

# SECOND LEGISLATIVE COUNCIL

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

Thursday, 12th 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*

„ **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*

„ **Ajodha Singh** — *Member for Berbice River*

„ **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. Jai Narine Singh.

Mr. R. C. Tello — on leave

Mr. A. M. Fredericks — on leave.

The Clerk read prayers.

## MINUTES

The Minutes of the meeting of the Council held on Wednesday, 11th March, 1959, as printed and circulated, were taken as read and confirmed.

## ANNOUNCEMENTS

## MR. TELLO'S ABSENCE

**Mr. Speaker:** I wish to announce that the hon. Nominated Member, Mr. Tello, will be absent on leave from today until the 10th of April. He is on his way to Geneva to attend a conference.

## PAPERS LAID

## REPORT ON BEER TAX PETITION

**Mr. Burnham:** I beg to lay on the Table the

Report of the Public Petitions Committee on a Petition tabled by Mr. R. C. Tello, Nominated Member of the Legislative Council, at a meeting of the Legislative Council held on Thursday, the 12th of February, 1959, for and on behalf of Mr. Rudolph Melville and others, praying that the proposed increase in the excise duty on beer should not be approved by the Legislative Council.

## ORDER OF THE DAY

## CUSTOMS (AMENDMENT) BILL

**Mr. Speaker:** Council will resume the debate on the Motion for the Second Reading of the Bill intituled:

"An Ordinance to amend the Customs Ordinance."

The hon. Nominated Member, Mr. Hubbard, was speaking at the time of the adjournment yesterday.

**Mr. Hubbard:** When the Council rose yesterday I was making some points, trying to relate to the Budget proposals the advice given by the economist, Mr. John Adler, to the Government of British

Guiana on Fiscal and Development Policy. I had dealt with his advice that as great a portion of development funds as possible should be raised by way of taxation, and I had referred to his gratification at the healthy appearance of our economy as a whole. I now wish to turn to what he had to say about Government policy in regard to development. Mr. Adler said:

"I have learnt with great interest about the inflow of foreign capital into British Guiana now under way in unprecedented volume. The new investment in mining and related activities is proof of the confidence of foreign capital in British Guiana and an indication that the efforts of public policy to attract foreign capital through tax concessions and other inducements are successful."

That was the judgment of an economist and not the opinion of a layman. Mr. Adler also had something to say about the conception of the Development Programme, and he put it this way:

"I have been informed about the Government's tentative Development Plan for the next five-year period. It would be presumptuous for me to comment on the programme in detail, but from what I have seen it is clear to me that the top priorities have been correctly selected. There is no question in my mind that the provision of more agricultural land through drainage and irrigation, and the improvement and expansion of the transportation system, particularly through better and more roads deserve top billing."

I mention this with reference to our Development Programme because there has been very much talk about it and a great deal of criticism on the point that it may be unwise to spend so much money on developing lands, a large portion of which would go into production of rice.

It is very significant that Mr. Alder himself made that statement knowing full well what we proposed to do with the lands which we are draining and irrigating. Mr. Alder has recently spent a good deal of his time in some of the Far Eastern territories which are producers and exporters of rice. When, therefore,

he made the statement to which I have just referred, he was indeed declaring that the policy of expanding the rice industry, among other things, was sound and good economic planning.

I have already said that I do not intend to take up much of the Council's time. I have made these few references to the only expert advice which has been made available to us in recent times. I think that reference to such advice shows that the policy we have been asked to approve is well conceived and deserves our support.

**The Financial Secretary** (Mr. Essex): I do not propose to say very much in reply to the speeches made by the various hon. Members. I would just like to take up one or two points that have not been accurate, and repeat some of the things I have said on at least one occasion before.

I am very sorry the hon. Member, Mr. Gajraj, is not here this afternoon. He often seems to be away — I am sure it is a coincidence — just at the time when I am about to say something which he is going to talk about later and he does not hear what I have to say. When I correct what he has said he is not here to hear the correction. He told us about the conflict between the Canada-West Indies Trade Agreement and the General Agreement on Tariffs and Trade. This, of course, is very well known to the Government and to myself, although my own connection with the General Agreement on Tariffs and Trade is very much longer than my contact with the Canada-West Indies Trade Agreement.

I am not sure whether the hon. Nominated Member, Mr. Gajraj, said he did not know, or if he would like to know whether Government had raised the matter of the Canada-West Indies Trade Agreement with the Canadian Government. I do not know why he said that because some time ago when he was present in this Council I said that Government had approached the Canadian

Government, and I also said that the Government had offered to give full consideration to any representations which the Canadian Government might wish to make about the effect of the taxation proposals on the exports from Canada so far as changes in the tariffs were concerned. I said that I was sure the Canadian Government would sympathize with our difficulties in revenue raising because of the incompatibility of our two international obligations.

Another part of the hon. Nominated Member's speech was largely concerned with the alternative proposal by the Georgetown Chamber of Commerce that, in lieu of the taxes which are now proposed, there should be a general levy of an additional 2% on all imported items. As I said when I started, I am sorry the hon. Nominated Member is not here, and I am equally sorry he was not here when I put the case against that proposal earlier when I moved the Second Reading of this Bill.

On that occasion I said that Government had considered the proposition even before the Budget, and had rejected it as being unfair and unintelligent. I must emphasize again that I had used those words before the proposal was made and long before the hon. Nominated Member's proposal was made, because I do not want to be accused of going out of my way to be rude to the Georgetown Chamber of Commerce.

I think in fairness to my logical statement which was made many weeks ago, I should amplify the two charges of unfairness and unintelligence, if there is such a word. I said that it was quite obvious that if you raised the same amount of revenue from a collection of non-essential items like strong drink, tobacco, motor cars, etc., despite what has been said on the other side, then the impact on the cost of living must be much less than if you raise the same amount of revenue from the whole tariff which consists of the vital things such as imported foodstuffs, industrial machinery, textiles, etc. If you put an equal levy on the low

[THE FINANCIAL SECRETARY]

duty articles as well as on the high duty articles you will not be doing the correct thing, as you will be increasing the essentials by a higher proportion than the luxuries.

I said it was quite obvious, from the action which certain sections of the commercial community had taken, that if you raised the duty on every item by 2 per cent. there would be a considerable general rise in the cost of living. That is why I said that it is demonstrably unfair, and it is not so just because I say so.

As regards the second criticism I have made against the proposal when I say that it is unintelligent, I will say that my argument on that is a projection of the one I have just made about its indiscriminate nature. If you take the duty on vital commodities, like food, the rate of the duty is low. For example, in the food group which we must regard as vital, the average rate of duty is about 10 per cent. and that includes preferential and general tariffs. The really essential foods are at a much lower rate of duty than 10 per cent. If you take the machinery group the preferential rate of duty is 3 per cent. If you take the non-essentials, like cigarettes, whisky, motor cars, watches, cosmetics and so on the rates are also high. If you are going to put a flat 2 per cent. duty on food which is of a lower rate of duty than machinery, and the same increase on those items which are much higher, how can it be intelligent to do so?

The comparative rise in the prices of the essentials is more than on the non-essentials, and that is why it is demonstrably unfair and unintelligent. I will stand by my opinion, and I am sure that anybody who really thinks very deeply about the matter will see the force of my argument. The hon. Nominated Member on the same theme said that the other advantage of this system was that it could be easily taken off. He said that we could have it for five years or so and then take it off when we did not need it.

He quotes as an example of how this worked with the former Bill of Entry Tax. The hon. Nominated Member knows just as well as I do what happened to the Bill of Entry Tax — it was embodied in the tariff, and became a permanent addition.

There is one minor point which I would like to talk about because it casts an unfair reflection on one of the Departments that falls within my portfolio namely, the Customs Department. The hon. Member implied — though I know him well enough not to think he meant to make it sound like that — that the Department was unscrupulous because rubber mattresses which were formerly classified under the rubber goods section relating to duty on furniture are now being classified under another section so that the Customs Department and the Government, presumably, can get a “rake-off” from the change in classification.

I have not been able to have a full inquiry into this matter, but I have asked about it. I am informed that there was only one case in the past where a foam rubber mattress was incorrectly classified. It was a mistake, and I believe everybody realized that it was a mistake. I understand that the mistake was put right. It was not a wholesale raising of duty on that item from the lower duty of classification to the higher duty.

Mr. Tello in opposing the Bill cited, as a weighty argument, the fact that the Georgetown Chamber of Commerce was against it. He said that even the people who stand to make money out of the tax proposals were against the Bill.

But I think hon. Members can recall what I have already said in connection with this matter: it is clear that the impact on the cost of living would be greater than would be that of the proposal before us.

While I am speaking of the cost of living I must again take up the cudgels with my Friend, the Member for Georgetown North. It has now become an

annual event for him to try to convince me about what the Paro Report said and what it meant, and for me to try to convert him from his strongly-held view to my view of what the Paro Report said. We had our last 'battle' on this subject when the Budget was being debated last year.

To go back to the old question of the magic figure of \$28, which the hon. Member says it costs to keep a family: Miss Paro did not say it took \$28 a week to keep a family, and she did not set out to show that. It is true that she used the figure in relation to what was said to be spent in one week, but it is genuinely but wrongly held by the hon. Member that Miss Paro said that the wage-earner had to face that figure as a minimum one. Indeed, what Miss Paro said was that \$28 was the average figure of what 1,491 families said they spent — and it is an accepted fact that in such surveys families tend to overestimate their expenditure and underestimate their income. Then, too, the 1,491 families were not people in the minimum wage or salary-earning group—they were families having incomes ranging from a very low figure up to a comparatively high figure of \$200 a month. So that all spending was weighted or brought up to the average figure of \$28 per week. It is not an average figure for people within a narrow income range but within a comparatively wide range.

I think the hon. Member said last year that that was how some people got into debt — they had to spend more money than they earned. I think I asked him how this wonderful economic system worked, and he said, by a number of people getting into debt. I am not sure how far that can go — one half of the population owing the other half of the population an ever increasing amount. How the second half was able to live on other people's debt, I do not know. However, the hon. Member and I will probably carry on our good-natured difference of opinion as long as I am here.

I would like to say that there was nothing in the speeches which I heard from Members on the other side of the Table which would lead me to think that there was anything wrongly conceived in the proposals before us. I find it hard to believe that there is anything in them to oppress the poor man. With one or two exceptions, the items which are taxed are items which people either buy or because they can afford to, or can do without, or buy a reduced amount if they cannot, without hardship.

You can have as many opinions as you like about whether cosmetics, wrist-watches, motor cars and cameras are luxuries, but I still say it is not soaking the poor man or the poor woman to tax them. In fact, there were some sharp differences of opinion on the other side as well as some strange inconsistencies. One Member said that a car was not a luxury, and he gave us the impression that everybody should have a car. Another Member said that the tax on cars was inspired by the luxury tax on cars imposed in Trinidad, while yet another claimed that the revenue would fall short of the estimated total. It seemed to me that the main theme of the opposition was that taxation was bad, any taxation proposals we put before them were bound to be bad. Well, no one likes taxes, but nothing has been said to show me or anybody else in what way additional taxation might have been more fairly spaced through the population, more fairly than through this set of proposals, given the same amount of revenue to raise.

I beg to move that the Bill be read a Second time.

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

Question put, and agreed to.

Bill read a Second time.

#### COUNCIL IN COMMITTEE

Council resolved itself into Committee to consider the Bill clause by clause.

Clause 1. — *Short title* — passed as printed.

Clauses 2 and 3 were passed as printed.

*Schedule.*

FRUIT JUICES

**Mr. Burnham:** I know what I want in the Amendment, but I do not know exactly how to describe it. Anyway, I move an Amendment to the Schedule by the deletion of item 053-04 — "Fruit juices, unfermented, whether frozen or not (including syrups and natural fruit flavours)." The rate of import duty is 30% Preferential and 46% General. As I said yesterday, I was not opposed to the increased duty on things like corn meal, which we can produce here, and imported fruits; I think we eat too much of imported fruits.

But I cannot agree to increasing the duty charged on fruit juices, because if we were to face the facts squarely it would be seen that we do not have a sufficient supply of the fruits from which you get juices at all times of the year, and fruit juices, I am told by medical experts, are most important for growing children and adults. The food value, I am told, is high, and until such time as we can produce our own fruit juices, it is an unfair tax.

Bringing up children will cost more. Of course, we will probably be told that not only poor people have children; but I think it can be conceded that poor people have more children. In any case, even if rich people have children, the fact that poor people will have to pay more for fruit juices should be an argument in favour of the deletion of this item. As I understand it, if this item is deleted from the Schedule and it remains as it is in Chapter 20, it would be 20% Preferential and 36% General. I submit that that is fair enough, and I can see no reason for increasing the duty on fruit juices. Perhaps in deciding to increase taxation on imported fruits Government did not recognize the clear

distinction between imported fruits and imported fruit juices.

**The Minister of Labour, Health and Housing (Mrs. Jagan):** As a mother I can say that tinned fruit juices are very rarely used for children in B.G. In fact I do not think that many people use tinned fruit juices. They cannot afford to. It is the general custom, and doctors do advise that when you are introducing fruit juices to children you should start with fresh oranges, giving one teaspoonful and increase it. I do not think that the hon. Member's claim that tinned fruit juices are used by mothers for their children would be supported by doctors.

**Mr. Burnham:** Speaking as a father I can say that though juices from fresh fruits are the juices recommended in the first stage, there are many occasions on which the fruits from which you get juices are not available, or are available at prohibitive prices. When I speak of children I do not speak merely of the infants in arms, but of children like those I have, between 6 and 7 years. I should like to see the hon. Minister trying to feed that particular type of child with a few teaspoonsful of juice from fresh oranges when there are no oranges available.

The point I was making was not only in reference to children but to adults, thinking of a large family in which all want to use fruit juices, and thinking of those seasons of the year when fresh oranges are not available in sufficient quantities, if at all. What substitute is there for the tinned fruit juices? I confess that from what I was taught in my Biology class, that the juice from a fresh orange is better than the juice in a tin, but the juice from a fresh orange or grapefruit is not always available, and in many cases not in sufficient quantities. Sometimes, when the fruits are available the prices are so high that the tinned fruit juices are much cheaper.

I am not saying that we should forever allow tinned fruit juices to come in free or at a low rate of duty, but for such time as we are unable to supply an alter-

native there should be no increase of the duty. Perhaps next year the Minister of Natural Resources, who is always announcing some new process or factory, will be able to say that he will be setting up a fruit juices factory, and by the next year the factory will be in being. Therefore, by the next year we could increase the duty—not by 10 per cent. but perhaps by 20 or 30 per cent. so as to give full protection to the local factory. But though we on this side agree with protective tariffs, it is unfair to introduce them before we have an alternative.

Yesterday I asked the Financial Secretary what was the meaning of the phrase he used on page 32, paragraph 78, of his Budget Statement about substitutes being available or were being made available. With respect to fruit juices we do not have alternatives available. It is commonsense. Citrus fruits are seasonal, and that is why countries which produce citrus fruits can their juices, so that when the season has passed the juices will be available. Can Government not understand? Does it want to make it more expensive for people to have fruit juices?

**Mrs. Jagan:** On the subject of fruit juices, British Guiana, as all of us know, is uniquely endowed with having one of the largest variety of fruits. I would first of all say it is advisable, from the point of view of home economics and health, to use the fruits that are in season and in abundance when they are in season from time to time. If Guianese could get into the habit of utilizing fully the fruits that are in season I think they would find that there would be an adequate supply of the necessary vitamins. For example, when supplies of oranges or grapefruit are low, certainly an enterprising mother or wife can make a lovely drink from tamarind, which has a lot of vitamin C in it, and from soursop. Fruit juices can be made from mangoes, sorrel and limes. These are a few examples of what we can use to make refreshing drinks which have the same vitamin content. We should make full use of local fruits when they are in season rather than

allow them to go to waste, as so frequently happens.

**Mr. Jackson:** It takes an American to tell Guianese what is the best method of getting fruit juices. Ever since I was a child Guianese have been using the same fruits the hon. Minister has just spoken about. I am sure she knew of them for the first time when she came to this Colony, but we have been using them all these years. We do not need to be taught in that respect. The fault with some people who come here to reside is that they believe they can be teachers in all respects of the people whom they come to live with — our ignorant mass of people. [**Mrs. Jagan:** Shame!] Who has never used sorrel, tamarind, soursop and mango for making drink? We have all used those fruits from time to time, therefore we do not want this teacher to tell us that part of the story, because we have long known the value of them. The commonsense of what we are saying is that in spite of our knowledge of these things they are all seasonal, and there comes a time when you cannot get them at all, and unless the Government can and does assure the people of this country that there are substitutes sufficient to meet our needs all the year round it is not the correct thing to tax fruit juices.

I heard the hon. Minister giving us a lesson about what is done when a child is born, and how much of fresh fruit juices one should give a child. I conclude that she has only had knowledge of bringing a baby into the world and has not had the time to care that baby from its infancy to its more adult stage, because if she had the time to do so she would have known that beyond the infant stage there comes the time when a child moves away from a teaspoonful to other quantities. There is a time when a child needs fruit juices when fresh fruits are not in season, and since we cannot guarantee that fresh oranges and grapefruit will be available all the year round and at prices which suit the pockets of the poor people, it is foolhardy on the part of the Government to tax imported fruit juices upon which our people rely

[Mr. JACKSON]

for the maintenance of the health of their children. As the hon. Member for Georgetown Central said, it is wrong to impose protective tax on articles of food which do not exist locally in full measure.

**Mr. Rai :** May I ask who is the American to whom the hon. Member referred? I heard him say that some American was teaching Guianese.

**Mrs. Jagan :** I do not think it is necessary for me to reply to the hon. Member's remarks which I think were very childish. Perhaps because we are on the theme of children he came down to the level of a child. He does bring these debates down to a low level. I wanted to reply to the hon. Member when he said that I knew very little about raising children, because perhaps he felt that the care of my child was not so personal, but I want to remind him that the Government of British Guiana restricted me to the City of Georgetown for about three years, and during that time I gave very close attention to the raising of my child.

**Mr. Burnham :** The point I want to make and to urge on Government, in spite of the experience displayed by the Minister of Labour, Health and Housing with respect to the variety of juices that can be used, is that there is a weakness in the Government's case, because she does not speak of juices; she speaks of drinks. Those drinks are a mixture of juices with water and sugar, and they cannot keep. If she knew anything about soursop and tamarind she would realize that after the first day fermentation begins, and you do not want to give children a fermented drink. You want fruit juices that have been treated in such a way that they will not ferment. Drinks made from soursop and tamarind ferment, and I would like to hear what the hon. the Financial Secretary has to say about it—whether he thinks we have the alternatives or, like watches, fruit juices are luxuries.

**The Financial Secretary:** Speaking as the father of twins, [*Laughter.*] 1,

nevertheless, venture with some trepidation into the debate. I should like to point out that guava juice is extremely rich in vitamin "C", and it can be bought in bottles. I am no expert in agriculture, but I do know about the value of local guavas if we are talking about vitamin "C". Everybody knows that the amount of vitamin "C" one needs is negligible and one will probably get it from our local diet anyway. If Members will look at the price of imported fruit juices like tomato juice, grapefruit juice, etc., they will find that these cannot possibly form a substantial part of the people's diet. In fact, I would put them in the luxury class.

**Mr. Campbell :** I am interested in fruit juice in so far as it affects the people in Georgetown and the Greater Georgetown area. The Minister of Labour, Health and Housing mentioned that more use should be made of fresh fruit and the tax on the tinned article should be high because we have substitutes here.

I want to remind this Council that in the North West District we have no trouble in supplying substitutes. We have oranges, guavas, bananas, pine apples and so on. In the country districts you hardly buy a tin of fruit juice, but in the City of Georgetown housewives are hard hit and they have to pay a high price for fresh fruit as well as fruit juice in tins. We can get vitamin "C" in the country, but I am sorry for the people in the City.

**Mr. Jackson :** I think the hon. the Financial Secretary has given very good reasons why the Government should not impose this tax on this item, for while he says that we have got one of the best fruits which can provide us with all of the vitamins we need in a certain category, the fact remains that the guava is a seasonal fruit. How are you going to make sure that we have an adequate quantity of guava all the time? In South Africa the guava is preserved and sold.

As the hon. Member for Georgetown Central has pointed out, in countries where you have too much of one thing it is preserved so that you can get

some to use all through the year. Since we have not heard of the means by which we will preserve these juices and keep them in stock for off season purposes, I think we will have to rely on what we can get. In view of the fact that we can get imported fruit juices from Trinidad, why not leave the position as it is until we can do better?

**The Chairman :** The question is, "That item 053-04 — "Fruit juices, unfermented, whether frozen or not including syrups and natural fruit flavours"—be deleted.

Motion negatived.

#### GRAPEFRUIT JUICE

**Mr. Burnham :** I beg to move the deletion of item 053-04.2 — "Grapefruit juice in airtight containers" — with the preferential and general tariffs attached to the item. In addition to the arguments I have put up in favour of an earlier Amendment to this Schedule, I have this further to say in regard to the importation of grapefruit in airtight containers from Trinidad. I think it should be the Government's view not to tax food and other commodities imported from Trinidad, or from the neighbouring West Indian Islands. It appears to be six of one and half-dozen of the other. If we put a prohibitive tax on their commodities, they may reply in the same way so far as our commodities are concerned.

This Council cannot be unmindful of the fact that the largest importer of British Guiana's rice is Trinidad. We may be in haste to raise money; we may be on the threshold of pauperism so far as the Government is concerned, but we may well make our position worse if we are going to tax unduly such commodities from the West Indies when we are looking for a common market with the West Indies.

The fact that we are moving towards a Customs Union does not necessarily mean Federation, but it will be a phase of economic co-operation to which we hear the Leader of the Majority Party

referring so very often. I am sure we are taking such questions into consideration so far as the imposition of taxation is concerned. I feel that it would be wrong to tax unduly grapefruit juice imported from Trinidad.

**Mr. Rai :** I think that my hon. and learned Friend's argument would have had more force if he had said that the duty imposed on grapefruit imported from Trinidad should be less than grapefruit imported from elsewhere.

**Mr. Burnham :** For the benefit of my hon. and learned Friend I should like to point out that the point I am making is that there should be further preference as between British Guiana and Trinidad. If my hon. and learned Friend is going to suggest to his Government that we should let the tariffs remain at 30% and 46% respectively, and then put in a new item "Grapefruit juice in airtight containers from the British West Indies" and put a lower percentage of duty on it, he will have my full support.

**Mr. Rai :** From my point of view no responsible Government can be expected to give preferential duty on a single commodity. There must be mutual preferences which would have to be worked out on an economic basis. The regional organization would have to work out this matter.

**Mr. Burnham :** I am going to concede some intelligence from that last remark. If I can get an undertaking from the Majority Party — I do not know whether the hon. Member for Central Demerara is telling me that his Party will reconsider this matter with a view to giving special preferences to British West Indian products—I will withdraw my Amendment.

**Mr. Rai :** I cannot speak for the Majority Party.

**Mr. Burnham :** You are the Government's whip. So far as mutual preference is concerned, British Guiana is already getting preference with respect to rice. I see the "Minister of Humour"

[MR. BURNHAM]

is taking off his glasses, but I do not know whether he wishes to say anything. I do not know whether the Members of the Government are aware of the statements made in Trinidad by the Minister of Trade and Industry and the Minister of Agriculture that Trinidad can make itself self-sufficient so far as rice is concerned in one crop by the expenditure of \$7½ million. Trinidad is not like British Guiana who is scraping for a few cents here and there. The Trinidad Government has millions of dollars or know where to get millions from without taxing the poor. Do not let us delude ourselves that we are not the recipients of benefits.

**Mr. Rai:** I need hardly say that I cannot speak for this Government. Whether Trinidad can produce rice or not is not what we mean by "preference". Preference is where a country discriminates in one field as against another country, and not where one plants rice and sells it to another. That is not the exercise of preference.

**Mr. Burnham:** My hon. and learned Friend used a generic term. I took the word "preference" from him. If it is not preference for one country to refuse to grow a crop so that it can be grown by another and grow another crop, I would ask for a definition of the word "preference".

**The Chairman:** The question is, "that item 053-04.2—"Grapefruit juice in airtight containers", with the preferential and general tariffs attached — be deleted.

The Committee divided and voted as follows:

<i>For</i>	<i>Against</i>
Mr. Jackson	Mr. Tasker
Mr. Campbell	Mr. Hubbard
Mr. Burnham	Mr. Saffec
Mr. Kendall.—4.	Mr. Rai
	Mr. Bowman
	Mr. Ram Karran
	Mrs. Jagan
	Mr. Benn
	The Financial Secretary
	The Chief Secretary.—10.

Motion negatived.

## POTATOES

**Mr. Burnham:** With reference to item 054-01 — "Potatoes not including sweet potatoes" — I beg to move the substitution of the amount "\$1.00" for the amount "\$3.00" under the heading "Preferential Tariff", and of the amount "\$2.06" for the amount "\$3.06" under the heading "General Tariff". This, by the way, is a compromise so far as we on this side of this side of the Table are concerned; the other side of this side of the Table are a part of the Government. This section of the Table is against the potato tax. But the Government has been moaning about the fact that it has to raise money and it has no means to do so; yet it is now in a position to soak the poor where the Interim Government had no right to—the dialectics of the situation right to—the dialectics of the situation frequently confuse me.

In view of what they suggested, I suggested a compromise. Already we import 19 million pounds of potatoes into this Colony every year, and we can get some money off of it. Instead of raising 24 cents to \$3, we raise it from 24 cents to \$1, or 76 cents on 100 pounds. As far as the General tariff is concerned, instead of raising it by \$2.76, let us raise it by 76 cents, in which case you will get \$1.06. I will ask the Government to consider this Amendment carefully.

The hon. the Financial Secretary said something about the tax proposals always being unpopular, but I think he will grant this, that on this side of the Table, at least for me, there have been certain measures of taxation on which there has been agreement, and though he does not sit there as a politician I would ask him to recognize that in this potato tax, not only in Georgetown, but throughout the country, we may well find that the idea of getting \$3 and \$3.06, respectively, may be penny wise and a pound foolish. An increased tax, yes, but let us not increase it by 1200% as he has proposed.

**The Chairman:** The Amendment is, that in respect of the item 054-01, the amount \$1 be substituted for \$3 under the heading, "Preferential Tariff", and the amount \$2.06 be substituted for \$3.06 under the heading, "General Tariff".

Question put, the Committee divided and voted as under:

<i>For</i>	<i>Against</i>
Mr. Jackson	Mr. Tasker
Mr. Campbell	Mr. Hubbard
Mr. Burnham	Mr. Ajodha Singh
Mr. Kendall.—4.	Mr. Saffee
	Mr. Rai
	Mr. Bowman
	Mr. Ram Karran
	Mrs. Jagan
	Mr. Benn
	Dr. Jagan
	The Financial Secretary
	The Chief Secretary.—12.

**The Chairman:** The Amendment is lost.

### COSMETICS

**Mr. Burnham:** Mr. Chairman, I beg to move an Amendment, to wit, the deletion of item 552-01.4. My Amendment seeks to leave at its present level the rate of duty on "Cosmetics: Toilet preparations except soaps e.g. powder, rouge, lipstick, hair dyes, bath salts, deodorants, etc". As I said yesterday, it is to be noted that the cosmetics are not merely rouge, lipstick and hair dyes and other toilet preparations, used not only by women but by men also, but I am solicitous of the impact this tax will make on women. We do not want our women to look dowdy, and if they cannot afford to pay for cosmetics, the result will be dowdiness. British Guiana, I stress, is not a country noted for the dowdiness of its women.

**Mr. Rai:** I thought the tax on cosmetics might have sent up the cost of loving. The hon. Member spoke of women being dowdy if they cannot buy cosmetics, but I have seen many women masquerading under cosmetics.

**Mr. Burnham:** Mr. Chairman, I do not pay for my loving, and I do not know that any respectable man pays for his loving, and I am surprised at the remark of the hon. Member for Central Demerara. I have an aesthetic interest in the women of British Guiana and their appearances, and I am also rather surprised that he should be so backward as to speak of masquerading. The use of cosmetics on the body is not called masquerading. I recommend that he should go to India and places like that, and see how well the women there use their cosmetics, very often with just a mole on their face. Poor young man, he has not travelled much. A thing of beauty is a joy forever, without touching.

The Amendment put and negatived.

### MOTOR CARS

**Mr. Burnham:** I beg to move the deletion of item 732-01.1 — "Motor cars (not exceeding 3,000 lb. in weight)". As I said yesterday, motor cars in British Guiana are already heavily taxed, more heavily taxed with this extra 7%, than they are in Trinidad. In Trinidad, with the \$4.80 per 100 pounds and the 10% luxury tax, the same car in Trinidad does not pay one half the taxation that is paid on the car here. I heard the hon. Minister of Trade and Industry state that it is a pity that \$2½ million should go out of the country every year for the purchase of motor cars. Well, now that there should be a saving executed, I can assure him that save in a few cases which are to be found primarily in his constituency, people do not purchase new motor cars for the sake of purchasing, but because their cars are run down.

He talks about the percentage of cars in Britain being lower than here. But Great Britain has roads; and Great Britain has a Ministry of Transport that has proper roads built. In British Guiana we do not have roads outside of Georgetown worthy of the name. We have a number of dirt tracks which are becoming worse because those responsi-

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ble for them are doing nothing but patching them; and that explains why you have to change a car so much in British Guiana—the length of service is not as great as in the United Kingdom.

It is no consolation to legitimate users of motor cars to be told that we have not increased the duty on spare parts, because spare parts are sold at prohibitive prices by the majority of garages. If this Government wanted to do anything, what it should have done was to introduce control so far as spare parts are concerned, and that would be sensible.

Do not come here and tell us we will save \$2½ million. Save what? What misplaced economics is this? As I pointed out yesterday, since a car is a necessity for a number of people, car rates are going to go up, hire car and 'bus fares are going to go up. Do not tell us people do not want to use 'buses. There are in this, two points to be observed: people who want to use 'buses and do use them want to get somewhere in a hurry. Whether they are able to do that depends on the constancy of the 'bus schedule, but that is not something we can allude to. Furthermore, there are certain parts of the country, like Leguan and Wakenaam, the Corentyne, the East Bank and the West Bank, Demerara, where there is not the semblance of a regular 'bus service, and for the people in such districts the cost of living will go up. Therefore I am asking Government to be good enough to leave the taxation on motor cars at the particular point at which it stands.

Amendment put and negatived.

#### MOTOR CYCLES

**Mr. Burnham:** I move the deletion of item 732-02—Motor cycles, complete (cc) (including all types of motorized cycles) and side cars complete, Preferential Tariff, 30%, General Tariff, 50%. In Trinidad the rates of duty on these

items are 10% and 20% respectively. In British Guiana, even before the introduction of this proposal, the rates were 23% and 43% respectively. It cannot be argued that for men and women who use motorized cycles to go to and from their workplaces, these machines are luxuries.

I heard an argument yesterday coming from the Government seats, to the effect that those who work must be prepared to give something so that work may be found for those who cannot get work. That sounds quite all right, but do Members of the Government not know that those who work have the burden and obligation cast upon them of supporting or making a contribution to those who do not work—their relatives, their children, their parents, uncles and aunts?

Unless it can be shown that there is a wide margin between what it costs ordinary working people to live and what they earn, there is no sense in saying that they can bear this little bit more.

The Committee divided and voted as follows :

<i>For</i>	<i>Against</i>
Mr. Jackson	Mr. Campbell
Mr. Burnham	Mr. Ajodha Singh
Mr. Kendall.—3.	Mr. Saffee
	Mr. Rai
	Mr. Bowman
	Mr. Ram Karran
	Dr. Jagan
	The Financial Secretary
	The Attorney-General.—9.

Motion negatived.

**Mr. Burnham:** I beg to move the deletion of item 864-01—Watches, watch movements, cases and other parts of watches, 30% and 46%. Government is seeking to impose increased taxation not merely on watches but on watch cases and other parts of watches. In the case of motor cars there is no increase in the duty on spare parts. I do not know if Government is persuaded by the Financial Secretary that a watch is a luxury.

It may be a luxury for people like the Financial Secretary who has no boss to dismiss him if he arrives at work half an hour late, but for the ordinary working man lateness is a crime punishable by dismissal. A watch is a luxury because officials like the Financial Secretary can go to work at any time. What next is Government going to tax—the air we breathe and the water we drink? The same people who used to talk about the Interim Government “soaking the poor” are soaking the poor with a vengeance. When the “P.P.P. masquerade Government” does it, it is to get money for development!

**The Chairman:** The Question is, “That item 864-01 be deleted.” Those in favour will please say “Aye”, and those against “No”. I think the “Noes” have it.

**Mr. Rai:** Division, please.

**The Chairman:** Do you ask for a division?

**Mr. Rai:** I understood you to say “The Noes have it.” I have made a mistake. May I withdraw it?

**The Chairman:** No, you asked for a division. The Clerk will please take the division.

The Committee divided and voted as follows :

<i>For</i>	<i>Against</i>
Mr. Jackson	Mr. Ajodha Singh
Mr. Campbell	Mr. Saffee
Mr. Burnham	Mr. Rai
Mr. Kendall.—4.	Mr. Bowman
	Dr. Jagan
	The Financial Secretary
	The Attorney-General.

—7.

Motion negatived.

#### CLOCKS AND CLOCK MOVEMENTS

**Mr. Burnham:** I beg to move the deletion of item 864-02—Clocks, clock movements, 30%, 46%. The Financial Secretary, a man of undoubted assets who chooses his words with great nicety

tells us in paragraph 76 of his Budget Statement that he was increasing the taxation of perfume, cosmetics, cameras and watches, but in the Bill he includes clocks. Grant you that a watch is a luxury, but is the Financial Secretary or the Government going to tell us that the poor man who keeps an alarm clock to awaken him at 5 or 6 o'clock in the morning should work by the sun instead? We have passed that stage. He cannot tell his employer that the sun indicated 6 a.m. when it was really 7 a.m. We were deliberately deluded by the Budget Statement. We thought only fancy watches were being taxed.

**The Financial Secretary:** I object to that statement. The Bill was published at the same time with the Budget Statement. I object to the statement that I deliberately deluded the Council in my Budget Statement.

**Mr. Burnham:** We were deluded because no mention was made of clocks; the emphasis was on watches. You take in clocks and you say you have not deluded us. I say it is deliberate delusion.

**Mr. Rai:** I think the Budget Statement is only a commentary on the taxation proposals. We should examine the Bill.

**Mr. Burnham:** Paragraph 76 of the Budget Statement says:

“The next group of imports which the Government has selected for additional revenue raising is a purely luxury one consisting mainly of perfume, cosmetics, cameras, watches.”

**The Financial Secretary:** Note the word “mainly”.

**Mr. Burnham:** That is why I say that the Financial Secretary is a gentleman of erudition. He used the word “mainly” to disguise that he was taxing clocks. You people on the other side have no sympathy?

The Committee divided and voted as follows :

<i>For</i>	<i>Against</i>
Mr. Jackson	Mr. Ajodha Singh
Mr. Campbell	Mr. Saffee
Mr. Burnham	Mr. Rai
Mr. Kendall.—4.	Mr. Bowman
	Mr. Beharry
	Mr. Benn
	Dr. Jagan
	The Financial Secretary
	The Attorney-General.
	—9.

Motion negatived.

#### BROOMS AND BRUSHES

**Mr. Jackson:** I beg to move the deletion of item 899-13—"Brooms and brushes of all materials." I move this Motion because I am satisfied that there can be no protection of something that is not in existence. This matter is merely based upon an assumption that the Government, through its Minor Industries Department, intends to manufacture brooms and brushes in the future. Even if there is a manufacturing centre where brooms are now made, the number of brooms produced is insufficient to meet the needs of the people in this Colony. For that reason it is unjust for Government to increase the duty on brooms and brushes because of its intention to manufacture such items in the future.

**The Financial Secretary:** May I ask what item the hon. Member is speaking on?

**The Chairman:** Item 899-13.

**The Financial Secretary:** That does not exist, Sir. That is merely the heading of the item. The correct item is 899-13.3—Household brooms and brushes—toilet brushes, hair brushes and so on are not affected by this. We are now dealing with brushes for sweeping the floor.

#### HOUSEHOLD BROOMS AND BRUSHES

**Mr. Jackson:** As a result of the correction, I beg to move the deletion of item 899-13.3—Household brooms and

brushes. The comments I have just made refer to this item. I beg to withdraw my first Motion.

**The Minister of Trade and Industry:** (Dr. Jagan): It seems to me that the hon. Member is misinformed on this occasion. As he rightly pointed out brushes are made in this country at the moment. For his information I should like to state that there is no shortage, but rather a suspension of brush-making simply because a large amount of cheap substitutes has been imported and dumped in this country. Government is now trying to protect the industry from this sort of thing.

I should like to point out that the Minor Industries Department was employing several people for the purpose of making brooms and brushes. It is true that in the early stages the brushes were crudely made, but as time went on the Department was able to turn out brushes of good quality. The price of the local brush was substantially lower than the imported item, but no sooner than the Department started producing these items the importers reduced the price of imported brushes and brooms. That had a very adverse effect on the Department and it was forced to reduce the number of people employed in the manufacture of brushes.

It is proposed to purchase a lathe for \$25,000, and this will enable the Department to produce brushes quicker and cheaper. I think more than half the price of a brush was spent on making the handle, because the handles had to be made one at a time. The efficient and skilful use of the lathe will solve this problem.

Hon. Members on the other side of the Table are always saying that Government is not doing anything to provide employment for the people. In this instance Government is doing something to provide employment for a large number of people, but some hon. Members are still against it.

**Mr. Jackson:** I do not know whether I should take the Minister of Trade and Industry's statement seriously. He admits that in the early stages the brushes were crudely made, but he goes on to say that the people have improved on the brushes to such an extent that they can now be regarded as substitutes for the imported brushes. If that is a fact, then the local product was not properly advertised and very few people know about it. The Minister also referred to the question of underselling by importers. It is a matter for the Minister if he permits importers to undersell what is made locally. He is well versed in the art of propaganda and the methods of putting over certain things so far as the public is concerned. Can the Minister say that brooms are manufactured in sufficient quantity to meet the needs of the people? If it is impossible to produce the brooms, then there is no necessity for increasing the duty on the item.

With regard to the question of developing the industry, hon. Members on this side see nothing wrong in that. We are merely asking Government not to impose an additional burden on the people unless it is able to provide the items in large quantities. We will back Government 100 per cent. when the time comes.

**Mr. Burnham:** The hon. Minister of Trade and Industry found his tongue and then lost it again. He said that the Department was making brooms and brushes. If it is true that the Department is making brooms and brushes, I am sure the hon. Member for Georgetown North will withdraw his Motion so long as he can be assured that the items are made in sufficient quantity.

**Dr. Jagan:** It is not that I have lost my tongue. The fact is that brushes are made. Brooms will be made from coconut fibre; mops will be made from other fibre. The vote for the Department will be increased from time to time, and Government is trying to lay the foundation now. We were forced to send home some of the people who were employed

for the purpose of making brushes because we had no legislation on our Statute Book to protect the industry. We do not want to put people out of work and give them compensation, etc. That is why we feel that certain industries should be given the necessary protection.

**Mr. Jackson:** Can the hon. Minister say how early the people will get brooms to buy?

**Dr. Jagan:** It is obvious that I cannot say how soon the brooms will be produced.

**Mr. Burnham:** Now that the hon. Minister realizes that he has been trapped he is behaving like a four-legged animal. He is now slipping from the present to the future and so on. He told us that the Department is producing the items, but he cannot tell us when the items will be produced. He tells us that it is proposed to put down a \$25,000 lathe and so on, but we want to know when brooms will be produced so that the public can purchase them. Do not blame us for asking questions.

**Mr. Jackson:** It is difficult to understand certain Members of this Government, and one would be amused if the matter were not so very serious. This Government proposes to impose increased taxation on certain items, but it is unable to produce them in large quantities to meet the needs of the public. The hon. Minister is forcing people to purchase crudely made brushes, and he cannot give us any assurances that brooms will be made available. Brooms are used every day in some homes. It may be said that some people do not sweep their houses every day, but that does not alter the fact that several brooms will be needed throughout the Colony.

However much we would like to support the Minister of Trade and Industry in his quest for increased local production in order to provide employment for the masses, we cannot support

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him unless he gives us a guarantee that certain things will be done either today or tomorrow.

It is something they have planned, but which they have not put into practical application. If there is not a broom made in this country to be sold to householders, then why impose this tax?

**Dr. Jagan:** Sir, I made mention of the fact that brushes and brooms are made by the same process technically. The same lathe that will make a brush handle will make a broom handle, and the same fibres can be used for both.

**Mr. Burnham:** Talk about the machines.

**Dr. Jagan:** I wonder if Members had an opportunity of visiting the League of Coloured People fairs? At these fairs, in one of the booths, Government demonstrates the methods by which these things are made. Although the methods and processes are still primitive, these manufactures still provide a lot of employment for a lot of people. If the hon. Member wants brooms, there are brooms and brooms to be had. I will even refer him to the coconut brooms. If our country is to be developed, let us use local products if necessary, because this will provide employment for Guianese people and they will be using Guianese products.

**Mr. Jackson:** I realize that. Let the denseness be seen where it is. Have you got any brooms now? I am prepared to buy now, because we need one at home. If you do not have any brooms, then it is wrong to increase the tax on other brooms. Nobody is saying that it is not right to have these brooms made. We agree with that, we agree with the right to create employment; but have you brought down machinery? You should not talk about the demand when the supply is not there.

**Mr. Burnham:** The hon. Minister of Trade and Industry recommended the use of the coconut broom, or "pointer

broom" as it is called. The pointer broom is now out of place and stupid. If he wants to use it, let him use it; but let him also go to Bourda Green and tell the people to use pointer brooms. The whole thing comes about because of the confusion in the Minister's mind. He is very futuristic. We agree with him when he tells us how they are made, but when he is going to tell us that it is the same fibre—

**Dr. Jagan:** To a point of order. I never—

**Mr. Burnham:** That is not a point of order. Will he tell us, furthermore, whether the machine has come?

**Dr. Jagan:** Let me in simple language explain, one detail at a time, how a brush is made. The handle is turned out from a block of wood which is also used for the brush itself. It is carved, it is split into two, it is punched. Then an employee takes a bit of fibre, passes it through a staple and it is punched in, one hole at a time. I hope the comprehension of the hon. Members opposite has permitted them to understand this process.

**Mr. Burnham:** How do you make a broom?

**Dr. Jagan:** The broom is made in the same way, with the exception that the handle is longer and more costly, and if we have the process duplicated, then it would be done at a lower cost. Is that clear?

I did not say all Guianese must resort to using pointer brooms. Hon. Members must realize that in all backward countries handicraft industries cannot compete with manufactured articles coming from outside. This country is not excluded from the general rule, that if the local product is not attractive the industry would never be able to prosper and grow.

I know the argument the hon. Member is using. "Where is the

machine"? he is asking. If we continue doing that, we will find ourselves in a vicious circle. Members are wasting a lot of time while the poor man is starving because there is a surplus of his produce on the market, becoming a glut. That is why we are trying to lay the foundation for a bigger trade now.

**Mr. Jackson:** I am very grateful to be taught the processes. I have never seen the broom being made. I have never been to the broom-making factory, and so I am sitting at the feet of Gamaliel. But in spite of the fact that we have a teacher, and I am prepared to submit to the wisdom and knowledge of the teacher, here is where we are questioning his sincerity. We have put him on the spot, like wicked boys we are trying to get the schoolmaster where we want him. And we have got him there. We are in agreement with our teacher in respect of the basic principles, but we feel our teacher has failed otherwise.

He has beaten around every bush to answer a simple question. The making of a brush does not bring about any problem of storage. A brush, not being a perishable commodity, can be stored with others until there is a sufficient quantity to go into the market. It is not like rice or plantains, so that the talk about our wasting the Committee's time is superficial and childish. Until every manufacturer has produced enough brushes the market cannot be flooded with them. Why tell us of "tomorrow"? Tomorrow you may be dead, as we say locally, "in the cold mould".

The Minister's words were filled with the suggestion of compulsion. He knows that Government cannot force anyone to do anything. If you are going to compel your people, you will not have a satisfied people. You cannot force a people to be free. Is it that the Minister has Machiavellian theories? I think, in all the circumstances, Government should accept the Amendment which I have moved.

**The Chairman:** Hon. Members, the question is, that the item, 899-13.3 — "Household brooms and brushes" — be deleted.

Amendment negatived.

Council resumed.

**The Financial Secretary:** The Bill having passed through the Committee stage without amendment I beg to move that it be now read the Third Time and passed.

Question put, and agreed to.

Bill read the Third Time and passed.

#### TAX (AMENDMENT) BILL

**The Financial Secretary:** We were discussing the Second Reading of the Tax (Amendment) Bill when, at the request of the hon. Member for Georgetown Central (Mr. Burnham) it was adjourned to await the Report of the Public Petitions Committee.

**Mr. Burnham:** The Tax (Amendment) Bill is the next item on the Order Paper but the Report of the Public Petitions Committee was laid on the Table today, and a Motion has to be moved for its adoption. I therefore think we should further adjourn the debate on the Bill. It is proposed to move a Motion for the acceptance of the Report of the Petitions Committee. It is not one of those Motions of which notice can be dispensed with.

**Mr. Speaker:** When the Motion for the Second Reading of the Bill to amend the Tax Ordinance was being debated my recollection is that the hon. Member for Georgetown Central interrupted to move that the debate be adjourned until the Report of the Public Petitions Committee was laid on the Table, or at any rate to give the Committee an opportunity to consider the petition.

[MR. SPEAKER]

The Report of the Petitions Committee has been laid on the Table and I take it that Members have had an opportunity to read the Report. It seems to me that it follows that we should now resume the debate on the Motion for the Second Reading of the Bill. During the debate Members can take notice of the Report of the Petitions Committee. I think that was the idea. The Minutes of the meeting of the Council on the 10th of March state:

"Mr. Burnham moved and Mr. Kendall seconded that the debate on the Motion for the Second Reading of the Bill be adjourned to enable the Public Petitions Committee to conclude consideration of and to report on the Petition tabled by Mr. Tello on the 12th February, 1959, on behalf of Mr. Rudolph Melville and others praying that the Proposed increase in the excise duty on beer should not be approved by the Legislative Council.

The question was put and the Motion was carried unanimously."

I do not remember if any Member had spoken on the Motion before the debate was adjourned.

**The Financial Secretary:** It was after my speech that the hon. Member moved for an adjournment.

**Mr. Burnham:** The point about it is that reference to our Standing Orders and to Erskine May's will show that after the Report is laid the Chair has to put a Motion for its adoption before it can be discussed.

**Mr. Speaker:** What is our particular Standing Order?

**Mr. Burnham:** Our Standing Orders do not provide what is to be done after the Report is laid, therefore I had to refer to Erskine May, and as I understand it, he says that there must be a Motion that the Report be adopted. Under our Standing Orders I cannot get that Motion in today because it does not come under Standing Order 23 which deals with Motions with respect to which

notice can be waived. That is why I have asked for an opportunity to have that Motion tabled, so that the Report can be adopted. My reason for asking for an adjournment of the debate on the Second Reading of the Tax Bill was because the beer Tax was part of the Bill.

**The Attorney-General:** Perhaps the hon. Member can assist us by referring to Erskine May's authority that the Report of the Petitions Committee must be approved on a Motion. We have to be careful not to offend against the rule of anticipation in dealing with this matter.

**Mr. Speaker:** It is 4.30 now and I suggest that it is a convenient point to adjourn for tea until five o'clock.

The sitting was suspended until 5 p.m.

#### RESUMPTION

*Council resumed at 5.00 p.m.*

**Mr. Speaker:** Hon. Members, when we adjourned the hon. Member for Georgetown Central was about to attract the attention of this Council to some reference in May's Parliamentary Practice and was asking that he be permitted to give notice of a Motion that the Tax (Amendment) Bill be not proceeded with today. I do not know whether he wishes to say anything more on the question before I give my ruling.

**Mr. Burnham:** There is not very much more I wish to say. I desire to make the point that the Committee's Report is now before the Council but, according to the Standing Orders, there is no provision for having a debate after it is laid. I have already looked at the Standing Order which refer to the practice and custom, etc., of the House of Parliament of the United Kingdom and Northern Ireland. Looking at that practice I find that no debate can take place or consideration be given to a Report by a Select Committee whether it be a Special Select Committee or a Sessional

Committee unless there is a Motion for the consideration of such Report. I intimated to the Clerk of the Legislature that I proposed to move such a Motion, but when I looked at the Standing Orders again I found that such a Motion does not fall into the category of motions which can be moved without notice being given. That is why I ask that further consideration of the Bill be deferred.

It is well known that this Tax (Amendment) Bill is a very controversial one. I assume that since motions are debated when the Executive Council indicates that it is ready to debate them, that if I were to give notice of my Motion now by this afternoon or tomorrow morning it will come up very quickly for discussion. I do not know whether Members of the Executive Council are prepared to debate such a Motion at this stage. This is an indulgence which I ask of this Council. I would urge in favour of this indulgence that we go through all the stages of the Public Petitions Committee first and then complete the business. This Government will not be embarrassed by deferring consideration of the Bill because, as I said a few days ago, the Governor's Order in Council takes care of the revenue position.

If, of course, after consideration of the Report of the Public Petitions Committee this Council is of the view that there should not be an increase in the excise tax no one is embarrassed, for in that instance there is ample provision in the Customs Ordinance for the refund of any duty that has been paid as a result of the Governor's Order in Council. I can see no argument in favour of hurrying through the Tax (Amendment) Bill.

May I point out that Government is on a safe wicket. This is not like the Estimates where you may be depending on the approval of certain items to enable new works to begin. I would ask hon. Members to be good enough to accept a Motion for the consideration of the Report.

**Mr. Speaker:** As far as I am concerned, if it is the expressed view of this Council that a Motion should be tabled for discussion on this Report then, as I have always said, I would give expression to the wishes of the Council. I, personally, am quite ready to say what I think, as Speaker, of the situation, but I do not wish to say it now that the hon. Member has asked that the Bill be deferred. If hon. Members are prepared to accede to his request it is a matter entirely for the Council, but I am prepared at this moment to give my views on the matter irrespective of what decision the Council may arrive at. I am going to look at the Standing Orders, and if I do not hear anything further from Members I will express my views on the matter.

**The Chief Secretary (Mr. Porcher, acting):** I am sure my colleagues will agree with me when I say that we have no wish to unduly rush this Bill through the Council. I really cannot see the point of having a Motion and a debate on the Report of the Public Petitions Committee on this particular matter. The main objection in the petition is that the excise duty on beer should not be increased and that forms part of the Bill we are now considering. Anything that anybody wants to say about the petition can be said in the debate on the Tax (Amendment) Bill.

The Committee stage of the Tax (Amendment) Bill provides ample opportunity for any Member who wishes to put into effect the prayer in the petition, and to postpone the debate on this Bill in order to allow the hon. Member for Georgetown Central to bring a Motion to initiate a debate on the petition is merely a complete duplication and a waste of valuable time.

We adjourned the other day in order to meet the other side of the Table more than halfway, so that the Public Petitions Committee would be able to consider the petition and report to the Council. The Committee's Report is now before this Council and it can be referred to during the course of the debate on the

[THE CHIEF SECRETARY]

Bill. I do not see what useful purpose would be served in having a special Motion on this Petition, and I am unable to agree to it.

**The Attorney-General (Mr. Austin):** I would like to add that from my short research I have not been able to find anything to show that there should be a Motion to debate the Report. So far as Erskine May's Parliamentary Practice is concerned, it seems to me that petitions, which are far more numerous in the House of Commons than in this Council, are dealt with almost as a matter of routine by the Public Petitions Committee. From time to time during the particular session the Reports are published for the information of Members, but there is no suggestion that each and every Report on a petition has to go before the House. Indeed it is possible to hold a debate on a petition without going to the Committee for a report, if the petition concerns a matter of extreme urgency.

In the circumstances, there is no necessity to go through this formality of having a Motion to accept the Report, as I see it. I agree with the hon. the Chief Secretary on his practical consideration, and I think he is right from the parliamentary procedural point of view, subject to Your Honour's ruling.

**Mr. Speaker:** The hon. Member for Georgetown Central called attention to page 641 of May's Parliamentary Practice, and the relevant paragraph reads thus:

"In the Commons the report of a select committee may be taken into consideration in pursuance either of an order made upon a previous day or of a motion that the report be now read, or be now taken into consideration. According to the present practice a motion for appointing the report of a committee for consideration on a future day, requires notice, and cannot be made on the presentation of the report."

I have found that Select Committees also include Sessional Committees.

Now, if I may go into the history of this matter as far as it concerns this Council, the Tax (Amendment) Bill before us was moved in the Second Reading stage by the hon. the Financial Secretary. At the close of his speech a Motion was made by the Member for Georgetown Central in effect asking that further consideration of the Motion for the Second Reading be deferred until the Petitions Committee had considered the Petition and had reported. On that basis the matter was adjourned. It is to be noted that the subject-matter of that Petition forms one of the items mentioned in the Tax (Amendment) Bill; however, it is only one of several items dealt with in that Bill.

The reference by the hon. Member for Georgetown Central to May's Parliamentary Practice I think more properly concerns those matters which are independently outside the matter under debate; for example, in the case of matters dealing with actions entirely outside of a particular subject-matter before the Council, if they are to be pressed further, there must of necessity be a Motion for their debate.

In these circumstances, any decision at which the Public Petitions Committee arrived and which was embodied in the subject-matter of the Report will, of necessity, be implicit in the subject matter of the particular Bill under discussion, and therefore it is my view that notice can be taken of the subject-matter of the Petition and the Report and a full discussion made on it in debating the particular Bill.

I cannot see that these two things can be placed in separate compartments at all. That is why I used the word 'implicit'. The Report has been laid on the Table. I do not know whether Members have read it. If Members have not read it, then there can be no objection if a Motion is moved in this Council that the Report be read. But in the consideration of the Report of the Public Petitions Committee, with reference to the matter of beer, which forms part of the Bill

under consideration, the proper time for discussion would be during the debate on the Second Reading of the Bill and subsequently when the Bill is in Committee stage.

I want to refer also to our own Standing Orders, because the hon. Member for Georgetown Central said that a Motion such as this cannot be made without notice. I would direct his attention, and the attention of hon. Members, to Standing Order 23 (1) (k) — the marginal note is, "Exemptions from notice". It states :

"23. (1) Unless the Standing Orders otherwise provide, notice shall be given of any motion which it is proposed to make, with the exception of the following—"

which include (k):

"A motion that the report of a Select Committee be referred to a Committee of the whole Council, or be printed."

If the question is only one of notice, and that was in the way of the hon. Member for Georgetown Central, then there can be a Motion that the Report of the Select Committee be referred to a Committee of the whole Council, or be printed — although I do not say that it is necessary. The Report is already printed. This Council will go into Committee to consider the whole Bill, of which the subject-matter of the Report of the Public Petitions Committee forms a part. I think we shall proceed with the debate on the Second Reading of the Bill. I do not know if Members have read the Report.

**Mr. Campbell:** I have not yet studied the Report.

**Mr. Speaker:** Well, I think a Motion can be moved that the Report be read.

**Mr. Davis:** I do so move.

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

The Clerk read the Report of the Committee, as under:

"REPORT of the Public Petitions Committee of the Legislative Council appointed by the Speaker under Standing Order No. 41(3) framed under the British Guiana (Constitution) (Temporary Provisions) Order in Council, 1953, on the 15th November, 1957.

LEGISLATURE,  
Public Buildings,  
Georgetown.  
11th March, 1959.

His Honour the Speaker,  
Legislative Council.

Your Honour,

We, the Chairman and Members of the Public Petitions Committee, have the honour to submit a Report on a Petition which was tabled by Mr. R. C. Tello, Nominated Member of the Legislative Council, for and on behalf of Mr. Rudolph Melville and others, at a Meeting of the Legislative Council held on Thursday, the 12th of February, 1959.

#### PETITION

2. The Petition is as follows:—

To the Honourable Members of the Legislature of British Guiana.

The Humble Petition of the undersigned  
88,823 People of British Guiana

Respectfully Sheweth

1. Your Petitioners were gratified and pleased when in October, 1957 the Peoples of British Guiana were able to have their own locally brewed beer for the first time, especially when it was known that the Brewery had been built by Guianese as a result of Guianese initiative, with Guianese money and Guianese labour.

2. Whereas, the Peoples of British Guiana had for years been able only to buy beer at 40 cents or more per bottle, it had now become possible for them to get equally good beer throughout the country at the standard price of 25 cents per bottle, which is a convenient unit of currency which enable less privileged persons of British Guiana to enjoy this popular beverage.

3. Your Petitioners view with alarm the proposed increase of 50% on the present duty on beer which will mean that they

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will have to purchase less beer and to pay more for it in more than one unit of currency.

4. Your Petitioners will remind Honourable Members of the unemployment which at present exists here and which is has been found will increase considerably in the future.

5. All Your Petitioners realise that the only way to decrease unemployment is to establish new industries. But what are the prospects of achieving this if, after one year of the establishment of the first large locally owned industry, duties are increased by 50%. No Guianese would want to invest money under such conditions.

6. Your Petitioners hope that the Brewery will not close down for this would be a local disaster. It would put many out of work and furthermore, the high standard of pay and conditions of employment established by the Company would cease to exist.

7. Your Petitioners consider the proposed increase of the tax on beer very unfair and respectfully request the Legislature to reject the proposal.

And Your Petitioners as in duty bound will ever pray,

12th February, 1959.

(Sgd.) Rudolph Melville, Spring Land Ville, Corentyne, and Others.

#### Constitution of the Committee

3. The constitution of the Committee is as follows:—

Mr. L. F. S. Burnham — Chairman.

Mr. Balram Singh Rai  
Mr. Ajodha Singh  
Mr. Jai Narine Singh } Members  
Mr. R. C. Tello

with Mr. E. V. Viapree, Assistant Clerk of the Legislature — Secretary to the Committee.

#### Meetings Held

4. Three Meetings of the Committee were held: On Monday, the 2nd of March; on Tuesday, the 10th of March; and on Wednesday, the 11th of March, 1959.

Copies of the relevant Minutes are attached.

#### Report of the Committee

5. (a) At the Meeting held on Monday, the 2nd of March, it was de-

ecided on a motion moved by Mr. Rai that 'the matter he referred to the Speaker for a direction as to whether the Committee should proceed to consider the Petition, or as to whether the consent of the Governor should be obtained in the first instance in accordance with Standing Order No. 14(5) (c).'

In a letter to the Chairman dated 5th March, Your Honour ruled that 'the Committee should proceed to consider the Petition' and in this connection Your Honour invited attention to the last sentence in Standing Order No. 14(6).

(b) At its Meeting held on Tuesday the 10th of March, the Committee considered the Petition when the following Members were present:—

Mr. L. F. S. Burnham — Chairman.  
Mr. Balram Singh Rai  
Mr. Jai Narine Singh } Members  
Mr. R. C. Tello

(c) At its Meeting held on Wednesday, the 11th of March, the Committee prepared and approved of its Report when the following Members were present:—

Mr. L. F. S. Burnham — Chairman.  
Mr. R. C. Tello  
Mr. Ajodha Singh } Members

(d) Decision reached by the Committee regarding the Prayer of the Petition.

The Committee recommend to the Council that the Prayer of the Petition be granted, the reason being that if there were an immediate increase in the excise duty on locally manufactured beer the results are likely to be inimical to the setting up of new industries.

I have the honour to be,

Your Honour's obedient servant,

(Sgd.) L. F. S. BURNHAM.  
Chairman."

**The Clerk:** The related minutes of the meetings are attached.

**Mr. Speaker:** We will now proceed with the Second Reading of the Bill.

**Mr. Campbell:** I have not much to say on this Excise tax on beer, except to remark that any other time I would have agreed that it was quite in order,

but at the present time when there is so much unemployment and so much need for more industries to absorb the unemployed, new industries should be encouraged by Government by granting more concessions, more tax holidays.

As I understand it, Bank Breweries was given a tax holiday, except for a certain technical matter about this Council having the right to increase the excise tax on beer. Government has seen fit to propose an increase of that excise tax from 50 cents to 75 cents per Imperial gallon. I do not suppose that an addition of 25 cents per gallon is much of a tax, and those who enjoy beer can bear an addition of perhaps two cents per bottle. But that is not the point I wish to make.

The point is that the beer industry is about the only local industry that has made a mark, or has been a success in British Guiana, and Government should have thought about the after-effects of taxing a new industry, because the eyes of the world, the Western world, and the eyes of local businessmen are watching the movements of this Government.

It is my view that Government cannot afford to tax a new industry that has caught the imagination of the public, and that in doing so it has acted somewhat unwisely. Government says that it has to raise \$2 million more to carry on its Development Programme, therefore it has to tax certain items including beer. Overseas investors may have come in, not with \$2 million but perhaps with many millions, but an increase in the excise tax on local beer is likely to have an adverse effect on the minds of would-be overseas investors.

I hope I am wrong. Rumours can do a lot of damage, but the tax on Banks beer is not merely a rumour; it is a proposal of this Government. I am more or less a teetotaller and I have no qualms at all about taxation on beer, but it is my view that if we tax local beer at this moment we stand a chance of scaring away would-be investors,

both local and overseas. As an investor I would rather put my money on the Bank and get 2½% interest, than risk it in any new industry which the Government would immediately tax. Overseas investors may take the same view, so that I think the tax on beer is unwise, to say the least of it.

**Mr. Jackson:** First of all I would like to express my disagreement with the Managing Director of Bank Breweries Ltd. in placing the blame for the proposed increase in the Excise duty on beer upon the hon. the Financial Secretary. I do so all the more because, unlike myself, an Elected Member of this Council, the Financial Secretary cannot go to the street corners and defend himself against any accusation made by a member of the community. I take this stand not because I hold any brief for the Financial Secretary. As a matter of fact those who know my relationship with the Government know that I disagree very violently at times with the Government and its officers, including the Financial Secretary. I take this stand on a matter of principle and because of my previous association as an employee of the Government — one who could not defend himself against any accusation made publicly against him by any member of the community.

I find it to be very unfair to accuse the Financial Secretary of being responsible for this proposed tax on Banks beer. If my hands are tied it is unfair and unjust, and perhaps inhuman, if someone takes advantage of that situation to attack me, and I regard the Financial Secretary as being an official with his hands tied and unable to retaliate in any shape or form. As a matter of fact, when the accusation was made by the Managing-Director of Bank Breweries Ltd. one newspaper published an account of the meeting which, in my opinion as a layman, bordered on libel, and perhaps there was some justification for that view, because I subsequently read an editorial in that newspaper stating that it never intended to cast any aspersion on the Financial Secretary. I

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was glad when I read that and I would have been even more glad if the Managing-Director of Bank Breweries Ltd. had done the same thing.

Members of this Council have realized that there is a collective responsibility in the Executive Council. We know that proposals which are brought before this Council by the Government are decisions which have arisen out of the collective responsibility of the Executive Council, so much so that I have particularly wondered how it was ever possible to bring about a merger between the conflicting ideologies of the persons who comprise the Executive Council.

I remember that on one occasion a decision taken by the Interim Legislature with regard to the granting of aid to private secondary schools was altered by the present Government without the formality of approaching this Council for a change of policy, but simply by a decision taken in Executive Council. I remember when I took part in the discussion on a Motion moved by the hon. Member for Georgetown Central I observed that the Chief Secretary, who was then in his substantive post, was the person who presented the Resolution to the Council, which was then the Interim Government. I questioned how the then holder of the post, who had given his blessing to the proposal for aid to private secondary schools in a previous Council could, as a man with a conscience, come into another Council and undo what he had done before.

I have made reference to that because there is an indication in this Council that Official Members of the Government are prepared to accept the views of the majority of the Members in Executive Council at the risk of smearing their consciences because of loyalty after making certain decisions. We have seen them time and time again moving as a team, and that fact has been substantiated by our knowledge of their actions in this Council. They were

unanimous in their decision when the question of the excise duty on beer came up for discussion. But, in spite of that, we find that the Ministers of Government (the politicians) have not taken the opportunity to defend their colleague when he is unable to defend himself in public. It is true that from time to time they have expressed their agreement to proposals for increased taxation, but not one Minister has thought it fit to defend the hon. the Financial Secretary in public despite the fact that he stands by their side all the time.

There are several occasions to which I can refer when the Official Members of the Government voted with the politicians because they are joined together by collective responsibility. It is therefore my view that the political Ministers of the Government should defend their colleague in public, because he is unable to speak for himself there.

**Mr. Speaker:** I do not want to take you off your stride. I merely wish to point out that we are dealing with the Second Reading of the Bill, and you need not go into long discussions as to the relationship between the Members of the Executive Council.

**Mr. Jackson:** This is a question of collective responsibility, and if one person has been singled out for attack it should also be collectively shared.

**Mr. Speaker:** If I remember correctly, I think the hon. Nominated Member, Mr. Fredericks, on a previous occasion in this Council had already referred to the matter and made similar reference. Do you not think that it would be sufficient for you to mention it in passing, rather than debate the question as to whether Members of the Government should defend one another? That is not a principle of the Bill.

**Mr. Jackson:** Since this matter arose out of the proposals for taxation, it seems to me that I should be given ample opportunity to make reference to it. I admit that Mr. Fredericks did ex-

press his views on the matter, and I would like to do so.

**Mr. Speaker:** You have already done so. We are dealing with the principles of the Bill, and I cannot permit Members to bring in extraneous matters at this stage. I cannot permit every Member to get up and say all sorts of things. Have you said enough regarding the principles of the Bill?

**Mr. Jackson:** I was merely trying to point out that this is a responsibility which must be taken by all Members of the Government. I will accept Your Honour's ruling and proceed with my comments on the principles of the Bill. Despite the explanation of the hon. the Financial Secretary, I am of the opinion that the proposal to increase the excise tax on beer has been introduced at an inopportune moment and it is psychologically bad and unsound.

In his speech on the Second Reading of this Bill the hon. the Financial Secretary mentioned that there was a Clause in the Agreement which indicated that the Legislative Council has the right to alter whatever proposals or tax concessions were given to Bank Breweries before it was established. No one will challenge the statement that it is the right of the Legislature to make and break laws, or to put new laws in the place of old laws. I would hardly have thought that it would have been necessary for the Government of the day to have included that Clause in dealing with the proposals for new taxation. Perhaps it may be urged that that Clause was inserted in order to remove any misconception or misapprehension of the circumstances which then prevailed, or perhaps it may be urged that the concessions which were given in the other fields were compensatory for the period of time with respect to the excise tax of 50c. then in existence.

Maybe it can be argued that since the brewery has made a profit, since it

has done exceedingly well, since its first year of activity was beyond the wildest dreams of the proprietors, then no harm would befall the brewery if Government decided to impose increased taxation. It can be argued also that the campaign against this tax involved a tremendous expenditure of money and that is an indication that the tax is justifiably made.

I am trying to put every aspect of the matter which may be put by Government to justify the retention of this tax. It may also be argued that the campaign was carried out so well that people were caught in the urge and heat of the occasion and decided to do something about the matter. Those are the observations that the Government may be able to make, and it may be said that the people who signed the petition did not have a clear picture of the situation.

Never before have I witnessed such a campaign as the one carried out against these proposals. I recall that the Minister of Trade and Industry gave his version in the newspapers, and the proprietor of Bank Breweries replied to what was expressed. As the representative for Georgetown North I have received a large number of protest cards against the new tax proposals on Banks beer. I take the view that Government should listen to the views of the people in this matter. I hold the view that no Government should at all times exercise its power and authority against the wishes of the people who were responsible for putting it in that position.

I also hold the view that even though the present Government is composed of Elected and Nominated and Official Members, the voice of the people should be heard and recognized. The Official Members of the Government hail from a country where this sort of thing is a frequent occurrence and where the voice of the people is heard. I am sure they will agree that on occasions action of this kind has been taken and accepted for what it is worth because it is a way

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of giving expression to public opinion on any measure of the Government which is unpopular.

I am sure that the Elected Ministers of the Government know that in this democratic era the voice of the people should be heard. Even if there was no precedent to follow, by virtue of the fact that we are working under a democratic system of Government we should be able to recognize that if an unpopular measure is forced upon the people it will eventually destroy the machinery of the Government.

In the circumstances, I urge upon this Government to harken to the voice of the people who signed the petition which was presented to this Council some time ago, and which was discussed and reported on by the Public Petitions Committee.

I have not signed the Petition, but I did hear rumours that one Member of the Government had signed it. Although I did not sign the Petition, I am against the proposed tax as contained in this Bill, and as an Elected Member in this Council I am bound to take cognizance of the appeals and protest cards sent to me, and of the people's wishes. I hope this Government will not kick out the old custom of paying heed to the requests of the people. It is said that over 88,000 people signed the Petition, and I understand this is more than the total number of votes received by the People's Progressive Party in the last General Elections.

That is one aspect of the matter. Another is, will this increase in the excise tax produce any additional hardship, financially, upon the people who consume beer? I think the hon. the Financial Secretary has indicated in his speech that beer is a luxury or a non-essential. I wonder what his own colleagues in his homeland would think of that statement. Those of us who have travelled to the United Kingdom know that beer is the national drink of that country. I

know that if you go into a public house there at any time, you will find a regular social gathering drinking beer. And while the Government of Great Britain has from time to time taxed beer, that Government did not for one moment say that the tax was increased because beer was a luxury or a non-essential. In fact, there are some people who accept beer as a food, and that it has certain properties which contributes to one's health. I am no expert in that direction, but I am inclined to believe that there is some food value in it—even if it is effective in flushing out the kidneys, that is of medicinal value!

It has been said that perhaps the increase need not be absorbed by the consumer, but by the proprietors or shareholders of the Brewery, because in the first year of operations a dividend of 10% has been declared in their favour. It is an unusual stand for the Government to take, because it is admitted even by the Financial Secretary that manufacturers do not get an increased tax without passing it on to the consumer. The youngest school child knows that whenever there is an increase in the customs duty of a commodity, the first person to feel the effect of it is the consumer.

Last year when there were rumours around that there was to be an increase in the price of tobacco or cigarettes, the public was charged a penny more per packet of cigarettes. It only shows you the mentality or attitude of certain people. I will not accuse the Government of a Budget leakage, but certainly there was a high degree of anticipation, and some people increased the price of cigarettes even before the presentation of the Budget which took place on the 8th of January this year.

It is true that the proprietors of Bank Breweries Ltd. have advertised that the price of Banks beer remains the same to the customer: either they intend to collect a rebate on what is paid in the increased excise duty, or begin to charge more for the beer later.

I would consider that the hon. the Financial Secretary is of the attitude of mind that, "if you want it, you must pay for it". I would be surprised if he really is entertaining thoughts of that nature when we on this side of the Table have got the impression that he is of a Christian heart, that he is a man of very sound principles and of very human qualities. We would be very disappointed if, for the sake of this tax, he removed that impression from our minds.

I will not go over the argument put forward already that every penny which is a tax increase is an attempt by this Government to soak the poor, but I must observe that in 1955 when rum and cigarettes were taxed the hon. Minister of Trade and Industry expressed the view that Government was soaking the poor, but today, when the same items are taxed, he is saying that it is a tax aimed at developing the country.

**Mr. Benn:** To a point of order. The hon. Minister of Trade and Industry justifies the present taxation, because he pointed out that when a similar taxation was made in 1955, the Government in power was non-elected, and he made reference to the phrase, "No taxation without representation".

**Mr. Jackson:** The Minister rose to defend his colleague.

**Mr. Speaker:** He really rose to keep the record straight.

**Mr. Jackson:** Mr. Speaker, at the time he wrote his comment, in 1955, he said that the Interim Government was wasting money; but his words now are, now that you have a Government that will go in for development, there is justification for the tax increase.

**Mr. Benn:** He did not say so.

**Mr. Jackson:** That was what the Minister said. I am not repeating the argument about soaking the poor, but every cent which is put upon a commodity consumed by the public is an addi-

tional burden upon the backs of the people; and even if we accept the version of Miss Paro's Report given today, when we leave the Report and come down to practical life, we will find that it would add 27 cents to the household budget every week.

Over a period of a year it will be a few dollars, and on that strength it is clear that while there are some people who are employed and will be forced to pay this increase in the price of beer, there are others in our social life who cannot afford to pay the increases which are being imposed on beer and other items. It will not be denied by the Government that additional burdens are being imposed on the people, and I need not repeat the statement that there will be repercussions and demands for higher wages, which is common practice in all parts of the world.

But even when I admit that the Legislature has the power to vary concessions granted to industry; even if I admit that a succeeding Legislature need not be bound by the decisions of the proceeding one, I must come to the point that the timing of the proposal to increase the excise duty on beer is bad. The history of Bank Breweries is known to all. I was present on the day the brewery was declared open by His Excellency the Governor. I was present when the Minister of Trade and Industry (Dr. Jagan) gave the brewery his blessing, and I heard the many statements he made. I feel that anyone who listened to his speech on that occasion will express some amount of surprise that he is in agreement with this proposal to increase the excise tax on beer.

When the Minister of Trade and Industry returned from his money mission to London he indicated that because of the disappointment which he and his colleagues suffered, the Government would have to increase taxation in the Colony, and there was a lot of speculation as to where the hammer or the axe would fall. One could hardly have dreamt that it would have fallen on this

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item which we are now discussing, because the industrial development of this country is something of which we have heard from every Member of the Government, and concerning which there is basic harmony. We may differ as to the method of proceeding, but the goal we all seek is the same. Since we are unanimous in our desire to have this country developed industrially it must concern Members on this side of the Table when the Government of today takes action which is capable of doing just the opposite in the very near future.

Whether the Legislature gave an undertaking to Bank Breweries or not, that there would be no increase in the excise duty on its beer, the fact is that there was an impression in the minds of all those who invested money in the establishment of the brewery that there was an exemption for the same period of time. Nothing that I say here is intended to suggest that Government had bound itself by any means to maintain a low excise duty for the same period as the other concessions to the Company, but the impression was largely held, rightly or wrongly, that no attempt would have been made to increase the excise duty on beer. I know that Government will say that those persons were wrong to have that impression, but many of us have formed wrong impressions at some time. But since many people hold the view that there was also an exemption from increased excise duty on beer for the same period as the other tax concessions granted to Bank Breweries, for the sake of meeting that condition of mind Government should give the matter further thought.

I hold no brief for the Directors of Bank Breweries. I hold no shares in the Company. I drink beer but seldom because it is my natural habit to refrain from certain things, but on social occasions I may indulge in some intoxicants which include beer. At this moment we are faced with a lack of funds for the development of the country, and we are

told that in order to attract capital from outside it would be a very good thing if we could prove that local people are also willing to invest their money — that foreign investors would be influenced by the willingness of local businessmen to invest in new fields in the Colony. We are told that that is one of the prerequisites for encouraging foreign investments in this country.

Let us say that on the question of profits the Government feels that it is justified in imposing this tax. Only yesterday we heard that capital springs from profit or from savings. If that is so, what is wrong about the profits made by Bank Breweries in its first year of operation, if and when the Company and its shareholders say that they intend to put those profits back into industry of one kind or another? It has been brought out since this controversy was raging, that the Directors of Bank Breweries intend to invest more money in other fields which might be allied to brewing. If that is so, why introduce this tax at this time because Government wants to find \$2 million, and when this tax is going to yield less than half a million dollars? If this tax is not imposed the profits made by the Company would be invested in the establishment of other industries which would be of advantage to this Colony, for an expansion of industrial development is a vital necessity in view of the unemployment which exists and threatens to increase in the future.

Only yesterday we heard the Minister of Trade and Industry say that over \$2 million leaves this Colony every year for the purchase of motor cars. Perhaps if we could make our own cars we would save the amount of money which goes out. We are exporting money when we need to keep it in the Colony, therefore if we have a local company, a progressive company which is bent on further development, it is thwarting the intention of the people to propose an increase in taxation at this time. Not only have the proprietors of Bank Breweries Ltd. been loud in their protest against the tax, but this tax has had condemnation from other

quarters, including the Chamber of Commerce, and whether Government agrees with them or not, the fact remains that in high quarters there have been strong protests against the proposed increase in the excise duty on beer. If sound and hard-headed businessmen who run the Chambers of Commerce in Georgetown and New Amsterdam have voiced their protests against the tax, are they not in a position to judge? Are they not in a position to know whether this increase is going to affect adversely the economy of the country? Are they so selfish that they are not considering the welfare of this Colony? I do not accept that it is mere selfishness that is causing the Chambers of Commerce and other people to voice their protests against this increased tax on beer.

I believe it is because of the soundness of the analysis of the situation and the repercussions and possible difficulties that may arise that members of the Georgetown Chamber of Commerce and the New Amsterdam Chamber of Commerce have protested against this increase in taxation. Is it not time that Government pay heed to the very wide field from which these protests come? Is Government prepared to remain deaf to the voice of the people? Is Government going to discard the views of the Chambers of Commerce—the very people who can be of assistance to this Colony in its industrial development?

I feel it is unjust for Government to increase the tax on the brewery immediately after its first year of operation. It may well be that progressive-thinking people may remain in their shells like oysters and be of little value to the country's development. They may decide to put their money in the bank, or invest it outside of the Colony. It has been said that Bank Breweries will be setting up a branch in Barbados. The money that will be invested in Barbados could have been invested in British Guiana so that more people could be employed. I am sure this is the result of the action taken by this Government to increase taxation on Banks beer. A lot of money will be

invested outside of this Colony and that is an important factor which must be taken into consideration.

It is quite possible that other investors in this Colony will keep shy of Government and refrain from investing money. Is it that this Government is not interested in getting people to invest money in this Colony? Suppose people say that in the light of Government's attitude towards Bank Breweries they will not invest money in this Colony? Suppose people take the view that they cannot put any confidence in this Government? Surely Government's present attitude must have an adverse affect upon the minds of people who have money to invest. Members of the Government must ask themselves these questions.

I would have thought that since this matter was debated in this Council, Government would have seen the possible repercussions if the proposals were implemented, and I would have thought that the Members of the Government would have made up their minds to obtain the required revenue by some other means. Government has not indicated whether it is in favour of removing the proposals for taxation.

It is my view that since businessmen in the Chambers of Commerce are against these tax proposals, and since other people are against them, Government should make other arrangements for collecting revenue. It is possible that Government may force the people to get together and conspire against it. I wonder whether Government has taken these factors into consideration.

Earlier today the Minister of Trade and Industry spoke about making brooms and brushes. Surely the time will come when Government will want large proprietors to take over the industry. What will happen if the capitalist and the people who have money to invest refuse to do so? I know that some businessmen are hard-headed, and I know that some of them will be prepared to lose money in order to reach their objective.

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I am aware of the kind of competition that can be carried on in this Colony. The Minister of Trade and Industry mentioned that some stores were selling imported brooms at a price lower than the local brooms, so he knows what can happen. Is it not time for Government to re-examine the situation now that it realizes that business men can get together and work against Government regardless of who suffers in the end?

Everyone knows about the controversy over these tax proposals. Several articles have been written in the newspapers, and the Chambers of Commerce have given their views. How can Government hope to encourage foreign capital when people outside of this Colony are aware of what is taking place here? If the Georgetown Chamber of Commerce is affiliated to the West Indies Chamber of Commerce the other Chambers will be informed of what is taking place here. I am sure people all over the world know what is the position here.

If the Government is sincerely inclined towards the development of this country, is it not possible for them to inquire seriously as to the possibility of raising money in England or America, so as to cover the amount they expect to get from this tax, and more? Is it not short-sightedness that the Government is extracting this money from the Brewery and is standing the chance of losing millions of dollars that may come into this Colony? Does the Government prefer to take this mere pittance and lose opportunities for investment?

I know that it has been said this afternoon that the attitude of investors is stupid. But as a layman and perhaps as one who has given some thought to this matter, it is my duty to warn Government of its actions. I would hate to see anything I have prophesied become a reality, for the harm that would be done would be irreparable; and by this I mean the discouragement of capital investment by people in this country and people abroad.

"But what is the view of a single Elected Member of this Council?", one may well ask. Even if proposals are put forward by more than one Member on this side of the Table, the Government's attitude will be, "we are not yielding." Anyway, we still know that there is soundness in our view that the Government has chosen the wrong time to impose this tax on this infant Brewery, and it is erroneous to take the stand that the consumption of the beer has been beyond even the wildest expectations, therefore consumption will remain at that level in 1959.

When I was a child, I was old enough to know there was much competition among the makers of malt liquors, and it was therefore possible to get a bottle of stout for 6c. At that time one firm wanted to secure much more of the market than it had. It reduced its prices and aimed at breaking down another section of the industry which was competing against it. While it is true that today the price of imported beer is higher than local beer, what guarantee has Government that the price of malted liquors, like Heineken's beer, would not drop below the local price of beer? If that happens, then what? The Government has not prohibited the importation of beer from abroad since the establishment of Bank Breweries Ltd., and it is not impossible that any of the well-established firms abroad might drop the price of their article below the price of local beer. They can, in a combined effort, kill the local Brewery.

A penny on a bottle of beer, whether taken from the profits of the Company or passed on to the consumer, means a tremendous lot to the industry. Our Government says it wants to encourage investment by Guianese in their country on the one hand, and on the other hand it tries to kill the initiative which has been demonstrated. If it persists in this tax at the end of the first year of the Company's operations because profits have been made beyond its expectation, it may well be that in the next year the position of the Company may be just the

opposite. If that were to happen what will be the future of the Colony in regard to investment of capital? Will Government be satisfied to know that a loss is incurred because of the meagre amount it seeks to raise from this industry? Is Government going to be satisfied that it is hanging the industry by its neck?

Those of us who are preaching investment should put money into local industries and so make a positive contribution to the development of the country. I am not speaking idle words. I do not have knowledge of what is now happening in other parts of the world since this proposal has been made by the Government. I happen to know of the connections and links which are being made, and I happen to have knowledge that if this tax is imposed the Government of the day will be very sorry for it.

I want to deal with the petition but it is now five minutes to seven o'clock,

although the clock in the Chamber is not working. I wonder why it has not been repaired. It is a disgrace—

**Mr. Speaker:** I do not think that forms part of the principle of the Bill before us.

**Mr. Jackson:** I admit that it does not form part of the principle of the Bill but I made the point to ask Your Honour whether you would not consider that the time had come to adjourn this debate, because I have yet a long way to go with respect to the petition itself. I would suggest that the Council be adjourned.

**The Chief Secretary:** I move that the Council adjourn until two o'clock tomorrow.

**Mr. Speaker:** Council will now adjourn until tomorrow at two o'clock.

*Council adjourned at 7 p.m.*