

LEGISLATIVE COUNCIL.

FRIDAY, 5th MARCH, 1948.

The Council met at 8 p.m., His Excellency the Governor, Sir Charles Woolley, K.C.M.G., O.B.E., M.C., President, in the Chair.

PRESENT.

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

The Hon. the Colonial Secretary, Mr. D. J. Parkinson (acting).

The Hon. the Attorney-General, Mr. E. M. Duke (acting).

The Hon. the Colonial Treasurer, Mr. E. F. McDavid, C.B.E.

The Hon. C. V. Wight, O.B.E., (Western Essequibo).

The Hon. F. J. Seaford, C.B.E., (Nominated).

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

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

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

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

The Hon. G. A. C. Farnum (Nominated).

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

The Hon. J. Fernandes (Georgetown Central).

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

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

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

The Hon. C. A. McDoom (Nominated).

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

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

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

The Clerk read prayers.

The minutes of the meeting of the Council held on Thursday the 4th of March, 1948, as printed and circulated, were taken as read and confirmed.

GOVERNMENT NOTICES

COST OF LIVING ALLOWANCES.

The COLONIAL TREASURER gave notice of the following motions—

That, with reference to Resolution No. XXXVIII of the 11th of July, 1947, this Council approves of the payment of cost of living allowances to Government employees during the year 1948 on the scale of rates authorised and in force in respect of the year 1947.

COST OF LIVING ALLOWANCES TO PENSIONERS.

That, with reference to Resolution No. 1 of the 19th of December, this Council approves of the payment of cost of living allowances to pensioners during the year 1948 on the scale of rates authorised and in force in respect of the year 1947.

UNOFFICIAL NOTICES

THIRD PUISNE JUDGE.

Mr. C. V. WIGHT gave notice of the following motions—

Whereas four Judges have been sitting in the Supreme Court of this Colony during the last year.

Be it resolved that this Council request Government to create or cause to be created as a substantive office that of a Third Puisne Judge.

COURT OF CRIMINAL APPEAL.

Whereas on the 15th November 1929, a motion for the creation of a Court of Criminal Appeal was moved by the Honourable A. V. Crane and passed by the Legislative Council of this Colony ;

And whereas on the 1st June, 1938, the President of the Legislative Council of this Colony asserted that Government entirely accepts the principle for the establishment of a Court of Criminal Appeal when a motion to that effect was introduced by the Honourable Theophilus Lee ;

And whereas an appeal lies as of right to the Supreme Court on the conviction of a defendant for criminal offences tried under the Summary Jurisdiction Ordinances, as well as in civil cases of trivial importance involving small sums of money ;

And whereas in the present state of the law no appeal lies from a conviction for crime tried in the Supreme Court under the Indictable Offences Ordinances, and the only review of a possibly erroneous conviction depends upon the discretion of the presiding Judge that there is a case for stating a question or questions of law for the consideration of the Court of Appeal ;

And whereas the system of reserving questions of law for the consideration of the Court of Appeal does not provide a satisfactory mode of reviewing convictions upon allegations of error of law or of fact ;

And whereas it would strengthen the confidence of the public of this Colony in the administration of justice if in such cases an opportunity of appeal to a Court of Criminal Appeal were provided with equal security for the exhaustive trial of convicted persons and for the speedy execution of penal justice ;

BE IT RESOLVED that in the opinion of this Council the establishment of a Court of Criminal Appeal on principles analogous to those contained in the Criminal Appeal Act 1907 (7 Edw. VII C.23) would materially improve the administration of criminal justice in this Colony, and that this Council respectfully request His Excellency the Governor to cause to be introduced in this Council during this present session a Bill to provide a right of appeal in favour of every prisoner convicted of crime before the Supreme Court of the Colony to the Court of Criminal Appeal thereby to be established the provisions of such Bill conferring on every convicted prisoner :

(a) An absolute right to appeal on any question of law or of mixed fact and law ;

(b) A right in case of his obtaining

leave either from the Judge who tried him or from the Court of Criminal Appeal itself to appeal on any question of fact or on any ground which appears to the Court to be sufficient ground of Appeal ;

(c) A right in his obtaining leave from the Court of Criminal Appeal to appeal against the sentence passed on him unless the sentence is one fixed definitely by the law.

CUSTOMS DUTIES (AMENDMENT)
BILL, 1948.

The Council resolved itself into Committee to consider the following Bill clause by clause:—

A Bill intituled "An Ordinance further to amend the Customs Duties Ordinance, 1935."

Clause 2.—Amendment of section 19 of the Principal Ordinance.

Mr. RAATGEVER : I move that sub-clause (1) (a) of clause 2 be deleted. I said last night that Government was inconsistent in attempting to remove the export tax on gold and at the same time increase the export tax on bauxite. I repeat that statement. Export tax has been collected in the past on gold, diamonds and bauxite. Last year Government collected approximately \$20,000 in export tax on gold and \$13,000 in royalty—a total of \$33,000 revenue from gold removed from the soil of this country. Now when we consider that the value of that gold amounted to roughly \$800,000 it will be seen that the Colony has not got much benefit from the removal of what is a wasting asset. The hon. the Colonial Treasurer in his Budget Statement said that the reason for the abandonment of the export tax on gold was to remove the burdensome addition to the operating costs of the mining companies. I do not agree that \$20,000 in export tax is burdensome at all when we consider the amount of money realized from the sale of gold. We want at the present time to develop this Colony, and particularly the interior of the Colony, and I am not prepared to do anything which would prevent Companies coming to the Colony. In fact we are doing all we can to encourage them to come here.

In your speech, Sir, you said that Government was prepared to consider the removal of income tax for a period, and also the waiving of Customs duties on

equipment and machinery brought into the Colony in order to develop it. I feel that those concessions are large enough to warrant any Company coming down here and operating. I do not think we should encourage Companies to come here and remove all our wealth without the Colony benefiting in some way. It would be useless to have development if we are going to allow Companies to take away the wealth of our country without giving us some substantial benefit, and I am not prepared to stand here and allow that to happen.

I understand that the reason for the removal of the export tax on gold is because one Company that wants to come here to operate has said that it is not prepared to work low-grade ore if it is not afforded this relief. Well, I think it would be better if that Company did not come here, if this Colony is not to receive any benefit. If the export tax is removed all we would get from that Company would be royalty of 50 cents per oz. I gather from the Colonial Treasurer's statement that it is proposed to increase that amount, but I am not aware to what extent it is proposed to increase it. I agree that it should be increased but I do not agree that the export tax should be removed. The royalty should be double what it is, and the export tax should be allowed to remain. In the circumstances I move the deletion of sub-clause (1) (a).

The COLONIAL TREASURER: In seconding the motion for the second reading of the Bill last night I said that I wished to reserve any remarks I might have to make for later in the evening, but at 11 o'clock I had not had an opportunity to speak, and in order not to delay the putting of the motion for the second reading I refrained from saying anything. Well, I had intended to say much more than I am going to say now. The speech of the hon. Member for Central Demerara (Dr. Jagan) was, I take it, an intimation to the Council that he supports what is in this clause 2, that is an increase in the contribution by the Demerara Bauxite Co. to the revenue of this Colony, and ordinarily I do not think I would have said anything about his remarks, because he really gave the clause strong support. But there were one or two things that he said, and also one or two things that fell

from the lips of the hon. Member for Georgetown North (Dr. Nicholson) which I think justify a reply in some detail. Of course a lot of the things the hon. Member for Central Demerara said were quite irrelevant to the issue which is before Council. He gave what purported to be the history and the circumstances surrounding the formation of the great Corporations in North America, Alcoa, Alted, Alcan and so on, and in speaking he wished the Council to assume that what he said were proved facts. Of course no one could say that.

There are many stories about the wonderful history of that magnificent organisation, but no one can pick up a book and say "these are the facts." The truth is really hidden from most of us; but there were a few things which the hon. Member did say which are substantially well established. One is that during the course of the war His Majesty's Government and the Government of Canada found it essential to contribute substantially to the capitalisation of Alcan in order to assist in the development of that amazing project which the hon. Member himself referred to—the Shipshaw hydro-electric power scheme. I do not know if Members know that Shipshaw, the Aluminum Co. of Canada's great plant at Arvida, and our own plant here on the Demerara River contributed largely to the winning of the war. We in British Guiana take as much credit as Canada for what was done in the production of aluminum for the aircraft which were used in the war, and I perhaps am one of the few Guianese who has had the privilege of going over that magnificent hydro-electric power plant of Shipshaw and the aluminum plant at Arvida, and I can testify to what has been done. That was one of the chief enterprises in the war offered to Canada and British Guiana. So that we must not try to besmirch the development of these Companies. The Canadian Government gave very great tax concessions to enable that development to be accomplished, and we in British Guiana followed suit. The hon. Member is new to this Council and consequently he does not know that a special law was passed in this Council to permit the Income Tax Commissioners to give special relief in the form of amortization to the local concern in respect of capital

development for war-time objects which took place on the Demerara River. Of course, one of our reasons for doing so was self-seeking. We knew that if this war-time plant could be amortized quickly there would remain in Canada and in British Guiana a plant born out of the chaos of the war, so to speak, which would be capable of producing bauxite on the one hand and aluminum on the other, at reasonably cheap economic prices.

The hon. Member went on to talk about the reduction in the price of aluminum, but of course he was quite wrong. The reduction in the price of aluminum has been brought about because it is a new metal which can be used for a variety of new purposes. Members will appreciate that aluminum is now being used in all sorts of ways which were not thought of before. We have heard of it being used in the building of ships and houses, and this new development in the use of aluminum is directly attributable to its cheap price, and we like to have the price reasonably cheap for the reason that it encourages the development of volume production in British Guiana, which is what we want. At the peak of the war I think we produced nearly two million tons of bauxite in one year. I speak subject to correction, but we all expected that after the war it might have dropped to something like half a million tons, but what do we find? Last year it was over a million tons, and this year it should be 1,800,000. That, too, is directly attributed to this policy of reducing the capitalisation of those concerns so that we should be able to produce bauxite (and aluminum) at a reasonably cheap price so as to compete with other metals. All that has been very good for this Colony. I personally take great pride in the fact that I had something to do with the arrangement of which I speak.

As regards the position of the Demerara Bauxite Co. it is unfortunate that so much of the activities of the Company and the results have been shrouded in secrecy due, of course, to the inherent feeling of a Company like that to keep these things to themselves, but of course it is also due to the fact that it was a war-time activity, and all that was going on was kept private as far as possible, but I see no reason why the

position should not now be disclosed. The hon. Nominated Member, Mr. Seaford, said last night that the amount of revenue derived from the Bauxite Co. last year was just under \$2 million, and that is quite correct. That revenue comes to us in a variety of ways. It comes in import duties, export tax, direct taxation through the Income Tax Office, rates, licences, royalties, and, last but not least, in all the shipping dues we can get from the vessels that come into the harbour. And not only was last year's revenue \$2 million, but the average for the last five years was \$2 million coming directly into Government's till.

I do not for one moment say that we should not try to get as much as we can, but do not let us depreciate the value of the bauxite industry to the revenue of this Colony. The story goes further. Let us look at the economy of the industry. I have some figures which I brought here specially to-night. The number of employees on the Bauxite Company's payroll last year was 1,515, and of that number 98 per cent. were local people. The other 2 per cent. were Canadians mostly. The total payroll for the year was \$1,440,000, of which \$1,263,000 went to local people. That money was paid out in wages and circulated in this Colony among our people. Apart from that the Company spent \$1,154,000 in the Colony on local purchases. We find that of the total gross earnings derived from the bauxite proceeds just under 70 per cent. is spent in British Guiana in the form of taxes, wages and local payments. That is something that we must always bear in mind, because that is the meat of the story. The value of the industry lies not only in the \$2 million that comes directly into the Government revenue, but in the money derived from the proceeds of the sale of the bauxite that is spent here. That brings me to the question of the price of bauxite. Of course the hon. Member is perfectly correct. One must question the price at which bauxite is sold when one remembers that this is a case of a local Company selling to its principal, and selling a product for which one knows there is no real world market. Consequently it is up to the Government to see that we get the best for the product, and we are doing that. I hope the hon. Member will forgive me for telling him

that the matter which worried him—the 1½ per cent. export tax—is just a small factor. The real thing is the value of the bauxite brought into account on which the Company's profits are determined. That is the real trouble. The 1½ per cent. export tax does not matter so much. His point is well taken that we must be careful to see that the price is a fair and reasonable one in all the circumstances.

Before I conclude I would like to point out that the position in this Bill is that we are asking the Council to approve of a specific tax of 30 cents per ton instead of a 1½ per cent. *ad valorem* tax, and as I stated in the Budget Statement, the reason is that we think that this well established industry should give us at this stage a larger contribution to our revenue which we need at the moment.

The hon. Nominated Member, Mr. Raatgever, told us that he could not agree to the removal of the export duty on gold, and charged us with inconsistency. I some time ago hurt the feelings of one hon. Member by telling him that I thought he was a bit reactionary in what he said. I apologise to that hon. Member. I think the boot is on the other leg, and that I now have to charge the hon. Mr. Raatgever with being reactionary. I am sure he has not studied the statement I made but has given us his own deduction. I said that it was the policy of the Government to encourage as much as it can the development now in progress, particularly the new development in regard to gold mining; and I said it would take the form of the removal of what I termed a burdensome tax, and that a Bill would be shortly introduced in Council which would seek approval of the rate of income tax being waived for a period of five years on any new developmental enterprise from the time it goes into effective production. I also said that Regulations were being framed by the Governor in Council which would permit substantial concessions in the way of writing off capital used for development. I think I said that a period of five years would be allowed to any such enterprise which spent a lot of money on capital development to write it off. Lastly, you, Sir, referred in another sphere to the proposal by Government to waive substantial Customs duties on capital equipment

coming into this Colony, and on specialised mining supplies. Now, these Companies are settling down, and they were welcomed by the organisation of which the hon. Member happens to be President.

Mr. RAATGEVER: To a point of order. I welcomed them, as the Colonial Treasurer has stated, but I do not see the necessity for referring to it. I said we welcome them, but we are not going to give away the produce of this Colony to anybody.

The COLONIAL TREASURER: Of these things the most important is the fact that it gives a concession to capital. I very well believe that there is the prospect of large finds of gold in British Guiana. I have been told that the geological characteristics of this Colony are such that there is no reason why we should not find a very very rich ore of gold, but the thing is to find it. Certain mining companies are now coming into the Colony and they would like to find it, but what they would like to find very much more in the meantime is a sufficient volume of low-grade ore which they could work without loss until they find a rich ore. That is why we want to encourage people to come here with capital and work for gold in greater quantity and volume, and if they are going to do that we have got to stop putting this tax on them. The export tax is 25 per cent. of the value of gold over \$35 an ounce. This is a burden that falls on production and if we are wise we would remove it. I have already indicated that we are not surrendering our right to get our share of the value of gold taken out of the country. I said that Government had been negotiating an arrangement with one of the big companies now operating in this Colony and that this arrangement would provide for a special increase in the rate of royalty when the proper time comes. I do not mean the basic rate of royalty. What we are endeavouring to do is to make an arrangement whereby the royalty would be paid on a sliding scale percentage of the profits—something in the nature of a super-tax—and when they make money we would get our share; but we do not want to impose a big tax which would prevent them from going into operation. Therefore, I hope hon. Members will

agree with the removal of this export tax on gold. The loss in revenue would be very small, and we are really throwing out a sprat to catch a whale. Lastly, I would like to say that we have heard quotations from the Memorandum by Colonel Spencer—the Economic Adviser—and if hon. Members turn to it they would find that one of the chief things he has recommended is the removal of the export tax on gold. Do not let us ignore his advice.

Mr. DEBIDIN: I would like to congratulate the Colonial Treasurer on his able advocacy for the abolition of this export tax. I would say, however, that his is only one point of view and in rising to support the motion by the hon. Nominated Member, Mr. Raatgever, I desire to support the other point of view. That point of view is that while we appreciate that this is a step intended to encourage mining concerns for the development of the Colony, we feel that if we are to assist them this is not the way to do so. It might also be urged that the new mining companies are not the only ones that are going to export gold and this Colony is merely charging 1½ per cent. *ad valorem* duty on exported gold. To my mind that is not a very high charge and I would like to point out that if we are going to give new companies relief by way of income tax and also remission of duty on machinery brought in, that, I think, could be regarded as a considerable amount of assistance and should help any new company to go forward with development. It must be realised that if this particular tax is removed a company operating in this Colony might suddenly strike a rich vein in some particular ore and would then be able to export considerable wealth free of export duty. As a corollary to that it may be said that when a mining company operates here it takes out a considerable portion of the wealth of the interior, and it prospects in a way which seems to hinder the small man from operating in that very area since it employs a highly mechanized system and exhausts the entire area.

Furthermore, these companies do not only explore for one particular thing but for whatever mineral or ore they can get from that particular area. On the other hand, although a com-

pany might exhaust a particular area it might not go deep enough to find certain ores and that is a geological difficulty we would have to deal with. Certain ores could not be found without special machinery and for that reason I do not see why we should be fearful. The duty being removed is a duty on what is exported and it follows that a company must operate and produce gold before that duty could be saved. I would say, however, that if a company makes sufficient money as to be able to pay income tax, then it should certainly be in a position to pay a low rate of export tax on the gold it has produced. From the point of view of policy I do not think it would be fair to have certain charges placed upon gold used in the Colony when certain interests would export it and receive more than ordinary benefit. I am not overlooking the fact that we should try to encourage the development of our mining industries, but in removing this export tax on gold we would be placing a tremendous premium on development and I think we would be overdoing it. We should not encourage companies to come here in this manner—saying come to British Guiana and after getting everything you want you may leave. That is what the removal of this tax would amount to. There should be a tax so that something might remain in the Colony from any considerable amount of metal that might be exported in future, and for that reason I heartily support the motion moved by the hon. Nominated Member, Mr. Raatgever.

The COLONIAL TREASURER: Before the next hon. Member speaks I just want to say one thing. The big company to which I have referred has spent well over half a million dollars already and has not exported a single ounce of gold as yet.

Mr. DEBIDIN: It is a well known principle that a company or any other concern entering into business must incur huge capital expenditure with the hope of offsetting it. A lean balance sheet and probably a loss are always expected at the beginning of operations by any company.

The CHAIRMAN: I think hon. Members should realise the effect which the removal of this tax would have upon mining development in this Colony. It

and that is the reason why Government is doing it. Those of us who have been here some years appreciate the position and realize that the benefit of the Colony is the benefit of the Government. Why we should have divergent interests I am at a loss to understand. It seems to me, as the hon. the Seventh Nominated Member has just said, we are as far as I see straining at a gnat. The total amount is \$30,000 which we are likely to lose by this. It seems to me that this is a very sound investment because of what is happening. It is only a small tax, but it is a very irksome tax. I said last night that Export tax is in a way a vicious tax, and I adhere to that. If we are going to put on irksome taxes we are not going to get people to come here to invest their money in the Colony for the increase of circulation in the Colony, and we are not going to get development in this Colony. What we have to do is to attract all the capital by every means we can into the Colony and, I think, if you grant this which I say would cost \$30,000 we are going to gain very much more than we are likely to lose. As the hon. the Colonial Treasurer said, we are setting a sprat to catch a whale. With that I am in agreement. The hon. Member for Central Demerara did admit that we should attract capital into the Colony, but at the same time he said we should not get those people in but we should mortgage our assets. It seems those two suggestions are somewhat contradictory.

Dr. JAGAN: To a point of correction! What I did say was I would prefer capital to be brought into this Colony by the Government and not by private capitalists.

Mr. SEAFORD: That came later. The whole point is this, and he must be aware of it: At the present moment we have not those assets to mortgage. What we are trying to do at the moment is to get companies here so that we can find out what our assets actually are. He referred to Mexico. It is different there. They have industries and they know what their assets are. Can he tell me what we have to mortgage in this Colony? Have we got gold here? He cannot tell us. What are the other industries we have to mort-

think it is most unfortunate that such a suggestion should come from a Member of this Council, a responsible member of the community. Does he think we are going to attract capital to this Colony when we raise the expropriation flag? Would he put money into anything if he thought somebody would take that money away from him to-morrow? I think not. I do wish that Members of this Council would think before they speak. The hon. Member has apparently got a lot of figures which he has read from some American book, but they mean absolutely nothing. The mere shouting out of a lot of figures leads us nowhere at all.

The hon. Member also mentioned that the value of the ore shipped from this Colony was three times that of the crude ore. That again means nothing, because I do not think there is very much crude ore shipped. I think the amount of calcine ore shipped is a thousand times that of crude ore. I think what the hon. Member meant was the value per ton, but he did not say that, and in that way he is apt to be misleading. The hon. Member should study what he intends to say a little bit more carefully.

I feel that we should do all we can to get this low grade ore mined in this Colony. If we tax gold too high it would mean that the low grade ore, which comprises the great majority of the deposit in this Colony, is not going to be mined at all, and we would not have that money circulated in the Colony. For that reason I consider that Government is taking the right step. Last night I told the hon. Member that we must not kill the goose that lays the golden egg. I will quote him a creole proverb: "Big eye choke puppy." (laughter).

Mr. DEBIDIN: I think much of the air might be cleared if the hon. Member who has just spoken would give me this information: Is it a fact that the two kinds of ore exported by the Demerara Bauxite Co. are calcine ore and chemical ore?

Mr. SEAFORD: I cannot guarantee it, but I do not think crude ore is exported to any great extent. I think all the ore

thing, and it pays the Company to calcine the ore by drying the water off so as to be able to ship a greater quantity of actual bauxite for the same money.

Mr. DEBIDIN : The Bill refers to "a duty of thirty cents on every ton of bauxite." I would like to know whether calcine ore can properly be termed bauxite, or whether the term bauxite really applies to the crude ore? I would particularly ask the hon. the First Nominated Member to answer that question, because he is a Director of the Demerara Bauxite Co.

Mr. SEAFORD : I think very little crude ore is exported from the Colony, especially by the Demerara Bauxite Co. All the ore exported, except a small quantity for special tests, or something of that kind, is calcine ore.

Mr. DEBIDIN : That does not answer my question. Government proposes to levy a duty of 30 cents on every ton of bauxite.

Mr. SEAFORD : That is calcine ore.

The COLONIAL TREASURER : We cannot have it both ways. The duty, as it existed up to last year, before the Bill was introduced, was an *ad valorem* rate, and in fixing the price of the various kinds of bauxite that leave the Colony that price is related to the chemical content of the ore, its quality and so on. So that if the ore is largely calcine ore it has a higher price, and we get 1½ per cent. on the higher price. The chemical ore, specially selected and specially treated by the Berbice Company for chemical purposes, is sold at a still higher price.

What we are trying to do is to put a specific tax which we cannot grade in relation to the various types of ore. It would be far too difficult to do that, because each shipment would have to be analysed and its chemical constituents stated. This specific tax will apply to every kind of ore.

Mr. DEBIDIN : It seems to me that the explanation given throws a different light on the position. It appears to me

in view of the fact that with the variation in weight there is also variation in value. We should levy the tax on an *ad valorem* basis because science is moving apace, and the ore may be treated to such an extent that the quantity exported may be considerably reduced. Government would lose revenue in that case by levying an export duty of 30 cents per ton.

Mr. SEAFORD : I can assure the hon. Member that it is quite impossible. In fixing the proposed rate of duty the Colonial Treasurer in his Budget speech said that he had gone very carefully into the matter, and calculated that it would bring in about \$360,000 more revenue to Government. That is the chief point. I can assure the hon. Member that I do not think it is possible to calcine or dry the ore to any greater extent than is done at the present moment, so that it is not possible to reduce the weight to a greater extent than is being done to-day.

Dr. JAGAN : What I suggested was that if we levied the tax on an *ad valorem* basis Alcoa could manipulate the price of bauxite and we would be squeezed. On the other hand, if we levied it on every ton of bauxite we would again be at their mercy. I should like to state that between 1937 and 1947 the value of the bauxite exported from this Colony was \$7,619,349.

Mr. SEAFORD : Is that an explanation of what the hon. Member asked? I did not hear any question asked about the value of the bauxite exported.

Dr. JAGAN : If the hon. Member would not interrupt he would see my point in a moment.

Mr. SEAFORD : You are wasting time.

Dr. JAGAN : I object to that remark.

The CHAIRMAN : Will the hon. Member proceed?

Dr. JAGAN : During the period I have mentioned the value of the ore exported from British Guiana was \$7,619,349, and the quantity was 9,823,339 tons. For every ton of bauxite shipped from the Colony the price

to \$4 per ton, chemical ore \$10, and calcine ore \$16 to \$17 per ton. It will therefore be seen that if the average price of bauxite during that 10-year period was around \$8 per ton the Company could concentrate on the higher value ore and thereby reduce our revenue.

The CHAIRMAN: I think we have heard enough about aluminum to-night. I think we had better take the feeling of the Committee on sub-clause (1) (c), relating specifically to bauxite.

Sub-clause (1) (c) put and agreed to.

Clause 2 (iv)—

Mr. DEBIDIN: When the Anaconda Co. commenced operations in this Colony did they have knowledge that there was an export duty on gold at the time they sought concessions and started to operate?

The COLONIAL TREASURER: I am not sure I understand the hon. Member's question.

Mr. DEBIDIN: What I am asking is whether at the time the Company commenced operations in this Colony they had full knowledge of the existence of the export tax on gold which it is now sought to remove?

The COLONIAL TREASURER: I am quite sure they did, but when they came originally they had not decided to stay, and they have not yet decided to stay. I am not suggesting that this is a term of an agreement, but when they came this tax was on our Statute Book.

Mr. FERNANDES: When I came here this evening I had made up my mind to oppose the removal of the export tax on gold, but in view of Your Excellency's very strong assurance that Government would see that British Guiana got its full share out of any gold won in the Colony I am not going to oppose it. I am going to accept that assurance, and I will continue to accept assurances so long as they are kept. I have no doubt whatever that they will be kept, and I will now ask my friend on my left (Mr. Raatgever) to accept that assurance and not oppose the removal of the export tax.

The CHAIRMAN: I would like on

behalf of vernment to repeat that assurance. I can assure the hon. Member that it is Government's main pre-occupation in granting mining concessions, to see that the Colony gets its fair share of what is taken out of it. I regard that personally as my duty, and so, I know, do my officers. It is that aspect that takes up most of the time in considering the grant of mining leases, permissions, and that sort of thing. That is what we think about all the time. I do not know if hon. Members or the public realise it, but that is part of the essential duty of the Government, and I give the hon. Member my assurance again that Government will do its utmost to see that in the case of any minerals exploited in this Colony the Colony gets its fair share. The hon. Member is quite right when he says that gold is a wasting asset. It goes out of the country for good. Gold is not like the forests of a country; it is an asset which once out is gone for good, and it is all the more important that when it goes out we should get our fair share of it. That is the attitude of Government towards all mineralogical developments in this Colony. I do not think I can say any more than that.

Dr. SINGH: I have always wondered why we have not been able to attract more capitalists to our country. We find capitalists going to Argentine, Venezuela, and other parts of the world. I think it is because our terms are too hard. Now that capitalists are inclined to come I think we should give them every encouragement. If perchance they find gold in this Colony they cannot take it away without consulting Government, and then Government would be able to make reasonable terms with them. It must be borne in mind that during their exploratory period these companies spend certain sums of money in the Colony to the benefit of the workers and the Colony as a whole. They do not bring with them a retinue of labourers. They bring a few men for specialist work and employ local workers. Therefore the Colony is benefiting indirectly at the present time, but when gold or any other ore is found that is the time for Government to demand its share.

Mr. RAATGEVER: I accept Your Excellency's assurance that you will

undertake to see that this Colony gets full benefit from the gold removed from its soil. As I have said, it is a wasting asset, and my concern is that the people of the Colony should get full benefit from any assets the Colony has. I speak as a citizen on behalf of all the citizens, whether they are men in the street, artisans, housewives or otherwise. I am not speaking now as a commercial man or as the President of the Chamber of Commerce. I want the people of the Colony to get the full benefit of what the Colony possesses. I take second place to nobody in that respect. I am not prepared to allow this Colony to be exploited as long as I have a say in the matter. I will accept your undertaking, Sir, that the money the Colony is going to lose by the removal of the export tax on gold will be taken care of by some other form of taxation.

Dr. JAGAN: If the hon. Member withdraws his motion I would move the deletion of sub-clause (1) (a), (b) and (d).

Mr. DEBIDIN: As the seconder of hon. Nominated Member's motion I wish to say that I was deeply impressed by the appeal to Your Excellency, and the assurance you have given is one which we can expect to be implemented. I am, however, going to ask for two more assurances. I know that the Company plans to explore a considerable area of the Colony which might affect the small miners already in the Colony. In view of the remark previously made, that when the Company operates in an area it is like the Russian's scorched earth policy which leaves nothing behind, I am asking for an assurance that they be given just so much land as they can work as they go along. I do not want to see any monopolies created here.

Secondly, I feel that if we are going to remove the export tax then the concession given as regards income tax should be curtailed for the reason that in the course of operations these companies may win a tremendous amount of wealth—much more than we anticipate—and we would be able to get some of it. If they make big profits and income tax is charged thereon they should have no complaint, and therefore I think it is reasonable to request that income tax be retained. The retention would

not be a hindrance to any company which wants to operate in this Colony.

Mr. THOMPSON: I think the wider we open our doors the better it would be for us. I have been listening attentively to the various speakers and I must say that the issue before us is development; that is the chief thing we have to aim at. We have been talking about it for years with little or no progress and I think we should throw open our doors widely and take in those who would come to our benefit. Taxation of profits made would come, as you have said, Sir, to our benefit. We should not discourage those companies that are here because we want capital and no one would come in—as you have rightly said, Sir—if he does not know what he is coming for. The local man is handicapped; the moment he starts anything he hears about taxation and it makes him afraid to venture much. Therefore, let others come in and if they make any profits we can put on a tax and get our share. We trust Government and if we accept that assurance we need not have any fears.

The CHAIRMAN: I would like to say that in considering what concession we should give to any company that comes in this Government is not acting merely on its own information or the advice of its own officers, but I am relying a great deal on the best advice I can get outside of this Colony. I would remind hon. Members that bauxite is in a different position from gold; we know that we have bauxite but we do not know whether we have much gold and this business of the development of gold is a highly speculative one. The time may come when the companies concerned would make huge profits, but there is also the possibility that they would spend anything like \$10,000,000 or \$20,000,000 here and not get a cent back. That is a fact they have to consider—that the business is a highly speculative one—and it is a fact we have to consider also. The situation is quite different from that of industries like the bauxite industry; we know the bauxite business is bringing an income and we also know that it has assets. As regards gold we have to remember that the companies are coming in with the latest equipment—their own geologists, their own diamond drills, their own economists and so on—and

that they are taking a big risk. It is a highly speculative business and I do not know how many Members of this Council or elsewhere would agree to put money into it at this stage. What we want to do is to find out whether there is much gold here; we all have a fond belief that there is, but it is only by scientific methods and scientific exploration that we can know whether it is so. Until that time—until we find out whether there is gold in this Colony—I think we can only encourage these companies and entertain the hope that they would find it. I say again that if they do find it we shall see that we get our fair share of any profits they derive from it.

Mr. WIGHT: I rise to make an observation on a point which has not been touched on and which mainly relates to bauxite under this clause. I would ask Government and especially the Attorney General that when Bills of this nature are being drafted in future to be placed before this Council, instead of leaving a clause like clause 2 as it is in this Bill, the question of consolidating all the Ordinances dealing with the matter should be considered. It is difficult to a lawyer like myself—and I think much more so to a layman—to find the various sections to which the proposed amendments refer and I think we would be able to get along much faster with the debate if there is a consolidation such as I have suggested. Here we have to go back to the Ordinance of 1935 to see the effect of several amendments and we have to see the deletions made from the Ordinances of 1935, 1939, 1944 and so on.

There is one other point I desire to mention and that is, I would suggest to hon. Members not to consider the question raised by the hon. Member for Central Demerara as regards taxation of bauxite. These things go down in Hansard and I think it is probably better to discuss and refute them rather than leaving them alone. I quite appreciate what the hon. Member has said; perhaps he was a little long-winded because he went on a long tour of bauxite activities—and he said that bauxite was a boon to this Colony and probably thought it should not be taxed. The hon. Member has my support when he talks about prosecuting the idea that the

who make money out of this Colony should let it remain here, but until we ourselves in this Colony unite and not divide then the principle of “divide and rule” would always obtain here. I throw out that for the consideration of the hon. Member. I do not agree with him when he suggests that this Colony—or any other British colony for that matter—should pledge its wealth or its assets, especially to the United States of America, nor do I agree with him when he suggests that we should adopt the methods of expropriation such as those adopted in Mexico. How can we ask people to come in here and spend money when they do not know if they would be allowed to keep what they make. That is not playing cricket. It is my view—and I am being extremely loyal—that the British people and the investors in the United Kingdom have discovered their mistake in investing money in Europe and other places instead of investing it in their colonies. That is a mistake which they are trying to correct by the formation of the Colonial Development Corporation and so on, and I would not agree with the suggestion that we should adopt expropriation methods such as those adopted in Mexico or anywhere else.

It is well-known that British interests invested in Rumania and lost very heavily and that they shared the same fate in Mexico. Are we to ask people to come here and develop this country which needs development so badly and then turn around and say to them “every asset you hold will be subject to expropriation” or “whatever you invest here may receive similar terms to those you received in Rumania or Mexico.” I do suggest to hon. Members that this is not the way to approach this subject of development. I can, however, assure the hon. Member that he would find me an ardent supporter when he speaks about the setting up of refineries in this Colony to deal with sugar, bauxite, or anything else. For all these products there should be refineries and I think every hon. Member of this Council should bear that principle in mind if he has the development of this Colony at heart. Let us have the refineries here. I think that should be Government's policy and I know that Your Excellency has been insisting on the carrying out of hydro-electric develop-

ment here. I think it is being carried out with some success and any objection that refineries cannot be erected here should not be raised any longer. I hope it is the policy of Government to encourage their erection here as I have seen indications to that effect.

I also hope that these mining companies will continue their work here and will not suffer any loss. I am glad that the Colonial Treasurer has given consideration to this question of the removal of the export tax on gold. We have now discovered that there is only one company which would benefit by the withdrawal of this tax and that is the Cuyuni Gold Company. The Colonial Treasurer himself has said that the Anaconda Company has not yet exported any gold and they cannot benefit by this measure until they begin to export. We should realise that unless we give some concession and some inducement to these companies to operate here they may turn and go elsewhere. We have seen that bauxite activities, like gold, are going on elsewhere but we should not adopt any method of alienation or violence which may be the co-operative way of some movements, whether it comes from Mexico or Norway. I was also delighted to hear that the Colonial Treasurer is considering—whether by advice or otherwise—a progressive rate of taxation on these companies, based on production. In other words I do not think there should be a static rate of taxation.

We should induce people to come in and as they produce let them give us a fair share of that production. I think that would be a very good policy on the part of Government and we should throw aside the idea that certain people are concentrating on the idea of tying up land. I think that anybody who endeavours to tie up land in any quantity should be compelled to spend a certain amount of money every year. I believe that is the policy of Government and I suggest that we go further and proceed to impose taxation of a progressive rate based on production. As production increases so would our taxation increase and the Colony would receive that which is justly due to it. I do ask this Council to pass this Bill as it is. The Colonial Treasurer has pointed out that there is only one company here

that would benefit at the moment by the removal of the export tax and that is the Cuyuni Gold Company which is losing money. Let us consider the advisability of giving them a progressive rate of taxation based on production, especially as they say that gold is there. At the moment we do not know that it is there but some of the companies are endeavouring to find it, and if it is there they would find it. We should induce them to do so by all means possible.

Dr. JAGAN : I think the hon. Member misunderstood what I said about expropriation. I did not mean that the British Guiana Government should expropriate the industries in British Guiana as such. I was only referring to the question of land which certain industries own and on which they pay no royalty. That royalty might have amounted to several hundred thousands of dollars and they should pay that royalty rather than allowing Government to levy a tax on the bauxite produced.

The CHAIRMAN: I think we all know as a fact that there was at one time in this Colony a law that if you own land you own the mineral beneath it also. That is no longer the law now, but there are a good many other people besides the Bauxite Company who have lands in British Guiana with rights underneath as well as on them.

Dr. GONSALVES: I am going to be very brief because I have heard several explanations in cases where representations were made to me on behalf of goldsmiths in my constituency. Apart from the personal interest I have in gold — as a user of it myself — I agree in view of the explanations I have heard that these goldsmiths should be made to pay the tax. As I said last night, there is a certain point I was warned about, but to-night I would say I do not believe I would be fired by the Members of my constituency if I agree after having heard the explanation by the Colonial Treasurer and the strong assurance given by Your Excellency on this question. I do feel I would not be doing the right thing if I do not support this Bill wholeheartedly in view of the explanations given.

Mr. PETERS: I desire to state that I happen to be one of those who came to this

meeting to-night with a desire and decision to oppose the removal of this Export tax on gold, but in the light of what Your Excellency has said I am sure, speaking in ecclesiastical terms, I am one of the converts. I might say that the most appealing and eloquent part of Your Excellency's words to the Council to-night can be just concentrated in the request that Your Excellency made to this Council that we should co-operate with you. I think when you refer to yourself you desire that we should consider as embodied in yourself the perspective of Government as such and, shall I say, the perspective of the Imperial Government also in respect of the potentialities of this Colony. We desire that this Colony should indeed be developed. We desire to the Nth degree of the efforts that we can exert to have capital come in. We desire them to come in, and I am prepared to do all that lies in my power to assist in making it possible for them to come in with the least difficulty and to exploit our resources to the greatest benefit of this Colony and, shall I say, to the greatest satisfaction unto themselves.

• Passing from that to what my learned and hon. colleague, the Member for Western Essequibo, has said in respect of this Bill and the manner in which Bills are prepared, those who have sat on my right and my left must have found me for quite a while delving into these volumes before me in trying to co-ordinate the purpose that the hon. the Attorney-General may have had in mind in requesting us to deal with one clause after another. If I, a trained lawyer, find myself in such great difficulty to construe what is placed before us how much more the laymen find it difficult to do so. So I desire very much to associate myself with the recommendation made by my learned and hon. friend and colleague the Member for Western Essequibo that some other process be adopted. Perhaps the hon. the Attorney-General may give some thought to it, making it easy for us sitting around this table to understand what it is all about. Let him assist us to explain the explanation.

The ATTORNEY-GENERAL: I want to explain why it is the Bills are drafted in this way. I will refer to this particular section 19 of the Principal Ordinance

which is being dealt with. When I was drafting this Bill, my original intention was to substitute a new section 19 with all the amendments, but I changed my mind and I decided that I would follow the time-honoured custom to only include in the clause those amendments which are desired to be made. The reason is this: The draughtsman of a Bill has to do his best to reduce the opportunity for discussion. The Bill as drafted limits or seeks to limit discussion on the amendments it is desired to make. That is how the Bill is drafted. The clause relates only to these particular amendments, but if the section had been repealed and re-enacted the whole section would have been at large and it would have been open to any Member to discuss any particular provision of this very long section 19, and it was with the object of seeking to reduce the length of the discussion it is so drafted; but we have observed that although the draughtsman has done his best to limit the discussion he has not been very successful. If, however, he had re-enacted the whole section I do not know when we would have finished the discussion on this particular clause.

Mr. WIGHT: May I point out to my learned friend, the hon. the Attorney-General, in respect of the clause as drafted here if he desires to curtail discussion probably he would just draft it as the Principal Ordinance said. If he really desires to have a long discussion he would have to go about it piecemeal. I am suggesting—and he will appreciate it in the calmness of his office and not in this Chamber—if in future these amendments, which are tabulated and which may have a lot of indices, to these Ordinances are merely consolidated from time to time, whether two, or three or five years, we would not run into the shoals or dangers he anticipates. Most of the Members when they see not one sheet but five or six sheets they would just turn them over and say the sooner we get through them the better. I suggest that is the more economic way.

Mr. DEBIDIN: I would like to say as another lawyer that I certainly find the Bill as drafted sufficiently explanatory and good enough to be easily followed. That does not say that these amendments cannot be consolidated. So far as this

Bill is concerned I have had no difficulty in following it.

Mr. WIGHT: Does anybody suggest that I am more ignorant than the hon. Member? I do not think I would bow to that.

The CHAIRMAN: Consolidation of the Laws of the Colony should take place periodically. I have forgotten when the last one took place. I think it was seventeen years ago. The hon. the Attorney-General is not doing himself justice because he has proposed to me that we should have a further consolidation of the Laws of the Colony. It is very much overdue but, to have it, it means we want a whole-time officer to work a year or two at it. One of our difficulties is to find a suitable person to undertake that. It is something an officer must give his whole time to. A suitable person is a retired Judge. I know the Attorney-General himself is considering whether we can find someone to undertake the consolidation of the Laws. I personally sympathize with the hon. Member for Western Essequibo and the hon. Members who have spoken. It is confusing to follow without very good explanation by the Attorney-General as to what the Bill really means.

Mr. RAATGEVER: I have withdrawn my motion!

The CHAIRMAN: Question "That clause 2 stand part of the Bill" put, and agreed to.

Clause 4—*Amendment of items and 17A in the Second Schedule to the Principal Ordinance, No. 25 of 1944. No. 4 of 1947.*

Mr. RAATGEVER: I am rather perturbed at Government's persistence in attempting to delete clause 3. Last year the Government made an attempt to delete it and the Members of the Council then rejected the attempt, and I am rather surprised to see that Government has brought the matter up again. The reason for this clause being in the Customs Duties Ordinance is to allow advertising material, such as penknives, glass jugs, ash-trays, pencils etc., bearing the advertising devices of various products like whisky, gin, stout, etc., to be admit-

ted into the Colony at half the ordinary rate of duty for the purpose of free distribution. That has resulted in quite a lot of revenue being brought into the Colony by the various brands of liquor imported into the Colony. This item was included in the Customs Duties Ordinance in 1929 and has remained there all these years. The reason given by Government for seeking to remove it is stated in the "Objects and Reasons" of the proposed amendments. It says:

"The tariff concession of duty at half-rates on articles bearing an advertising device was intended to apply to advertising articles imported for free distribution only: these articles were considered, by reason of the advertising devices thereon, to have depreciated in value by one-half. Within recent times, however, certain importers have been claiming to be charged import duty at half-rates only, in cases where the value of articles bearing an advertising device is not, in any way, depreciated by reason of the fact that they are marked with a name or trade mark. In consequence many disputes have arisen, and there is uncertainty as to what may, in any case, be the decision in a court of law."

Now, Sir, the point is this: Not because you find one rotten apple in a barrel of apples you are going to throw away all the other apples on that account. If it is intended to give this concession to merchants in order to increase the revenue of this Colony, I think, it can be met by including in the same clause the provision that subject to the discretion of the Comptroller of Customs these goods which are imported for free distribution will be allowed the concession. I suggested to the hon. the Attorney-General that he should put it to Your Excellency and bring forward an amendment to the effect to this Council, but I do not know what he has done in the matter because he has been very silent about it. I understand that bottles and caps with the name of a firm embossed, can be brought into the Colony under this section of the Customs Duties Ordinance at half-rate while other bottles, capsules and bottle caps pay the full duty. I am entirely against that.

You will find in the Customs Tariffs, items 1, 2 and 3 in the Third Schedule, allowance is made for containers used for packing locally manufactured articles. But bottles, crown corks etc., for rum and aerated drinks are left out. These should also be included in the Third Schedule and so give relief to those industries. I

take it, that Government wants to encourage local industries. The bottling of aerated drinks in the Colony — Cocoa Cola and Pepsi-Cola — and the bottling of rum for export are local industries. One of my friends, I think it is the hon. Member for Georgetown North, said we should put an export tax on rum leaving the Colony. But we are now trying to build up an export trade in rum and this would kill it. I think all articles manufactured locally, bottled locally and packed locally, the packages and bottles should be admitted into the Colony duty free, or should be included in the Third Schedule at the rate of 2% British Preferential Tariff and 5% General Tariff, and I am suggesting to Government that all bottles for bottling Limacol, aerated drinks, Coca-Cola or anything manufactured locally should be included in this Schedule, the same as bags for sugar and rice, shooks etc. for making puncheons or casks for holding rum, cartons, tinfoil, boxes for cigarettes, etc. All local industries should receive the same treatment.

I am asking Your Excellency to instruct the Attorney-General to include bottles, crown corks etc., in the Third Schedule, and not to remove the clause from the Customs Tariffs, giving relief on advertising materials which was in operation here since 1929, and assisted in bringing revenue to the Colony. By the using of pencils with an advertising device on it — a particular brand of whisky or beer — it would cause that particular brand to be drunk by more people than if people had not that advertising article in their possession and in daily use. I do not know whether you want to refer the matter to a Select Committee, or the hon. the Attorney-General would accept my suggestion and include it now as an amendment. I think it would be a great pity if this clause is removed from the Tariff.

Mr. FERNANDES: I am not going to ask that the removal of the item be postponed, because if the article is of a certain value the advertising device on it does not make it less in value. Whether we take a drink out of a glass with or without such a mark on it, the glass serves the same purpose. Therefore I am not going to oppose the idea to make it pay the same duty, but I am going to agree with my hon. friend on my left in

his appeal to Your Excellency to treat all local industries alike. I intended to speak when clause 5 comes up, but as the hon. Member has brought the matter up under this clause, I desire to say that I strongly recommend to Government that everything used as package or for packing any local produce or manufactured article should pay the same rate of duty regardless of what the particular industry may be. I may say for your information that in Jamaica that is the case. In Jamaica, they are admitting free of duty such articles, but I am not going to ask that they be admitted free of duty, as instead of the 2% from which they would be relieved it would mean in actual fact the payment of the higher tax when admitted free. They would have to pay 3% Bill of Entry tax. There they would pay one per cent. less if they are not placed on the Free Schedule. I throw that out for consideration and, in view of Your Excellency's continued remarks about encouraging local industries, I feel certain you will give it your favourable consideration.

The COLONIAL TREASURER: The hon. the Fourth Nominated Member said that Government was very persistent in bringing this matter before the Council. He is right. But he himself is just as persistent in this rather unrighteous cause in preventing this clause from being deleted. He has rightly given his reason and Government has given its reason too. Government says the existence of the clause is dangerous in as much as it has begun to be abused. There is a case which is *sub judice* at the moment, but Members should know the fact that the existence of this clause really allows any type of article — a motor car, a refrigerator — to come into this Colony with a painted device on it and by reason of that device, it comes in at the half-rate and thereby the public revenue is being deprived of its due measure. That was never intended by this clause. This section of the Ordinance was intended to cover small articles of little value as merchandise, but by reason of having some advertising device they suffer some depreciation; things like pencils, beer mugs, etc. The hon. Member says that brings in much revenue because the advertisement on pencils helps to sell the goods advertised. I do not want to quarrel with him, but I do not believe it

myself. I do not think that because you have a pencil with Dewar's Whisky advertised on it, that would help to sell Dewar's Whisky. We are in great danger if we allow this section to remain in the Law. The hon. Member said, because there is one bad apple in the barrel we are going to throw away all the other apples. He must know the truth that all the other apples are likely to get spoilt. That is what we fear. They are all going to want to go bad. Unfortunately we may be attacking the integrity of the whole commercial community, but I do not intend that.

The other part of his remarks dealt with the question of bottles, capsules, caps with advertising device, referring to the use of those articles in connection with the local industry whether for use in the Colony or for export. But that sort of item should never come under this section at all. It should be dealt with independently. If it is correct, as the hon. Member for Georgetown Central says, that it is justifiable and proper that containers of every use for local manufacture should come in free of duty for reasons properly urged, that is entirely a different matter. Let the commercial community come and ask that the particular section be altered, if their case is good. I do not believe it makes the slightest difference, whether the bottles with those devices come in at half-rates, in the cost of production and the selling price.

Mr. RAATGEVER: To a point of order! It makes a big difference. It will be 27 cents per dozen more and it means that amount will be passed on to the consuming public. The hon. the Colonial Treasurer does not mind that; if the cost of living increases, it does not matter to him.

The COLONIAL TREASURER: May I just finish my remarks? Last year when we had this debate on it, I had the support of the Comptroller of Customs with me and he was able to prove that it is quite impossible for the price of rum or aerated drinks to go up by one cent per bottle by reason of the application of the full duty to these containers. I am not going to argue the point at all. My point is, if that is a good case then argue for these containers to be put specifically

under a special section in this law on its own grounds and merits, and do not let us mix up this question which only deals with merchantable articles bearing an advertising device and come in for advertising purposes. I do ask this Council to believe me that it is very dangerous to allow this section to continue in the Law.

Mr. FERNANDES: I was not mixing up that section with anything else. I was asking Government to consider it, as I have not the power to move an amendment otherwise I would be tempted to move it under item 5, because the item affected is item 3 in the Third Schedule. The item reads:

"Cartons, boxes, tins, drums and similar containers; bottles suitable and intended for bottling preserves, honey or milk; paper bags whereon is printed the name of the article to be packed therein; wood, tin and iron sheets and plates, and other materials intended to be used solely in the manufacture of containers; capsules, labels, tinfoils, and other packing material, not including wrapping paper; all when imported solely for the purpose of packing, or of making containers for goods of local manufacture or production on proof to the satisfaction of the Comptroller that they will be used solely for those purposes—2% British Preferential Tariff; 5% General Tariff."

My point is, I am not mixing the two. I am just recommending to Government that there be no differentiation between one industry and the other. Every industry is entitled to the same treatment. That is my point. All it would mean is, instead of having to delete the item substitute "Articles of all kinds that are used for packing locally manufactured or produced articles". It is very simple. It would cut out half of item 3 because, as I see it as a layman, you start two-thirds of the way down as it would read: "Articles of all kinds that are used for packing locally manufactured or produced articles; all when imported solely for the purpose of packing or making containers for goods of local manufacture or production on proof to the satisfaction of the Comptroller that they will be used solely for these purposes". I was not mixing that. I have already expressed my mind clearly on that.

Mr. SEAFORD: My memory goes back many years. I remember one case here when Government put no duty on

puncheons brought into this Colony, the result was they imported matches in puncheons because puncheons paid no duty. The same thing happened when the 400 gallon tanks were brought into the Colony.

The CHAIRMAN: It would require time to consider this container question. It will be considered. Will the hon. Member accept that and make any representation he and the commercial community wish to make?

Mr. RAATGEVER: I do not want it to be levelled at Government, that bags of sugar and rice are admitted at a lower rate of duty than bottles for bottling cassareep, rum etc. I say then all local products should have the same concession, because Government has always said and you, Sir, have said it very often that you would like to encourage all local industries. I am against the principle of one industry being given preference and the others none.

The CHAIRMAN: I assure the hon. Member Government will consider the point. It cannot accept it off-hand. With that understanding, I put the clause.

The ATTORNEY-GENERAL: Before

you put the clause I ask that in the fourth line of subclause (2) the words "other than paper or paper bags" be deleted.

Question put, and agreed to.

Clause passed as amended.

The Council resumed.

The ATTORNEY-GENERAL: I beg to move that the Bill as amended in Committee be now read a third time and passed.

The COLONIAL SECRETARY seconded.

Question put, and agreed to.

Bill read the third time and passed.

The PRESIDENT: I propose that the Council adjourn until 2 p.m. on Wednesday when, as I said last night, with the concurrence of the Council we will discuss the motion standing in the name of the hon. the First Nominated Member on Closer Union.

The Council adjourned to Wednesday, 10th March, 1948, at 2 p.m.