

LEGISLATIVE COUNCIL.

Friday, 13th February, 1942.

The Council met at 12 noon, His Excellency the Governor, Sir Gordon Lethem, K.C.M.G., President, in the Chair.

PRESENT.

The Hon. the Colonial Secretary,
Mr. G. D. Owen, C.M.G.

The Hon. the Attorney-General,
Mr. E. O. Pretheroe, M.C., K.C.

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

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

The Hon. N. M. MacLennan, Director
of Medical Services.

The Hon. L. G. Crease, Director of
Education.

The Hon. B. R. Wood, Conservator
of Forests.

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

The Hon. J. Eleazar (Berbice River).

The Hon. J. I. deAguiar (Central
Demerara).

The Hon. Peer Bacchus (Western
Berbice).

The Hon. C. R. Jacob (North-West-
ern District).

The Hon. J. W. Jackson (Nominated
Unofficial Member).

The Hon. T. Lee (Essequebo River).

The Clerk read Prayers.

MINUTES.

The minutes of the meeting of the Council held on Wednesday, 11th February, 1942, were confirmed.

ANNOUNCEMENT.

THE PRESIDENT: I propose to reserve any comments as to future business until the adjournment.

GOVERNMENT NOTICES.

INTRODUCTION OF BILLS.

Notice was given of the introduction and first reading of the following Bills:—

A Bill intituled an Ordinance to make special provision for granting a pension and gratuity to John Williams, ex-police constable. (The Colonial Secretary).

A Bill intituled an Ordinance further to amend the Customs Duties Ordinance, 1935. (The Attorney-General).

THE COLONIAL SECRETARY (Mr. G. D. Owen, C.M.G.) moved the suspension of the Standing Rules and Orders to enable the Bills to be taken through all their stages.

Mr. McDAVID (Colonial Treasurer) seconded.

Question put, and agreed to.

JOHN WILLIAMS PENSION BILL.

THE COLONIAL SECRETARY: I move that "A Bill intituled an Ordinance to make special provision for granting a pension and gratuity to John Williams, ex-police constable" be read the first time.

Mr. McDAVID seconded.

Question put, and agreed to.

Bill read the first time.

THE COLONIAL SECRETARY: I move that the Bill be read the second time. Ex-policeman Williams served in the Police Force for a period of nine years and then had to leave on account of ill-health. After a break of seven years he rejoined the Force and served for a period of 17 years and 5 months. Under the

Constabulary Ordinance he is not entitled to pension because he has not served continuously for 20 years. Having regard to the fact that he served altogether a little more than 26 years, Government feels that this is a deserving case for an *ex gratia* award.

Mr. McDAVID seconded.

Question put, and agreed to.

Bill read the second time.

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

THE COLONIAL SECRETARY: I gather that there is some little doubt as to what exactly I meant when I used the term *ex gratia*. This is what is usually termed a special pension. As a matter of fact, if the Bill goes through he will be granted a gratuity and a reduced pension. The gratuity will be in the neighbourhood of £90 and he will get an annual pension of about £17.

The Council resumed.

THE COLONIAL SECRETARY moved that the Bill be read a third time and passed.

Mr. McDAVID seconded.

Question put, and agreed to.

Bill read a third time and passed.

CUSTOMS DUTIES (AMENDMENT) BILL.

THE ATTORNEY-GENERAL: I move that "A Bill intituled an Ordinance further to amend the Customs Duties Ordinance, 1935" be read the first time.

Mr. McDAVID seconded.

Question put, and agreed to.

Bill read the first time.

The ATTORNEY-GENERAL: In moving the second reading of the Bill I wish to point out that it deals with two separate and distinct subjects. Clause 2 deals with the export duty on cut and cut and polished precious stones—diamonds—whereas clause 3 deals with the import duty on certain articles of attire. As regards cut and polished precious stones, it is in the recollection of hon. Members that when the war started those diamonds which were classified as gems were liable to an export duty of 50 cents per carat, whereas those certified by the Commissioner of Lands and Mines as fit only for industrial purposes were subject to an export duty of 15 cents per carat.

The outbreak of war completely disorganized the diamond market, and with a view to assisting the diamond miners an amendment was made to the Ordinance whereby all diamonds exported paid a duty of 15 cents per carat. At that date there was no export of cut and polished diamonds, but since then a local industry has been started for polishing and cutting diamonds. That industry is just in its first stages now, but it is producing cut and polished stones for export, and the question now arises as to what export duty should be charged on those diamonds. In fact, they all go to one market,—the United States of America. It is obviously desirable that with a new industry, which we hope will be here for a long time, the duty should be the smallest possible to establish the principle, but which will not cripple the industry. For that purpose it has been decided that it would be wise to charge a very low export duty. Of course, the existing rate of 15 cents on uncut stones is ridiculously low, so that this amendment proposes to add the words "other than cut or cut and polished precious stones" at the end of paragraph (a) of section 19 (1) of the Principal Ordinance. There is no specific duty charged on cut or cut and polished stones, therefore they will

come under paragraph (d) of the subsection which says:—

“(d) a duty equivalent to one and one-half per centum of the value of all other goods, articles and products.”

It is obvious that there may be some difficulty in ascertaining that value, but in practice it will not arise because all the stones go to the U.S.A., and before they are exported we shall ask the exporter to declare the value as far as he knows it, and he will then pay duty on his own declared value. But before they can be imported into the U.S.A. they have to go to an expert Committee to assess the value. When that is done we shall require a certified copy of that valuation, and if there is any difference in valuation between the exporter's valuation and that of the expert Committee the difference will be adjusted at this end.

Clause 3 of the Bill deals with certain articles of attire. In the first place, wherever it makes any change in the existing law that change is a reduction in duty. The amendment has been made at the request of the Prices Control Committee. Hon. Members will be aware that in this Colony we are subject to the two Ottawa Agreements of 1932 and 1937, whereby we are compelled to charge certain preferential duties on certain articles. We are still bound by those Agreements to-day, and all these amendments are in keeping with our duties and obligations under those Treaties. But in addition to our obligations we have added certain charges under the General Tariff with a view to keeping certain articles out of the country. There is no harm in my saying now that they were cheap articles produced by Japan as the result of sweated labour. Japan is now an enemy of the Empire and there is no need to continue that any longer. The result is that this Bill seeks to remove all duties other than those we are compelled to charge under the Ottawa Agreements.

The reduction is effected in two ways, firstly, by a complete rearrangement of the items and, secondly, by actual change in the specific duties charged. In the rearrangement certain articles are omitted entirely, and as a result now appear in paragraph (d). By allowing a number of articles to come in under (d) the following reductions will be effected:—pyjamas, 36 cents per pair; shirts, 24 cents each; men's and boys' underwear, 18 cents; neckties and scarves, 18 cents; and collars, 4 cents. Those reductions are effected by merely deleting the references to those articles, and therefore permitting them to come under that special item (d).

As to the other items which are mentioned in item (a), in respect of which reductions are being made, the duty under the British Preferential Tariff is being reduced from 16 $\frac{2}{3}$ per cent., to 2 per cent., and the General Tariff from 50 per cent., plus 24 cents per pair to 6 per cent., plus 24 cents per pair. The reduction under the General Tariff is rather important because the only present source of supply of those particular goods is a country which comes under the General Tariff. The addition of 24 cents per pair we are compelled to charge under the Ottawa Agreements.

As regards the next item “Other kinds” the British Preferential Tariff is being reduced from 10 per cent. to 6 $\frac{2}{3}$ per cent., whereas the General Tariff of 30 per cent., plus 48 cents per pair is being reduced to 20 per cent.

The only other reductions appear at the end in paragraph (e). The British Preferential Tariff is being reduced from 15 per cent., to 10 per cent., and the General Tariff from 30 per cent., to 20 per cent.

The next item is 13A—woolen goods. The General Tariff of 33 $\frac{1}{3}$ per cent. remains the same as now, but the additional 24 cents per yard has been taken off. In other words, we have

gone as far as the Ottawa Agreement permits us to go.

Mr. McDAVID seconded.

Question put, and agreed to.

Bill read the second time.

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

Clause 3.—

Mr. DEAGUIAR; Can the Council be informed of the effect of these reductions under clause 3 as regards loss of revenue?

THE ATTORNEY-GENERAL: With regard to that, I spoke as instructed by the Comptroller of Customs. He assures me that those articles are only coming from certain sources which are non-Empire sources, and as the average price under the General Tariff remains very slightly above the British Preferential Tariff, as it is at the moment, the result should be absolutely infinitesimal.

Mr. JACOB: I have not been able to find 13A in the Customs Duties Ordinance of 1935.

THE ATTORNEY-GENERAL: It was inserted by section 5 of Ordinance 6 of 1938.

Mr. JACOB: I would like to say that these changes are very welcome, but I think they ought to be extended. I think it would be far more advisable to reduce the duties on goods rather than to subsidize goods in the way it has been suggested. It would be more economical to Government and more advantageous to the public. We have always complained in this Council that the Customs duties are too high, and it was suggested some time ago that when income tax and other taxes were introduced the duties on other things would be reduced. I think now is the time to begin to reduce the

duties on essential articles, and particularly articles that are controlled. If Government controls and fixes the prices of articles it can be reasonably certain that the reduction will go to the consumer, provided the Control Board does its work thoroughly. I have been trying to think very hard recently as to the reason why Government has not adopted that attitude before now. I think it would be far better if the same principle we are adopting to-day was adopted in regard to foodstuffs and articles of essential clothing. I throw out that suggestion for the favourable and urgent consideration of the Government.

Perhaps I may be permitted to say that the public is looking forward with intense interest to the control of prices by the marginal system. It is nearly two months since the proposal to introduce the marginal system was announced, and while there may be difficulties I think those difficulties can be overcome. I think even if mistakes are made in the initial stages they can be corrected, but it seems peculiar that nearly two months have passed since the resolution was adopted and nothing has been done to enforce the marginal system. As a matter of fact the prices of certain other articles ought to be fixed. If it is not practicable to introduce the marginal system at the moment in respect of essential articles—

THE CHAIRMAN: I wish to remind the hon. Member that we are dealing with clause 3 of the Bill.

Mr. JACOB: I have said all I wanted to say.

THE CHAIRMAN: The hon. Member might have spoken on the second reading.

Mr. DEAGUIAR: I do not propose to follow the line taken by the hon. Member, but I wish to sound a note that Government should proceed with caution as regards a general reduction of duties, and take several factors into

consideration before taking a leap in the dark, however desirable it may be to reduce taxes on certain articles. I have merely risen to state for the information of the hon. Member—I do not know if the mover said it, but I happen to know—that one of the primary reasons for the introduction of this measure is in order to afford this Colony an opportunity to obtain those articles from a non-Empire source which was practically closed to us before. In other words, if this Bill did not come before the Council, as far as my knowledge goes the inability to obtain those articles might have created a very distinct hardship. On that ground alone I think the Bill merits every support from the Members of the Council. As far as I am concerned, I am quite prepared to support it. My only regret is that it was not found practicable to introduce it before. I know that Government has to consider these things from all angles, but I happen to know that it was very difficult to obtain these articles from Empire sources, and the non-Empire sources that existed before were practically closed to us. We know where these goods are coming from, and if we do not pass this measure to-day those difficulties will continue.

Mr. JACOB : I should like to explain and I am thankful for the indulgence. Immediately I arrived here at five minutes to 12 I began to look at the Bill and make comparisons. I find no reference in this Bill to the Ordinance of 1938, and it took me fully 15 minutes to trace some of the items in it and make comparisons. I think that, especially when dealing with a Customs Bill, Members should be given time and latitude. It was not possible for me to speak on the second reading because I would not have been able to say anything constructive. Even if I have said things which were not relevant—

Mr. DEAGUIAR : I did not deal with the relevancy of the hon. Member's

remarks. I think that came from the Chair.

Mr. JACOB : Certain Members of the Council are always in the favoured position of knowing certain things.

THE CHAIRMAN : Will the hon. Member direct his remarks to clause 3 of the Bill.

Mr. JACOB : I am trying to make a point.

THE CHAIRMAN : Have you any point to raise in respect of clause 3—boots, booties, shoes, overshoes, slippers and sandals? (laughter). If you have no point to raise about that clause we will pass on.

Mr. JACOB : With regard to 13A I am not too sure that the 24 cents per yard is correct. Does it mean that there will be a reduction in the price of those articles by 24 cents per yard, or a reduction of the duty? I would like to be advised on that point.

THE ATTORNEY-GENERAL : I cannot say that there will be a reduction in the prices. The effect of the amendment is to remove the extra duty of 24 cents per yard.

Mr. ELEAZAR : As I see it, this will be a reduction of duty on those goods in favour of the importer; but I happen to know that up to the present there is no control of the prices of this class of goods. I hope that, having seen fit to reduce the duty, Government will also take steps to control the prices so that the importers should not be able to import these goods cheaper and sell them at the same prices.

THE CHAIRMAN : I think I can say that that is the intention.

The Council resumed.

THE ATTORNEY-GENERAL : I move that "A Bill intituled an Ordinance further to amend the Customs

Duties Ordinance, 1935" be read a third time and passed.

Mr. McDAVID seconded.

Question put, and agreed to.

Bill read a third time and passed.

THE PRESIDENT: There being no other business before the Council, and as Government has no immediate business to put before Council, I propose to adjourn the Council *sine die*. There will no doubt be certain matters arising in the near future, and I propose to deal with them either by calling the Unofficial Members to form a Finance Committee or to form a smaller body to deal effectively with financial matters arising between sittings, or if it is necessary to pass legislation, to summon the whole Council. I refer to matters such as the cost of living and the subsidization of articles of food or other articles, and it is more than likely that some steps will involve legislation of some kind.

I have one quite minor matter to intimate to the Council which necessitates financial provision. I refer to a recommendation from the Executive Council that the bicycle allowance paid to Government employees, which is at present \$1.50 per month, be raised to \$2 per month, which is the rate which obtained before 1935. In view of the rising cost of living I was advised by

the Executive Council to put that proposal before the Council. I cannot imagine that it will meet with any objection on the part of the Council, but it will of course necessitate a supplementary provision at a later date. The total amount will be \$3,390.

I hope to proceed to Essequibo on Tuesday next and to be there ten or more days. On my return I will endeavour to arrange meetings with the Unofficial Members of the Council in the form of a Finance Committee, to deal with business between meetings of the Council.

Mr. LEE: I would like to ask whether Government will also consider the allowances to junior officers of the Service, such as policemen, officers of the Forest Department, and labourers employed by the Department of Lands and Mines, when they go out of the City? The allowances given to policemen when they go out on duty is very small. I would also like to ask whether Government is giving consideration to the Shops Closing Ordinance?

THE PRESIDENT: The Shops Closing Bill is at present with the Attorney-General and will no doubt come before the Council in due course. There being no other question arising, I adjourn this record short sitting of the Council *sine die*.