might very well be used there also.

Then there is the old question of tourism, and also that of the Forest Department, and I think a Department which could be abolished entirely is that of the Economic Adviser. We do not need an Economic Adviser in this Colony. That office is one of the Colonial Development & Welfare babies which this Colony has taken over and has nursed to adolescence. What is the value of our Financial Secretary and Treasurer and his Deputy if they are not able to carry the accounts of our development programme which is slow? If there is need for any control of our Development Plan I venture to think that a Committee comprising the Chairmen of all the Legislative Council Advisory Committees could be appointed as a Development Committee to advise Government. A Committee of this Legislature ought to know how well to develop their country. Why do we need to have a trained Financial Secretary and in addition an Economic Adviser with a large staff behind him? That is where a considerable amount of money has been spent—something like \$19,523.

We have another Department which I feel should also be abolished immediately, because it is a tremendous drain on the resources of the Colony. I refer to the Commodity Control Department. I feel that commodity control ought to be abolished immediately and so allow trade to run normally. I think there would be less grumbling, better commercial enterprise, and smoother work in the commercial community. There are too many

complaints of favouritism by the Commodity Control Department and of its running certain businesses for other people and giving them easy profits. I think that the interests of the people have been well served by this Department in past years, but today, like the B.P.I., it is completely obsolete.

I have mentioned those Departments to show that they entail a tremendous amount of expenditure which this Colony can ill afford to sustain. If, for example, a group of businessmen owned this Colony and ran it as a business concern to make profit, they would hardly have done some of the things which are being done by Government. Let us think of the Colony as a business and we will find that there are many directions in which the managing director of such a business would use the pruning knife and get down to the real business of the development of the Colony, the securing of more revenue, and absorbing our increasing population. That is where I feel some frustration at the present time. If savings were made in those directions I have mentioned there would be no need to tax aerated drinks.

I have mentioned the Forestry Department, not because I feel that we do not need to have a properly run Forestry Department, but because every time a new industry is introduced into the Colony Government gears itself up to such an extent and so prematurely that it undertakes expenditure which the Colony can ill afford, or which is out of all proportion to the income from the Department. In other words, if we should make considerable profits from our timber resources there is no reason why we should permit the frittering away of those profits which would help to balance our revenue and expenditure accounts. We find that the expenditure on the Forestry Department has been increasing more and more, and we do not know how soon we will find that our revenue from the development of our timber resources by the C.D.C. will actually enhance our general revenue. We know that the revenue may be considerable but I feel that we should not have embarked upon a Department of this size at this particular time. I trust

that the necessary taxation will be imposed so that our timber industry should give the Colony the revenue it deserves to get from it. That brings me to the point that wherever wasting assets are being exploited this Colony should see to it that it gets its pound of flesh from the particular industry. I am perfectly cognizant of the necessity that we should not do anything to scare investors, but I cannot see how timber operations on such a large scale could ever be a failure.

In the case of the bauxite industry people from outside have told us that we have one of the largest industries of its kind in British Guiana, and have asked what are we getting from it? It is not sufficient argument, as Your Excellency once said to us, to say that the bauxite industry is providing employment in this Colony to the value of so many million dollars. We have to look and see to what extent the administration of the Colony as such is gaining in revenue from the particular industry, and I venture to think that British Guiana, if it had nationalized the bauxite industry, would have been a wealthy country. Therefore the conclusion is that those who are concerned with this particular industry, as one Member has put it, have got away with "Murder". Personally I feel that we are forgetting something, and that is, there is a shortage of bauxite in the world today. While I was in England year before the last I visited the British Industries Fair and was told that at Birmingham where there are large manufacturing concerns there is great need for aluminum and they are with great difficulty getting that from Canada and other sources. England is not getting the raw material with which to manufacture certain goods on account of shortage of aluminum supply. I saw at this table only yesterday a bulletin, which one Member had, stating that the shortage is to the extent of 35 per cent. and there is now resort to the use of more iron and tin. It seems to me that if aluminum is a scarce commodity, we in British Guiana should not be afraid that the bauxite industry would pack up if it had to pay its fair share to the revenue of the Colony. I fail to see how the impression can be given — and it is deliberately given — that bauxite must not be im-

posed upon because if the company has to close down it would mean a lot to the Colony. If the company closes down, I believe, others would take it over.

I feel it is an industry which this Colony should nationalize with the help of England. The C.D.C. can come in there and make quite a lot of money. That is to my mind an observation which leads me to the taxation proposals so far as bauxite is concerned. I do agree with the hon. Member for New Amsterdam (Mr. Kendall) when he said that the ore itself should be taxed higher than 30 cents per ton. A little over two years ago when the hon. Mr. F. J. Seaford was a Member of this Council, I asked questions about this industry, and he said there were three sets. He spoke about calcined ore and particularly illustrated that by the use of more energy and heating process it is produced. He gave us the impression that the calcined ore is far from being refined and takes a greater quantity of the raw ore to produce it. It therefore follows that if we had been charging 30 cents per ton of raw ore we should have been charging more for the calcined ore. What has been happening is that this Colony had been allowing calcined ore to be exported at the same 30 cents per ton duty. If that had been so, then I say this Colony has been robbed of a certain amount of revenue. I wish to believe it was charged according to the quantity of raw ore used in making one ton of calcined ore. Here we are seeking to charge \$1 for calcined ore, and in my opinion it should be \$1.50. The duty was 30 cents per ton at the time when things had not gone up and they themselves must have been receiving through Devaluation more for their ore. When the time comes and this measure comes to be passed I feel sure this Council would have the opportunity of increasing it accordingly. We do feel that the bauxite industry in our Colony should give us far more than at present.

Why I am saying all that is because I feel it is iniquitous, it is wrong, to tax a people who are trying their best to keep above the level of starvation. I feel all the measures here will be found to be very baneful. We are left on the horns

of a dilemma whether to allow the Budget to remain unbalanced or whether we should try and balance the Budget. Honestly speaking, I do not know what to do. What must the Council do? It seems we must try and reshuffle our taxation measures and get more from those industries that can pay and reduce that from those which cannot pay. Other Members have already spoken on the other measures and I do not intend to repeat what has been said, but I must say something on the postal charges which are being imposed. I know and I have had many complaints and letters from the rural districts of the Colony where the people are already feeling the strain and pressure in having to pay more for telegrams and for letters. The ordinary man who wants to write a letter has to spend three cents for a stamp in addition to obtaining paper and envelope. Now he is to be made to put a four cents stamp on that letter. My objection to it is fundamental. It is something which is based on a principle and that is, since the postal services of the Colony must be regarded as a utility service, it ought not to be made a burden on the people and as though that business of Government is not a social service measure. Apart from that, I was rudely shocked by knowing when I rang a Magistrate at Buxton from Georgetown and was told that I have to pay 18 cents for the call. The Magistrate said he thought he might have to pay it as a personal charge. At Mahaica and other places where people used to have easy communication with Georgetown, and it seems very important that it should, this imposition introduced is one of no small order to them. It is something to be opposed, something which does not make for the good government of the Colony for the people will be very much annoyed over the measure.

The postal charges and telecommunication charges so far as business is concerned, the richer people have to bear that and I am not going to quarrel very much about those, but the postal charges and trunk call charges should not be so drastic. I agree with those who spoke about the proposed fees of Queen's College and Bishops' High School. I would say that in England to a very large extent

secondary education is free, and I do not see why we of this Colony ought not to have secondary education free here. Since we know that at Queen's College and Bishops' High School there is better accommodation, better staff and everything has improved and salaries have gone up, there may be some justification in some of the fees going up, but I feel like the hon. the Fifth Nominated Member that such a high percentage should not be imposed but a small percentage of 10 per cent.

Mr. SMELLIE: I am sorry to interrupt the hon. Member, but I must disclaim having made that statement.

Mr. DEBIDIN: I am sorry but some Nominated Member did. Sir, I feel that the time has come when, perhaps, Government may have to appoint a Legislative Council Advisory Committee on finance. We are moving towards self-government and cabinet government, and everything is being asked for. It seems the time is ripe when the people should be able to see long before the hon. the Financial Secretary comes to this Council the need for so and so. I am not satisfied that the Executive Council of the Colony should also be given that unlimited power to advise you. I think, if measures of finance which have a direct bearing on the development of the Colony can be gone into by a proper body — I am thinking of a Development Committee with various chairmen — something can be done to have a check on expenditure. I say this because I am alarmed at the manner in which extraordinary expenditure comes up to be passed in Finance Committee, especially when we can hardly balance our budget. We should do something to go into this matter long before the money is actually spent. When most of the money has been already spent or has been passed for spending the matter comes to us just merely for us mechanically to say "Yes" or "No." If we say "No" it has hardly any effect. I think that something in that direction should be done. On the whole I am not very happy over our financial position. It is out of keeping with the real possibility of our Colony, the potentialities of its resources. Our financial position reflects that much more can be done

by the administration, particularly by the Agricultural Department of our Colony. If I be permitted before taking my seat I will mention one or two points on that.

The whole country of British Guiana has only one thing to turn to and that is agriculture, but we find that the Agricultural Department is not co-operating with the people of the Colony not in the slightest degree. It seems to me there is no fixed system of economic crops and development of the Colony agriculturally. It is no use to say the rice industry and the sugar industry are developed. They are there and have developed themselves. We would like to know that there is a planned economy in so far as agriculture is concerned. I want to say further that our Land Settlement Schemes in this Colony are far from being true land settlements. I say that without hesitation, because I know what has happened at Cane Grove. I feel suspicious that Cane Grove is being kept like that in order that the people should scatter and go to the plantations and other places of cheap employment, and so prevent Government having the great task of finding homes for the families there as proposed. Only a few families there can be properly housed and taken care of. That particular scheme is nothing but a business proposition of Government. It owns everything and leases the lands to the people. I want to see the position where the people of this Colony are given lands either on long term lease or on a freehold basis, where instead of spending \$20,000 to buy houses for Government Servants two or three plantations are bought on the river banks of the Colony which have good possibility for agriculture without the difficulty of irrigation and drainage.

The PRESIDENT: May I remind the hon. Member that at Cane Grove Government or rather the taxpayer has spent \$¾ million for 300 families. If that is not helping the people I do not know what is. The hon. Member knows quite well that is so.

Mr. DEBIDIN: I join issue with you Sir, on that Cane Grove Settlement

Scheme. If \$¾ million was spent, it was only to enrich the people who owned the estate. The estate was made richer with certain projects—the putting up of a dryer and a bond and paying a big staff. Give the people the land divided up into parts so that each person can own five acres and, I claim, those people will have a thriving village, each one having the incentive to develop the place. Had that been done, you would not have had to spend one-third of that \$¾ million. That is what I feel.

The PRESIDENT: I do not follow the hon. Member's reasoning!

Mr. DEBIBIN: All that is being spent is to increase the value of the estate.

The PRESIDENT: Does the hon. Member suggest Government is making profit out of Cane Grove?

Mr. DEBIDIN: It is making a profit out of La Bonne Mere.

The PRESIDENT: It is making no profit.

Mr. DEBIDIN: La Bonne Mere is a coconut and rice estate which any person could have bought for more than \$100,000 and made a very happy income from it. But Government has that as a business, because it is renting out the lands to the people. I am criticizing the method of land settlement. I would rather see the type of land settlement which is so much needed. There are lands on the East Bank Berbice and Demerara. Let us buy some of the estates, empolder them and give them to the people on long term lease or for a small amount paid over a period. From what I know of a group of people on the second depth of Pln. Hope — they have developed a permanent crop holding valued \$40,000 by their own initiative. — I feel that in a Colony with so much land the people should be given land and if they improve it it is their own. That is to my mind the solution for our increasing population and a solution of our cost of living problem. If we produce more we also reduce our cost of living in the Colony. I am not happy over the agricultural plan for the Colony. I am not

happy over our land settlements which are to take off our extra population. Those are the two sources which should be looked into and I would be the happier if those two difficulties are overcome. I will end by trusting in spite of the criticisms offered that the year 1951 would seem as if a fairy godmother's wand was waved over us—all the dark clouds would roll by and we would have a very prosperous Colony and development would suddenly bring out such new avenues that we would not only hope for a better future but we would be actually seeing a progressive and better future.

Mr. LUCKHO: Sir, it was with peculiar interest that I listened to the Budget Statement and that I have attempted to study it. The line of approach which I view this matter is after this one: Human nature is the same the world over. A man who works desires for himself and his family a certain amount of security, and he is happy as long as he has that security. That security, however, is disturbed when his own personal budget is not or cannot be balanced, when his expenditure is more than his income. I know intimately that the poorer classes of this Colony are facing today the difficulty of not being able to balance their budget. It is because of that reason I feel that in making my humble contribution to this debate I should to the best of my ability do everything possible to show why those people in the lowest income groups, the poor, should not be burdened further with any increase in taxation. It is the principle that the subject ought to contribute towards the support of government as nearly as possible to his ability. That is, in proportion to the revenue from which they derive direct protection of the State they should make this contribution. I venture to say that in this Colony the lowest income groups are taxed up to the hilt to meet their contribution, and if money has to be found — I observe that \$1,500,000 must be obtained by means of increased taxation — then we must turn from those who are already heavily burdened to — to use the ordinary term "Tax the rich or — those who can better afford it.

The line I move along points in this direction: The taxation proposals are largely instances of taxation where such things like Postal Charges are taxed. That tax is spread over the whole community whereby the rich and the poor alike are taxed. Sir, I am totally and absolutely opposed at this stage to that form of taxation in that and other instances I shall come to later. Taxation in any form is not pleasant. It must arouse controversy. It is an unpleasant duty, but if it is to be done, I say, let us take every precaution to see that those who are taxed are those better able to afford it; those who are rich are those who should be taxed, without — to use a verbal expression — “having their backs broken”. There are many examples which can be given to illustrate the point I am endeavouring to make. The aerated waters duty is something which has already had many doughty opponents and does not need my assistance. But that rather exemplifies what I am thinking at the moment. Here you have a beverage which is consumed by the general community. It is not a luxury. Taxation on that particular beverage is taxation which will be felt by the very poorest classes and groups, whereas if luxuries were taxed — luxuries which the poor individuals cannot afford to buy — it means that those who are in a better position would be the ones to assume that responsibility and contribute still further to that tax. I say, we should first consider taxation of that type — further taxing luxuries, taxing your beer and your whisky and other articles of that type. I do urge that, because I know the condition as much as I have no doubt the Government itself appreciates it. — the poverty with which the very people are associated. It is within my own knowledge that those people find it hard to balance their own personal budget and are forced to go to moneylenders and pawnshops.

The moneylenders in this community do a thriving business. Here is another source where we can get additional revenue. At the present moment the moneylenders' licence is \$5 for 3 years. I believe that was in existence for some time. There are on the records 620

licensed moneylenders. There must be at least about 1,200 unlicensed moneylenders. If you make the 620 registered moneylenders, who are capable of paying, pay a tax of \$25 to \$50 a year you would get a contribution of approximately \$30,000 a year to revenue. Then there are your pawnshops. Again I speak of my personal knowledge. I happen to be a shareholder and know that their returns are very good indeed. They too can stand additional taxation. Then we can turn to a department with which I am familiar — the Magistrates' Courts — where you have the conservative estimate of some 40,000 cases filed a year. The filing fee is four shillings. An extra shilling there would bring in an appreciable amount of revenue.

Let me give a further example. In the Possession Court a fee of 60 cents is paid for a summons for possession. If a landlord summons a tenant for arrears of rent say \$100, the filing fee is \$2.40. If he takes proceedings both for possession and arrears he only pays a fee of 60 cents. It is a curious anomaly. There are hundreds of cases of this kind filed in the various Courts of the Colony, and additional revenue can be secured from this source.

I agree entirely with the hon. Member for Eastern Demerara (Mr. Debidin) in his opposition to the addition of one cent to the inland postage rates. From time immemorial a penny stamp has been put on receipts from \$10 upwards, and a four cents stamp on receipts from \$50 up to a million or a hundred million dollars. There should be some sliding scale of stamp duty such as is the case with promissory notes, so that receipts given for large sums of money might carry appropriate stamp duty.

Those are just a few examples at random which are intended to ease the burden which now falls on rich and poor alike, shifting it a little left of centre to the richer or more prosperous group. There are a few comments I wish to make. In his Budget Statement the hon. the Financial Secretary made this observation:

“For example, notwithstanding the strongest reasons that undoubtedly now exist for the selection of purely pro-

ductive economic schemes, few will disagree that housing should have the highest priority at the present time."

Housing is always a good subject for any platform, but in stressing it we do so from this point of view. In British Guiana we have an abundant supply of wood which we should utilize in the construction of prefabricated wooden houses for internal use and for export trade. Housing shortage is not peculiar to British Guiana; it is almost world-wide. Here we have the raw material for prefabricated houses which, I have seen myself, are in great demand. If we could have an industry of that sort set up in this Colony it would not only serve the very useful purpose of providing homes for those people who are practically homeless but would also bring in additional revenue by means of an export trade. Maybe the C.D.C., or some other concern, may do something in this direction. So often we find that the raw material which is produced in this Colony is sent abroad to be finalized or refined. We have that in our bauxite industry and also in our sugar industry. Both our bauxite and our sugar are sent abroad to be refined. I would wish to see the day when we can make in our own Colony the finished article which would mean additional employment and provide an additional source of revenue.

Mr. MORRISH: There is very good reason why sugar is not generally refined in the various tropical parts of the world. Refined sugar entering the United Kingdom or Canada would pay a very much higher rate of import duty.

Mr. LUCKHOO: Nevertheless, it is still worth considering, thinking in terms of the Colony. I understand that at Uitvlugt they are about to introduce a refinery to produce refined sugar for local consumption. That seems to me a step in the right direction, and one would wish to see eventually that most of the raw materials we produce are utilized in providing finished products.

In making passing comments on a few of the taxation proposals I would like to make one point only in respect of the proposed tax on aerated waters.

There is a lot that can be said about it, instructed as we all are by the petition which has been presented, that it is a form of direct and indirect taxation. It is indirect in that it would be passed on to the consumer, and it is also direct because it is on the manufactured product. It is common knowledge that the manufacturers have returned to them large quantities of drinks — rejects, or bottles which are leaking. They also supply drinks to their employees which, I am informed, amount to large quantities, and to charities. All those drinks are manufactured, and it means that the manufacturer himself would have to pay the tax on such drinks which are given to employees and to charity. I mention that as an additional point to the several other points raised in favour of the withdrawal of this proposed tax.

In regard to inland postal charges I would like to take this opportunity to make particular mention of the position of sugar estates where there is no personal delivery of letters to the workers. The position is that letters are delivered at the offices of the estates where a list is put up, and if a worker happens to be passing by and sees his name on the list he calls for his letter which had been stamped and posted for delivery. There have been many complaints against this procedure, and one recognized union has taken opportunity to make representations on behalf of some 20,000 or 30,000 workers. At one period it was thought that Government, or the postal authorities, were in agreement with the view that there should be personal delivery of letters to individual workers on sugar estates. There were minor difficulties, such as the fact that there were several persons of the same name, but those were difficulties which could be overcome if a proper system were adopted whereby an estate might be divided into sections which could be numbered. We find, however, that after consideration of the matter the postal authorities decided that they were not in a position (so they say) to carry out personal delivery of letters.

Added to that a letter has come from the Sugar Producers' Association in which they say that as from the 1st of April,

1951, they will cease to deliver letters to residents on the estates because they feel that it is the duty of the postal authorities to deliver letters — a view with which I heartily agree. What is going to happen to those people on the estates if the management will not take the responsibility, and I do not see why they should. In my opinion it is a very unfortunate system whereby letters are not delivered directly. Little things of that nature become irksome and create some amount of disorder in the minds of individuals. I do urge that if an additional cent stamp has to be put on, that letters addressed to individuals on sugar estates should be delivered by the postal authorities. I urge that very strongly, because one can visualize the unusual situation which will arise on the 1st of April. I am hoping that the postal authorities will reconsider their decision and do what is only fair and equitable to the people on sugar estates.

I am opposed to the proposed increase of 25 per cent. on the school fees at Queen's College and the Bishops' High School for Girls for the reason which I mentioned in my opening remarks. I am opposed to any taxation which has a tendency to fall upon the poor man or the lower income group. I know of my personal knowledge many cases in which parents make great sacrifices in order that their children may have the best possible opportunity to acquire a secondary education. I am not saying that the fees proposed are extravagant, but they are being raised to an extent which many parents would not be able to afford. I am told that the new Queen's College building will only house some 500 students. I hope that is not correct. A large and beautiful edifice like that should be able to house twice that number, and we should try to provide an opportunity for nearly all the youngsters who will wish to avail themselves of the education provided at Queen's College. If the difficulty is one of getting Masters, or anything of that sort, surely that can be overcome, but I am somewhat alarmed when I hear that only 500 students will be permitted to enter the new Queen's College.

I am loth to make reference to the

rising cost of living — words which have almost lost their significance by frequent use. However, there is no doubt about it that those people who are getting a little more money should not be placed in the position of receiving with one hand and having to spend with the other. Let those of us who are in a better position be made to pay more taxes, because money has to be found. As far as it is humanly possible we should try to prevent the weight from falling on those who can least bear it, and divert it to those with broader shoulders.

There have been many criticisms against the tax proposals, but there is a very happy aspect to which I would like to refer. The list of certain essential commodities, Customs duties on which are being refunded, will be extended to include such articles as pickled pork, canned fish, pickled mackerel, cooking butter, margarine and cheese. This is to me a very happy feature in a budget upon which so much criticism has been levelled. Those are articles which the ordinary man uses daily. The rich man does also, but I am concerned at the moment with the lower income group. I trust that Government will explore all the markets possible to see that we purchase from the cheapest possible markets, especially such foodstuffs as flour, condensed milk, and things of that nature. I do not know whether subsidization of certain of those essential commodities might not also assist the situation, but of course subsidization would cost money, and another argument against it is that the rich would benefit as much as the poor. Before I take my seat I would like to say that I consider the Budget Statement a very keen analysis of the finances of the Colony, and I take it that the hon. the Financial Secretary will remember Edmund Burke's famous words: "To tax and please no more than to love and be wise is not granted to man."

Mr. FARNUM: I would first like to congratulate the hon. the Financial Secretary on his comprehensive review of the finances of the Colony and the prospects he has outlined for this year and future years. I would also like to sympathize with him, because I realize that he had a very difficult task to find ways and means

to raise revenue to meet the rising expenditure. At this stage I think it is necessary that very close attention should be paid to our expenditure, and in glancing through the Estimates for this year a few items struck me which I think should be deleted. I feel that we are a very poor country, and in these days of rising costs and the necessity to look around for increased taxation we should eliminate certain charges. I refer first of all to the item on page 51 of the Estimates — Leave Passages, Public Officers, \$45,000. Then for Training Courses for Public Officers there is an item of \$5,000, and an item of \$41,241 as the Colony's contribution to the proposed Farm School in Trinidad. Those three items amount to practically \$90,000. I do not think the time has come when we can afford that contribution to the Farm School, nor do I think we can afford to continue those privileges to civil servants. Perhaps I may be looking for trouble in saying this, but I well remember last year when the Financial Secretary was pressing for the revision of civil servants' salaries he suggested, I think, that they should work half an hour more per day, because he was not satisfied that they were giving a full day's work. I also heard Mr. Heape, who was then presiding, remark that they were a lot of clock-watchers in the Civil Service. Surely, Sir, in these days of rising prices and the strained condition of the Colony's finances, civil servants are not entitled to continue to receive those privileges.

For the sake of the good name and the credit of the Colony the budget must be balanced. I have in my possession a copy of the *A.B.C.D. Bulletin*, and with your permission, Sir, I will read an extract which says:

"The National Production Administration issued NPA Order M-7 on November 13 requiring a 35 per cent. reduction in civilian aluminum supplies. Effective January 1, producers will not be permitted to use more than 65 per cent. of the monthly average amount consumed for civilian purposes during the first six months of this year."

"In announcing the restriction, NPA Director William H. Harrison explained that the rearmament programme will require about 30 per cent. of the nation's annual aluminum production of one million tons."

I am informed that the Berbice Company is also increasing its production of bauxite. In view of what I have just read it is clear that our production of bauxite will be at the maximum, and I feel that the estimated revenue of \$300,000 from the proposed tax on bauxite will most likely reach half a million dollars.

I think, however, that we should look around for other sources of revenue. I have in mind the suggestion of the hon. the Seventh Nominated Member (Mr. Luckhoo) of increased stamp duty on receipts. He also suggested an increase in moneylenders' licence. I happen to be a member of the Committee appointed to consider the question of the revision of the Pawnbrokers and Moneylenders' Ordinance, and so far as we have gone we feel that the moneylenders' licence should be increased from \$5 for three years to \$150 per year. Assuming that there are 600 moneylenders in the Colony one can quite see that a large sum of money would be collected. If the suggestions I have made are adopted I see no need to tax aerated waters or to increase the tax on life insurance companies. I feel that a tax on aerated drinks would reduce consumption and result in reduced employment, and I think we already have enough unemployment in the country. I know that several of the aerated water factories contemplate acquiring additional machinery which would provide more employment, but the proposed tax would make them cancel their indents and limit their production in keeping with the reduced consumption. I am opposed to the tax on aerated waters.

As regards the proposed increased tax on life insurance companies I would point out that most of the policies are for \$500 and \$1,000. It is an investment which the middle class man makes in order to protect himself in his old age and his family in case of death. Life insurance companies derive their revenue from investments, and we all know that the yield on investments has dropped and is dropping. In addition to that the companies have had to meet demands from their staff for increased salaries in view of the high cost of living. Consequently the proposed tax would deprive them of

whatever surplus they might have between the yield on their investments and their expenses, and would perhaps eliminate the bonus which is usually paid on policies that mature, and which must be regarded as interest on the money invested by the policy-holders.

As regards the new telephone rates, perhaps it is an anomaly that Government or the Postmaster General does not recognize — the business rates having been increased to \$110 and the residential rates to \$55—certainly it is unfair to apply those same rates to the country districts. Subscribers on the East Coast, Demerara, have got to pay those same rates, and I do not know if it is known to Your Excellency that many a day a subscriber there cannot get connection to Georgetown. Surely it is unfair to charge those people the same rates as those in Georgetown who have the use of their telephones all night and at all times. Someone speaking to me some days ago said "I noticed some time ago that His Excellency is advising persons to take up residence in the villages and those who are there to remain there. Surely His Excellency does not know this new tax that is being imposed on us will not encourage us to remain there. In fact I do not see my way to remain in the country district. I am going to go into Georgetown where I can get the full benefit of my telephone." That is a matter which I ask Your Excellency to give some attention to, because I think it is manifestly unfair.

As regards the postal charges I do not think that Government will get the revenue it expects from this increase. I think in Georgetown, Sir, that many firms will use personal delivery and Government will not get that revenue which it did from that source. Persons in the remote districts will, I think, write less. I do think it imposes a great hardship. On the whole I do not agree with taxing aerated water and drinks. I do not agree with further taxing the insurance companies. I do not agree with this increase of postal rates, because I feel that these impositions are going to hit the small man more than anyone else and already he has a very hard time to make two ends meet.

Mr. PETERS: Sir, like some of the

speakers of this honourable Council who have preceded me I also desire to congratulate the hon. the Financial Secretary and Treasurer on his very doubly heart-searching presentation of his Budget for this year. Not only do I congratulate him but I must also commiserate him, because I believe that if there has ever been a time when he has had to lose many a sleepless night in order to be able to present his Budget before this Council, that time is now. He certainly deserves our sympathy, as was said by one hon. Member who has already spoken, because he like yourself had been caught in what I would describe as a world whirlwind momentum of a hyper-vicious economic circle. We have for the past year or two been facing every now and again a call for more wages, and some of us sitting at the ringside of this clamour and shout have been feeling increasingly that, if and when this call is satisfied, the unescapable corollary would be more taxation. And then one would expect that if taxation is imposed there must needs be an increase in the cost of living, and then in the long run one would have as another corollary another clamour for more wages; and so we have been having it coming up from time to time more wages more taxation, more taxation more wages and increased cost of living that it seems as though it had been going on *ad infinitum*. It has gone on to the extent where today the whole Colony is aroused not because the people of the Colony are opposed to taxation but because there is a strong feeling that the time has come for us to address ourselves to the problem which call for immediate attention, the problem not only of reducing the cost of living but of evolving some means by which we shall be able to find the way out of this vicious circle in which we are involved and which threatens to overwhelm us in a sea of bitter frustration and disgust.

If there is anything in the Budget Statement which seems to be very specious by virtue of its absence, it is that while the hon. the Financial Secretary seems to have been at pains to suggest or recommend that certain taxes imposed should be levied here and there throughout the Colony, there does not seem, save in an insignificant manner as referred

to by my hon. friend, the Seventh Nominated Member (Mr. Luckhoo), to be any serious effort to bring to the Council any suggestion as to where we may either reduce or eliminate if possible the burden that the Colony has to carry, where there may be services which need to be utterly dispensed with and offices which may be reduced in staff or abandoned totally. There can be no doubt that the cost of running the Government had been mounting by leaps and bounds from year to year and, of course, if that is so the people must be taxed, because the running of the government is the people's affair and they must be taxed in order to face the burden imposed upon them by this increasing cost of carrying on the Government of our Colony.

There has been a very wise and necessary demand uttered here and there now and again that there should be increased production in our Colony. But have we, I ask, addressed ourselves to this economic challenge in any serious measure whatever? I certainly would say "No, we have not addressed ourselves as we ought constructively to the implementing of what seems to be a very ardent desire on our part that production might be improved and increased." Not so long ago it was my good fortune — it is common knowledge now — to visit Trinidad, and I was taken up to what is known over there as "Saddle Hill". As I stood on the crest of that hill and looked out on the landscape beyond, I saw before me miles and miles of citrus products and, if my vision told me the truth, it seems to me I saw grape fruit trees, orange trees, lime trees, lemon trees on a very vast plantation. When I saw that, I could not but feel this: Why could not we in British Guiana with a territory so vast have scores and scores of such plantations? If we found it very difficult to grow our citrus products why could we not have a canning plant, as was attempted here some years ago, in order to make marmalade etc., which can be exported, as was suggested by some speaker? That brings to my mind this criticism that our agricultural department should be put to work to assist and take a lead in a matter of this nature. I do grant that the Department has done the

Colony great and valuable service in the past, but we cannot dare with any measure of wisdom to look upon that service, valuable as it is, and say to it "As it was in the beginning is now and ever shall be, world without end, amen". We should say to the Agricultural Department "If you have conquered fields already there are vaster fields yet to come", and if the Agricultural Department has not the staff sufficient for such purposes, then let us give the Department the staff; and if the Agricultural Department has men from the top right down to the bottom who are incapable of — shall I say — exercising this new urge to conquer new fields for the economic development of this Colony along agricultural lines, then it should be our painful duty to say to them "Pack up and leave".

Mr. FARNUM: With your permission, Sir, I just want to explain something. I would like to say that the Agricultural Department is about to instal a small canning plant to do experiments with citrus and other fruits.

The PRESIDENT: That is quite so.

Mr. PETERS: That is very refreshing information, but it is somewhat belated. Yet they must be congratulated for having made a start. We pass from that to the question of another local industry, for instance that of the cigarette producing industry in our land. In our Colony history has disclosed to us that it is possible for us to grow—and we have grown already—valuable, useful and, although I do not smoke I dare to say, delicious tobacco in our Colony. Why should we not say to the Agricultural Department "Here is another direction in which your services might be gainfully employed for the benefit of the Colony."?

Mr. ROTH: To a point of information! The hon. Member may remember that some years ago this Council voted quite an appreciable sum of money for that purpose and an Officer from Africa spent two years in this Colony studying the question, and it turned out that conditions here are not suitable to produce successfully a tobacco similar to the one they were producing in Jamaica.

Mr. PETERS: Again that is very refreshing information, but if we are growing tobacco here let us grow more. Let us grow more food, grow more tobacco if it can be put into use.

The FINANCIAL SECRETARY & TREASURER: I must rise to support the hon. Nominated Member. The question of growing tobacco has been dealt with expertly by special investigation paid for three to four years ago, and the result was as the hon. Nominated Member has said. It is perfectly true that we can grow a refreshing type of tobacco which, I believe, some Members of this Council know, but we cannot grow it successfully as an industry. I ask the hon. Member not to press too hard that we start on that hoax again.

Mr. PETERS: I am going to because the trouble is, there is always the disposition to disprove what we can grow in this land. Some time ago one of our colonists returned from abroad where he had made a considerable sum of money and invested here in the project of rearing bananas. Before long an expert was brought out and he examined the kind of bananas that can be produced on that plantation, and then in the long run he reported that so far as British Guiana is concerned it cannot produce bananas of any marketable value whatever at all. That is my information. But I know that particular gentleman was very much discouraged. And this reminds me of a joke: . . . An old deacon used to tell us in the U.S.A. of a gentleman who liked very often to break the law, but before he did that he would go to a hedge-lawyer to be advised. Very often he was able to get by with his violation of the law. He was at last caught after he had got advice from the hedge-lawyer. When he was in prison behind the cell bars, he asked that the hedge-lawyer should visit him. The hedge-lawyer went and the man said to him "I consulted you about so-and-so and you told me so-and-so. I did it and they picked me up and put me in gaol". The hedge-lawyer replied "They cannot put you in gaol", and they had an argument over it but there he was in gaol. We are growing bananas all over this land. We are eating bananas every day, and

yet somebody comes from abroad and tells us we cannot rear bananas here.

Mr. FARNUM: May I again refresh the hon. Member by telling him that at present there are two experimental plots of bananas being conducted by the Agricultural Department under the charge of a Jamaican who has come down for the purpose. One plot is Plantation Wales and the other plot is at Vergenoegen. As far as he has gone he has given very favourable results and he hopes we would be able to establish a banana industry. I may mention it is not the old type, but it is the "lacatan" for which type British Guiana is particularly suitable.

The FINANCIAL SECRETARY & TREASURER: The Gros Michel banana of Jamaica can grow all over British Guiana. Nevertheless, as a plantation crop, it is doomed here for the very same reason that it is doomed in Jamaica, and that is the famous Panama disease; and anyone who attempts to go in for it on plantation lines is bound to lose money. There was an experiment on the West Bank, Demerara, four or five years ago, where it was demonstrated that it could not be done profitably here. That is why this discovery of another type of banana which is capable of being exported and is not liable to Panama disease (but God knows what other disease may develop), is being investigated. We have started this experiment on the West Bank, Demerara, which is referred to in the Budget Statement, with great hope of success. If it does succeed then we have something there.

Mr. PETERS: My hon. friends have been carrying coals to Newcastle. I am fully aware that there is an attempt to produce the lacatan banana in this Colony. But what I am trying to say is this: Why must we wait until now, these latter years, to proceed along such lines, whereas we should have adopted that policy years ago?

The PRESIDENT: The lacatan variety has only been discovered as marketable three or four years ago. It only got on the market as the result of this very serious Panama disease. It was

never a marketable banana until two or three years ago. That is the answer.

Mr. PETERS: I am very grateful to Your Excellency. I know that 20 years ago when I lived in England I saw bananas being sold which were of the same variety that we produced in British Guiana and is still producing now. And again in the U.S.A. I had the same experience. If Jamaica in those days could have produced bananas of an inferior quality that could be exported to England and the U.S.A., why could we not have done likewise, considering whatever might be the quality of that particular produce? We did not have the vision at the time to get up and see what was happening in Jamaica. Today we are experimenting with the lacatan specie, and I hope that the benediction from on high would fall on the effort.

There are one or two other things I desire to say. We come to the question of the taxing of one commodity and another. I agree with those who have preceded me and have felt that the imposition of the taxes as proposed by the hon. the Financial Secretary and Treasurer, while revealing the apparent success of one who had been at pains to suggest ways and means of balancing the Budget, they seem also to be the result of one who had been engaged in performing the acrobatic feat of a juggler, in that it came to the question that this thing cannot be done and it has to be done and I have to put my brains and work early and late in order to see that it be done; time is running hard against me; I have to produce the goods and sure as you live when that day comes the goods will be produced. But one wonders if the hon. the Financial Secretary and Treasurer had been fortunate enough to have been working in the old fashioned committee of the old Legislature known as The Ways and Means Committee, wherein he could have been advised by others who would put their minds to the searching task of balancing the Budget of the Colony, whether many of these suggestions may have still appeared on the Budget Paper.

I may refer to some of the measures I have in mind which have been referred to by the hon. the Seventh Nominated

Member (Mr. Luckhoo). Take for instance the Stamp duty on receipts. It is two cents from \$10 to \$50 and beyond that, whatever may be the magnitude of the transaction, nothing more than four cents. A man can come into our Colony and do \$1,000,000 worth of business and, if he has to give a receipt for that, all he is required to pay as Stamp tax is four cents. That is a very lucrative source from which Government may be able to draw a considerable amount of revenue, and if I were on that committee, if it was set up, I would certainly have given that advice.

Then again some one has already hinted about the Moneylenders' Tax. True it is that the moneylender has to pay but \$5 for his licence for a process of three years. That certainly is a very easy way of getting by so far as the moneylender is concerned, but surely something ought to be done by which he might be made to pull his full weight as regards the tax he should pay on his licence. But there is something subtler than that to which my learned friend did not refer. The moneylender today, desiring to evade Income Tax in respect of the magnitude of the business he is doing, has adopted the artifice of splitting up his business into several prongs. He would be running one portion in his own name, then another portion of the business would be in the name of his daughter, another portion in the name of his wife and another portion in the name of his son.

Mr. ROTH: I rise to a point of information! The Committee referred to by the hon. the Seventh Nominated Member has taken careful cognizance of those facts, and these recommendations will be borne very well in mind.

The FINANCIAL SECRETARY & TREASURER: I am learning and would like to learn more about tax evasion by moneylenders.

Mr. PETERS: We cannot anticipate what will be the report of the Committee. A moneylender can get himself granted a power of attorney by some absentee, and he can run another portion of his business in the name of that absentee

principal. In that way he is able to evade a considerable amount of income tax which ought to accrue to Government in view of the magnitude of the business he carries on. So that there are many ways and means whereby taxation can be imposed without making the whole process of taxation too burdensome on the community as such.

I wish also to refer to the question of the local manufacture of cigarettes. We manufacture cigarettes here but cigarettes are still imported into the Colony. In order to encourage our own cigarette industry might it not be considered wise to increase the tax on imported cigarettes? That is one direction in which we might turn our attention.

There has been a notable effort on the part of one of our local firms to manufacture shirts, although we are all aware that shirts are also imported into the Colony. Might we not impose an additional tax, however small, on imported shirts which might act perhaps as a measure of slight prohibition on the volume that is imported, and have the further reaction of encouraging our local shirt manufacturers to carry on their business on a larger scale and thus be able to employ more of our girls and, if possible, boys who find it difficult to obtain employment? What we have to face is this: how are we going to improve the earning capacity of our people in British Guiana? The mere balancing of the budget is not enough. How are we going to place more money into circulation, and how are we going to reduce the cost of living? Not so long ago I said that after all a man's prospect of economic competency is not to be gauged according to the amount of money he earns but according to the amount he is able to save. The day is past when we could talk with any measure of confidence about a living wage in the economic life of any individual. We have to speak now of a saving wage. The trouble in our Colony is not that our people are not earning money. They are earning money but the spending value of that money has been considerably reduced, and because of that what an individual earns today does not compare with what he earned years ago, which

may have been a smaller figure. So that what we have to address ourselves to is increasing the earning capacity of our people and seeking to place more money into circulation and getting more people employed.

There is a proposal to tax aerated drinks. It has been said that it is the poor man's drink, and we all know that it is. In a country where people find it difficult to get a midday meal they take Pepsi Cola or Coco Cola and wait until they get home for a heavy meal. In imposing a tax which would discourage that industry or fall heavily upon the poor man, we are toying with his health, which is not a wise thing to do.

The proposal to increase the fees at our two Government secondary schools might seem attractive as a source of increasing revenue but, as has been said before, it will not put a burden on those people who can afford to pay but upon those struggling persons in Essequibo, New Amsterdam or Leguan who not only have to pay for their children's board and lodging in Georgetown, but in addition to the fees at Queen's College or B.H.S. they will have to pay higher rates of fares on the Transport Department's services. We have quite recently been considering the enactment of legislation for the control of secondary schools. If there is any disposition, overt or covert, on our part to curb the activities of those schools one of the surest ways of creating a new problem for ourselves is to let this tax go through, because we would find that those who cannot afford to send their boys and girls to Queen's College and B.H.S. would flood the other schools with their children, and there would be a large crop of secondary schools. I think it would be rather unwise to increase the fees at the two principal secondary institutions in our Colony.

In my earlier reference to the suggested increased stamp duty on receipts I omitted to refer to the question of estate duty. I think the tax in that direction might be pegged up a little. A dead man can no longer use his money, and if the person who inherits it has to pay an increased tax we should be doing the dead no despite and no harm to the

living. I think that is another direction in which we might look for additional revenue.

There are a few other things I would like to say but I am not going to prolong my remarks. In view of the interest — sympathetic on one hand and sinister on the other — that has been aroused by the presentation of this budget it might be wise if Your Excellency could see fit to consider the appointment of a Committee to confer with the hon. the Financial Secretary, to see whether anything can be done, and I think a great deal might be done in order to soften the tedium of the opposition that this Budget Statement has raised this year.

Dr. JAGAN: Sir, I notice that certain hon. Members deplored the fact that last evening you were booed on your way from this Council. As the representative of His Majesty's Government in this Colony and the symbol of British rule here, a rule which has been responsible for a great deal of misery in this Colony, no doubt you will realise that what occurred last evening is merely a symptom of what is public opinion today. The people are today expressing their opinions, and if we are to have democratic government then I feel that those opinions must be listened to and must be respected. They must not be dismissed merely by saying that they have been engineered. I am sorry that the hon. Member for Georgetown North (Dr. Nicholson) is not here, because I would have sympathized with him too. As an elected Member I feel that I should sympathize with him also. Nobody took the trouble to do so. We must look at issues squarely. X

The hon. the Financial Secretary in his Budget Statement makes several statements which are in one way or another self contradictory. For instance, on the first page he states :

"The surest means of securing improvement is greater production — by those who actually produce as well as by those who work and serve the community in other ways — so that the common pool of wealth thereby generated and made available for distribution and consumption may increase and allow of larger shares to one and all."

A little above that he mentions the fact that a large proportion of the increase in the cost of living has been due to the recent increase in the prices of local products, the shortage of local commodities and so on. On another page dealing with the taxation proposals we are told of the attempt by Government to refund Customs duties on such things as salted fish, flour, condensed milk and cocoa powder. The mere fact that we have to import those items which are listed here — salted fish, pickled beef, condensed milk and cocoa powder — is indeed a sad commentary of affairs as they have been administered for so long in this country. This is a large country, chiefly agricultural, and most of those items are agricultural products. At one time we lose a lot of money by dumping products into the sea. You yourself, Sir, not so long ago mentioned the fact — I think it was last year or the year before — that we suffered a great loss of nearly \$60,000 at the Produce Depot. Is the Financial Secretary correct in saying that the surest means of securing improvement is greater production? At one time we produce and suffer a loss; at another time we find that we are not producing the things which should be produced in this country.

Therein lies the whole story of the rule and misrule of this country. What is happening today is merely an indication that the people are not going to be content to have this country run as it has been run in the past. I took care to speak at the end because I wanted to hear the views of other hon. Members, and from the views which have been expressed I gather that they are more or less agreed that the taxation proposals which have been put forward merely tend to soak the poor people of this country and let the rich continue to enjoy their ill-gotten gains.

Hon. Members have referred to the fact that we are paying increased wages but the cost of living is always rising. What we have been doing within the last three years is merely to maintain the conditions which existed before the war, and which in 1942 were set out in the Cost of Living Survey Committee's

report. I would like to mention one or two points to show why it is not important merely to say that we are not producing enough, but what is important is to diagnose why we are not producing enough and to remove the restrictions which may be there in the curtailment of production. The report of the Cost of Living Survey Committee, which was published in 1943, has appended to it a comment on Nutrition by the late Dr. Francis, and with your permission, Sir, I would like to read a few extracts. On page 21 Dr. Francis states :

"4. The food available represented a supply of 2,134.4 calories daily per man value. The Technical Commission on Nutrition of the League of Nations has placed the calorie requirements per man value to be 2,400 calories of food actually assimilated for an individual not engaged in manual work."

Dr. Francis goes on to state :

"Moreover, the diet is not well balanced, as carbohydrates bulk very largely while the percentages of protein and fat are low. Sufficient of the protein is not derived from animal origin."

In another paragraph Dr. Francis states :

"Apart from deficiency in total calories the food in several families may show remarkable deficiency in variety and may be wanting in many indispensable ingredients."

We are asking the people to produce and to produce more but we do not provide them with the food which would make them capable of doing so. What is necessary is a policy, but is there a policy? I do not want to go into all the details because many of those have already been settled, but I do want to point out a few of the weaknesses of our present economy. I have just returned from an Agricultural Conference at Curacao where agriculture was discussed fully in all its related aspects, and if one thing came out of that Conference it was this: that we must cease depending upon the production of a few exportable crops which have to depend upon tariffs, quotas, preferences and protection from the Metropolitan Governments. When I spoke on the Venn Commission report I mentioned some of those points, but certain hon. Members misunderstood me,

thinking that I meant that we should not produce any more sugar or should abandon the sugar industry of this Colony. What I did say was that we should not depend so much on sugar; or on a few export crops, but should so diversify the economy of this country that we could produce the same articles with respect to which we are now seeking to remit Customs duties. If we cannot produce those things then it is incumbent upon Government to find ways and means to produce substitutes.

I have a copy of the Census report here and I wish to point out some figures to show why we cannot produce enough in this country. The people at the Curacao Conference were amazed when I told them that British Guiana is indeed a very large country statistically, but that there is definitely land hunger here. I did so because many of them were thinking of absorbing the surplus population of the Caribbean in British Guiana. The Census report verifies my statement. On page lxii there is a paragraph on the median size of agricultural holdings, which states :

"104. Median size of holdings. The median size of all holdings was 2.48 acres, that is to say, half the holdings were below that size and half above. For farmers' holdings the median size was 3.69 acres; for other gainfully-occupied persons who cultivated as a subsidiary occupation the median size was 1.37 acres; for persons not gainfully occupied, who were mostly women engaged in home duties, the median size was 0.95 acres. Male operators showed a median holding of 2.70 acres; females of only 1.25 acres. The median holding for both sexes was highest in Essequibo and lowest in Demerara. The median size of holding operated by males was highest for the racial group of Other Europeans (5.38 acres). Other Asiatics (4.87 acres) and Portuguese (4.05 acres). The median for male operators of mixed race was 3.15 acres, for East Indians 2.94 acres, and for Africans 2.22 acres."

In other words, for people who depend solely on agriculture the median size of their holdings was only 3.69 acres. Agriculturists and experts have all agreed that with the exception of a very few cash crops, such as those which may be grown for a ready market very near to the consuming area, for many crops

the average size of holding should be between 20 and 25 acres of land. How can we expect people to grow rice or ground provisions and derive an adequate income from 3½ acres of land? Why is it that we cannot provide those people with more land? The hon. Member for Berbice River (Mr. Ferreira) suggested a way out. He said that Government should put a tax on land which is not beneficially occupied. No doubt he has knowledge of lands in the Berbice river which are held by plantation owners — lands which are lying idle and not beneficially occupied. I may point out that I was able to have such a resolution passed at the Curacao Conference, suggesting that a land tax be put on land which is not being properly utilized or which is lying idle. That is nothing new. The Royal Commission which came here in 1938 recommended the institution of a land tax, but what have we done so far in this country? Not only individuals but sugar estates have thousands of acres of land lying idle, but what is Government doing about it?

I have given figures before but I cannot help repeating them. It seems to me that Government's policy is framed to

help those gods, and unless those figures are made known we are not going to have a change of policy. The sugar estates of the Colony rent nearly 90,000 acres of land from Government at an average of 5 cents per acre. Is it not time that we put a tax on those people? Why can't we put a tax of \$3 per acre on land which is at present leased to those people? A farmer has to pay as much as \$10 or \$12 per acre to get land today to grow rice and ground provisions. Why should the assets of the people of the Colony be given away for 5 cents per acre? In many cases, because the rental is so low, those leaseholders can keep the land idle and keep it away from the farmers. The sugar estates have taken away land from the people which was being used for the cultivation of rice and ground provisions.

X Mr. MORRISH: To a point of correction. During the year 1950 a considerable proportion of the lands offered to workers on sugar estates was not taken up. X

At this stage the Council was adjourned until Wednesday, January 10, at 2 p.m.