

# SECOND LEGISLATIVE COUNCIL

(Constituted under the British Guiana (Constitution) (Temporary Provisions) Orders in Council, 1953 and 1956).

Tuesday, 10th March, 1959

The Council met at 2 p.m.

## PRESENT :

**Speaker**, His Honour Sir Donald Jackson

**Chief Secretary**, Hon. M. S. Porcher (acting)

**Attorney-General**, Hon. A. M. I. Austin, Q.C., *ex officio*

**Financial Secretary**, Hon. F. W. Essex.

The Honourable **Dr. C. B. Jagan**

— *Member for Eastern Berbice*  
(Minister of Trade and Industry)

„ **B. H. Benn**

— *Member for Essequibo River*  
(Minister of Community Development  
and Education)

**E. B. Beharry**

— *Member for Eastern Demerara*  
(Minister of Natural Resources)

„ „ **Janet Jagan**

— *Member for Western Essequibo*  
(Minister of Labour, Health and Housing)

„ **Ram Karran**

— *Member for Demerara-Essequibo*  
(Minister of Communications and Works)

**Mr. R. B. Gajraj**

— *Nominated Member*

„ **W. O. R. Kendall**

— *Member for New Amsterdam*

„ **R. C. Tello**

— *Nominated Member*

„ **F. Bowman**

— *Member for Demerara River*

**L. F. S. Burnham**

— *Member for Georgetown Central*

„ **S. Campbell**

— *Member for North Western District*

„ **A. L. Jackson**

— *Member for Georgetown North*

„ **B. S. Rai**

— *Member for Central Demerara*

„ **S. M. Saffee**

— *Member for Western Berbice*

„ **J. N. Singh**

— *Member for Georgetown South*

**R. E. Davis**

— *Nominated Member*

„ **H. J. M. Hubbard**

— *Nominated Member*

„ **A. G. Tasker, O.B.E.**

— *Nominated Member.*

**Mr. I. Crum Ewing** — Clerk of the Legislature

**Mr. E. V. Viapree** — Assistant Clerk of the Legislature.

## ABSENT :

**Mr. Ajodha Singh.**

**Mr. A. M. Fredericks** — on leave.

The Clerk read prayers.

## MINUTES

The minutes of the meeting held on Thursday, 5th March, 1959, as printed and circulated, were taken as read and confirmed.

## PAPERS LAID

**The Minister of Trade and Industry** (Dr. Jagan): I beg to lay on the Table the

Sixty-eighth Annual Report of the Chamber of Commerce of the City of Georgetown for the year ended 31st December, 1958.

**The Minister of Natural Resources** (Mr. Beharry): I beg to lay on the Table—in terms of section 17 (2) of Chapter 192—

Copies of plans, specifications and estimate of the works to be carried out in the proposed Den Amstel/Fellowship Drainage and Irrigation area.

## INTRODUCTION OF BILLS

**The Financial Secretary** (Mr. Essex): I beg to give notice of the introduction and First Reading of the Currency Bill, 1959.

## ORDER OF THE DAY

## BILL—FIRST READING

## CURRENCY BILL, 1959

The following Bill was read the First time :

## A Bill intituled

"An Ordinance to amend and consolidate the law relating to currency and to implement an agreement to provide for a uniform currency in the Eastern Group of the British Caribbean Territories."

## MOTION

## DEVELOPMENT ESTIMATES

**Mr. Speaker:** On the last occasion a Member moved that we go into Com-

mittee for some particular reason. The Member is not here today. Would somebody move that we go into Committee? I think Mr. Tello intended to raise a point.

**Mr. Burnham:** I beg to move that this Council resolves itself into a Committee to consider the Development Estimates for 1959.

Question put, and agreed to.

## COUNCIL IN COMMITTEE

Council resolved itself into Committee to resume consideration of the Schedule to the following motion:

"Be it resolved: That this Council approves of the Estimates of Development Expenditure for the year 1959 which have been laid on the Table, with the amendments recommended in the Report of the Finance Committee of the Legislative Council dated 7th February, 1959, totalling twenty-one million, four hundred and fifty-four thousand, six hundred and sixteen dollars as detailed by Heads in the undermentioned Schedule and of the projects therein being financed from the Development Fund Ordinance, 1954.

## SCHEDULE

Head No.	Head of Estimate	Estimate in 1959
I.	Agriculture	\$772,965
II.	Civil Aviation	85,990
III.	Drainage and Irrigation	7,684,878
IV.	Education	694,400
V.	Finance	
VI.	Forest	174,445
VII.	Geological Survey	496,385
VIII.	Health	543,620
IX.	Housing	890,168
X.	Lands and Mines	22,000
XI.	Land Development	999,227
XII.	Post Office	1,528,930
XIII.	Public Works	4,733,144
XIV.	Transport and Harbours	2,158,998
XV.	Miscellaneous	180,554
XVI.	Rural Self Help	300,000
XVII.	Social Welfare	30,172
XVIII.	Local Government	59,732
XIX.	Rural Electrification	36,000
XX.	Amerindian Development	62,008

\$21,454,616"

**The Chairman:** Does any Member wish to deal with any particular Head?

**Mr. Campbell:** I would like to speak on the Head, Agriculture.

### *Schedule*

## AGRICULTURE

**Mr. Campbell:** I would like to deal with subhead 11—Development of Coconut Industries—on page 13 of the Development Estimates. I should like to inform this Committee that in 1955 the Amerindians got together in a sort of self-help fashion and began cutting through forest between the Moruca River and the Waini River, a distance of 20 miles, with the aim of preparing the lands for further agricultural development. They had cut through several miles of forest when some official, I think it was the District Commissioner, told them to hold up operations until later.

They were promised a bulldozer to help them make a roadway, because they would need a roadway before they could take up both sides of the land.

The Moruca River enters the Atlantic and it is about 80 miles from Georgetown. One can go along the coast in a steamer or a launch and enter the Moruca, which is a small river. About 20 miles up that river is the Amerindian settlement. The settlers there have taken up all the available lands, including some islands in the river which have about 10 to 20 acres. These people plant coffee, cocoa and fruit trees. Their holdings are generally too small—some being just a little over half an acre—and it is felt that they should extend westward along the watershed between the Waini and the Moruca. In order to do this they have to make a roadway bursting through the forest, giving access to the watermark both on the Moruca side and on the Waini side.

The officials of the Agriculture Department and the Interior Department have gone into the matter and they all agreed that something should be done along these lines. Then the Amerindians got together to open up a road.

In August last year a bulldozer was sent there for use in clearing the roadway, but this small machine which used to break down every other day, managed to work through only nine miles of roadway when it stopped. Our good Minister of Natural Resources visited the area also in August last year, and in a press release he raised the hopes of the people that something tangible would be done towards developing this area.

Surveyors went there, and afterwards 10-acre plots were allotted along the roadway. At present there are about 150 settlers or would-be settlers on their holdings; and they want to know whether the Government is really earnest in its declared intention to encourage the development of these lands. Naturally it will mean an allocation of funds.

The biggest task is to clear away the roadway that will connect the two rivers, and the whole project, if undertaken seriously by the Government, is bound to be a success. So far as expense is concerned, the development of this area will be nothing in comparison with similar projects for the lowlands on the coastland—there is no question at all of drainage and irrigation. I am not a scientist but I believe that the land is fertile. I have seen lovely oranges, coffee, coconuts and other crops growing luxuriantly there. As far as my knowledge goes, seedlings are being prepared for that area. Coconut seedlings take about six months before they are ready to be put into their permanent places. If the lands are not opened up now, where will the people be able to plant their crops?

There was an idea of making this the central coconut-growing centre in the country. We must remember we are from time to time short of fats and oils. Since the idea of the development of the North West District came about it was felt that this would be a safe project. With so much experience behind them the people there are fitted to play the rôle in expanding the coconut plantations. It can be a success—it all depends on the organization necessary on



[MR. CAMPBELL]

the part of the Central Government being successful. It depends on the enthusiasm of the officials and other factors which only Government can handle.

The Amerindian today is quite ready to give a helping hand in the development of this country. He must be given tangible help towards the expansion of his farming activities. I understand that this locality is not subject to coconut diseases as others, and, of course, there is no periodical flooding there for the countryside may be on the average 50 feet above the sea level. Development in this area may also mean the granting of agricultural credit to help the farmers to tide over the period during which they will await the bearing of the crops of coconut.

Meantime the lands are suitable for crops like yams — the best in British Guiana, known as 'buck yams'. As we are going to tax potatoes, some people might wish to turn to yams as a substitute.

**The Chairman:** You are dealing with the coconut industry.

**Mr. Campbell:** Yes, Sir. These catch crops can help the farmers in the meanwhile.

I would like to hear in this Council some assurance given so that I can relay this to the people who are anxiously awaiting information. The Amerindian, when he is given someone's word, looks out for the implementation of that word, and he is not likely to wait for years.

**Mr. Beharry:** What the hon. Member for North Western District said just now is true. The lands are fertile and greater attention should have been paid to their proper utilization, especially for coconut production. It is also true that I visited that area some time last year in my quest for lands for the expansion of the coconut industry, and, as the hon. Member said, the Moruca area is ideal for the development of the coconut industry. What the hon. Member failed to mention was that this area is an Amerin-

dian reservation, and to change the pattern of its development would involve a complete change of the pattern of agricultural development, especially in relation to Amerindians.

The hon. Member said that a nursery has been established there. It is true that having discovered on my visit that the area was very good for coconut cultivation, I immediately asked the Department of Agriculture to assist the programme that had been embarked upon at the time of my visit, by establishing a nursery in order to help the Amerindians at least with seedlings. Thousands of seedlings have been planted and will be ready for distribution to the Amerindians but, as I mentioned earlier, this is an Amerindian reservation.

On the question of credits I cannot visualize credit facilities being extended to the Amerindians who have no tangible holdings. They are permitted to indulge in shifting cultivation; they can plant here today and remove tomorrow to another spot, provided it is not occupied by others. This is an attempt by the Interior Department to carry out a progressive development of this particular reservation, and from what I saw on the occasion of my visit I think the Department should be complimented. But much more should be done.

The roads mentioned by the hon. Member are being constructed by the Interior Department. Having had the advice of the Department of Agriculture that the lands in that area are fertile and suitable for coconut cultivation, soil scientists of the Land Development Department and the Department of Agriculture have been preparing a plan for a Land Development Programme in that area. But as the area is an Amerindian reservation the hon. Member will appreciate that a policy decision is involved, as there must be a complete reorientation of the Amerindian system of farming. The Land Development Department has been instructed to carry out a survey of this particular area. A proper system of land holding or security of tenure will

have to be adopted, and will have to be gone into with the Interior Department. All of these matters will have to be gone into very carefully before a comprehensive programme can be embarked upon in this particular area.

I wish to assure the hon. Member that the Ministry is as much concerned as he is about the development of this area in order to assist the country in its need for vegetable fats and oils, the shortage of which he mentioned. I would like him to know that the Land Development Department has prepared a programme and blueprints for the purpose of land settlement in this area, but certain policy decisions will have to be taken before the programme can be put into operation.

The development which has so far taken place has been carried out by the Interior Department, and I regret to hear from the hon. Member that the bulldozer has not been working, and that the work has come to a standstill. As far as the Ministry of Natural Resources is concerned I can assure the hon. Member that this particular area is ear-marked for the extension of the coconut industry.

**Mr. Campbell:** I would like to comment on a few of the remarks made by the hon. Minister of Natural Resources. He says that the Amerindian question requires a complete re-orientation. What exactly that means I do not know. The Interior Department comes within the portfolio of the Minister of Natural Resources, and I cannot see any difficulty in their working together for the development of that section of the country. In my view the aim should be the economic development of the people, whether they are called Amerindians or Indians. British Guiana stands in need of real development, and if the people in the interior are quite ready now to be controlled and to help themselves, now is the time for Government to step in and help them, whether it is done through the Interior Department or from the Ministerial Building. I am pleading with the Departments concerned to get together and go to the help of those people, for in

helping them you will be helping British Guiana.

**Mr. Tello:** I desire to make a few comments on sub-head 9 — "Cocoa Trials".

**The Chairman:** We have reached sub-head 11 — "Development of Coconut Industry." We went into Committee because you indicated that you desired to say something, and when you let in Mr. Campbell he took us down to sub-head 11.

**Mr. Tello:** What I propose to say can apply to coconuts as well. I think Government should be complimented on the way it is trying to grapple with this industry, and one should offer as much healthy criticism as possible. The question of the coconut industry has been very much in the news, and in the columns of the Press we can see the diversity of opinions on the subject. Now that Government has embarked on a new programme, or a reorientation of the programme, as the Minister has described it, we must be certain that the new programme takes care of all the phases. I have been listening to the Minister as he was explaining the great need for certain changes to accommodate his progressive programme as it relates to the coconut industry and the Amerindian areas. I am glad he recognizes that there must be changes as things progress, and that agriculture means little to a country unless there is some assurance that the unfortunate experiences of the farmers through droughts and floods will be avoided.

The money which will be spent on drainage and irrigation is intended to prevent the frequency of floods and droughts, but there is another phase which is not being provided for. We are expecting abundant crops of coconuts and other products, and I am sorry I was not here in time to deal with item 9 — Cocoa Trials — because the cultivation of cocoa requires special care. Cocoa and coconuts have one thing in common; they have very limited markets, and we have serious competitors in The West Indies.



[MR. TELLO]

I had a chat with the Director of Agriculture in Trinidad who is of the opinion that unless British Guiana or any new producing country can grow a special variety of cocoa there would be great difficulty in placing large quantities of cocoa on the market.

In the case of rice there is tremendous preparation by the Ministry of Natural Resources for taking in and empowering large areas of land and the provision of drainage and irrigation, but I have heard no assurances with respect to the marketing of the increased products.

We are told that one of the ways of protecting local produce is by providing protective tariffs. That method has its limitations, because we may find ourselves offending G.A.T.T. and future investors in this country, and we may still not achieve our purpose.

In this matter of expenditure on cocoa, I especially drew attention to it in Finance Committee. I want some assurance from the hon. the Minister concerned that the matter of investigating the possibility of finding markets for the variety of cocoa we are growing has been taken care of. I would not like the people who have put their faith in the leadership of this Government and invested their wherewithal, to find themselves running into unfortunate difficulties by not being able to sell profitably what they have produced.

This is not a far reaching matter. It merely means that if the poor man cannot find a market to sell what he produces he will lose money, and every time Government tries to introduce a new crop in this country it will meet with a great deal of opposition because some Minister did not consider it necessary to secure the necessary markets. I am certain that the hon. Minister will allay my fears as far as he can in this matter.

I have spoken especially on this matter of cocoa because I could not get it from a better authority than the Director of Agriculture in Trinidad. Already

there is some difficulty in marketing cocoa grown in the West Indies, and we will have some difficulty in selling our cocoa in an already cramped market. I will be very happy if the question of selling our cocoa has already been taken care of. I look forward to such an assurance from the hon. Minister.

**The Chairman:** We are still dealing with the development of the coconut industry.

**Mr. Davis:** I welcome very much the efforts made by the Department with regard to the development of the coconut industry, but I want to sound a minor note of warning on this particular item. It is noted that a limited amount of money has to be spent on soil surface, soil scientists and so on. That has been mentioned earlier.

**The Chairman:** Do not let us go back to it. Please deal with the development of the coconut industry. I should like to point out that if Members absent themselves, or for some reason or other cannot conveniently be here when we pass an item, I cannot permit them to come in from time to time and advert to items that have been passed. We are now dealing with the development of the coconut industry, and if you wish to say anything under this head you may do so.

**Mr. Davis:** I have no intention of going back, but surely the question of the development of the coconut industry bears a very close relation to the question of soil condition.

**The Chairman:** When you go on to make reference to soil surface, soil scientists and so on—

**Mr. Davis:** I was merely making a passing reference to soil surface. Certain land close to the sea has deposits of salt or other mineral, and in the development of the coconut industry I would urge that a great deal of attention be paid to the suitability of soil. Unless we know the condition of the soil and other minerals

in it before planting coconuts, the erst-while farmer may spend a lot of unnecessary money. To get the best results possible coconuts must be planted in the right type of soil. I merely mention this matter because I know that a certain area has been planted in coconuts, and it has recently been found that the plants are not thriving as well as they should because of the condition of the soil.

Unfortunately, no attention had been given to the type of soil before sowing the plants. That is why I have sounded this warning, and I will ask the hon. Minister to see that the two things are co-related very minutely. If he fails to do so it might well be his experience that several small farmers may plant a lot of coconuts and then find that the soil is unsuitable. If farmers are told what is the basic soil condition of their land they will think twice before planting the wrong crop.

**Mr. Beharry :** With respect to the particular farmer the hon. Nominated Member, Mr. Davis, has referred to, he should have tested his soil before planting the coconuts. I agree with the hon. Member that the soil should first be tested, and that directions should be given to the farmer as to the suitability of his land. I do not know whether the hon. Member is referring to an area between Mahaicony and Mahaica.

I paid a visit to that area some time ago and I observed an excavator working on the northern side of the road. I know that that particular area cannot accommodate rice, but I do not know whether the farmer intends to plant coconuts. I believe it may be suitable for a coconut plantation, and I have instructed the Agricultural Department to carry out a test in that area to see whether it is suitable for the planting of coconuts. As soon as the information has been received from the soil chemist, the Director of Agriculture will instruct the people in that area whether the soil is good enough for coconut cultivation. We are hoping to bring several acres of land under coconut cultivation.

I agree with the hon. Member that we have several acres of land lying idle which could be brought under cultivation. However, if a farmer wishes to bring a certain area of land under cultivation it would be in his own interest to consult the Agricultural Department with regard to the suitability of the land for the particular type of crop he wishes to grow.

**The Chairman :** If no one wishes to speak on any other head, will someone move that the Committee rise, and the Council resume.

## LAND SETTLEMENT

**Mr. Tasker :** I would like to speak on Head XI, Land Settlement. Arising out of the comments made by the hon. Member for North Western District and the hon. Minister of Natural Resources, I could not help noticing two points regarding land development and the land settlement schemes. One of the existing schemes originally proposed for land settlement had to be trimmed very considerably in order to make it workable in the light of our existing resources. The other point is that under this head there is nothing for the Interior — not even a token amount.

I understand from the hon. Member for the North Western District that he has been talking about two clearly defined areas: the Amerindian Reservation, and another area of Crown Lands. If, as the hon. Member for the North West says, the land can be cleared inexpensively in the North West District, and if there are no problems of drainage and irrigation, then it seems to me that we should certainly consider a small land development scheme in the Interior. If, in fact, with the expenditure of less money we can bring under cultivation a very much larger acreage, I see no good reason why we should not do something about it.

I realize, of course, that there would be problems in uprooting people who dislike even going a mile or two away from their homes, let alone a hundred or two hundred miles. However, it seems



[MR. TASKER]

to me that before long, as our population increases, we are going to have to look further afield than the existing potentialities of our coastlands.

If what the hon. Member for the North West District says is true; if the land is really fertile and there are good prospects there, I think an attempt should be made to start a pilot scheme in the North West District as soon as possible.

**Mr. Beharry:** With respect to the observation made by the hon. Nominated Member, Mr. Tasker, in relation to the development of the Interior as against coastal development, and the relevant remarks by Mr. Campbell that it is less costly to clear lands in the North West District—I should have said the Moruca area—I did mention that questions of policy had to be gone into. That particular area is an Indian Reservation area. No one is allowed to enter this area, and I do not think it will be right to take people from the coastland and give them land to plant up there.

I do not know if Mr. Tasker's idea with reference to the North West District is practicable. I cannot see that we can uproot people from the coastlands and allow them to settle in the interior without a better system of communications which would enable them to bring their products out to marketing centres. Only with improved communications would we be able to utilize fully the resources of the interior, and places like the North West District, I agree, can be put into use.

As far as coconut growing is concerned, we cannot send people from the coastlands to occupy these lands because it is an Amerindian Reservation. There has to be a change of policy before such a thing can be done.

**Mr. Tasker:** I wish here to make two points. Firstly, I thought I had made it clear that I was accepting the Government's view concerning the

Moruca area: I realize that it is an Amerindian Reservation. Secondly, while I agree that in the modern world communications are essential, I still say that we are rapidly reaching the stage when a large number of people on the coast will be very happy indeed to have an opportunity to earn a livelihood in the interior, and that Government would be well advised to start pilot schemes in these areas and so have a background of experience with which to approach extensive planning and long-range problems.

**Mr. Campbell:** The hon. Member, Mr. Tasker, referred to Moruca. That is only about 80 miles from Georgetown. The other side of the North West District lies near the Venezuelan border and can take surplus population from the coast, and even from the West Indian islands.

The Minister of Natural Resources said that we cannot send people to the interior unless we make necessary preparations. I believe he means the laying down of roadways, and if Government does provide these roadways it would be a great incentive to the people there. When I was making my remarks I did not have in mind trying to interest Government to send coastal people to the North West District to enter into farming. The Amerindians in the Moruca area have been planting cocoa, coffee and coconuts for the Pomeronians for the past 70 years. They know well how to do it; they have been doing it for themselves and for other people. I do not see any difficulties in the matter where rules and regulations governing the settlement of Amerindians are concerned. If the Amerindian question seems to be a ticklish one, then I would suggest the appointment of a Committee to go into it. I am saying that the Amerindian is ready for educational, vocational and all sorts of training. I beg to withdraw the Motion.

Agreed to.

Motion withdrawn.



## THE NEXT ITEM

**Mr. Davis:** I wanted to raise a query under "Hospital".

**The Chairman:** We have passed that. We were there from half-past eight to eleven o'clock the other night. Then I extended it purely because I felt I should have done that as Mr. Tello had said he wanted to speak under a particular item. I could not come into this Chamber on time today because there was no quorum. Ultimately there was a quorum, and I came in. Then perhaps those who were to speak were not here. I inquired what items were to be dealt with. I could have gone straight on, but I had given my word that a Member would have the opportunity to speak under a particular Head.

I waited and waited, and then Mr. Campbell said he wanted to speak on Head XI. Then I inquired if there was any other Head to be spoken on, and Members who were here did not reply. I therefore said that XI was the Head we were going to deal with. I do not think that we should now be asked to go back to something else because a Member was not here. We cannot conduct the business of the Council in that way.

**Mr. Davis:** Sir, I spoke on Head I, Agriculture, then another Member got up and spoke on Head XI.

**The Chairman:** I beg your pardon. It was not Head XI. Head XI is not "Development of Coconut Industry", it is sub-head 11, for we were dealing with "Agriculture".

**Mr. Davis:** The hon. Member, Mr. Tasker spoke on "Land Settlement" — Head XI, and the Minister replied. I say that with respect.

**The Chairman:** Well, if he did, then I did not understand.

**Mr. Beharty:** I thought the hon. Member, Mr. Tasker, was speaking on

sub-head 11 of Head I. That was my impression.

**The Chairman:** That was also my impression.

**Mr. Beharry:** In order to bring home his points to me, Mr. Tasker dealt with certain aspects of land utilization. It was under sub-head 11.

**Mr. Davis:** The hon. Member——

**The Chairman:** I do not know what Mr. Tasker himself meant to convey; if he was speaking under Head XI we were entirely under a misconception. But even so, it does not give you the right to go back.

Did Mr. Tello say he wanted to deal with something coming after item 11?

**Mr. Tello:** No, Sir.

**The Chairman:** Very well, the hon. Member, Mr. Campbell may deal with "Amerindian Development".

## AMERINDIAN DEVELOPMENT

## TRADE STORES

**Mr. Campbell:** Under the Head "Amerindian Development", which is Head XX, there are six items and the fourth is "Trade Stores". The Notes explaining the items state that "Trade Stores" mean one at Karasabai, costing \$2,358 and one at Ishalton — \$4,400. Now I happen to know that in the South Savannahs where Ishalton is found there is an Amerindian carrying on a shop, and he has been supplying the villages in the vicinity — a population of 300 to 400, — for about five or six years. I hold that he has been doing well in supplying the needs of the people in regard to foodstuffs, dry goods and hardware. He came to me some time ago and asked me to look into the matter of Government's proposal to establish a trade store in the district, which he said would deprive him of a livelihood

[MR. CAMPBELL]

because there was no need for a second shop.

It is an isolated part of the south savannahs, and if the people were being adequately supplied with goods I think a trade store would be superfluous. If necessary, I think this man should be helped with a loan from Government to enable him to expand his business.

It is said that it is Government's policy to assist Amerindians to become useful citizens. Here is a case where an Amerindian is providing a useful service. Amerindians are not shopkeepers, but here is one who is making a livelihood as a shopkeeper, and I think he should be helped by Government as an object lesson to other Amerindians. I think the Interior Department should keep an eye on him and give him kindly advice and assistance, instead of putting him out of commission. I hold that private enterprise in this instance should be helped; I do not believe in a Government business undertaking, especially in the hinterland. I wonder whether the amount of money circulated in the district warrants the setting up of a Government store and paying a clerk \$200 per month merely to supply a small population with goods. I would ask the hon. the Chief Secretary to look into the matter and obtain more details about the proposal.

As an Amerindian I would like to see my people going in for farming and trades so as to gain experience. I think this matter also comes within the portfolio of the Minister of Community Development and Education, and I would also ask him to look into it.

**The Chief Secretary** (Mr. Porcher, acting): I was in the Rupununi ten days ago but I did not hear the story about the Amerindian trader. I think the people knew I was coming but he did not come to see me, and no complaint was made to me by him. On the other hand I met a number of people there and also in the neighbouring villages, and they all expressed great pleasure at the thought of having their own trade store in the southern savannahs. I shall certainly inquire into this individual case which

the hon. Member has mentioned, and I would be the first to agree that if there is an Amerindian trader in the district we should do our best to encourage him and help him as much as we can, but from what I saw there recently I think there is almost certainly room for a trade store as well. As the hon. Member is aware, there are several villages in that area with a population of between 2,000 and 3,000, and I must have seen at least 600 children in the schools.

The population is growing fast, and the area is almost entirely cut off in the rainy season, except by river communication. I think it would be of considerable advantage to the people if we could set up a small trade store there and fly in goods in bulk. But I will certainly look into the case mentioned by the hon. Member, because I would be the last to want to put the Amerindian trader out of business.

**Mr. Campbell:** I am grateful to the hon. the Chief Secretary for his promise to investigate the matter, as the Amerindian trader was too shy to come forward and put his case. If the Chief Secretary would make an inquiry I could give him the name and address of the individual concerned.

Council resumed.

**Mr. Speaker:** I will now put the question, that the Development Estimates of Expenditure for 1959 be approved.

Agreed to.

Motion affirmed.

## TAX (AMENDMENT) BILL

**The Financial Secretary:** I beg to move the Second Reading of the Bill intituled

"An Ordinance to amend the Tax Ordinance."

This Bill, and the following one dealing with Customs duties, seek to raise additional revenue of \$1,870,000 for the Development Programme. Hon. Members will now be aware that as a result of additions to the Recurrent Estimates which were passed with the



Appropriation Bill, there will be a deficit even on the Recurrent Budget of some \$356,000. Additional taxation is necessary, therefore, even without the need for a development contribution. I tried to explain very fully in the Budget Statement the reasons for the additional taxation proposals, and I emphasized that it would be quite foolhardy to approach 1959 with a Budget which barely balances, in view of the slender nature of our reserves. From such speeches as were made on the Second Reading it seems that either I failed to make the position sufficiently clear, or Members did not wish to draw the right conclusions from what I said.

I think that before dealing with the two items in this Tax Bill, that is the increased duties on beer and spirits, I should again attempt some general justification of the taxation, and I hope Members will forgive me if I go a little beyond this particular Tax Bill, because the general remarks I make will serve as a general introduction to the Second Reading of the Customs Bill. The general comments of the only two Elected Members and the three Nominated Members who spoke, fall into four main categories.

The first of these was that, instead of seeking to raise this money this year by taxation, we should borrow more for the Development Programme. These points were made mainly by the non-Members for the North Western District and for New Amsterdam. They gave the impression that we did not borrow. Of course we do. I thought I had made it clear in the Budget Speech that we hope to borrow at least \$6½ million this year from local funds and local people.

It is clear that the diminution of the flow of overseas capital cannot be met by substantial increases in loans from local sources. In any case the plan itself does assume that there is a contribution of \$10 million in the five-year period from recurrent revenue, in addition to the large sum of money we have to borrow if the Programme is to be carried through.

The hon. Member for North West District said that we should try to get \$2 million more this year from the local public by loans. We could try, but I think it would be quite unrealistic to think that we would get it. We may get it from local funds, and I hope we will. We would not get it from our local people. In the last local loan which was floated at the end of 1956 we tried to get \$1.8 million and we only got \$1.3 million. Of that \$1.3 million, that is \$½ million less than we hoped to get, only \$460,000 came from local individual persons. A more disturbing thing than that is that if you borrow money you have to pay it back. We have made every effort, or such efforts as we can make, to curtail expenditure and economise on the recurrent Budget, but it is still not enough, and we must increase local savings, that is, either from taxation or from borrowing.

We would be glad to see the result prognosticated by the hon. Nominated Member, Mr. Davis, that people would willingly give their \$50 and \$100 for a rural development project. But every \$2 million we borrow costs between \$150,000 or \$160,000 a year in debt charges, and I was glad to see the support from the hon. Nominated Member, Mr. Fredericks, that additional taxation is justified.

The second category of criticism was rather more difficult to understand. It came mainly from the hon. Nominated Member, Mr. Tello, although it was hinted at obliquely by the hon. Nominated Member, Mr. Fredericks. I think you can call it the "we-shall-get-the-\$2-million-without-additional-taxation category".

Mr. Tello's argument was rather peculiar; he had talked about economy in expenditure, and he also talked about the proposed taxation. He said that though there were supplementary estimates of \$2 million in 1958 we nevertheless ended up with a surplus of \$2 million. In this he simply emphasized the point which I made in the Budget Speech, that you simply cannot start off the year

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expecting that there will be no supplementary provision. We know that supplementary estimates have to be made for emergencies that arise. For example, we had to find \$¾ million for the Enmore breach last year. How could we meet that sort of emergency unless we had a revenue cushion for 1959? Do we want to go bankrupt, or do we want to live on more charity than we do at the moment? It is my duty, and the Government's duty, to be prudent in these things.

The hon. Nominated Member, Mr. Fredericks, said that I was over prudent. He said that the revenue estimate of \$47.1 million should more properly be \$50 million, and he hinted that the estimate for income tax was too low. Fortunately, I had already said in the Budget Speech that the figure may be too low and it may be pessimistic. On the other hand I would take a bet with the hon. Nominated Member — I am sorry he is not here so that he could take me up on it—that the customs and excise estimate is on the high side. The point I would like to make is that budget-making is an empiric art. The budget must have checks and balances, and it has to be taken as a whole.

I can assure hon. Members that there has been no deliberate underestimation of revenue just for the sake of increasing taxation. Why people should assume that Governments do unpopular things just for the sake of doing them, I cannot understand. The Budget as a whole will, I think, turn out to be very much as expected, that is, the surplus will be as expected. I may say that our record here in the past three years has been good. Despite the vicissitudes in expenditure and the shortfalls in revenue the average surplus over the past three years has been almost exactly \$2 million each year. I do not think anyone can say that this is bad estimating.

The third category of criticism which I was fortified to see was counteracted by the hon. Nominated Member, Mr. Davis, and the hon. Nominated Member, Mr. Fredericks, was on the lines that the

Development Programme itself was not worth a contribution of \$2 million in 1959. There was a considerable mix-up with the unemployment situation argument which I shall use a little later on to justify the taxation.

The hon. Member for New Amsterdam said that money was needed to further the expansion of an industry that could not at the moment find a ready market for its surplus production. He knows, of course, that it is quite untrue to say that the \$2 million is for that. It is for the whole programme which contains a great deal which is designed for the expansion of other things than rice. Even if it were for rice, then obviously we would need this money to carry on the large schemes which we have already started, to bring more agricultural land into production. The same hon. Member said that the whole Development Programme should be recast. We should start off immediately with road-building to reduce unemployment. Would that not take money?

The hon. Nominated Member, Mr. Tello, drew the most interesting comparison with what happened in 1932 when there was a terrible recession in British Guiana and unemployment was extremely high. He then said, quite rightly, that the Government had to cope with a deficit of \$543,000, yet Government ordered the beginning of public works including the building of a Government school in Broad Street. He said that the deficit continued into 1933. Here the current deficit was \$291,000, but the Government nevertheless embarked on relief work for unemployment, extensive general repairs to the Public Hospital, Georgetown, the Alms House and the Prisons.

Having had two bad years, he said it still embarked on public works more extensively than estimated. Let us look on this terribly grim situation as it was in 1932-33—grim for the rest of the world in the throes of a recession, but, reading between the lines and the figures, even grimmer in British Guiana than in most other places.



The estimate of ordinary revenue for 1932 was \$4.4 million, and ordinary expenditure \$5 million, — a deficit of about \$0.6 million, as Mr. Tello rightly said, although the revenue was only about \$4.4 million. I may say that this huge deficit on the recurrent Budget was partly to be covered by a levy on civil servants' salaries that was going to produce \$78,000, but mostly by a loan-in-aid from the Imperial Government of \$576,000. This was all for recurrent expenditure. But, says the hon. Member, the Government ordered the commencement of public works, but how it was able to do this the hon. Member failed to tell us. It was able to do so because the Imperial Government again made a free grant specifically for it to do so. The Imperial Government had granted just over \$1.012 million for the period August 1930 to the end of March 1932, so that the works could be undertaken specifically for the relief of unemployment. The amount for these works in 1932 to which the hon. Member referred, was \$284,000 to the end of March 1932—roads \$10,000, sea defences, \$48,000, buildings \$17,600, development of country areas \$68,000 and unallocated \$141,000. The estimate for Public Works Extraordinary in 1932 was \$37,000. In the event the expenditure of unemployment relief turned out to be a little more than \$282,000.

In 1933 again the Budget showed the necessity for a loan in aid of administration, and provided for unemployment relief works of some \$68,000—again by a free grant from the Imperial Government. I have dealt with this at some length, partly to dispose of the hon. Member's argument that the 1932 Government was courageous compared with the pusillanimous nature of this Government, just because it started unemployment relief works at somebody else's expense, and also to point out that in 1932 the annual service of the Public Debt was not less than one quarter of the annual revenue, that the general level of taxation was in 1933 considerably higher than in any other Colony in the area, and mostly to emphasize what I thought was patently obvious, that the Devel-

opment Programme as it now is, is a much greater reliever of unemployment than it even was before 1956, and to emphasize that some further sacrifice is therefore necessary and desirable to avoid curtailing it now.

I fail to understand why so many people refuse to understand that it is absolutely vital for Government investment in a large capital programme of this kind to continue. We are now spending up to \$20 million a year on this programme, and most of it is on capital. For example, of the \$21½ million for 1959 about \$18.7 million is for capital works and not for recurrent expenditure.

The free grant element in this Programme has also increased very considerably. Our allocation for the five years, 1955-60, of free grants from the Colonial Development and Welfare Acts is about \$23 million, in addition to the considerable overseas borrowing which we have been able to make. This is quite outside our normal budget.

However, the hon. Member considers that this is nothing, or apparently so, as he throws in our face the 1930s with its average expenditure between 1931 and 1934 of \$300,000 a year on unemployment relief works financed as a free grant to demonstrate the comparative budgetary wisdom of those times with these times when we are spending some \$20 million a year outside the current Budget.

There has been, I admit, a big change in the value of money since 1932. Perhaps money was worth 3½ times as much then as it is now, but that change is nothing like the 50 times the value of capital works now being done, to which the hon. Member, Mr. Tello, is referring. If we had to drop this now the effects on our employment would be absolutely colossal.

In those days unemployment relief work was as it says—when the work was done, there was nothing left behind to produce anything. It was a temporary



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palliative — repairs to the Prison, the Public Hospital, Alms House and the like. It was just done because it was useful and through it was paid some people the money they need to live on. Nothing was corrective in it. But nobody can say that the programme today will leave nothing behind, or that the largest part of the programme will not enable us to earn more money and to do more things and increase employment in the future.

This leads me to the fourth category of general criticism that the Budget proposals will cause a large rise in the cost of living and that the methods of raising taxation were ill-chosen. I should like to bring to the attention of hon. Members that the Statistical Bureau's estimate of the effect of the Budget proposals on the cost of living of working-class families through changed retail prices, assuming all the tax increases are passed on, is .9 of 1 point to the urban index, and 1 point on the rural index, that is, less than 1% on the index of round about 103. It is no use the hon Member for Georgetown North bringing in the Paro Report, and our old *casus belli* that it says people should have X dollars to live on. This index is prepared on the average consumption pattern of a large number of working-class families, as the hon. Member for Georgetown North knows very well, and so it is a scientific way of measuring changes in the cost of living but does not prescribe \$28 as what the minimum wage-earner spends each week to live.

The number of cents increase in the average weekly family budget is 26.9 cents urban and 27.7 cents rural. I do not think anyone could produce a set of realistic proposals which could be reasonably maintained to yield as much as \$1.9 million, with so little effect on the cost of living of the average working-class family.

I think I am right in saying that no Member who spoke on the Second Read-

ing made any suggestion about alternative taxation other than that there should be a tax on pool betting. As I have said on other occasions, and in other places, this problem is very much in the minds of Government, but there are various difficulties and the solution of some of the difficulties would yield no increase in revenue at all.

The Chamber of Commerce which has now come out and said that the Government should consult it before framing the Budget proposals, made as its contribution before the Budget was introduced that there should be no increase in direct taxation in 1959; in fact there has been none. After the Budget, the Chamber first of all very quickly produced the resolution that there should be no extra tax on Banks beer, and then some time afterwards came up with the suggestion that in lieu of the proposed taxes, a general levy of 2% on every item imported should be added.

As I had already said in the Budget Speech that this had been considered by the Government which had rejected it as an unintelligent and unfair way, with a disproportionate adverse effect on the cost of living of working-class families, and on industrial development, I do not think I can now be accused of being unfair to the Chamber if I say it would be an unintelligent way to do it. If, as it is claimed, it would produce the same revenue as a tax on beer, rum, whisky, cigarettes, cosmetics, tinned vegetables, furniture, cars, auto-cycles and potatoes, all of which, except potatoes, are more or less luxury items, it stands to reason that the basic cost of living must be increased more, if you put 2% more on all items, including essentials to life and industry such as flour and other foods, petrol, industrial machinery and so on.

Of course, if one can be assured that a rise of 2% on import duties would be absorbed by the distributing trades, and not passed on, it would be a splendid suggestion, but from what we see these trades do when there is any increase in taxation, I think a general levy of 2%



would have a colossal effect on the cost of living. It is true that some organizations have said that motor cars and wrist watches are not luxuries, but essentials. If that is what they think, I must say they are setting themselves very high standards of living. I make these comments at length because, as I say, they will serve as a general introduction to the Bill.

I should now like to deal with the increase of excise duty on local rum, beer and other local spirits. So much has been said about the beer tax — ranging from complete nonsense through false emotion or self-interest to genuinely held fears about the effect on industrialization and the real facts about it—that I should like to set out to hon. Members the whole history of the excise duty and its background.

The first proposal by the founder of the Brewery was to the Economic Council in February, 1954, when the Council was asked that the excise duty to be prescribed for the beer should be reasonable. It is on record that the sponsor of the Brewery thought that a tax based on rum would be reasonable, regard being had to their relative alcoholic content.

In March, 1954 he was told that the excise duty based on a beer of 8% proof was to be 60 cents. This gave a substantial margin of preference of \$1 a liquid gallon on beer from preferential sources and \$1.40 on beer from non-preferential sources. The excise on rum was at that time, five years ago, \$7.50 a proof gallon. The founder was also told that he would get a tax holiday and duty-free importation of machinery.

In May, 1954 a further request had been submitted to the Executive Council that customs duty should not be payable on materials imported for the manufacture of beer. This was also agreed to. On 31st August, 1954 the founder wrote again to say that it was important that the selling price of beer should be kept as low as possible. He was of the opinion that the rate of excise taxes should be the same as is payable on locally manufac-

tured wine, that is 50 cents a liquid gallon, as against 60 cents which the Government felt was right. He believed that if the excise tax was not more than 50 cents then beer could be sold at a price not exceeding \$4 a carton, and if that was possible, then he believed it would be possible to build up sales to 50% more than the total beer then imported into the Colony from overseas. The average quantity of beer imported at that time was about 300,000 to 350,000 gallons, so that the ultimate aim of the Managing-Director at that time was presumably something like 525,000 gallons, plus natural increase.

In December, 1954 the Executive Council reaffirmed the excise duty as 60 cents; the rate of duty on imported beer had in the meantime been increased by another 40 cents to \$2 or \$2.40 as against 60 cents which the Government had agreed to for the local beer, widening the margin of protection by another 40 cents. And another 50 cents a proof gallon had gone on rum.

At this stage, the beginning of 1955, the competitive position of the beer had therefore already been improved a great deal since the proposal was originally mooted. At the beginning of 1955 the excise duty on rum was 50 per cent. of its cost, and the duty on imported beer between 40 and 50 per cent. of its cost. On the local beer which was to have a price of 24 cents per bottle and an excise duty of 64 cents which it should have become by the increase in the rum duty, the proportion of duty to cost was between 20 and 25 per cent.

In May, 1955, after further representation from the founder, Government agreed that the excise duty should be 50 cents instead of 60 cents, or rather 64 cents which it would have been if it had been tied to rum. The whole argument was, of course, that the demand for beer was not quite adequate to support a Brewery economically, and the price must be kept as low as possible to increase consumption. The factory was said to have a normal production capacity of 700,000 gallons per year. There could

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obviously have been no thought in any official's mind, or the Government's mind, (I have studied the files very carefully and they bear out that statement) that come what may the excise duty on beer was fixed at 50 cents per gallon for any set period of time.

It would have been madness, for any government to have given that undertaking. Indeed, reading the files, it was only because of the general attitude of the founder of the brewery that out of an abundance of caution the then Financial Secretary included in his final letter which was to be put into the prospectus this statement:

"I desire to make it quite clear that in agreeing to fix the rate of excise on local beer at 50 cents a liquid gallon, that such agreement in no way limits the right of the Legislature to vary the rate at any time".

What could be clearer than that? Such a proviso is so obvious that it is not normally used. Certainly where luxury goods of the nature of beer and tobacco are concerned there is no need to do it, but nevertheless, out of abundant precaution, this very clear statement was put in the letter to the Brewery, and it was on this basis that the prospectus was issued.

It is worth noting in passing, that at the end of 1957, just after the Brewery had begun production, there was a further increase in the duty on rum by 80 cents a liquid gallon, with the excise duty on beer still at 50 cents a liquid gallon, and as Members know, it is now proposed to increase the rum duty by another 80 cents a gallon. In other words, since the case for a 50 cent excise duty on beer was made out by the founder of the Brewery the duty on rum has gone up by \$2.10 per proof gallon or 26 cents a bottle. The cost to the consumer of rum has gone up by 15 per cent, but in this proposed increase in the excise tax on beer of 1.5 cents per bottle, the increase is about 6½ per cent at a price of 25 cents.

As regards imported beer the pro-

tection has increased by 40 cents a liquid gallon even if the increase of 25 cents a gallon is put on the excise duty on local beer, since the first proposal was made. So that the protective position is very much more favourable than was originally conceived by the Managing-Director and it is considerably more favourable than in other neighbouring Colonies. But the most important factor is that the sales have made nonsense of the estimates of the Managing-Director of the Brewery. Now remember that this excise duty of 50 cents was designed to give the brewery a reasonable chance to sell 360,000 gallons of beer in the first year, rising to 720,000 gallons by the fifth year of its existence. In the first year it sold some 900,000 gallons. The figures speak for themselves.

Any Government would be perfectly justified in raising the excise duty, and I do not see how anyone can maintain that it is a breach of faith. The former Government was right in the first place and the Managing-Director was wrong, and this is the basic fallacy in the Bank Breweries' argument which no amount of mudslinging, mountebanking or monster petitions is going to alter.

Let us take the next point in the case. All right, says the hon. Member for New Amsterdam (Mr. Kendall), and the Brewery, the consumption of Banks beer was high in 1958 because (a) it was the first fine careless rapture of consumers for something new; (b) there was the Royal visit; and (c) it was a dry year. What a remarkable series of good fortune? This, and let us not underestimate a first class and inexpensive product and the singular selling skill of the organization, has resulted in sales 2½ times that which was estimated. And I say "good fortune" very advisedly, because we are now told publicly by the Brewery that if the prospectus had been right in its estimate, far from there being a dividend of 10 per cent. to the shareholders there would have been a loss. This must be very worrying to the shareholders. But I say quite frankly that if there had been a small sale and thus a



loss to the Brewery then there would have been a very strong case for Government reducing the excise duty, and I do not think the Government would have been in a position to have refused it.

Why then is there not an equally strong case for the Government to increase the excise duty when people have spent so much money to purchase the beer and are continuing to do so? The case for increased taxation is not because profits were higher than were expected but because if the community can afford to spend so much on this luxury item then it should pay a higher tax.

If beer sales are going to be high then more of the drinkers' income should be turned into Government revenue for the benefit of those who cannot afford to drink a lot of beer. But, say the opponents of the Bill, the sales would have fallen by natural process. The answer is that they can still fall a bit and it would still be a very profitable industry. It would not result, surely, in wide-spread retrenchment among some of the 85 employees of the Brewery. It is pathetic to see the play which is made about the poor gardeners who are going to have to be discharged because of this. Does anyone seriously think that the Brewery would become as marginal a proposition as this if the price is raised by 2 cents a bottle?

I would like to deal with the next argument which the opponents of the bill have attempted to twist to support the breach of faith case. I do not think it is *sub judice*. The Government says that if—and the operative word is “if”—the Directors of Bank Breweries, Ltd. feel that a rise of 2 cents on 25 cents will very seriously curtail the consumption, then they could absorb the increase themselves, or re-adjust the retail price structure in some way. Government does not believe that an increase of 2 cents is going to cause a serious drop in consumption.

In any case, if you walk around Georgetown, you can see many restaurants and bars where this beer is advertised

for sale at 23 cents per bottle cold with refrigeration, and I understand that in some parts of the Colony you can get it for even less. So, obviously, this magic price of 25 cents can still be adhered to if the 2 cents is passed on. The prospectus itself suggests that the ‘average’ dealer, — whoever he is — should be able to sell the beer at 24 cents per bottle. My colleague, the Minister of Trade and Industry, has pointed that out in another place, that a cent has been put on anyway because of the change of coinage. Yes, says the Brewery, the cent has been given to the retailers, those poor retailers in the country. How that answers the point I cannot see.

By normal economic law increased production and increased retail sales should mean a lower price anyway, and that is why, presumably, many people can sell the beer at 23 cents per bottle or less. Obviously then the people concerned in producing or selling the beer can absorb any extra cost somewhere along the line, and the argument in the monster petition about the one coin purchase — that of the poor beer drinker drinking less beer because instead of producing one coin he has to fish in his pocket to bring out a penny as well, falls to the ground.

We are, of course, handicapped by not knowing what were the profits of the Brewery for 1958. We can form our own conclusions, but I must emphasize again that this increase in excise duty is not designed in any way to consume the profits of the Brewery or any of its agents. It is revenue-raising, and it is a consumer tax. If people can spend all that money on beer it is only right that they should contribute a little more to the revenue.

If the industry feels that the consumer is unwilling to pay more, so that consumption will fall substantially and so destroy the Brewery, then in their wisdom the Directors should be prepared to carry the tax and not pass it on to the consumer. But I do not propose to tell this industry how to run its business, although

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it spends a lot of its time trying to tell me how to run mine.

For example, says the Managing-Director, we should borrow for development and not tax current revenue. He himself says in the paper that where the Brewery is concerned, that as it cost more to build and it had to borrow money to finish the job, it should first pay off its borrowings from the profits in the first year instead of increasing its share capital or paying off its loan over a long period.

The other big opposition to this tax is that it will scare off investors locally and overseas. I fail to see why any worth-while investment should be inhibited by an increase in excise tax on a luxury item. Everybody knows that luxury items include tobacco, cigarettes, etc., and everybody knows that this increase is so small that it would not seriously decrease the consumption of such items. Everybody knows that the investment referred to has been imminently successful and it should encourage other investments.

There has been no disturbance of the concessions given to the brewery. The concession to the brewery was a tax holiday and duty free importation of materials. The excise duty was on the consumer of beer, and there is really no breach of faith in this matter. What may hinder investment in this Colony is the sort of campaign that has been going on here which is given coverage overseas; the blackguarding of the Government with unjust accusations of breach of faith; the vilification of senior officials like myself, and the hinting of possible corruption and malice. That is the sort of thing that gives the place a bad name.

Who would be encouraged to come here and invest money when such a parade is made? It really is fouling one's own nest, and let us hope it is now at an end.

**Mr. Burnham:** I cannot hear you.

**The Financial Secretary:** I said it

is fouling one's own nest with a vengeance, and let us hope it is now at an end.

The hon. Member for New Amsterdam hinted at the possible migration of the brewery to a neighbouring Colony where there is a seven-year tax holiday and the excise duty is less than 50c. I am not a business consultant and do not try to teach industry its business, but I would suggest that when people hear about seven-year tax holidays and talk about them, they should say what they mean. I think you will find in at least one of our neighbouring Colonies that a five-year tax holiday and a seven-year tax holiday are alternatives, but the catch, of course, is the different conditions attached to the holidays.

Subject to correction, I would say that the seven-year tax holiday is not a provision for an extra two years of tax holiday on the British Guiana pattern. As regards the size of the excise duty, I would say that the competitive position there should be studied. As regards income tax, I would suggest that our income tax law should be studied as well as the neighbouring Colony's.

I would like to know where the money for this investment is going to come from. I am not sure whether it is to come from the profits on the first year from the drinkers of beer. I am not sure whether it is going to be a new public issue in British Guiana in order to show patriotism. It may perhaps come from the proceeds of the Brewer's law-suit against Government, for I think they are charging tax-payers \$1 million. I will look forward with great interest to see where it is going to come from.

Having made myself dry on the subject of beer, I do not think I should spend too much time on rum. I have already given reasons in the Budget Speech for increasing the tax on rum. I have tried to dispose of everything, and if it is brought up again we shall have to produce counter arguments. I do not propose to say anything more on the increase on the duty of rum other than what I



have said on the Second Reading of the Bill. I now beg to move that the Tax Bill be read a Second time.

**Mr. Burnham:** I beg to move the adjournment of the debate on this Bill. There is a petition before the Public Petitions Committee in relation to the tax on local beer. I feel, therefore, that not only must justice be done, but it must also appear to be done, and the petitioners should get the impression that their petition has been carefully considered by the Committee and put before the Council. It may well be that the majority in the Council has already made up its mind on the matter. May I point out that the majority will have an opportunity to express the way it feels later.

Further, as hon. Members are aware, the Public Petitions Committee will be meeting this afternoon, and I feel that no harm can be done by adjourning the debate to allow the Committee to report to the Council before it considers the Bill.

May I further point out, in anticipation of any arguments as to the question of delay that may be caused by an adjournment, that by an Order in Council the Government has been collecting the duty envisaged and recommended in this Bill. Therefore I do not think the adjournment will in any way affect Government's collection of duty, nor will it preclude the majority of the Council from sticking to any decision which it may take today or some other day.

In the circumstances, I would implore and plead with the Government and those on the Government benches in the Majority Party to vote for the Motion for adjournment until the Report of the Public Petitions Committee on this subject has been presented to this Council. It is possible that the Report of the Committee will be put before this Council within the next twenty-four hours, as far as I can see.

**Mr. Kendall:** I beg to second the Motion.

**The Financial Secretary:** May I ask the hon. Member how the Petition will affect the Bill itself?

**Mr. Speaker:** I do not hear you.

**The Financial Secretary:** If the Public Petitions Committee can produce a convincing case to make Government change its mind then, presumably, Government can amend the Ordinance accordingly.

**Mr. Burnham:** If my reply to the hon. the Financial Secretary will not be taken as closing the debate for the adjournment, I am prepared to reply now.

**Mr. Speaker:** If you want to reply to the question you can merely answer it.

**Mr. Burnham:** If this Bill is passed before the Public Petitions Committee considers the Petition it would be out of order for the Committee to proceed with it, because the Petition seeks to reduce the tax. If this Bill is passed today it becomes law, and the Committee will be unable to consider the Petition.

**Mr. Speaker:** If no other Member wishes to speak, I will put the question.

**Dr. Jagan:** I desire to raise a point. I am not a lawyer, but I would like to draw the hon. Member's attention to Standing Order No. 14 which deals with petitions. It states —

"(1) Every petition must be presented by a Member who shall be responsible that it is in order and couched in respectful language.

(2) A petition shall not be presented to the Council unless it shall have been endorsed by the Clerk as being in accordance with these Standing Orders".

**Mr. Speaker:** This is a Motion for the adjournment, and that is all there is before the Council.

**Dr. Jagan:** I am not trying to ask whether the petition is really in order.

**Mr. Speaker:** I can tell you that that was considered by me before the petition

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was sent to the Committee, and I have ruled on it.

**Mr. Jai Narine Singh :** I think it is reasonable and right that there should be an adjournment of this debate on the Bill, otherwise the Committee's Report will be of no value to this Council. The Committee will meet this evening and it will no doubt reach some conclusion. Maybe the Committee's Report will reach this Council tomorrow.

**Mr. Burnham:** Now that I am replying to the remarks made on the Motion, I can deal fully with the question raised by the hon. the Financial Secretary. As I see it — my opinion is not the final one — if this Bill is passed today before the Committee sends in its Report, it will be out of order for the Committee to deal with the matter. The final ruling must come from His Honour the Speaker.

Apart from that, I should urge, in moving the Motion for an adjournment of the debate, that Members should not endeavour to make this a political issue. I feel that this Council should always give members of the public the impression that justice is done and that due regard is given to their representations no matter what question is involved. I would like hon. Members to look at this tax on beer objectively.

Question put and agreed to.

**Mr. Speaker:** The Amendment is carried unanimously.

It is now 4.30 p.m. and a fitting time for the Council to be suspended. The Council is suspended until five o'clock.

*The sitting was suspended at 4.30 p.m.*

#### RESUMPTION

*Council resumed at five o'clock.*

#### CUSTOMS (AMENDMENT) BILL

**The Financial Secretary:** I beg to move that the Bill intituled:

"An Ordinance to amend the Customs Ordinance"

be read a Second time.

As I said in introducing the Tax (Amendment) Bill, the general remarks I made with reference to that Bill were equally applicable to this Bill. I do not therefore propose to repeat them. I have nothing to say on the individual items in addition to what I said in my Budget Speech, and such comments as are to be made I propose to make in Committee.

**Dr. Jagan:** I beg to second the Motion.

**Mr. Jai Narine Singh:** In this Bill there are many commodities to be taxed. There is one case in which I feel the taxation is not justified.

**Mr. Speaker:** Are you speaking on the principle of the Bill?

**Mr. Jai Narine Singh:** Yes. This question of taxation always raises the point whether people can afford to pay the tax proposed. There is one tax in this Bill which affects the lives of certain persons and the economy of a large section of the community who are wage-earners, and this tax reflects the rash actions of the Government.

When the Financial Secretary spoke earlier today he said he was given no alternative suggestions as to taxation. I would suggest to the Financial Secretary that the time is ripe. In British Guiana if you issue a receipt for \$4,000 or \$10,000 the revenue stamp is still 4 cents, but in Trinidad the stamp duty is greater. I am sure that the people of this country who receive large sums of money would not mind appending an additional stamp to meet the increased taxation — it would not affect the cost of living or the economy to any great extent.

In taxing foodstuffs, which will affect the ordinary man, the Government has



sought to push him further into the gutter rather than take him out; and here I speak of the whole Government — the Financial Secretary, the Majority Party and others. The proposals placed before us, I am sure, have been agreed to on the advice of the appropriate officials.

I would have thought that Government would have seen fit to remove the subvention from Radio Demerara. We pay an annual \$30,000 to this concern which can afford to pay a dividend of over 20%. It is time that we stop the subsidy.

**Mr. Speaker:** I do not want to interrupt you, but this is the Customs (Amendment) Bill before us.

**Mr. Jai Narine Singh:** I am suggesting to the Government how it could have raised this money from other sources. Government has given the explanation in some instances in this Council that a tax was placed on certain commodities because of the desire to raise revenue and to protect the local farmers. We in this country have certain eating habits which have become part of our culture. We cannot depart from those habits now, neither can we hope to do so in the near future. It is only in the process of time that this can take place.

I feel that some of the tax proposals are unfair to the community and that Government has not considered the persons who will be affected by the amended Ordinance. Government should review its policy and when we get into the Committee stage of this Bill have the boldness and the courage to recant when proper suggestions are put up. This Bill is unjust, iniquitous and not in the best interest of the people of British Guiana.

**Mr. Gajraj:** I know that it is necessary for the Government of the country to propose means whereby the collection of revenue may be done during the current year. As a matter of fact, I think it is the obligation of this Council to provide that there should come into

the coffers nearly \$2 million, because we have passed the Appropriation Bill and it becomes our duty to see to it that the proposals are accepted in a form which will cause the least amount of hurt or harm to the general body of citizens.

The proposal in the present Bill to make a large number of changes in the customs law is not in the best interest of the country. Looking at the whole thing it seems that if the tariff is changed in the manner called for there ought to be additional revenue in the coffers, but of course, apart from other considerations one is led to wonder whether the increases that are proposed would in fact bring in additional money. The increases might have just the reverse effect, because if it means the importation of a lesser quantity of these particular groups of articles, then the total amount of money collected should be very much less. If that does take place our Government will find itself in a more difficult position, because it would not know until the end of the year that the revenue from this source has fallen short, and therefore would not be able to find some alternative source of raising revenue.

In the course of his admirable Budget Speech the Financial Secretary gave notice of the proposal to amend the Customs Ordinance in order to make these adjustments, and in one respect I recall his having said that one of the groups of articles to bear additional taxation would be the luxury group, and in the luxury group he has included cosmetics, cameras, watches, etc. I myself do not feel that cosmetics should carry a higher rate of duty than what is already imposed on them. The Financial Secretary has said himself that he knows that cosmetics are part and parcel of the life of the fair sex of the Colony, and he did not think that what he considers a small addition to Customs duty would make the face of beauty less fair in British Guiana. No doubt he knows more about that aspect of life than perhaps other Members here.

Nevertheless it is our duty on this

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side to point out that it is bound to have effect upon the users of cosmetics generally, because when an article becomes part and parcel of the life of people they have but two alternatives when the price goes up, and one is to use less, and by using less they lose courage when they look into the mirror and find that the face of beauty is falling somewhat, and it means that the whole outlook of the country is going to be falling, and we will probably lose ever so much more from that voluntary action than what we may gain from the few cents added to the coffers of the Government. I make a plea on behalf of the users of such materials, that Government should reconsider it, because I do not think myself that if it permitted the duty on cosmetics to remain as it is now it would in any way affect the final outcome of what it hopes to get in additional revenue from this head through the Customs Department.

But leaving cosmetics aside for the moment, in the same luxury group we come upon cameras and watches, and I wonder who would be prepared to defend the statement that a timepiece is, in this modern age, a luxury and not a necessity? We have to be on time; we have to make and keep our appointments, so that a timepiece is necessary for nearly everyone. It is true that there are various types and grades of watches and clocks, some cheap and some more expensive, but like everything else the cheaper ones work out to be more expensive in the long run, because they do not give the service. When we impose an addition to the present tariff on watches and clocks we tax many people in the country areas. There are public clocks in various parts of the City by which some people are guided, but in the rural areas one finds that more and more people are anxious to buy themselves a watch for use as they go about their jobs, and a clock in the house. I feel that a timepiece is a necessity, and that Government would be doing an injustice to the general population by this imposition.

As regards cameras, Members of the

Government may feel justified in saying that if someone wants to use a camera he should pay more for it. That is all well and good, but we have found that in other parts of the world the same idea of taxation of luxuries (and cameras are considered in that group) has resulted in persons living in those heavily taxed countries deciding not to buy cameras to the same extent as they did before, and in countries which are tourist minded we find the Government agreeing to have "free port" facilities so that articles like cameras, binoculars, perfumes and the more expensive cosmetics may be bought by the traveller duty free, so that he might pay lower prices and take those things back to his homeland as personal property which would not be dutiable.

It is clear that if we are going to follow that line we will drive our own citizens, whenever they have occasion to go abroad, to make purchases from those places, so that in the long run we may find ourselves recovering less money finally from Customs duties than appears on paper. Mathematically it might look well, but we have to be practical in these matters, and we have to look for the actual collection and not what a theoretical calculation might suggest. So I do not propose, when we go into Committee, to support the proposal for increased duty on cameras.

I will not deal with the proposed increased duty on tobacco and cigarettes because the representatives of the large manufacturers in British Guiana seem quite happy. They know very well, of course, that they will not pay the increase but will pass it on to those who smoke. Fortunately I will not be paying any of it, but I will not allow the increase to pass because of that. If tobacco and cigarettes can bear additional taxation and, because they have grown accustomed to the habit of smoking, people must smoke, then they will have to do it, but of course reaction may come when people who earn small pay packets find that they are spending more upon tobacco than they can afford.

I want to impress upon the Members



of the Government that their proposals in the category of fruits and vegetables are not well thought out and well planned. We find that there is a long list of preserved foods of various types, whether in containers or not — fruit juices and such things — all increased from 20% to 30% Preferential, and from 36% to 46% General. Then we have dehydrated vegetables and fresh vegetables.

The one vegetable, the proposal to increase the duty on which by a very large margin has created a considerable amount of resentment, is potatoes. Mention of it has been made earlier in this Council, but now that we are about to take legislative action to increase the duty from 24 cents per 100 lbs. to \$3 per 100 lbs., Preferential, and from 30 cents per 100 lbs. to \$3.06 per 100 lbs., General, let me say that the suggestion has been made by the hon. the Financial Secretary that more locally produced vegetables should be consumed in this country. We have been told on the one hand of 19 million pounds of potatoes having been imported into the country in 1958, and on the other hand that in the subsidized Government Marketing Division there are thousands of pounds of local produce being thrown away.

We have been told that people must change their eating and wearing habits, and perhaps many other habits, but we have seen efforts made to force communities to use foods to which they have not been accustomed, and which they naturally do not use. We have seen these things happening during the course of the last war and after, when bulk purchasing had to be adopted, and when various types of food and different brands had to be brought in, not only to British Guiana but other parts of the world, and it was with great difficulty that the Government Departments, in some cases, were able to dispose of the goods brought in. Food habits are difficult to change. We had the case of the United Kingdom, for example, when during and after the war South African canned fish, bought in large quantities,

was brought in, but very little of it was bought by the people and most of it had to be disposed of in other ways. The same thing happened with fruit juices. Concentrated orange juice from The West Indies was bulk purchased, but up to two years ago when I visited the United Kingdom large quantities were still in the warehouses. It is difficult to change people's food habits overnight. It is quite possible that after a period of time, with the arrival of a new generation, changes of food may take place.

The increase of taxation will not tend to change the food habits of people. It will have the effect of making the average worker demand more for his labour. If he has to pay more than what he is accustomed to, or what he considers is fair for maintaining his family you may have the vicious circle being completed by his demanding more wages for his labour, and so spiral the increase in the production of everything. Where will this inflation lead us? That is the question hon. Members of this Council are asked to consider.

If the proposal had been to increase the tariff on potatoes to, say, \$1.00 per hundred pounds that may have been more reasonable. The present tax of 24c. per hundred pounds looks small, but I would remind the Government that some years ago a similar move was made by a previous Government to protect local vegetables and to encourage farmers to produce more. Government then increased the tariff on the potato to something near this figure, but how long did it last? There was public reaction against it and, eventually the tariff was reduced because it was realized that the potato formed a very important part of the diet of all classes of people in British Guiana.

I think I can say that no matter which country one comes from he or she will agree that the potato forms a very important part of his diet. Everybody in British Guiana knows how much the potato contributes to our appetizing meals and how predominant it is on everybody's table. Are we just, by the right we have in this Council, going to

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increase the tariff payable on one hundred pounds of potatoes by \$2.76? You are increasing the tariff on the imported potato, but the tariff on imported sweet potato will only be 20c. per hundred pounds.

We have heard a lot said about plantains and tannias which are produced locally and should be used more regularly by our people, but they can be imported into this Colony at the rate of 20c. per hundred pounds. Pumpkins which are produced in large numbers in British Guiana can also be imported into this Colony at the rate of 20c. per hundred pounds. Tomatoes can also be imported at 20c. per hundred pounds.

I mention these things merely to show that there has not been proper thinking on the part of Government in these matters. If it is Government's policy to have protective tariffs in order to help the farmers in this country to obtain assured markets for their produce, then it should certainly have given thought to the whole group of vegetables and fruits with a view to protecting everything produced in British Guiana. But merely to pick upon something that is not grown here, and which I hope the hon. Minister of Natural Resources will attempt to see grown here, is not good enough. We have the soil—perhaps not on the coastlands but in the Interior—in which this type of potato could be properly grown. If it is proposed to give some degree of protection to locally grown potatoes one can easily understand the object behind it, but to propose this heavy tax when there is no immediate prospect of our growing this type of potato here is, in my opinion, very unrealistic.

One is left with the impression that, because \$2 million has to be found, a cursory examination has been made of the tariffs in the Customs and the Tax Bill was made to tax certain things which are in large demand and can easily bring in additional revenue. I think what is really needed is a complete review of our Customs Tariff. If the object is, as I

undersand from the speeches of Members of the Government, to protect local industry and at the same time earn revenue, then this matter has not been properly adjusted. When you have certain items of vegetables which are produced in British Guiana still remaining in the Customs Tariff at such low rates of duty, one cannot appreciate the arguments or good intentions behind this taxation.

In the case of confectionery, the proposal is to increase the customs duty by some 10%. I was looking through the hon. the Financial Secretary's speech before I attended this meeting. I observed that he mentioned that some of the reasons for some of these increases is not merely to protect existing industries but such things that should or could be produced locally. I am at a loss to understand how one proposes to increase taxation on a article which is not being produced on a commercial scale in this country. I have heard, of course, of a confectionery factory that may be put up at some time in the future. The formation of a public company has been announced, but no proper proposals or further progress has been reported. Therefore I cannot understand why the users of confectionery should be asked in 1959 to pay more for sweets, toffees, etc. By all means let that idea become a fact, and then Government would be correct in endeavouring to give some measure of protection to such an industry. Where there is no such industry, I can only say that it is a further attempt to penalize the average person in British Guiana, because sweets are used by one and all, young and old, rich and poor alike. It is one of these things we have grown accustomed to, and that we will continue to use.

In the case of furniture, we have been told that the proposal to increase the duty is based upon a desire to encourage people in British Guiana to use more of the cane-type of furniture which is now being produced. I suppose this also included other wooden furniture that has been produced in this country for a



long number of years. I suppose there will be some degree of merit in asking for some degree of protection in this industry. On this particular aspect, let me just say that one of the difficulties that traders find in British Guiana is the differences that are placed upon the interpretation of items in the Customs Tariff by the Legislature on the one hand which makes and amends the law, and the officials at the Customs on the other hand who have to classify the items and collect the duties.

I know for a fact that an item like rubber mattresses which have for a long time now been used with metal and wooden beds and which in the past have been classified under the head "rubber manufactures" have, since the introduction of these new taxation proposals, been reclassified suddenly and placed under another head so that people are now called upon to pay increased taxation on these items. They are now classifying them as "furniture not elsewhere specified". I do not see why people should be called upon to pay an increased duty on rubber mattresses and, as far as I am concerned, it seems to be stretching the matter too far and a completely lopsided method of classification. Foam rubber mattresses and foam rubber cushions have, in the past, been classified as rubber manufacture, but since the new taxation has come into operation the officers at the Customs have put mattresses under another head. They continue to classify cushions as formerly.

Turning to the item 821-02.3, "Filing cabinets, desks and other office furniture not elsewhere specified", we find that the furniture mentioned here will be subjected to an additional 16% of duty if these proposals are accepted. I do not know if the hon. Minister of Trade and Industry will tell us that filing cabinets made locally of wood can be as useful or can function as well as metal filing cabinets. All of us who have had to use filing cabinets realize the extreme importance and value of the metal product, which collects less dust and ensures more utility than something made of wood. But here it means that in order

to protect the local wood-working industry we are being asked to pay an additional 16%. These little things form an imposition and cause a brake on progress.

As I said earlier, where it becomes necessary to protect something which we make and which is useful there can be some measure of acceptance, but certainly not an item like filing cabinets.

In the case of motor cars it is proposed to increase the duty by 77%. We have been told that a motor car is a luxury. We have also been told in the same breath that the increase is not on the commercial vehicles, so that industry has not suffered. But the travelling public will suffer because the private passenger motor cars are being used for hire in this country because of the high cost of other vehicles of the taxi type which are used in London, New York and other Cities. Now if the intention is to differentiate between the person who wishes to go about by his own means of transportation as against the person who purchases a vehicle to transport others and thereby make a living for himself, are we justified in saying one is a luxury because it is bought for the use of the individual himself and the other is not a luxury because it is used for business?

Even if hon. Members of the Government are clever enough to defend that distinction, may I still ask how are we going to devise the collection of customs duties under those circumstances, distinguishing between the person who buys for hire from the one who buys for personal use? I myself think this is an ill-conceived tax. Let us realize that in a country like this we have to push our frontiers back and lay down mile upon mile of good roads; I am sure Members of this Council cannot say that we can afford another railway in order to transport our people to these new regions. Our people will have to depend in a great measure on road transportation.

If road transportation is so vital to our country—and I would claim that it is



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—a tax like this will not serve to encourage the people but only to discourage them. I do not know if this form of discouragement is temporary as our roads are not in very good condition, but I charge the Government with not taking an interest in the ordinary traveller who will be left on the road when this taxation is imposed.

I know that it will be said that everyone thought there would be a 10% purchase tax, and here it is we find that the Government has done better than that with a 7% tariff tax. But let us appreciate now, once and for all, that any measure of taxation, customs duty or purchase tax, on motor vehicles is higher than that imposed in neighbouring Trinidad; and that applied even before these taxation proposals were put before us.

In Trinidad there is a customs duty of £1 on every 100 pounds of weight of a motor vehicle; on a car which weighs approximately one ton a customs duty of £20 or \$96 is paid. Even if there is purchase tax in Trinidad, it amounts to less than \$400; but the 20% levied on smaller cars in British Guiana brings the amount paid in duty nearer to \$500. In Barbados and other Islands of the West Indies it is again less, so we can see how the people will be penalized in this country which needs road transportation. We are going to penalize them in this manner but we are not giving them more or better roads.

As a matter of fact it has been said on the Government side that we spend too much money in importing motor vehicles into British Guiana. In fact, a part of that is due to the very poor roads on which the vehicles have to be driven, and this results in the vehicles having a shorter life than would normally be found among vehicles in other parts.

If our friends on the other side insist on pushing these measures through, then, of course, the blame will fall on their shoulders. We on this side must point

out the pitfalls that lie ahead, but if they prefer to test their diving ability, then of course, none can help them.

Other types of motor vehicles have also been considered to be a luxury. Some of them are high-powered motor cycles used by lads speeding about the City testing their respective speeds, but by and large the largest number of motor cycles coming into the local market would be auto cycles, which are used by so many people in the country to take them to and from their place of work. It is not a vehicle that can go very fast, and indeed it is the type of machine which is well suited to use in British Guiana. It is a cheap and safe means of transportation, particularly useful to people who live in the country and have to travel to the City, but Government is seeking to increase the duty and make these machines more expensive.

**The Chairman:** You have 15 minutes more.

**Mr. Gajraj:** I am appealing to the Government to reconsider its views on this matter because, by increasing the tariff on this large number of items, it is going to affect in a very substantial way the vast majority of the people of British Guiana. In my view it is the duty of every Government to ensure the happiness and prosperity of the vast majority of the people. If it is pointed out to the Government that its taxation proposals can adversely affect the earning or saving power of the people it is its duty to pause to reconsider its proposals before forcing the issue.

Having dealt with the groups of items in respect of which increases have been proposed I would be unfair to my hon. Friends across the Table if I made no reference to their proposals to reduce the duty on some items for the purpose of affording some relief to the poor man. In the case of certain items of clothing and footwear which it is claimed are used very largely by the poor man, certain reductions of duty are



proposed. In the clothing group we find cotton fabrics, etc. being reduced from 8% to 5% Preferential, a reduction of 3%, and in the case of footwear wholly or chiefly of textile materials (not including slippers and house footwear) but with soles of rubber, the proposal is to reduce the tariff from 5% to 3% Preferential, and from 9% to 4% General. Let me say thanks to my Friends on the Government Bench for at least thinking of the poor people, but may I ask them whether they have considered what these proposed reductions mean in terms of dollars and cents? I am not in that line of business, therefore I cannot speak of my own knowledge, but I have been reliably informed that in the case of canvas shoes the proposed reduction in the duty will not mean even a reduction of four cents in the price per pair. In the case of cotton fabrics I am told that the reduction in price will not be more than a cent or two per yard.

This relief to the working man, or the large majority of the people of this country, does not compensate for the additional taxation they have been called upon to bear, and it is my view that Government's taxation proposals will have a most distressing effect upon the finances of the average man in British Guiana. The very first item in the Schedule is meal and flour of maize (corn), the duty on which it is proposed to increase by \$2 per 100 lbs. I dare say that the increase is proposed because a large quantity of corn has recently been produced in this country. It seems to me that there is some justification for protecting the farmers who produce corn, but I wonder whether the Minister of Natural Resources will tell this Council that the local production of corn meal or corn flour is sufficient to meet the needs of the people of this country. I know that corn flour is produced at the Government Processing Factory in Kingston, but I have no knowledge as to whether the capacity of the plant is great enough to produce corn meal to satisfy all the needs of our people.

Corn flour is an article of food

which has been used for years, particularly for growing children. We should not put out of the reach of the ordinary housewife an article of food which is so necessary for children. It is quite possible that the Processing Factory has found itself up against competition with corn flour imported during the course of the year. If the local supply is adequate by all means increase the import duty on the imported article, but there is another method of protection which is employed in other parts of the world where there is a seasonal surplus of a product and a shortage at other times. In such a case a ban is placed upon the importation of a similar article for such period of time as is necessary for the local product to be sold and consumed, after which the market is open during the period of the year when there is no local supply available and it is necessary to bring in supplies. That can be done without increasing the tariff, so that when it becomes necessary to import supplies the public will not have to pay higher prices. I am sorry the Minister is not in his seat, because he should be able to give some thought to that point.

I wish now to deal with another aspect of the taxation proposals — the question of our trade agreements and our obligations under the international agreement known as G.A.T.T. It must not be forgotten that while British Guiana is a member of the General Agreement on Tariffs and Trade it is also a subscribing member to the Canada— West Indies Trade Agreement. That Agreement was made many years ago and, like every form of agreement, it was accepted by both parties. Naturally, the intention was that both parties should benefit from the existence of that Agreement.

In the case of our own country the Canadians agreed to give a preference to sugar, rum and molasses. We in British Guiana agreed to give a preference to Canadian products. The preference was stated in terms of percentages. Under the General Agreement on Trades and Tariffs, we became members through the membership of the U.K. to that agree-

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ment. Therefore it was accepted as international policy that preferences should, over a period of time, be removed and that there should be a common tariff.

Mr. Speaker: I think it is time for us to adjourn.

Mr. Gajraj: If it is time I am prepared to give way.

The Chief Secretary: I think we should adjourn until 2 p.m. tomorrow.

Mr. Speaker: This Council stands adjourned until 2 p.m. on Wednesday, 11th March, 1959.

*Council adjourned at 6.20 p.m.*