

**LEGISLATIVE COUNCIL.***Tuesday, 29th January, 1935.*

The Council met pursuant to adjournment, His Excellency the Officer Administering the Government, SIR CRAWFORD DOUGLAS-JONES, K.T., C.M.G., President, in the Chair.

**PRESENT.**

The Hon. the Colonial Secretary, Mr. P. W. King (Acting).

The Hon. the Attorney-General, Mr. Hector Josephs, K.C., B.A., LL.M. (Cantab.), LL.B. (Lond.).

The Hon. T. T. Smellie, O.B.E. (Nominated Unofficial Member).

The Hon. F. Dias, O.B.E. (Nominated Unofficial Member).

Major the Hon. W. Bain Gray, M.A., Ph.D. (Edin.), B. Litt. (Oxon.), Director of Education.

The Hon. J. S. Dash, B.S.A., Director of Agriculture.

The Hon. R. E. Brassington (Western Essequibo).

The Hon. J. C. Craig, D.S.O., M.E.I.C., Director of Public Works.

The Hon. E. F. McDavid, O.B.E., Colonial Treasurer (Acting).

The Hon. W. A. D'Andrade, Comptroller of Customs.

The Hon. J. Mullin, M.I.M.M., F.S.I., Commissioner of Lands and Mines.

The Hon. J. A. Henderson M.B., Ch. B. B.Sc. (P.H.), (Edin.), D.T.M. & H. (Edin.), Surgeon-General.

The Hon. F. Birkitt (Postmaster-General).

The Hon. N. Cannon (Georgetown North).

The Hon. Percy C. Wight, O.B.E. (Georgetown Central).

The Hon. J. Gonsalves (Georgetown South).

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

The Hon. M. B. G. Austin (Nominated Unofficial Member).

The Hon. Peer Bacchus (Western Berbice.)

The Hon. E. M. Walcott (Nominated Unofficial Member).

The Hon. R. V. Evan Wong (Essequibo River).

**MINUTES.**

The minutes of the meeting of the Council held on Wednesday, 23rd January, as printed and circulated, were confirmed.

**ANNOUNCEMENT.****ADVANCES TO SEA DEFENCE BOARD.**

Major CRAIG (Director of Public Works): I am the bearer of the following Message from His Excellency to the Council:—

**MESSAGE No. 9.**

Honourable Members of the Legislative Council.

I have the honour to refer to Resolution No. XXI, passed by this Council on the 9th of October, 1934, approving of loan advances not exceeding \$450,000 being made to the Sea Defence Board, in terms of the Sea Defence Ordinance, 1933, for the purpose of strengthening the sea defences on the East Coast of Demerara, certain emergency works and reconstruction of a portion of the sea wall at Nog Eens—Lusignan during 1934, pending the raising of a loan.

2. It will be remembered that in my Message No. 17 of 6th October, 1934, inviting Honourable Members to approve of the arrangements mentioned above it was stated that Mr. G. O. Case, Consulting Engineer to the Sea Defence Board, had been asked to come to the Colony and report on the situation.

3. Mr. Case has examined the matter exhaustively and a copy of his report to the Sea Defence Board dated 13th December, 1934, has been laid before Honourable Members. The recommendations contained therein have been unanimously adopted by the Board.

4. It is gratifying to learn therefrom that there has been natural accretion along the coast in consequence of which it has been possible to reduce the estimates of total expenditure on these works by the sum of \$186,570.

5. The total cost of the necessary works on the East Coast Demerara is now estimated to be \$652,400. Reports by Mr. Case on other sections of the Coast are being prepared and will be laid before the Council shortly.

6. I have suggested to the Secretary of State the advisability of raising one loan from which to meet all extraordinary expenditure on sea defences and certain flood prevention and other public works recommended by the Floods Investigation Committee now under consideration.

7. I accordingly invite Council to approve of the balance of \$202,400 required to complete the works on the East Coast sea defences being advanced to the Sea Defence Board in terms of the Sea Defence Ordinance, 1933, (No. 11 of 1933), and the necessary arrangements being made with the Crown Agents for the Colonies to advance the sum from the Joint Colonial Fund pending the raising of the loan referred to above.

C. DOUGLAS-JONES,  
Officer Administering the Government.  
28th January, 1935.

#### PAPERS LAID.

The following documents were laid on the table:—

Report of the British Guiana Militia Force for the year 1934.

Report of the Registrar of Friendly Societies for the year ended 31st December, 1934. (*Colonial Secretary*).

Memorandum by the Hon. C. Douglas-Jones, C.M.G., Colonial Secretary, on the Sea Defences of the Colony.

Report by Mr. G. O. Case, on the Sea Defences of the East Coast Demerara. (*Major Craig*).

#### GOVERNMENT NOTICES.

##### SUPPLEMENTARY ESTIMATE.

THE COLONIAL SECRETARY (Mr. P. W. King) gave notice of the following motion:—

THAT the Council do resolve itself into Committee of the whole Council to consider the Schedule of Additional Provision required to meet expenditure in excess of the Estimate for the year 1934 for the period 1st July to 30th September, 1934.

##### BILLS.

THE ATTORNEY-GENERAL (Mr. Hector Josephs) gave notice that at the next meeting of the Council he would move that the following Bills be read the second time:—

A Bill to amend the Georgetown Town Council Ordinance, Chapter 86, with respect to the disqualifications of Councillors and with respect to payment and recovery of taxes.

A Bill to amend the Georgetown Sewerage and Water Ordinance, Chapter 96, with respect to the payment and recovery of the rate under section twenty-two.

#### GEORGETOWN TOWN COUNCIL BILL.

THE ATTORNEY-GENERAL gave notice that he would move the following amendments to the Georgetown Town Council Bill when the Committee stage was reached:—

##### Clause 3.

In the new sub-section (2)—

(a) in the 3rd line insert between the words "one-fourth" and "on" the following—

"not later than the fifteenth day of April, nineteen hundred and thirty-five, and in each succeeding year"

(b) in the 7th, 9th and 11th lines insert between the words "the" and "date" the following—

"fifteenth day of April, nineteen hundred and thirty-five, and in each succeeding year from the"

#### ADVANCES TO SEA DEFENCE BOARD.

Major CRAIG gave notice that at the next meeting of the Council he would move the following motion:—

THAT, with reference to the Officer Administering the Government's Message No. 9 of the 25th of January, 1935, this Council approves of further loan advances being made to the Sea Defence Board amounting to \$202,400 in terms of the Sea Defence Ordinance, 1933, for the purpose of completing the work of strengthening the sea defences on the East Coast of Demerara and reconstructing the sea wall at Nog-Eens-Lusignan.

2. This Council further approves of the necessary arrangements being made with the Crown Agents for the Colonies to make advances up to the abovementioned sum from the Joint Colonial Fund pending the raising of the loan from which to meet extraordinary expenditure on sea defences.

#### UNOFFICIAL NOTICE.

##### ARTESIAN WELLS IN WAKENAAM.

MR. WONG gave notice of the following questions:—

1. Is Government aware of the fact that in the populous island of Wakenaam, which is without any natural stream to furnish a supply of potable water, the two artesian wells have for several years ceased to flow?

2. Will Government give an undertaking to recondition the aforesaid wells as soon as the drilling plant now at work at Parika is available?

3. If the undertaking asked for in Question 2 cannot be given because the programme of expenditure for the current year has already been settled, will Government promise to carry out the work, or as much of it as possible, out of any savings that may be made on the estimated expenditure for Pure Water Supply for the current year?

4. If no undertaking can be given in regard to this year, will Government make some effort next year to restore the potable water supply of the unfortunate inhabitants of Wakeuam ?

### ORDER OF THE DAY.

#### DOUBLE INCREMENTS.

Mr. DE AGUIAR, on behalf of Dr. SINGH, asked the following questions:—

1. Are there any officers on the estimates for next year, 1935, who are to receive a double increment? If so, how many such officers are there?

2. What is the name of each of the officers put down on the estimates for double increment? (b) What is the length of service of each of the said officers? (c) How long has he filled the present position he holds? (d) What was his position immediately before he was promoted to the present position? (e) What are the special qualifications, if any, of each of these officers put down for double increments? (f) What are the reasons for the double increment in each year? (g) What have been the promotions of each of these officers during the last five years, giving the actual salary drawn by the said officer during each of the said last five years? (h) Have any of these officers been promoted to posts which were reduced in status and/or emoluments immediately before the promotion of the present holders? If so, give the particulars in each case stating the department in which the said reduced post occurred?

3. Will the double increment set down change the class of any of the officers set down for double increment? What is the class held before the double increment, and what will be the new class after the double increment?

4. What is the increase caused by the total of proposed double increments?

THE COLONIAL SECRETARY replied as follows:—

1. Yes—One.

2. (a) Mr. M. B. Laing, District Commissioner, East Coast, Demerara.

(b) 26 years.

(c) 2 years.

(d) Clerk of the Councils.

(e) & (f) Mr. Laing's previous experience and services in the establishing of the District Administration Service have been of considerable value to Government.

(g) Clerk of the Councils.

1930—£525

1931—£575

District Commissioner, East Coast.

1932—£600

1933—£625

1934—£650

(h) The answer is in the negative.

3. No change in class is involved.

4. \$120.

#### SUPPLIES THROUGH CROWN AGENTS.

The Council resumed the debate on the following motion by the hon. Member for Berbice River:—

THAT this Council is of the opinion that it is in the best interest of the Colony that all orders for supplies to Government Institutions be placed locally by tender; and that the practice by buying direct through the Crown Agents or from other sources abroad be discontinued; provided that under special circumstances certain orders might be placed abroad where it is shown to the satisfaction of His Excellency the Governor with the advice of the Tender Board that the interest of the Colony would be better served by doing so, and that such orders be laid before the Legislative Council at its next meeting for approval.

THE COLONIAL SECRETARY: The hon. Member began his remarks with the enquiry "Who are the Crown Agents?" I think that much of the disfavour, almost amounting to suspicion, with which the Crown Agents are regarded in this Colony is due to lack of public knowledge of the position the Crown Agents occupy in the general scheme of the British Colonial Administration, and of the functions they perform. The Crown Agents are the agents in the United Kingdom of the Governments of the British Crown Colonies, and they take their instructions from those Governments. On the other hand the Crown Agents themselves (of whom there are four in number) are appointed by, and are ultimately responsible to, the Secretary of State for the Colonies who fixes the amount of their salaries, regulates the conditions of service of their staff and their office expenditure. The Secretary of State also fixes the rates of commission for the various services which they may charge the Colonies in order to meet their expenditure. It follows, therefore, that although not a Department of State, the Crown Agents are a State organization under the control of a Minister of the Crown, and at the same time they are the agents of the respective Governments from which they receive their income, and to whom they are directly responsible.

It is unfortunate that the high reputation of the Crown Agents as keen business people and the fact that the revenues of their office are derived from commission charges, have given rise to the impression in some quarters that the Crown Agents are partners in a private commercial enterprise established for the purpose of making profit, and that any surplus arising

from their operations is put into their own pockets. Nothing is, of course, further from the truth. The operations of the Crown Agents have, in fact, resulted in surpluses in past years notwithstanding the extremely moderate scale of charges. But these surpluses have been accumulated in a reserve fund intended to meet losses in bad years. In 1930, after an actuarial investigation into the financial position of the Crown Agents, it was decided, with the concurrence of the Colonial Office Conference of that year, that the reserve fund was adequate for its purpose, and that in future each year's surplus would be divided among all the Colonies concerned in proportion to the value of stores purchased by each Colony during the year. In accordance with that decision this Colony received a dividend of £150 early in 1931 from this source. I may say, however, that since 1931 the transactions of the Crown Agents have not resulted in a profit, due to the economic depression and the resulting decreased activities and retrenchments of most of the Colonies concerned, and there has been no further dividend received by this Colony. The arrangement I have just indicated emphasises more than anything else the true character of the Crown Agents' office as a central co-operative agency established for the mutual service and benefit of all the Crown Colonies.

It must not be overlooked, too, that the Crown Agents' functions include, apart from the purchase of stores, a number of other important activities for the benefit of the Governments for whom they act. They are the financial agents of the Government; they arrange and manage the public loans raised in the United Kingdom, and the loan sinking funds; they make all salary and pension payments falling due in the United Kingdom; settle all accounts as between Colonial Governments; act as expert advisers on engineering, stamp and currency note and other matters of difficulty. They also operate a Fund known as the Joint Colonial Fund for the purpose of investing to the best advantage all cash balances of the Colonies not immediately required. It is from this Fund that Colonies like British Guiana, not in the happy position of having surpluses of their own, can borrow money temporarily, pending the raising of loans at an interest rate equivalent to the Eng-

lish bank rate. At present that rate of interest is 2 per cent., and that is the rate we are now paying on temporary borrowings from the Joint Colonial Fund to cover the cost of sea defence works now in progress. All these advantages accrue to the Colony owing to our connection with the Crown Agents, and we obtain them at a very low cost indeed. It must be obvious that if this Colony had to establish its own individual agency in the United Kingdom—and, of course, a Colony must maintain some kind of agency representation there—the cost would be very heavy indeed, and we are fortunate in getting our agency requirements carried out so satisfactorily and so cheaply as they are by the Crown Agents. I may say that the Crown Agents were established 100 years ago—in 1933 or 1934 they celebrated the centenary of their establishment. So much for the organization of the Crown Agents.

Before passing on, however, I should like to say in regard to criticisms of the Crown Agents' buying ability, that stores purchased and shipped by the Crown Agents have amounted to as much as £11,500,000 in one year, and nearly 400,000 tons of cargo for some 70 different Colonies and Authorities have been handled in one year. These facts indicate the magnitude of the Crown Agents' business, and it may be inferred that handling so large a business they are enabled to command the best that the United Kingdom markets have to offer at the lowest possible prices that can be secured.

At this stage it is necessary to state what are the instructions in force in the Public Service in regard to the purchase of stores through the Crown Agents. Mr. H. G. Seaford, when in England just a short while ago, wrote to the Colonial Office on the question, and I will read an abstract from the letter from the Colonial Office to him which states:—

I have received your letter of the 7th December on the subject of the Government of British Guiana placing their orders for supplies with the Crown Agents for the Colonies direct instead of calling for tenders in the Colony.

I think it would be as well if I set out the Colonial Regulations dealing with this subject. They read as follows:—

“Local purchases of stores should be confined to articles produced in the Colony or to articles which, owing to special circumstances, can be purchased as advantageously in the Colony as they can be ordered from abroad.

“Orders will in no case be given by the Colonial Government directly or through local agents to firms in this country or in countries not adjacent to the Colony, although the names of firms whom the Colonial Government may for any reason wish to employ may be mentioned in the body of the requisition forwarded to the Crown Agents. The Crown Agents will be guided by the wishes of the Colonial Government unless they have reason to consider that this course is not in the interest of the Colony, in which case they will subsequently explain to the Colonial Government the reasons for their action.

All requisitions from a Colony for stores and goods from the United Kingdom or from countries not being adjacent to a particular Colony, will be sent direct in duplicate to the Crown Agents by the Colonial Government.

“Purchase of stores required from an adjacent country should be confined to articles produced in that country . . . .”

A further Regulation lays down that, “any stores which may be purchased in the Colony should, unless the estimated cost is less than the amount to be laid down by local regulation, be obtained by contract after public tender. If, however, no tenders are made or the Governor has ground for belief that the tenders sent in are collusive or unreasonable, other arrangements may be made. All tenders will be submitted to a Board of not less than three persons appointed by the Government.”

It is thus clear that if goods of strictly equivalent quality could be purchased in the Colony at a lower price than they can be purchased through the Crown Agents, it would be in accordance with the Regulations that they should be purchased in the Colony. That, I think, meets your point.

Certain proprietary articles, among them, certain makes of motor cars, are sold at a fixed price, irrespective of the place of sale and in these cases it is a custom of Colonial Governments to purchase such articles locally.

Experience has, however, shown that cases of this kind are comparatively rare, and in certain instances in which the claim has been made that a particular article can be purchased by a Colonial Government locally as cheaply as it can be purchased by the Crown Agents, investigation has shown that the reason of the lower local price is the fact that the article itself is foreign or has been shipped to the Colony in a foreign ship. It is the Secretary of State's view that when Colonial Governments make purchases overseas, they should, wherever possible, obtain British goods carried in British ships. He is ready at any time to cause any concrete claim that local merchants in a particular Colony are in a position to supply a particular article as advantageously as it may be obtained through the Crown Agents, to be investigated; but he feels bound to lay down the condition that he must be satisfied that goods tendered locally are British goods of the same quality as those obtainable through the Crown Agents and that they have been carried to the Colony in British ships.

That letter from which I have just read sets out precisely the position, and I may say that the Regulations are strictly

observed in this Colony. Now it is obvious that if the opinion as expressed in this motion is to be accepted by Government, the Regulations must entirely go by the board. Let us examine the arguments addressed by the hon. Member in support of his motion. Summarised, his propositions are, firstly, that Government is unable to buy as cheaply through the Crown Agents as it can through local merchants; secondly, that if Government maintains that it can, he doubts the accuracy of its statements, because Government probably omits to take into consideration all the items that go to make up the cost of purchases; thirdly, that by purchasing through the Crown Agents (whether at a cheaper price or not) Government is harming the economic condition of the Colony by restricting the circulation of money and thus causing increased unemployment locally.

I propose to show that all of these propositions are wholly unsound, and that the hon. Member's arguments are based upon lack of knowledge of the true facts, upon false assumption on his part, and upon fallacious reasoning. Dealing first with his last proposition, namely that by purchasing through the Crown Agents Government restricts the circulation of money locally, the hon. Member by a process of arithmetic which I am unable to follow arrived at the conclusion that a sum of \$400,000 is thereby withdrawn locally from circulation. The Hon. Nominated Member, Mr. Dias, endeavoured to point out to the hon. Member the obvious fallacy in this argument. In the first place the value of the supplies ordered from abroad is not circulated in the Colony at all; the money goes outside of the Colony to pay for the goods purchased, whether they have been ordered through the Crown Agents or through the local merchants. It is obviously only the added percentage for profit and overhead, or in other words “the rake off” that a local merchant may be able to obtain, which may be circulated in the Colony. And I have it on the authority of the hon. Member himself that this added charge in the case of Government contracts is very small; not more than 2 or 3 per cent. I think he said. Does the hon. Member seriously expect this Council and the public of this Colony to believe that the economic condition of the country would

be improved if Government paid a little more for its imported supplies and passed that little more on to the local merchants so that they might circulate it in the Colony? In other words, is it seriously contended that if the general body of taxpayers of this Colony were taxed a little more to provide additional profits to merchants the economic condition of the community as a whole would be improved? If this proposition be true then the hon. Member has solved a great problem, and all that is necessary to secure our economic salvation is for Government to pay more and more for its supplies and circulate as much money as possible. But, of course, it is not true. The argument is too obviously unsound to deserve further condemnation from me.

I want to emphasize, however, that there is no question in issue of Government importing supplies that can be produced locally. The hon. Member quoted from the Economic Investigation Committee's Report, but that Committee was concerned with augmenting the opportunities for local employment by pointing out the imported articles used by the Public Service that could be produced in the Colony. The Committee recommended that even if the cost of such articles produced locally was somewhat higher than the cost of the imported product it would be better for Government to buy locally so as to stimulate local employment. This recommendation was given effect by Government wherever possible. Uniforms and other articles of clothing used in the Public Service are now being made in the Colony; With regard to boots and shoes, some years ago Government obtained a supply locally but, unfortunately, Government had a very bitter experience over the quality of the boots that were supplied. They proved totally unsuitable and an absolute failure. The present position is that boots are obtained through the Crown Agents, but I am informed by the Police Department, which uses most of these boots, that a local firm has imported a special last and proposes to make boots. The firm has made some pairs which are at present being tried out. It is impossible at present to say whether these boots are going to be as economical as those supplied through the Crown Agents. If the local firm can produce a boot which is perhaps not quite as good

but would give good wear, the Police Department proposes to order all of its boots locally. (Hear, hear). Government's policy still is to use locally produced articles wherever possible in lieu of the imported product. That is a sound policy, but for Government to purchase imported articles locally in the hope of improving the economic condition of the Colony would be farcical and absurd.

I pass on to the second proposition I set out in summarizing the hon. Member's arguments—that Government is unable to buy as cheaply through the Crown Agents as it can through the local merchants. On the face of what I have already said I submit confidently that the Crown Agents are in as good, if not a better, position than the agents of the firms in England to buy just as cheaply. They carry on a very large business—£11,500,000 is a substantial amount. They have been properly organised for years, and I am submitting that there is nothing in favour of the local merchant purchasing through his agent in England as compared with the Crown Agents. The hon. Member also made the remark that the Crown Agents have never visited the Colony. I would like him to tell me the last time the London agent of his firm visited the Colony.

MR. DE AGUIAR : Three years ago.

THE COLONIAL SECRETARY : In three years conditions change considerably. They come out for two or three weeks, and surely it is not contended that that makes them any better fitted to purchase in the London market. The Crown Agents have experience in several Colonies, they are properly organised and they have people in their office who are experts at their job, they are experts in the various classes of work they have to perform, and I submit that it cannot be said that they cannot buy properly for the Colony. I may say that it has actually been the experience of the various Departments to which I have referred for information, that the goods obtained through the Crown Agents are as good if not better, price for price, than those quoted locally. The hon. Member endeavoured to establish his submissions by citing certain specific examples. He referred to white zinc, cement, duck, boots, drugs and coal. He also referred to milk. I shall deal with each of these items separately.

The accusation was also made that Government in arriving at the cost of goods ordered through the Crown Agents does not take into account all the charges. The point was also made that Government does not get discount. That is not correct. Every proper charge is included in arriving at the cost of goods. These charges include, f.o.b., cost, freight, insurance, inspection, commission, and local freight and handling charges, where these have been incurred. It may be said that the cost of exchange is never added. That is never done for the simple reason that this Government keeps very large cash balances in the United Kingdom, and therefore does not remit in respect of each separate shipment that is made. To illustrate the position I may mention that in 1934 payments were made to the Crown Agents amounting to over £500,000, but it was only necessary to remit about £140,000. The amount expended in "Exchange" in 1934 was \$2,800, which represents an exchange of about 1/10th of 1 per cent. of the amounts paid out by the Crown Agents. Therefore in calculating the cost of goods exchange has been ignored. One-tenth of 1 per cent. would make very little difference in the cost. During the last four months, and for several months in 1935, no remittances will be made because Government is borrowing money from the Crown Agents against the sea defence loan which will shortly be raised, and the money advanced by the Crown Agents is used for meeting payments in England and is not remitted to the Colony. In this way double remittance costs are saved and the actual exchange expenses are kept at a very low figure.

I will now deal with the several items to which the hon. Member referred in his speech as supporting his argument. The first item, I think, is white zinc. The white zinc which has been imported by the Public Works Department is not Hubbuck's. I have made inquiries and found that they have not imported any for some considerable time, if at all, but they do import zinc, and after adding all the charges which I have referred to, and which I submit need be added, the cost per lb. of that zinc works out in May at 6.65 cents per lb. and in December at 6.23 cents per lb. The present contract price for Hubbuck's zinc is 10½ cents, and for "Strickland's genuine white" 8½ cents. The Director of Public

Works informs me that the zinc he has imported is quite as good as any for the purpose for which it is used. I do not suppose the hon. Member will accept that, but that is the statement made by the Director of Public Works, and also by the General Manager of the Transport and Harbours Department.

Mr. DE AGUIAR: Look at the condition of the Public Hospital.

THE COLONIAL SECRETARY: With regard to zinc a contract was placed locally some time ago, but there was considerable trouble over it. The Director was not at all satisfied with the quality, and that is the reason why it was ordered through the Crown Agents. There is no reason whatever, in accordance with the interpretation of the Regulations by the Secretary of State, why, if zinc can be supplied locally at a better price, it should not be bought locally.

The next item I will deal with is cement. As the Council is aware, Government has to import very large quantities of cement in connection with sea defence works and other works, and the cost of cement for shipment from January to June, 1934, worked out on the lines already indicated at \$2.43 per drum, and from July to December, at \$2.47 per drum. Cement is admitted duty free, and there is no primage on the freight. The local prices during the same periods were \$2.60 to \$3.05 *ex* Bond, which means extra cartage. An additional charge of 8 cents per drum was incurred for cartage from the Bond to the Public Works yard.

The next item is duck. The price of one importation of 300 pieces worked out at 15 cents per yard as against the local price of 22 cents per yard for a similar article.

The hon. Member also referred to provisions. I entirely agree with him. I cannot foresee that Government will at any time resort to importing its own provisions. Those have always been obtained locally, and I have not the slightest doubt that no advantage will ever be gained by importing provisions. Most of the ground provisions used are locally grown. I do not think many tinned goods are used, and I think the hon. Member can be assured that the provisions will always be purchased locally.

The next item is boots and shoes. I

have already explained the position as regards boots by saying that a local firm was awarded the contract, but unfortunately it did not prove successful, therefore boots are imported through the Crown Agents. The cost of these boots duty paid is \$2.85 per pair, and as I have said I think the Demerara Leather and Boot Factory are experimenting now in consultation with the Paymaster of Police. They were given a sample of a special boot which the Paymaster had arranged for through the Crown Agents, and they have imported a special last in order to make it. It certainly seems that they are producing quite a good article, but the Police will have to try them out for a while, and if they prove satisfactory the contract would be given the local firm in accordance with the procedure adopted. Even if they do not give quite as good wear, the principle laid down by the Secretary of State will be adhered to, that it is a local article and provides employment, and therefore should be encouraged.

The hon. Member asked whether a claim was made against the Crown Agents with respect to the damage done to the Ambulance. I understand that the Ambulance was damaged on landing on the 30th June, 1933. The cost of repairing the damage was \$20.74 and was made good by the ship's agents. Therefore there was no necessity to make any claim on the Crown Agents.

We now come to the item of drugs. In connection with drugs the Surgeon-General informs me that tenders were called for, and that in the majority of cases the Crown Agents' prices were cheaper than those of the local firms, therefore the contracts were placed through the Crown Agents. If, as suggested by the hon. Member, the tender had been dealt with as a whole, the local merchants would have got none at all because the Crown Agents' tender was more than £1,000 less than those of the local firms. At the time tenders were called for the latest price lists from the Crown Agents had not yet been received, and they showed that a greater saving would have been made had they been in the Colony at the time. Local merchants got the benefit of those items in respect of which they quoted cheaper prices than the Crown Agents. If local merchants can quote cheaper prices for drugs than the Crown Agents the contracts would be given to them, but

the Surgeon-General is satisfied that owing to the large quantity of drugs they have to purchase the Crown Agents will always be able to tender lower than any of the local firms. The drugs are quite satisfactory. There has been no trouble about local firms supplying drugs because they have to deliver *ex Bond* and duty free, and that question does not arise in arriving at the price. There is a long list of drugs, and it seems to me that in the great majority of cases the prices quoted by the Crown Agents are considerably lower than those of the local firms.

A remark was made by the hon. Member for Georgetown Central in regard to the importation of German drugs. The Surgeon-General assures me that the only German drugs imported are those which cannot be obtained in England, for instance Atebrin for the treatment of malaria. Those are the only German drugs imported, and this Council is not going to say that sick people of the Colony should not obtain those drugs which are absolutely essential for the treatment of malaria and other diseases, because they come from Germany or anywhere else. If they cannot be obtained from England it is obvious they must be obtained from somewhere else.

With regard to deterioration of drugs, the Surgeon-General says that it is not anticipated that this will take place. Proper ordering of supplies, proper receptacles, proper distribution and proper storage should obviate such a happening. Breakages, of course, will always occur, but whenever they occur they are reported to the Crown Agents, and replacements are promptly made. The question was raised whether we claim for breakages and marine insurance. I can assure the Council that these claims are being made practically daily. Departments will claim for a cup worth about 2d; they seem to overlook nothing.

Now I come to the item Condensed Milk. Tenders for milk used to be called for quarterly, but some time last year, owing to the fluctuation in prices from 8 to 10 cents per case varying considerably, the proposition was put up by the Crown Agents that they might be able to obtain a tender for two years' supply of milk at a price which would be advantageous to Government. The matter was carefully considered and their offer was accepted,

with the result that a contract for a year was entered into for the supply of "Tea Pot" milk. That was purely in the nature of an experiment to see whether the Colony would benefit by it. Several hon. Members have pointed out that the price has gone down to \$3.57, and the hon. mover of the motion went into elaborate calculations to show that this Colony was thereby losing \$1,600 a year. To begin with, that reasoning is not sound because he took two manufacturers' prices and presumed that the price was going to remain at \$3.57, but Government was inclined to the belief that that low price was entirely due to one of the usual milk wars that take place in business, and that has proved to be absolutely correct because I am informed that the price of condensed milk this morning is \$4.25 per case, so that if the hon. Member would reverse his reasoning he will find that instead of losing \$1,600 the Colony would probably gain about that sum. I have not had time to work it out, but that I am assured is correct. The merchants have stopped their war—they probably found that it did not pay to cut each other's throat—and there is a great probability that the price will go up to \$4.35 in the near future. That is the position in regard to milk, and I am submitting that what seemed on the hon. Member's figures to be a bad bargain by Government might be an exceedingly good bargain if my information is correct that the price to-day is \$4.25.

With regard to the quality of the milk the question was raised that the sick people in the Hospital should have nothing but the best. Samples of "Tea Pot," "Eagle" and "Milkmaid" milk have been submitted to the Government Analyst for examination, and the average percentage of fat in each is practically the same. In fact the figures in respect of "Milkmaid" and "Tea Pot" milk in a recent test were identical. That is the result of an analytical test by the Government Analyst which I presume will be accepted by the Council. I have always understood that there is really no difference between these various brands of milk. I am submitting therefore that we have not made such a bad bargain in following the instructions of the Secretary of State and the principle laid down by him—he insists that it should be British milk brought to the Colony in British bottoms.

The hon. Member in moving his motion read a letter which was sent to his firm, obviously from a foreign firm which was tendering for the supply of milk. The letter defeated the whole of his arguments because it stated that the firm was only prepared to tender for three months' supply, and although they would lose money by it they were out to get advertisement. I do not think this country had anything to gain by it. Those are the figures I have in regard to milk, and I do not think they can be disputed. If the price remains at \$4.25 as it is to-day—we are getting milk at \$3.84 through the Crown Agents—there is a substantial margin in Government's favour.

With regard to coal the position is that it is imported through the Crown Agents. I am informed that the Transport and Harbours Department uses approximately 5,000 tons of patent fuel per annum, and the present price is 33/- per ton. So far the Crown Agents' prices have been the cheapest, and the Department purchases in the cheapest market. However, the position with regard to fuel might be gone into further. The hon. Member for Central Demerara made the remark that the local agent still got his commission. That we have not been able to find out. Therefore the position with regard to fuel might be further investigated; the Crown Agents may be able to satisfy us on that point, but I am informed by the General Manager of the Department that the coal obtained is the cheapest on the market. It is rather a large amount, and I believe that we get it so cheap because the Crown Agents purchase supplies for other Colonies and charter their own ship to send supplies to the various Colonies.

Those are the items the hon. Member referred to, and I do not think I should worry the Council by giving any more figures. I think those figures I have given support my contention that with regard to the purchase of stores the Crown Agents, with all their experience, are just as good, if not in a better position to compete with local merchants, even if those goods are bought by agents in England who are alleged to be in a far better position to buy than the Crown Agents.

There are one or two other matters I

would like to refer to. The hon. Nominated Member, Mr. Smellie, and the hon. Member for Georgetown Central went into the total freight charges paid by Government, by reference to the actual votes for freight as shown in the Annual Estimate. I do not think those carry them very far because a large proportion of the freight charges are debited to the Transport and Harbours Department and the Public Works Departments' Unallocated Stores Accounts, and so get merged into the cost of stores issued by those Departments.

Regarding the question of primage referred to by the Hon. Mr. Smellie as well as the hon. mover, the usual 20 per cent. primage charge is added to Government's freight bills, but one-half of the total primage payments is recovered as a rebate half-yearly, and paid over to Government by the Crown Agents. Of course primage is not charged in the case of special freight contracts, such as coal and cement shipments.

The hon. Member also said that in arriving at the cost of these stores account should be taken of the various clerks who perform the duties. I submit that that argument is also unsound because those clerks will have to be there to receive the stores whether they come from the Crown Agents or from local firms, therefore it does not affect the prices of the stores in any way whatever. The hon. Member for Central Demerara expressed the fear that soon Government will be establishing a separate Department for the keeping of stores. I do not think he need have any fear about that. Government has been running without one for several years, and the various Departments will continue to handle their stores in the same way. I do not think the purchases through the Crown Agents are likely to increase to such an enormous extent.

I submit that the principles laid down by the Secretary of State have been and are being followed by Government. Government's endeavour is to get for the Colony the best prices obtainable in the interest of the taxpayers of the Colony. If Government can obtain the best prices from the local merchants, the goods will be ordered from them, but if they cannot be obtained locally then they will be

ordered through the Crown Agents. There is no sentiment in that respect; Government is simply out to get the best bargain.

Before I conclude I would like to refer—and I must speak on behalf of the Crown Agents—to the remarks made by the hon. Member who quoted headlines in "The Daily Express" and seemed inclined to blame the Crown Agents for having accepted a contract for the Port-of-Spain harbour works from a foreign firm. There again the hon. Member does not know the procedure followed in this matter. When a Colony is undertaking works of that nature the Crown Agents are asked to call for tenders, and when they come in they are submitted to the Government concerned with a recommendation from the Crown Agents with respect to the tenders received. It is then a matter for the local Government to decide which contract it will accept. I can give a local instance of the dredger that is shortly to be here for harbour works. Tenders were called for and the local Government was in favour of a Priestman dredger. The Crown Agents recommended very strongly against it, but the local Government insisted because we were used to that sort of dredger and considered it the better proposition, and in spite of the strong recommendation by the Crown Agents to the contrary a Priestman dredger has been ordered. It shows that they are only agents in London. The same thing happens with regard to the steamers of the Transport and Harbours Department. The local Government is not bound by the recommendations of the Crown Agents. I submit that that must have been the case with the Trinidad Government and its harbour works. It is not correct to say that the Crown Agents should be blamed for that.

I do not think I can usefully add anything further in reply to the hon. Member's motion. I think I have given all the information at Government's disposal and I confidently submit that Government has been carrying out the Colonial Regulations, which will always be carried out by Government. It is simply a matter of competition. If local merchants can do better than the Crown Agents then the local Governments will accept their tenders. Where the Crown Agents' prices are better—I submit confidently that they always

will be better in spite of what hon. Members may say—it is no fault of Government's that the imported articles are not obtained from the local merchants. The position is totally different with regard to articles produced in the Colony. In accordance with the principle laid down even if they cost a little bit more and are not quite as good as the imported article, preference will be given to the local article to encourage trade and relieve unemployment. On the figures I have given I submit it would not be to the advantage of Government to obtain everything from the local merchants and not deal with the Crown Agents.

Mr. DE AGUIAR: I spoke at considerable length when the motion was before the Council, and I had hoped that I would have been spared the necessity of traversing the whole ground again, but in view of the odious comparisons made by the Colonial Secretary in reply to the figures I gave to the Council last week I find it necessary to refer at least to the major portion of his remarks this morning. I think he has lost sight of the most important point in the debate, and that was that it was the opinion of the mercantile community that the Government can buy cheaper than local merchants than from the Crown Agents which was permitted under the Colonial Office Regulations and the fact that these Regulations are not being carried out by this Government. Those instructions are well known to the mercantile community and the fact that they are not being carried out by Government has led to the motion. We have been given a long story of the history of the Crown Agents, and the Colonial Secretary appeared this morning as a very strong advocate of the Crown Agents, but all the points he brought out have been threshed out over and over again by the mercantile community, and they cannot even stand examination. For example he attempted to make out a case that the Crown Agents took instructions from the Governments of the various Crown Colonies. Those are instructions given by the Secretary of State, but do we find them in practice? He gave us the instance of the dredger, but, generally speaking, the Crown Agents carry out the instructions in the execution of orders? Several instances can be quoted. I will give one instance. The Crown Agents receive a

commission of  $1\frac{1}{2}$  per cent. Is that commission chargeable on shipments made, or do the Crown Agents merely by quoting a price feel justified in charging a commission? I know definitely and make the statement without fear of contradiction, that when the Crown Agents send out a quotation, even if they do not receive an order they charge commission.

Mr. McDAVID (Colonial Treasurer): The Crown Agents' commission is very carefully worked out on the actual statement of expenditure for each month. The cash statement has a column in which they show all the stores purchased and  $1\frac{1}{2}$  per cent. commission on the actual bills month by month. They do not charge commission on quotations at all.

Mr. DE AGUIAR: Will the Colonial Treasurer say whether any correspondence has passed between Government and the Crown Agents on the same question I have raised, or will he allow the statement to go out—and I repeat it again—that the Crown Agents charge commission merely on quotations sent. There can be no doubt about that. Correspondence has been exchanged between this Government and the Crown Agents on that question, and the Crown Agents ruled that the work was complete when they solicited information from the suppliers and obtained prices, therefore they were entitled to charge commission. I know of one instance in which it was done. In reply to my questions as regards commission it was stated that the sum of \$2,813.30 was paid to the Crown Agents as commission on the total purchases, including freight, amounting to \$230,521.38. My calculation at the rate of  $1\frac{1}{2}$  per cent. commission on that figure shows that they ought to have received \$3,073.61. Why this juggling with figures? What is the reason for not answering the question in a straightforward manner? I make the definite statement that there have been instances where the Crown Agents charged commission merely for quoting prices.

We have heard so much about division of profit. We have been told that the position of the Crown Agents is so solvent that if they have any surplus it would be divided between the various Colonies. In the same breath we were told that all this

Colony has received so far was £150 in 1931. Things must have gone very bad with the Crown Agents. The other Colonies must have found them out and are not giving them orders like before, consequently they cannot balance their budget. Business must be very bad with them.

Capital is also made of the fact that the Crown Agents represent the various Crown Colonies in their financial transactions. We admit that, but don't they receive payment for doing that work? Is that a sufficient reason to bring forward in this Council to show that the Crown Agents are so well equipped that when people who are experienced in that class of business make statements supported by facts, they are considered not to be in a position to do so. I submit that it is a mere quibble to introduce other work done by the Crown Agents in support of Government's case.

Another point is made about borrowing money. It is not the Crown Agents' money that they lend to this Government, but funds belonging to other Crown Colonies which are in the same position we are in. Why should so much stress be laid on these little transactions in support of Governments' case? It rather shows up the position that because the Crown Agents do these things for us we must help them no matter what the cost is. Another point made was that their total purchases amounted to £11,000,000. I make the charge that they are not properly equipped to look after the purchase of stores for this Government, and I make that charge from my own knowledge of the requirements of this country.

The Colonial Secretary remarked about the London agent of my firm not visiting these shores, but he has forgotten that the agents of commercial houses in this country are assisted by the visits of the principals of commercial houses to England. In some cases some heads of commercial houses visit England nearly every year, and it is the assistance they receive from the heads of those commercial houses that places them in the position to be better buyers than the Crown Agents. All the Crown Agents do is to send around to three or four suppliers for quotations and recommend

the cheapest. That is what we were told this morning is expert buying. That has not been my experience. If the mercantile community has to depend on the mere issue of circulars in order to obtain prices that would enable them to meet competition I am afraid that a good number of the doors in Water Street would have been closed by this time. But Government has no competition at all to face. It makes no difference to Government whether it has to pay more for its supplies; it all goes back on the taxpayer. There is nothing in Governments' business to show a profit. When it cannot balance its budget all Government has to do is to approach the Imperial Government for doles, grants-in-aid and things of that sort.

The figures produced by the Colonial Secretary rather tend to show that the argument in favour of the motion is one that cannot at all be challenged. He attempted to make comparisons with items that are not under debate. Take the case of white zinc. I was at pains to point out that the contract for 1935 was for Hub-<sup>15</sup> buck's white zinc at 10½ cents per lb. The Colonial Secretary gave us figures for white zinc from makers whose name was not mentioned. I think it was the same paint used at the Public Hospital. Look at the condition of the building to-day. Govern-<sup>16</sup> ment called for tenders for Hub-<sup>17</sup> buck's white zinc, and the tender was awarded to a contractor who quoted 10½ cents per lb. I would have preferred to hear the Colonial Secretary say whether this Government could have obtained Hub-<sup>18</sup> buck's white zinc through the Crown Agents at a price below 10½ cents per lb., but instead of that figures were quoted from<sup>19</sup> another source, figures which the mercantile community know only too well. I have in my hand the same figures; I anticipated him and I brought them. Burrels is one. I challenge the Colonial Secretary to say whether the paint was obtained from either of those two firms, yet it could be obtained at prices similar to those quoted by me. It is a misrepresentation of the position to compare the price quoted with that of Hub-<sup>20</sup> buck's white zinc.

As regards duck I think I made myself perfectly clear last week. I made the statement, and I repeat it, that the quality of the duck required by Government can

be obtained through a mercantile house in Water Street at 15 cents per yard. The Colonial Secretary said the price was 20 cents but it cost Government 15 cents. I worked it out at 16.64 cents, and I said that the same article could have been obtained in Water Street at 15 cents per yard. I do not want to practise Government's method of calculation. That brings me to the point that all things being equal the order should have been placed through one of the local commercial houses. Those are exactly the instructions received from the Secretary of State. Where is Government's case on behalf of the Crown Agents?

I now come to boots and shoes. The Colonial Secretary referred to the possibility of obtaining boots and shoes manufactured in the Colony, but I still think that certain information should be given to the Council regarding the ramp that was played on the local contractor who contracted to supply boots at 11/- per pair. We have it from the Colonial Secretary that the cost of the policemen's boots was \$2.85 per pair. Of course, I do not mind telling you I make it \$2.98, but I accept the figures of the Colonial Secretary, \$2.85. As against that we have boots supplied under local contract at \$2.64, but I would like to hear the Colonial Secretary as to the experience of the Police Department with the boots that cost them 21 cents more per pair. We know that policemen are supplied with two pairs of boots every year. We also know that messengers, town constables and all those people who are supplied with boots by Government and the Municipality also receive two pairs per year at 11/ per pair. If that is so, and if the life of the boots is the same, does it not show that the Colony paid \$555 more for the policemen's boots last year? The men of the Fire Brigade are also supplied with boots at 11/ per pair, and they have to work in water most of the time. It was merely a desire to put something more in the way of Crown Agents when it was decided to order boots for the Police Department through them. I sincerely hope that Government will be able to find suitable boots manufactured in the Colony, not only for policemen but for messengers. The Colonial Secretary brushed aside the main point, which we were all pleased to hear, that it was the

intention of Government to try out boots made in the Colony. It was an admission on the part of Government that things are done in the way I stated when the Colonial Secretary stated that the proposition for the purchase of condensed milk was put up by the Crown Agents. I think that is an admission of the desire of somebody, either the Crown Agents or the local Government, to get larger orders, more orders to go the way of the Crown Agents to the detriment of the mercantile community and the general inhabitants of the Colony.

I think the Colonial Secretary has admitted quite a lot about the patent fuel transaction, so I need not say much on that point, other than to express the hope that when the results of the further enquiries he proposes to make into the matter are disclosed he will not be shocked to find that the Colony is paying a little more for the patent fuel by reason of the fact that that article now bears a double commission, a commission to the Crown Agents and a commission to the local agent.

I would like to make mention of the fact that I sympathise with the position in which the local Government finds itself in dealing with this matter. It is a well known fact that even the Heads of Departments do not know what is the cost of their supplies received through the Crown Agents until some considerable time has elapsed. Complete invoices from the Crown Agents are received months after the shipments have been received, in some cases as long as three months, and I submit that it would be impossible for the Heads of Departments to say whether an article could have been purchased in the Colony at a particular time at the same price or cheaper. Heads of Departments are placed at a great disadvantage, and Government knows that too. Government has ordered goods through the Crown Agents at the same time that it bought from merchants in Water Street, and it knows how much it pays the local merchants and that the goods are received long before the shipments through the Crown Agents arrive. The policemen's boots is an instance; 125 pairs were ordered in 1930, at the same time. The merchants had to send away for theirs, but the merchants made delivery before the Crown Agents' shipment arrived, and

supplied the boots at a cheaper price too. I think it was 11s. per pair.

I am afraid I do not understand Government's reasoning on the point of cost of remittances, and I must admit that I will never be able to understand the reason advanced. Is it reasonable to say that in calculating the cost of goods the cost of exchange should not be added merely because this Government has money in London? If the cost of exchange is not added, how can a comparison be made? How can Government satisfy itself that the price of an article is cheaper or dearer, as the case may be, than if it bought from a local trader? Government must be fair in the matter. Exchange and all attendant charges should be included, and those small items should not be used as a lever to make out a case that supplies through the Crown Agents are in every respect cheaper than they can be obtained in the Colony. Government has collected all these side issues, ignored them and said that the goods can be obtained cheaper through the Crown Agents than from local merchants. That is not playing the game at all. Does Government make a charge for the motor lorry that removes cement from La Penitence to the Public Works Department? Is that included in the cost of the cement? When a lighter goes alongside a steamer is the cost added to the price of the goods?

Returning to the question of the cost of remittances, what would be the position of the Government when the time comes when we will not have to depend upon the Imperial Government for funds? Wouldn't the Government have to pay exchange and Banking charges on its supplies when that time arrives? Those are charges that cannot be brushed aside. So long as the rate of exchange is at the figure it is to-day it must be borne, and it is a proper charge. The argument that Government balances its account by transferring funds from the Crown Agents is of no value whatever. In the Estimate for 1935 Government was very careful about it. Government included an item of \$6,000 to cover the cost of remittances. Has that been explained? We have been told that in 1934 the cost of remittance was 1-10th of 1 per cent, but in respect of 1935 Government included a sum of \$6,000 for that item. Is that not another misrepresentation of the facts?

I observe that the Colonial Secretary was at great pains to omit reference to the little toy Department I referred to. I would have liked to hear him this morning justify Government's importing stationery to the value of \$6,000 at a cost of \$1,090. I would like to sound a note of warning, that that is only the beginning in the stationery department. If Government is to run a Department to look after its stores, the administration charges of that Department is going to cost the Colony a very tidy sum. We have an example in the Stationery Department at the present time. The cost of running it is over 15 per cent, and I question whether any commercial house in Water Street can ever hope to obtain a profit of 15 per cent. from Government. Is that not another instance where a case has been made out that Government can obtain its supplies in the Colony as cheap or cheaper than through the Crown Agents? It does not seem to please the advocates of the Crown Agents on this side of the water. Instead of that we received this morning a series of statements, none of which can bear examination. Some of them cannot even see the light of day.

That brings me to the question of milk. The Colonial Secretary has always wondered where I receive my information. I think this morning he has given me the opportunity of answering that question, at least to my own satisfaction. But on this occasion he cannot misrepresent facts. He has made the statement that the price of milk to-day is \$4.25, and stopped there. I know where he got his information from, and I will tell him that his information in that respect is not entirely correct. But apart from that, if this Government had advertised for tenders in August last year as should have been done for the quarter ending December it would have obtained milk at a lower price than that at which the contract was finally placed, and in November Government would have again called for tenders in respect of the quarter January to March. What was the price of milk in November? Can Government say that the same tender received in August would not have been repeated in November in respect of the supplies for January March quarter? If there is a fall in the market price to-day, would that have affected the contract? The answer is "No," because the con-

tract would have been already executed and Government would have been receiving supplies to-day at the price contracted for. Even giving the Colonial Secretary credit for the information he has received that the price is higher to-day, in view of what I have just stated a case has again been made out that Government paid more for condensed milk than it would have paid had it adopted the usual procedure of calling for tenders in this Colony. Who can say that the price in February in respect of the quarter, April to June, would not have been the same? The price quoted to Government is not in any way controlled or affected by the current prices in Water Street. If merchants ever attempted to offer their goods in the ordinary way at the prices quoted by Government for its supplies the whole of Water Street would be bankrupt. Merchants only tender those prices because the business received from Government contracts assists them in their regular turn-over. It keeps their stock moving and affords employment to certain members of their staff.

My main submission on the question of milk is that the present price quoted in Water Street is not an index of what Government would have been able to contract for. I would only have to refer the Colonial Secretary back to what happened 4 or 5 quarters ago when the local price was much higher than it is to-day, and it must be within the knowledge of Government that on that occasion only one firm was able to compete, and that firm had the contract for about two or three years running. Every quarter that same dealer secured the contract for the supply of milk to Government institutions for two years running. Not another dealer was in a position to compete. Can Government say that position no longer exists? I am in a position to tell Government that the position to-day is even more serious than it was then. There is more competition in milk to-day, and that being so, it shows quite plainly that Government was ill-advised in placing the contract for the supply of milk at the price it did for one year instead of adopting the usual practice of calling for tenders locally every quarter. I think that fully answers what the Colonial Secretary claimed to be a wonderful achievement by Government.

The Colonial Secretary made reference to a letter from the Colonial Office to Mr. H. G. Seaford, but was that not a case of Caesar appealing to Caesar? Could Mr. Seaford hope, without being able to produce the facts which are before the Council to-day, to convince the Secretary of State of the just claim of the mercantile community in this Colony? I can hardly conceive it, therefore the stereotyped reply which was received by Mr. Seaford is not surprising. That is the reply this community has been receiving since 1931. I do not think a single word in every letter received from the Secretary of State on the subject has been altered. Capital is made of the fact that the Secretary of State lays it down that goods must be despatched in British ships. Government officials appointed by the Secretary of State can travel on foreign ships, but goods to be supplied to Government institutions must come in British ships. Quibbles of this nature aggravate the situation. Of course Government will say that an officer travels on a foreign ship because he is in a hurry. Probably he is in a hurry to return, but we do not find that. They come here in foreign ships, but in nine cases out of ten they take a tramp steamer to go home.

I am a little bit disappointed in the reply of the Colonial Secretary. I rather expected that he would have replied more fully to the criticisms I made not only in respect of the various items that I referred to, but also in respect of the charges of the Crown Agents. We are told that the Crown Agents' commission is  $1\frac{1}{2}$  per cent. There is also a charge of  $1\frac{1}{2}$  per cent. when general stores are inspected. There is another charge varying from 1 per cent. to  $2\frac{1}{2}$  per cent. when engineering supplies are inspected. From the replies I received it would appear as if general stores to the value of \$36,000 were inspected in respect of the charge of \$540.48. What I expected to hear this morning was what was the proportion of the general stores inspected by the Crown Agents in relation to the total general stores imported through them. This is information which I think this Council is entitled to, because in the absence of any reply from Government on that point hon. Members would be justified, and I would be justified in replying to make the statement that \$36,048 practically represents

the whole of the general stores imported through the Crown Agents.

There is a further charge of \$946.96 for inspection of engineering supplies. The rate of commission charged varies from  $1\frac{1}{2}$  to 2 per cent., and calculated on the basis of 2 per cent. we find that \$47,348 worth of engineering supplies were inspected. But let us take all the figures together and you will find that the Crown Agents' commission charged on the total value of imports is on the border of 2 per cent. As a matter of fact, if the figures are corrected, as I think they ought to be, it might probably be found that the rate is slightly over 2 per cent. That removes the suggestion that the Crown Agents' charge of  $1\frac{1}{2}$  per cent. is so reasonable. I admit that if it stood at that it would be reasonable but when you have these additional charges, and you do not know where they will end, you can never tell with any degree of accuracy what would be the ultimate cost of the goods. May I ask if the Crown Agents charge an inspection fee in respect of orders for paint? Would hon. Members be surprised to know that the Crown Agents received an inspection fee in respect of these shipments? Inspecting paint! Even when the paint comes, what is the result?

The Colonial Secretary and another Member seem to think that the withdrawal of \$400,000 of Government money from local circulation would not affect the economic situation. I will admit that in the first instance the statement that has been made that local merchants are in no different position to the Government, for the simple reason that, like Government, they have to remit the cost of their goods, but Government cannot stop there in answering that point. The total volume of the trade of a country is arrived at by totalling the imports and exports, and in that way we arrive with a certain degree of accuracy at the Colony's trade in respect of that period. If therefore, \$400,000 is withdrawn from circulation in Water Street, will Government say that that does not to some extent affect the economic situation? If that is so it seems to me that the argument should be stretched a little further, that the economic situation of this Colony is only affected by the profits earned by the mercantile community, and that would be wrong. I

maintain that the total value of our imports—I think \$8,000,000 was circulated directly in this Colony, and in consequence of such circulation the economic situation has improved. I do not think the statement is correct that only the profits resulting from local trade represent the amount of money circulated in the Colony.

One hon. Member remarked that it appeared as though Government made an error in placing the order for milk. My submission is that Government did not make one error; Government made several errors in the placing of orders through the Crown Agents, and make the charge that Government will continue to find itself in that position if the policy of ordering through the Crown Agents is continued, and until matters are properly controlled from this end. It is well known that merchants in Water Street, or any trader for that matter, cannot depend entirely on the information received from their agents abroad, and there is where I feel that Government is not receiving the best advice in respect of the placing of orders through the Crown Agents. Perhaps if that advice was available it is not unlikely that the position might be different. Can Government say that in so far as this Colony is concerned there is an Officer in the Service who can advise Government as to the prices of the various commodities that are used in Government institutions? If there is such an Official I have not yet been able to find him.

I have not heard from the Colonial Secretary whether my motion finds favour with Government in its present form, nor have I heard whether the motion as drafted will tend to create any undue hardship on Government in respect of the placing of orders generally for supplies for Government institutions. I had hoped that Government would have indicated whether the motion would be favourably received. In the absence of such information it seems to me that the motion should be allowed to stand in its present form, because it is an indication that it is either suitable or unsuitable to Government or Government has no amendment to suggest. I hope that the remarks I have made fully bear out the statements I have made from time to time in the course of this debate, that importing supplies through the Crown

Agents are not to the advantage of the inhabitants of this Colony. I think I have been able to show in several instances where those supplies have been obtained at prices much higher than they could have been obtained through the usual channels locally, and if that is beyond any shadow of a doubt it seems to me that the motion should find favour with Members of the Council.

THE PRESIDENT: I desire to congratulate the hon. Member on the very able effort he has made to present the case for the merchants of Georgetown, but I am afraid he has been up against a very difficult task, and that his facts and figures and his submissions do not appeal to the taxpayers of the Colony having regard to the actual position of affairs in dealing with the Crown Agents for the purchase of Government supplies. I am afraid Government cannot accept the motion, as to do so would obviously tie Government's hands in purchasing supplies for Government Departments, which, as has been pointed out, can be and are usually purchased at prices considerably less than they can be obtained locally, quite apart from the question of quality.

The hon. Member referred to the question of Government making no profit. The profit that Government makes is what it saves for the taxpayer. The only other point I propose to refer to is the question of exchange. It has been pointed out by the Colonial Secretary the procedure adopted in remitting funds from this Colony to the Crown Agents. His point about the exchange was not a very good one.

With regard to the cost of the lorry transporting cement from La Penitence to the Public Works Department I will leave that to the Director to deal with.

Major CRAIG: The charge is included in the cost.

The Council divided and voted :--

*Ayes.*--Messrs. Walcott, Peer Bacchus, Austin, De Aguiar, Gonsalves, Wight, Cannon, Brassington, Dias and Smellie.—10.

*Noes.*--Mr. Birkitt, Dr. Henderson, Messrs. Mullin, D'Andrade, McDavid, Major Craig, Professor Dash, Major Bain Gray, The Attorney-General and the Colonial Secretary--10.

Motion not carried.

THE PRESIDENT: I give my casting vote against the motion. I am informed that the voting being equal the motion is not carried.

Mr. DE AGUIAR: I desire to draw attention to the fact that the Elected Members as well as the Nominated Members are unanimous in favour of the motion.

THE PRESIDENT: I have noted that, and I will make a note for the Secretary of State. As there is only one other matter before the Council, and as it is only a few minutes before one o'clock I adjourn the Council until to-morrow at 11 o'clock.