

DEBATES

IN THE

LEGISLATIVE COUNCIL OF TRINIDAD AND TOBAGO

Pursuant to Ordinary Call the Honourable Legislative Council met in the Council Chamber, Government Buildings, Port-of-Spain, at 10 o'clock this morning.

PRESENT :

- HIS EXCELLENCY CAPT. THE HON. SIR BEDE EDMUND HUGH CLIFFORD,
G.C.M.G., C.B., M.V.O., GOVERNOR, *President*,
- THE HONOURABLE A. B. WRIGHT, C.M.G., C.B.E., M.C., Colonial Secretary
- H. W. WILSON, K.C., Attorney General
- R. B. SKINNER, M.B.E., Acting Financial Secretary
- T. ROODAL.—*Member for St. Patrick*
- R. A. JOSEPH.—*Member for the Borough of San Fernando*
- L. C. HANNAYS, K.C.—*Nominated Member*
- ALBERT GOMES.—*Member for North Port-of-Spain*
- C. C. ABIDH.—*Member for the County of Caroni.*
- W. M. V. ASH.—*Nominated Member*
- V. BRYAN.—*Member for the Counties of St. David,
St. Andrew, Nariva and Mayaro*
- A. P. T. JAMES.—*Member for the Ward of Tobago*
- AUDREY JEFFERS, M.B.E.—*Nominated Member*
- R. KUMAR.—*Member for the County of Victoria exclusive
of the Borough of San Fernando*
- C. MAHARAJ.—*Member for the County of St. George
exclusive of the City of Port-of-Spain*
- H. E. ROBINSON.—*Nominated Member*
- DR. P. V. J. SOLOMON.—*Member for South Port-of-Spain*
- A. STOREY, D.F.C.—*Nominated Member*

[Price 24c.]

PRESENTATIONS

His Excellency the Governor presented to **Joseph Snee, Esquire**, and **Henry Arthur Bennett, Esquire**, formerly Captain and Lieutenant respectively, in the Trinidad Home Guard, the Insignia appertaining to their appointments as Additional Members of the Military Division of the Most Excellent Order of the British Empire.

His Excellency also presented to **Tom McLean, Esquire**, and **Joseph de Jesus Sardinha, Esquire**, the Testimonials on Parchment awarded to them by the Royal Humane Society.

HIS EXCELLENCY ADDRESSES COUNCIL

His Excellency then addressed the Council.

HIS EXCELLENCY : Honourable Members of the Legislature :—

In addressing the Special Session of the Legislature last July I informed Honourable Members that it was necessary to summon them to Council at an early date in order to reconstitute the Executive Council and the Finance Committee. Both these bodies have been busy during the recess and I feel sure that the work they have already done will assist them to deal thoroughly and expeditiously with the estimates which will shortly be placed before this Council.

In addition to the Estimates a number of Bills will be introduced this Session but I do not think there is any necessity for me to refer to them in this address.

The Government has been engaged upon drawing up a Scheme, which it hopes shortly to submit to your scrutiny, outlining development works to be undertaken over a period of ten years (commencing in January, 1946). It includes all those development works actually in hand but not completed at the end of 1945 together with a number of new projects. The Development Works are broadly of two types—those which aim at improving the social environment of the community, and those which are intended to be revenue-producing, or which upon their execution will increase the economic assets of the Colony.

Amongst the first type will be hospitals, health centres, dispensaries, schools and training institutions, and the housing of labourers in pleasanter and healthier surroundings than those to which they have been accustomed. Work on many of these projects has, as you are aware, already been under way for some time and you will be asked to continue to vote additional sums during your period of service on this Council.

Amongst the more important Development Schemes which will increase the economic assets of the Colony, it is proposed to undertake the construction of a high tension transmission line from Port-of-Spain towards the South together with a number of electrical sub-stations at a cost of approximately \$1,000,000. This line, which will eventually connect with a large power station to be erected in the oilfields area, will enable electrical energy for industrial purposes, to become available in many parts of the island, and should substantially lower the cost of production of electrical energy when the island-wide scheme is in operation.

WATER SUPPLY SCHEMES

Island-wide water supply schemes for both Trinidad and Tobago are being prepared, and storage reservoirs are already being constructed at Caura and Hillsborough.

The drainage and irrigation of large tracts of fertile land also forms part of the Development Projects, and it is intended under the ten-year scheme to spend a further \$500,000 on the drainage of the Caroni Plain on which \$448,000 had been spent up to the end of 1945 ; whilst preliminary estimates for the provision of adequate drainage and irrigation facilities for the fertile valley of the Oropouche amount to around \$1,500,000. Other drainage is proposed for anti-malarial purposes.

Extension of the Scarborough Wharf is provided for and work thereon has already been started, though for technical reasons it has recently had to be temporarily suspended.

It is also proposed to develop recreation facilities at Maracas and Tairico Bays and to make them more accessible and healthier than they are at present by eradicating the swamp which adjoins the sea-board.

MODERNISING OF PIARCO AIRPORT

As you are aware, the importance of Trinidad as an Airport is rapidly growing and the Piarco Airport should be substantially enlarged and made capable of handling the largest planes carrying maximum freight and passenger loads. Plans for the modernising of this great airport will in due course be presented to you and may involve an expenditure of nearly \$5,500,000. Most of the building construction will be located north of the present runway thus bringing the passenger and administrative facilities closer to Port-of-Spain. It is also proposed to extend the Churchill-Roosevelt Highway westward along the southern side of the Railway so as to shorten the distance into the Capital and alleviate the congestion on this portion of the Eastern Main Road. Now that the construction of an Airport at Laventille has been abandoned and since the medical authorities advise that the malarial menace of the swamp can be most effectively controlled by the use of DDT, it seems advisable greatly to curtail at least for the time being the amount of reclamation work originally contemplated for this area. As the road to the south of the Railway will require firm foundations and hard fill, it has been decided to abandon dredging operations and to complete the reclamation of areas I and II (the portion of the full reclamation project on which work has actually been in progress) by dry fill from quarry overburden and other adjacent areas. The road south of the Railway will be sited so as to accommodate industrial buildings on either side of it and provide some return for the capital expended. Concurrently with the construction of this road, the road system of the Colony generally will be improved, and for this purpose substantial additions to the Engineering Staffs will be necessary. To expedite the carrying out of these Development Works it has been deemed advisable to place the administration of the Civil Engineering Departments under one Technical Director.

You will be asked to provide funds for the training of Engineers recruited locally, but some years must elapse before they will be able to fill all the Engineering posts required, and until this happens, we must continue to obtain the services of Engineers and other Technical Staff from overseas ; and in order to obtain experienced and qualified men some improvement in service conditions will most probably be necessary.

FIVE-YEAR RICE AGREEMENT

An agreement has been negotiated which provides for the importation from British Guiana during the next five years of minimum quantities of rice at agreed prices and you will be asked to pass enabling legislation to control imports from other sources. All the evidence available indicates that there is likely to be a world shortage of rice for some time to come and I hope therefore that this effort to ensure adequate future supplies of this important commodity will meet with your approval.

Honourable Members will recollect that shortly after my arrival in this Colony there was a widespread demand for the reintroduction of corporal punishment in respect to one or two varieties of offence. This demand was resisted by the Government for a very long time but finally my advisers reluctantly decided that the position was so serious that a temporary measure should be introduced authorising the Supreme Court in certain special cases to impose a sentence of corporal punishment. I am informed that the passage of this Ordinance has been followed by a marked reduction in the number of offences punishable in this way. As I and my advisers agreed to this legislation as a temporary expedient and are temperamentally opposed to such forms of punishment we most earnestly hope that it will not be necessary to ask you to renew this legislation when it expires. (*Hear, hear.*)

Although there has been a reduction in crime for which corporal punishment can be awarded I regret to inform Honourable Members that crimes akin to hooliganism are still very prevalent. This is due in a large measure to our inability to bring the Police Force up to establishment—which is in turn attributed to unattractive terms of service. You will be asked therefore to vote funds for raising the pay of recruits from \$432.00 to \$576.00 and of Constables from the scale \$480.00 to \$600.00 up to the scale \$600.00 to \$840.00. Corresponding increases will be made in the pay of the non-commissioned officers of the Force. In addition to these increases in pay, it is proposed to grant House Allowances to constables with over three years' service and to non-commissioned officers.

GENEROUS SUBSIDY GIVEN B.W.I.A.

As you are aware we have experienced considerable difficulty in keeping British West Indian Airways supplied with equipment in order to enable it to carry out its function of linking up British Colonies in the Caribbean with one another and with our foreign neighbours. Thanks to the generous subsidy provided by His Majesty's Government we have at last managed to put the Company on its feet and we hope that with the assistance of some appropriate major organisation we may be able to improve the position still further though it seems probable that in the interests of the smaller Colonies this Company will have to continue to operate a number of unremunerative routes. I am pleased to be able to inform you that as the outcome of negotiations which I entered into with Mr. Lovell Yerex and TACA Airways, I was able to purchase the shares held by them totalling 2,855 at a cost of \$75.00 for each \$100.00-share thereby effecting a substantial reduction in the capital structure of the Company. As the Trinidad Government also owns 3,000 shares in the Company thus bringing the official holding up to 5,855 out of 7,002 shares the way is now clear for the reconstruction of the

Company so that it can play a more cohesive and effective part in the Air Systems of the Empire. As the outcome of recent discussions I had in London with representatives of the Colonial Office, the Treasury and the Ministry of Civil Aviation, it should shortly be possible to make a more detailed statement regarding the policy to be followed in regard to the future operations of this Company.

ROYALTIES PAYABLE ON OIL

Another important matter which I dealt with in London was that of the royalties payable to the Government by the holders of Oil Mining leases. These leases are of two main varieties namely those which are governed by the provisions of the Oil Mining Regulations, 1934, which provides for a royalty of not less than 10 per cent. and some older leases, held for the most part by the two refining companies. In the case of some of these older leases it is prescribed that the rate of royalty payable shall not be more than 10 per cent. and in all there is a provision under which the Governor may give notice of his intention to take royalty in the form of 10 per cent. of the Crude Oil produced delivery to be made at the field tanks of the lessees. More than 50 per cent. of the oil produced in the Colony derives from these older leases.

In the past it has been customary for royalty to be fixed for triennial periods of three years. In 1939 Government notified the Companies that it was not satisfied that the method of calculating royalty under the 1934 Regulations was yielding 10 per cent. of the added value of the oil won in this Colony and called for a revision in respect of a triennial period 1940-41-42. An agreement was entered into which provided that in the event of its becoming necessary to have recourse to Arbitration such Arbitration should be held in London. Before any further steps could be taken the War broke out and in view of the military importance of the allied oil output, especially in the Sterling Areas, it was agreed that revision of the method of calculating and paying royalties should be postponed until the end of hostilities. As soon as the War ended the Companies were notified that the Government desired a revision of the method of calculating royalty in respect of the triennial period 1946-47-48. This notice was not applicable to the older leases but on the 18th July last the Companies were notified that the Government desired to receive payment of royalties in kind unless, of course, some other more satisfactory arrangement could be reached.

Negotiations in respect of the royalty under the 1934 leases were temporarily delayed by an intimation from the Secretary of State that the agreement providing that they should be conducted on behalf of this Colony by the Ministry of Fuel and Power was unconstitutional and therefore null and void. The Companies agreed to the substitution of the Secretary of State for the Colonies for the Minister of Fuel and Power in order to meet constitutional requirements but contended that the provision that arbitration, if necessary, was to be held in London still held good and could not be altered by unilateral action on the part of this Government. It was not possible therefore for me to do more than hold informal and exploratory discussions in Trinidad which produced no useful results. Members of the Executive Council then asked that I should conduct negotiations with the Companies and be assisted by the Honourable Member for St. Patrick and the Honourable Mr. Hannays. On arrival in England I informed the representatives of the refining Companies that while I was prepared to listen to any views they had to express I was unable, owing to the legal difficulties referred to, to enter into formal negotiations in respect of the 1934 leases.

Later however I was authorised by the Secretary of State to negotiate in respect of the old type of leases in collaboration with the head of the Economic Department of the Colonial Office and officials of the Ministry of Fuel and Power. After much keen bargaining, which was conducted in a spirit of goodwill on both sides, an offer was made by the Companies which was to remain open until the end of this month so as to enable me to submit it to the Executive Council on my return to the Colony. This offer, it must be clearly understood, relates to a little more than half of the oil output of the Colony but it will have the effect of raising the revenue from royalties in respect of these old leases alone from \$410,000 per annum to \$1,046,000—an increase of \$636,000 per annum. In view of the difficulties involved in the assessment and collection of royalty under these old leases the above agreement is regarded by my advisers as eminently fair and a very satisfactory arrangement which has been accepted by the Government without prejudice to the negotiations in respect of the 1934 leases which negotiations, as already explained, began in Trinidad last July and were continued by me informally in London. They have not as yet reached the formal status. The rate of royalty being demanded by the Government in respect of the 1934 leases is slightly higher than that accepted in respect of the old leases but I have every reason to hope that the Companies will accept, or that arbitration will support, the claims of the Government. The very fact that there is provision for all differences being referred to arbitration makes the task of reaching agreement in respect of these 1934 leases a very much simpler matter and now that agreement has been reached in regard to the old leases I think Honourable Members may believe that our problems are well on the way to solution and that if this expectation is realised it will not be necessary to appoint a Committee to investigate. Our outstanding royalty claims which have not yet been accepted are based on a formula which takes into account the average quality (A.P.I.) of the oil produced under each lease at ruling world prices with allowance to be made if necessary for any fluctuations in exchange which may occur.

The information which I have acquired from the study I have made of this subject has convinced me that the Oil Companies, and especially those who operate under the old leases, have from the earliest days been generously treated in the matter of royalties. On the other hand the Companies and especially the refining Companies have responded by ploughing back a large proportion of the profits into the efficient development of the industry and have invested millions of capital in the erection of refineries. I am of the opinion that the old type leases are in many respects unsatisfactory from the Government point of view. Against this it has to be remembered that they were granted at a time when the whole enterprise was highly speculative and the attraction of capital was essential.

I take this opportunity of expressing my appreciation of the help given by the Colonial Office and the Ministry of Fuel and Power. The spirit of goodwill and understanding which characterised the negotiations has satisfied me that the Government and the Companies fully appreciate that they are partners with the people of the Colony in the development and prosperity of this important industry. I should like to thank the representatives of the Companies for the efforts they made to ensure that the discussions reached a conclusion acceptable to both parties. If Honourable Members share the satisfaction of the Government with the progress made to date I shall feel amply rewarded for such services as I may have been able to render to a Colony whose people have always been so courteous and friendly to me.

SUBJECT OF BROADCASTING

Honourable Members will recollect that during the last session there was a spirited debate on the subject of Broadcasting special criticism being directed against the alleged monopolistic provisions of the draft agreement. I accordingly took this matter up with the Company in London in collaboration with officials of the Information Services of His Majesty's Government who were in touch with the B.B.C. and of the Colonial Office. After prolonged negotiation the draft agreement was drastically amended the following being the principal changes effected—

- (a) The so-called exclusivity period is reduced from 15 years to five years provided that six months before the expiration of the five-year period the Company may apply for a further extension of two years and if the Government is satisfied that the licensee has not earned a reasonable return on the capital invested in its business the term shall be extended accordingly. This clause is based on the assumption that the Company is not likely to earn substantial profits during the opening years of the licence.
- (b) Should the Government decide to exercise its right of acquisition valuation shall take into account any profits actually made at the date of the take-over but any value based on the prospects of future increased profits shall be excluded.
- (c) In addition to the 1½ hours free time allowed daily to the Government the Company shall broadcast for not less than 21 hours weekly overseas programmes of the B.B.C. or of any regional Caribbean Station which may be erected in the course of the development of the Empire Broadcasting schemes.
- (d) In consideration for (c) the proceeds of any licences collected to be divided equally between the Government and the Company subject to a minimum payment to the Company of £2,000 per annum in the event of licences not realising this sum.

The draft agreement as it now stands has been drawn up with special reference to anticipated developments in Empire Broadcasting and the Government hopes that it will commend itself to Honourable Members who, in accordance with the promise I made at a recent debate will be given an opportunity of studying its terms when it is laid on the Council table. As preparations for Broadcasting are already well advanced Government desires to implement the agreement as soon as possible.

OUTSTANDING BASES QUESTIONS DISCUSSED

On my way through Washington I discussed a number of outstanding Bases questions with representatives of the State Department, the United States Army and the British Embassy but I regret that negotiations have not yet reached the stage at which I could usefully make a further statement to the Legislature.

FINANCE

The total estimated Revenue from all sources for the year 1946 was fixed at \$30,012,134.00 and expenditure at \$30,517,768.00 giving an estimated deficit on the year's working of \$505,634.00.

The revised estimate of Revenue is now stated to be \$31,777,604.00 being \$1,765,470.00 more than estimated.

The original estimate of Expenditure for 1946 was \$30,517,768.00 and the revised estimate is now placed at \$32,135,142.00 being \$1,617,374.00 more than estimated. The revised estimated deficit on the year's working is therefore \$357,538.00 as compared with the original estimate of \$505,634.00.

The revised estimate of Expenditure for the year of \$32,135,142.00 does not take into account proposals which the Legislature will be asked to consider in the immediate future in regard to the proposed increase in the wages of unskilled workers and in the Temporary War Allowance. Until these proposals have been considered and if adopted, it will not be possible to state to what extent the budget position of the Colony will be affected until the details have been worked out.

MR. KELSHALL'S DEATH LAMENTED

While I have been away this Legislature and the Colony have lost an old friend and colleague in the person of the late Honourable T. M. Kelshall who was a Member of the Executive Council when I first arrived in Trinidad. His personal charm, his dignity and devotion to the welfare of the Colony impressed all who came in contact with him and no man could have commanded more widespread respect and affection. At a later meeting I will give Honourable Members an opportunity of paying a tribute to his memory and of conveying our sympathy to his family.

COUNCIL HEARS OF HIS EXCELLENCY'S FORTHCOMING DEPARTURE

I have of late found it increasingly difficult to sustain the effort I have kept up through the long years of my public career especially during the summer months. While I should have liked to stay on for the few remaining months of my term of office, I have received medical advice that I should take at least a year's rest in a cool climate if I wish to avoid a breakdown in my health. For personal considerations it might have been simpler not to have returned at all but it was essential that I should report to the Executive Council the important negotiations to which I have referred in this address and, with their approval, bring them to a final conclusion. It is my intention before I leave to invite the oil companies to reopen discussions with my advisers and myself with a view to settling the few remaining royalty questions that have to be considered. When this is done and the estimates for 1947 dealt with, I feel I can depart without leaving too many problems for my successor to cope with before he has time to acquaint himself with the affairs of the Colony. My service in Trinidad and Tobago has been most interesting and I have derived the greatest encouragement from your never-failing courtesy and consideration which I have assured my successor you will give as freely to him. I shall continue to follow your fortunes with the liveliest interest and for the future I wish you all the happiness, prosperity and progress that you could wish for yourselves. (*Applause.*)

After His Excellency's address the Council adjourned till 10 a.m. on Friday the 22nd November, 1946.

The adjournment was taken at 10.45 a.m.