

# PROCEEDINGS OF THE COLONIAL COUNCIL FOR ST. CROIX.

(Continued from yesterday's Avis.)

Government Secretary (Zane) remarked: Mr. Chairman. The main reason which the Government had for desiring greatly that expenditures be not reduced below a point which would still afford a reasonable efficiency in its operation was because it hoped that next year we would not have the Federal appropriation worded as it now is. In other words for the fiscal year about to commence the Federal appropriation provides \$270,150 and an additional \$53,850 or so much thereof as the total revenue may exceed \$270,150. In presenting the estimates for the appropriation for 1926 to the Navy Department, the Governor made a very strong plea that this wording be not repeated and that the prior wording used be continued and that the appropriation be \$324,000, without stating that the \$53,850 may only become available provided revenues exceed \$270,150. Again it is possible that the estimated revenues may be exceeded. There may also be several hundred dollars unexpended. It is also impossible that they may not be met. In other words, the situation is that inasmuch as it is apparently impossible to further out the budget without affecting the efficiency of the government, and largely because there is not now time to go into the matter before the first of July, Government felt that the circumstances might warrant the utilizing of a portion of the Reserve Fund to tide us over this one year, and in the hope that the appropriation for 1926 will not be less than the amount recommended, \$324,000, without the qualification clause of the raising of revenues in excess of \$270,150. If the Colonial Council feels that because of a possible precedent this might create, it cannot see its way towards passing this ordinance, the result is that at present Government cannot see its way to balance the budget by \$14,000. That is not a great amount when considering the total amount of expected revenues and the amount of Federal appropriation available towards meeting the deficit. In other words, I should say that because there is not time to review the whole situation with a view towards a further reduction in the budget, and that there is a possibility that this money of the Reserve Fund might not, after all have to be used; and there is a further possibility that next year we might not be confronted with such a situation as we have to contend with now, the Colonial Council may well consider this a temporary emergency measure which in effect is to give the

Government a little more basis than it otherwise would have.

4th Member for Frederiksted Country District (Andersen) remarked: Mr. Chairman. I have never contended that Government was not within its rights by not taking the advice of the Municipal Committee and in bringing any measure before the Council.

Coming back to the Reserve Fund I would like to state that it has been made up from various sources. Some other funds have been transferred to the Reserve Fund upon the recommendation of the Municipal Committee. I understand that there will be an immense balance left over from this year's Federal appropriation; if Government would agree that a portion of this balance of the Federal appropriation equal to the deficit go into the Reserve Fund there would be no objection. But there certainly is objection by all with whom I spoke about this matter to using the Reserve Fund to balance the budget.

2nd Member for Christiansted Country District (Berg): Mr. Chairman. I understand the Government Secretary to say that Government does not see its way to balance the budget. May I ask the Honorable Chairman of the Municipal Committee whether it is possible to balance the budget without that \$14,000?

2nd Member for Christiansted Town (Canegata) in reply to the last speaker said:—That forms part of the policy of framing and passing upon the budget. Is it really necessary for us to grant the use of the Reserve Fund for the purpose of balancing the budget? Why not let things run for at least six months and by that time we will see whether it is really necessary to utilize the fund.

4th Member for Frederiksted Country District (Andersen) remarked: Mr. Chairman. One thing this Council has no knowledge of, is the approximate balance there will be from the Federal appropriation at the end of the fiscal year. Wouldn't that sum be large enough to take care of the balance? If not reduce the budget.

1st Member for Frederiksted Town (Jackson): Mr. Chairman. How much of the budgeted revenues were collected up to April 30?

2nd Member for Christiansted Town (Canegata) answered the question saying: Fres. 347,050.37½  
Budget expenditures . . . " 1,080,043.72½  
Excess of budget expenditures . . . " 732,993.35  
Cash balance in National Bank . . . Minus . . . " 55,560.27½

1st Member for Frederiksted Town (Jackson): Mr. Chairman. Up to April 30 how much of the Federal appropriation had been turned over to the Municipality of St. Croix?

2nd Member for Christiansted Town (Canegata) answered the question saying:—I cannot give the exact figures for the present fiscal year, but the cash bal-

ance for last year was about \$80,000 and the rest of the amount of Francs 732,993 has been made up by Federal appropriation. If you subtract one from the other you can arrive roughly at the figure.

Government Secretary (Zane) remarked: Mr. Chairman. The Honorable Chairman of the Municipal Committee remarked a few moments ago to the effect that why raise this question of utilizing money from the Reserve Fund now, why not wait and see how things go on for six months from now. Am I to understand that this is to be taken as a suggestion at present, or put it this way, as a suggestion that Government might withdraw this Ordinance on that basis?

2nd Member for Christiansted Town (Canegata): Mr. Chairman. That's what I intended. If we are \$14,000 short it is the duty of the Colonial Council to reduce the budget. If we have six months to go we can see where to make the cut.

Government Secretary (Zane): I take it then that the idea of the Chairman of the Municipal Committee is that the Colonial Council proceed with the consideration of the budget as it is now before it with the understanding that at the present moment Government cannot see its way to balance the budget by \$14,000, and that the matter be held in abeyance for six months until we know what the actual situation is going to develop into.

2nd Member for Christiansted Town (Canegata): Yes.

Government Secretary (Zane): With that understanding Government withdraws the Ordinance.

The ordinance was accordingly withdrawn.

4th Member for Frederiksted Country District (Andersen): Mr. Chairman is the ordinance withdrawn?

The Chairman: The Government has, in view of the statement made by the Honorable 2nd Member for Christiansted Town, withdrawn the ordinance.

Government Secretary (Zane) remarked: Mr. Chairman. My understanding of the situation is that Government in withdrawing this ordinance does it because the whole situation is so incomplete at the present time that this question as well as any other which may develop within the next six months of the fiscal year may well go over. In other words, Government by withdrawing this ordinance now simply leaves in abeyance the possible utilization of the Reserve Fund for some other day as being the only alternative between that and a drastic cut in the budget.

2nd Member for Christiansted Country District (Berg) remarked: Mr. Chairman. It seems to me that we are voting to expend the amount the budget calls for the whole of which we have not got, and then be held responsible for the balance.

4th Member for Christiansted Country (Rimsay): Mr. Chairman. I propose that discussion on the ordinance be closed as it