

LEGISLATIVE COUNCIL.

THURSDAY, 4TH MARCH, 1948.

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

PRESENT.

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

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

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

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

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

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

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

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

The Hon. T. Lee (Essequibo River).

The Hon. V. Roth (Nominated).

The Hon. W. J. Raatgever, (Nominated):

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

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

The Hon. J. Fernandes (Georgetown Central).

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

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

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

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

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

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

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

The Clerk read prayers.

Minutes of the meeting of the Council held on Wednesday, the 3rd of March, as printed and circulated, were taken as read and confirmed.

ANNOUNCEMENT.

CLOSER UNION OF WEST INDIAN COLONIES.

The PRESIDENT: There is one matter which I would like to mention to Council. Assuming that we get through the Tax Bill and complete the Budget I propose that the motion standing in the name of the hon. the First Nominated Member, Mr. Seaford, on the subject of Closer Union of the West Indian Colonies should be taken on Wednesday next at 2.00 p.m., if that is convenient to hon. Members. As I said at the last meeting, I think it is desirable that we should make up our minds on this question. Most of the other Legislatures in the Caribbean have done so and I propose to take the motion at 2.00 p.m. next Wednesday if it is convenient.

PAPER LAID.

The COLONIAL SECRETARY laid on the table the following document:—

The Report of the Administrators of the Patoir Fund for 1947.

ORDER OF THE DAY.

TAX (AMENDMENT) BILL, 1948.

The ATTORNEY GENERAL: I beg to move that the Council resolves itself

into Committee to resume consideration of the following Bill:—

A Bill intituled "An Ordinance further to amend the Tax Ordinance, 1939."

The COLONIAL SECRETARY seconded.

Agreed to.

COUNCIL IN COMMITTEE.

The CHAIRMAN: I think we had reached and decided clause 3 when we adjourned yesterday. We now come to clause 4.

Clause 4—*Insertion of new section 7B in the Principal Ordinance.*

The ATTORNEY GENERAL: I beg to move that the words "thirtieth day of December nineteen hundred and forty-seven," in the fourth and fifth lines of sub-clause 7B (1) be deleted and that the words "first day of April nineteen hundred and forty-eight," be substituted therefor.

Dr. JAGAN: This sub-clause refers to the tax on film rentals and I would like to have the following words added to it after the word "theatres" at the end:—

"Provided that the prices charged at cinemas on December 30, 1947, remain unchanged."

The CHAIRMAN: I think the hon. Member is suggesting a direct negative to the provision. That is to say, he is moving the deletion of the clause in effect.

Dr. JAGAN: I am not suggesting the deletion, Sir, I want to add something. I am not sure that this tax would not be passed on to the consumers and that is the reason why I desire to have it stated here that the prices charged to theatre patrons should remain as they were on December 30, 1947.

The CHAIRMAN: I do not think that this Council can legislate to that extent—to say what the prices of admission should be.

Mr. DEBIDIN: It seems to me that the hon. Member for Central Demerara anticipated me in this matter, but I venture to think that where he wants to put

the amendment would not be the right place. I drafted an additional sub-clause —(9)—and brought it here last night, the object being that there should be no increase in cinema prices before March 31, 1949, and no increase should be more than a certain percentage. According to the observations made by Your Excellency, if this amendment is adopted it would have a similar effect to the Rent Restriction Ordinance which restricts the increase of rent to not more than a certain percentage as from a particular date, the date in that case being September 3, 1949. We can restrict the increase on cinema prices to a certain date and if we do not I think the whole of this provision would defeat itself in so far as public policy is concerned. We are going to get a certain amount of increased revenue from this measure, but then what would be the effect on the poor community. I am not thinking only of the people in Georgetown because they earn fair salaries when compared with the majority of those in the rural areas and might be able to pay increased cinema prices, neither am I asking any special favour for the poor because this measure would affect both rich and poor alike. I want to say clearly, however, that the question of cinema entertainment in the rural areas is, to my mind, a social service to the people. We speak of giving more recreation to children and of providing more social welfare centres—creches, maternity leagues and so on—and now that we are dealing with cinemas which would provide educational advantages for the people we are going to restrict attendance if unscrupulous people are allowed to increase the charges in order to pay for additional taxation. I feel that the amendment I am advocating ought to be adopted subject to what hon. Members have to say.

The CHAIRMAN: I see the points raised by both the hon. Member for Central Demerara and the hon. Member for Eastern Demerara. I see what they are aiming at but we would have to give the matter very much more careful consideration if, in effect, we are writing down in the Ordinance what should be the prices charged at theatres. Circumstances may change but the law would remain. I am not disagreeing with the idea but I think we would have to be very careful before we slip a thing like that into the law.

of the Committee that these sub-clauses should be deleted in accordance with the proposal of the Attorney-General I will urge the Committee when the time comes to discuss the other clauses to give my proposal sympathetic consideration.

Dr. JAGAN: I think one Member said that a tax of 5 per cent. as proposed in sub-clause (3) would discourage private betting.

The CHAIRMAN: No, it would encourage blackmarket betting. That is what it amounts to. Isn't that right, Mr. Treasurer?

The COLONIAL TREASURER: If there is such a thing as blackmarket betting. I consider all betting is blackmarket. (laughter).

Dr. JAGAN: I am surprised that amendments have been made to this Bill. I am sure that the lobbying agents of the Turf Club have worked very hard, and I am sorry that they have not achieved their end. It seems to me that the object

of Government on one hand is to encourage thrift, but on the other hand when there is a chance to levy a tax on betting and gambling Government is hesitant to levy it. If there is private betting naturally the Turf Club would not make any profit, and that seems to me to be the object of the removal of this clause.

The CHAIRMAN: I will now put the amendment that sub-clauses (3) to (7) of clause 5 be deleted.

Amendment agreed to.

Clause 5 as amended was then put and agreed to.

The ATTORNEY-GENERAL: I move the insertion of a new clause 6, copies of which have been circulated to hon. Members:--

6. (1) Section nine of the Principal Ordinance is hereby amended by the deletion from sub-section (1) of the table of graduated rates and by the substitution therefor of the following—

Net value of property		Rate per centum of duty	
Exceeds \$ 500	but does not exceed	\$ 2,500	½
\$ 2,500		\$ 5,000	1
\$ 5,000		\$ 10,000	2
\$ 10,000		\$ 25,000	3
\$ 25,000		\$ 50,000	5
\$ 50,000		\$ 75,000	7½
\$ 75,000		\$ 100,000	10
\$100,000		\$ 125,000	12
\$125,000		\$ 150,000	14
\$150,000		\$ 175,000	16
\$175,000		\$ 200,000	18
\$200,000		\$ 250,000	20
\$250,000		\$ 300,000	22
\$300,000		\$ 350,000	24
\$350,000		\$ 400,000	26
\$400,000		\$ 450,000	28
\$450,000		\$ 500,000	30
\$500,000		\$ 600,000	32
\$600,000		\$1,000,000	35
\$1,000,000		\$1,500,000	40
\$1,500,000		\$2,500,000	45
\$2,000,000		\$4,000,000	50
\$4,000,000		\$5,000,000	55
\$5,000,000			60

(2) The provisions of sub-section (1) of this section shall have effect in the case of all persons dying after the commencement of this Ordinance.

(3) The Estate Duty (Surcharge) Ordinance, 1944, is hereby repealed.

(4) The rate of estate duty payable on the estate of a person who died before the commencement of this Ordinance shall be such rate as was in force at the time of his death.

The CHAIRMAN: The position in regard to this clause is that the percentages have been reduced with respect to estates valued from \$500 up to \$50,000, and increased in varying degrees from \$50,000 upwards.

Mr. SMELLIE: I would like to ask the hon. the Attorney-General what is the

broad effect of the reduction of the proposed taxation on the Demerara Turf Club's sweepstake and this new variation in the rates of Estate Duty? Is the one designed to balance the other?

Mr. SEAFORD: I would like to ask the Colonial Treasurer if he is satisfied that this proposal is going to increase revenue. It seems to me very doubtful that these new rates will. I think they will have the reverse effect.

The COLONIAL TREASURER: In the first place this new clause relating to Estate Duty has nothing whatever to do with the preceding clause dealing with the tax on sweepstakes. It is something which was dealt with in my Budget Statement, but we could not get it into the printed Bill in time. I think I said at the time of the first reading, that this amendment would be introduced. It was part of the Budget, an independent proposition, the main object of which is to modernize the scale a little bit more by giving further relief to the low value estates, and increasing in varying percentages the rates on the high value estates.

As regards the question by Mr. Seaford, I am afraid I do not know how he worked it out, but the scale was originally conceived by the Economic Adviser who has methods of approach that are not available to me, and he tells me that he has calculated that it is worth \$10,000 on the average.

Mr. SEAFORD: I think there will be a little flag flying.

Mr. DEBIDIN: I commend this proposal most heartily. As one who has to do with calculations of Estate Duty I am glad to see that the surtax has been removed, and there is a consolidation of the basic rates. The proposal is a good one because there are lots of people who need this relief. Most of the small estates are consumed by Registry charges.

Mr. WIGHT: Not only Registry charges but lawyers' fees. They absorb most of the money in a poor person's estate.

Mr. DEBIDIN: The hon. Member

will appreciate, as I do, that even lawyers' fees have been fixed by Government. The tendency is always to increase the rate where the estate is a very large one, so much so that at a certain stage nearly half of the estate goes to Government. Very seldom there is a high value estate.

Mr. FERNANDES: I also commend Government on reducing the tax on the lower estates. I understood the Colonial Treasurer to say that the figures were arrived at by the Economic Adviser, but I do not quite agree with him. On the smallest estates below \$1,000 the reduction is $\frac{1}{8}$ of one per cent. but on the higher level it is $1\frac{3}{4}$ per cent., and I do not think that is strictly in accordance with the idea of the lowest level paying the least tax. I think the \$999 estate should pay $\frac{1}{2}$ instead of $\frac{5}{8}$ ths, and an estate of \$49,999 should pay 5 per cent. instead of $6\frac{3}{4}$ per cent., a difference of $1\frac{3}{4}$ per cent. as against a difference of $\frac{1}{8}$ of one per cent. If the principle is to give relief right down to the bottom the scale should be corrected.

Dr. JAGAN: If the hon. Member would look at page 30 of the Economic Advisers's memorandum he will find that the rate given there is exactly the same. I would advise him to verify his statements first.

New clause 6 agreed to.

The ATTORNEY-GENERAL: I move the insertion of a new clause 7, copies of which are in the hands of Members. It relates to a proposed tax on horse racing and cycle racing, and also provides for an entertainment tax on cinematograph entertainments in any part of the Colony. The clause reads:

7. Section fifty of the Principal Ordinance, as substituted by section three of the Tax (Amendment) Ordinance, 1945, is hereby amended —

- (a) by the substitution for the words "entertainment held in the city of Georgetown or the town of New Amsterdam, or within one mile of the municipal boundaries of the said city or town," of the words, "horse racing, or cycle racing, entertainment;"
- (b) by the deletion of paragraph (e), and by the substitution therefor, of the following—

- (e) Where the payment exceeds 72 cents but does not exceed 96 cents 12 cents
- (f) Where the payment exceeds 96 cents, one-sixth of such payment

and in the case of horse racing, payment for admission shall, for the purposes of this section, be deemed to have been made where payment is ordinarily charged for admission and a person is admitted without payment."

The COLONIAL TREASURER: Here again I must apologise to hon. Members. The reason for that part of the clause which seeks to extend the entertainment tax to cinemas in the rural areas is this: When the entertainment tax was first imposed it was felt that the cinematograph theatres in the country districts were small, ill equipped and few; they did not have the facilities or the equipment for putting on a proper show, as we have in Georgetown, and to a lesser extent in New Amsterdam. To-day we have no less than 24 substantially built, well equipped cinemas in the country districts. All of course are not the same quality, but I have seen several of them which compare favourably with similar theatres in Georgetown, and not only that, but in those theatres are shown the same type of pictures and in reasonable comfort to their patrons. For that reason I cannot see why the payment of this duty should be imposed only on the residents of the City of Georgetown and the town of New Amsterdam. What is more, the attendance at these rural cinemas has changed. I believe in some districts the sugar estates' staffs and people in comfortable circumstances are their chief patrons. Why should those people not pay this duty when they go to the cinema for example, at Port Mourant, if they have to pay it when they go to a cinema in Georgetown or New Amsterdam? That is one of the reasons why this opportunity is taken to make a little money. In this matter we have heard the question of the poor man raised again, but I cannot see why the poor man in Georgetown and New Amsterdam should have to pay this tax and the poor man in the country districts should not.

I do suggest, Sir, that the Council should accept this. It is an anomaly that the theatre goes in Georgetown and New

Amsterdam should pay and not those in the country districts.

Mr. DEBIDIN: I am glad an explanation has been given and I assume that those are the most cogent reasons that could be advanced for this entertainment tax. I certainly disagree with the Colonial Treasurer in his reasons for this tax. He is saying in effect that because there are some enterprising people who would provide better theatres in the rural areas the poor people there should pay more for admission. I agree that the condition of some of these theatres has been deplorable in the past but I do not think that is any reason why they should be taxed more at the present time. I must observe that while there is in Georgetown an overwhelming number of financial people—or people of a class that can afford to pay a fair sum of money to see pictures at the cinemas—in the rural areas the situation is quite the reverse. There are only a few people of the richer class there to support the theatres and these include the staff of the sugar estates, teachers and one or two others. I do not think it is good argument to say that because there has been some improvement in the appearance of theatres in the country districts this entertainment tax should be imposed on them. I happen to know that they make very little money—those theatres in the rural areas—and very few of them show pictures more than three nights a week. They cater mostly for the rice and the sugar estate workers from Saturday when they get their pay until Monday night, and I am appealing to hon. Members not to extend this tax to the rural areas because the proprietors of the theatres there would pass it on to the patrons. As a matter of fact, if the proprietors have to build better theatres now they might raise their prices of admission on that score alone in order to recover their capital expenditure. If we want to encourage the people to get a little more entertainment I think we should enable them to see films—and especially those of an educational nature. I agree that certain films should not be shown in the rural areas since they would corrupt the morals of the youths, people there being accustomed to a different way of life from that suggested in some of the pictures. I think, however, that Indian talking

pictures—educational and otherwise—do a considerable amount of good to people in the country districts. Many people there only go to see these pictures and they do so because they appreciate the dancing and other achievements of their own people in India. I would strongly enjoin this Council that in considering this particular measure not to give effect to the view of the hon. Member for Central Georgetown that what is good for one is good for all. Circumstances are different in various places and I think it would be a fine gesture on the part of my hon. friend if he withdraws the suggestion that the country theatres should fall in line with the City theatres in so far as this tax is concerned.

Mr. FARNUM : I beg to join the hon. Member for Eastern Demerara in his appeal that this tax should not be extended to the theatres in the rural districts. The people in the rural districts would feel the tax more than those in the City because there is a variety of amusements in the City for the residents to attend but that is not so in the country districts. I am quite sure that if this tax is imposed it would be passed on to the people and I would not like that to happen.

Mr. LEE : I would like to point out that it was the policy of Government some time ago to see that healthy entertainment is given to the people in the rural areas in order to uplift them. That is being done in the sugar estate areas where they attend pictures about three or four times a week and I think we should assist the theatres in the country districts to some extent in providing entertainment for those people who are far away from the City. The fact that the cinemas in country districts are now better than they were before is no reason why we should put this tax on them. If this tax is imposed it would be passed on to the people and they would not be able to use their leisure time in the manner intended by Government's policy.

New clause 7 put, the Committee dividing and voting as follows :—

For : Messrs. Kendall, Dr. Gonsalves, Fernandes, Dr. Singh, Wight, the Colonial Treasurer, the Attorney General and the Colonial Secretary—8.

Against : Messrs. Smellie, Phang, Peters, McDoom, Dr. Jagan, Debidin, Farnum, Roth and Lee—9

Motion lost.

The COLONIAL TREASURER : I think the Committee misunderstood the purpose of the discussion. The discussion has been entirely based on the idea of extending this duty to cinematograph shows in the country districts, but it must be remembered that this clause is intended to extend the duty to horse-racing entertainment, as well. Secondly, in throwing the clause out we have disturbed the whole of the framework of the Bill.

Mr. LEE : To a point of order! The Committee has divided and the clause has been thrown out.

Mr. RAATGEVER : I would ask that the clause be recommitted. I am sorry I was not here for the division.

The CHAIRMAN : I cannot recommit it on that amendment, but there are other amendments. The Colonial Treasurer thinks that this clause was defeated on the cinematograph issue as regards the country districts and it is quite in order to amend the clause to improve that paragraph.

The COLONIAL TREASURER : I have got the precise phraseology to be used in sub-clause (a) and I would ask the Attorney General to put me right. The words to be deleted are "entertainment held in the City of Georgetown or the town of New Amsterdam, or within one mile of the municipal boundaries of the said city or town." I propose to move that the clause be re-introduced and these words omitted. I think the effect in putting the duty on horse-racing and omitting the cinemas in the country districts meets the desire of the majority of Members.

Mr. RAATGEVER : It is not the majority of the Council because some of us were not here when the division was taken.

The CHAIRMAN : I am sorry, it was a majority. The Committee would report to the Council.

Mr. DEBIDIN : If an amendment to a motion is moved it is put to the Council and if it is thrown out then the motion would be put without the amendment. In this case the motion has been put and thrown out and no motion for the removal of certain words from the clause can be put to the Council.

The CHAIRMAN : We have considered clause 6 and after consideration there was a further proposal and we adopted it. The proposal was that the new clause 7 be rejected and that was carried.

Mr. DEBIDIN : Since the new clause 7 has been thrown out it shows that the amendment to the amendment is carried. I move, however, that a new clause 7 be introduced which would extend the application of the duty to "horse-racing, or cycle racing, entertainment."

The CHAIRMAN : Does any other Member wish to speak on that amendment?

Mr. LEE : As I know the horse-racing community in some of the country districts they can hardly afford to carry on some of their meetings, since horses from the City do not attend owing to the small prizes offered. If this tax is imposed on them they might have to discontinue their meetings and what would be the position. Horse-racing might go out of existence, since only the Demerara Turf Club would be left to carry on in Georgetown. I think this clause should be deleted and I would also ask why shouldn't the people in the country districts be able to carry on cycle sports without being taxed? I do not think the hon. Member for Eastern Demerara is considering the interest of these people when he suggests that these sports should be taxed. That would only be driving them to come into the City.

Mr. DEBIDIN : I would like to be assisted with what has happened here to-night and not with what has happened before. We have thrown out clauses 3 and 7 on the understanding that this would be an alternative for raising revenue. I want to know if it would be inconsistent for us to accept this proposal.

The COLONIAL TREASURER : think the hon. Member who speaks of the

"poor country people" is rather insulting. I think this should encourage them to organise and centralise themselves and not come to Georgetown. We have heard so much about poor people but if a gentleman goes to horse-racing he should not say he cannot afford to pay a 24-cent tax because he is too poor.

New clause 7 adopted to read as follows :—

"7. Section fifty of the Principal Ordinance as substituted by section three of the Tax (Amendment) Ordinance, 1945, is hereby amended—

- (a) by the insertion between the words "city or town" and the words "at the following rates," of the words "or any horse racing or cycling, entertainment,"
- (b) by the deletion of paragraph and by the substitution of the following—
 - "(e) Where the payment exceeds 12 cents but does not exceed 24 cents 12 cents.
 - (f) Where the payment exceeds 24 cents, one-sixth of such payment

and, in the case of horse racing, payment for admission shall, for the purposes of this section be deemed to have been made where payment is ordinarily charged for admission and a person is admitted without payment."

The ATTORNEY-GENERAL : I beg to move that clause 6 as printed in the Bill be renumbered as clause 8.

Question put, and agreed to.

Clause passed.

The ATTORNEY-GENERAL : I beg to move that clause 7 as printed be renumbered as clause 9, and that in sub-clause (6) where there is a printer's error in the fourth line the word "in" be inserted after the word "return".

Question put, and agreed to.

Clause passed as amended.

The Council resumed.

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

The COLONIAL SECRETARY
seconded

Question put, and agreed to.

Bill read a third time and passed.

CUSTOMS DUTIES (AMENDMENT)
BILL, 1948.

The ATTORNEY-GENERAL: The Bill now before this Council is the second measure which is intended to implement the Budget proposals of the hon. the Colonial Treasurer. It relates to certain increases in the rates of Customs Duties, and associated with that are certain export duties. Clause 2 of the Bill affects two purposes. It repeals the tax on raw gold. In the Bill which has just been passed, the Tax (Amendment) Ordinance, 1948, a tax has been levied on gold which is not exported from the Colony, and as a complement to it is proposed in this clause 2 that the export tax on raw gold be repealed, and further it is proposed in this clause that the export duty on bauxite should be 30 cents on every ton. At the present time the export duty on bauxite is at the rate of 1½% of the value of bauxite exported. This will mean an increase in the rate of export duty.

Then there is clause 3 of the Bill which provides for certain increases on various commodities imported into the Colony as follows:

- "On Beer, Ale, Stout and Porter, by 40 cents per gallon;
- On Brandy, Whisky and Gin, of a strength not exceeding 85 **per centum** of proof spirit, by \$2 the liquid gallon;
- On Brandy, Whisky and Gin, of a strength not exceeding 85 **per centum** of proof spirit, by \$2 the proof gallon;
- On Rum, by \$2 the proof gallon;
- On Liqueurs, Bitters and Cordials, not overproof, by \$2 the liquid gallon;
- On Liqueurs, Bitters and Cordials, overproof, by \$2 the proof gallon;
- On Cigars, Ciragettes, other manufactured Tobacco and Snuff, by 60 cents per pound;
- "On Tobacco in Leaf containing not less than 25 lbs. and not more than 38 lbs. of moisture in every 100 lbs. weight, by 15 cents per pound;"

I shall pause here to mention that

Tobacco in Leaf upon which the duty is increased by 15 cents per lb., I am informed, is that known as the poor man's tobacco. The rate of duty on the other tobacco is increased by 45c. per lb. That is an illustration of the fact that Government does not intend to overtax the poor man. The clause further provides:

"On Tobacco in Leaf, containing not less than 25 lbs. of moisture in every 100 lbs. weight, by 45 cents per pound!

On Sparkling Wine, by \$2.20 per pound;

Or Still Wine in bottle, containing not more than 26 **per centum** of proof spirit, by \$1.10 per gallon; and where it contains more than 26 **per centum** of proof spirit the additional duty per gallon is increased by 1 cent per degree of strength in excess of 26 **per centum** of proof spirit;

On Still Wine in bulk, containing not more than 30 **per centum** of proof spirit, by 95 cents per gallon; and where it contains more than 30 **per centum** of proof spirit the additional duty per gallon is increased by 1 cent per degree of strength in excess of 30 **per centum** of proof spirit."

In addition to what I have mentioned those increases are also subject to the usual surtax of 30 per cent. Then there is clause 4 of the Bill which provides for the deletion of item 3 in the Second Schedule to the Customs Duties Ordinance, 1935. That will need some explanation. The rate of duty is 8 1/3 per cent. British Preferential Tariff and 60 2/3 per cent. General Tariff on articles, ordinarily merchantable other than paper and paper bags, bearing an advertising device, not enumerated in the First Schedule and not exempt in the Fourth Schedule.

When this item was inserted in the Customs Duties Ordinance it was intended to provide that where advertising matter or articles came into this Colony they should be admitted at half-rate of the ordinary duty which was payable. Those articles which were admitted under the item were articles that were given away. No charge was made for them; they were smokers' ash-trays, mugs, jugs and such things. But within recent times certain importers have sought to use this item for the admission at half-rates of articles which were never intended to be admitted at such rates. All that those importers felt it was necessary for them to do was

make in this country. We are not getting a fair proportion of such profits from the Demerara Bauxite Company. There is no doubt about that. It is said that they contribute a considerable proportion of the revenue of this country. That may be so, but there is no doubt that they are taking very much out of the country and giving us very much less than a fair proportion of what they take.

In the first instance the Demerara Bauxite Company bought lands from people in the upper Demerara River district at a very small price. There was a gentleman named Mackenzie who came to this Colony, went up the Demerara River and bought people's lands on the pretext that he was buying those lands for the purpose of growing oranges. The result was that they got those lands very cheaply indeed. The position is that Government collects no royalty on the bauxite obtained from those lands. The royalty we get is from bauxite won from Crown lands. During the war the bauxite obtained from Crown lands was about roughly one-third of the Company's output, so that we get very little in the way of royalty, which is only 10 cents per ton. The people who quarry stone at Seba pay Government 25 cents per ton as royalty, and we are told that there is a lot of virtue in stone, but there is ever so much more virtue in bauxite. I do not know the figures because we cannot get them, but I am told on very good authority that the Demerara Bauxite Company took something like £30 million or £35 million from the Colony while we got about £6 million. We do not get an adequate proportion of the profits from our bauxite, so I would like to see the royalty on bauxite taken out of the country increased.

I think it was some time early in 1947 when the Secretary of State told us that we should secure higher royalty on the minerals won from our country. While the previous Council increased the royalty on bauxite from 10 to 25 cents per ton, in the case of the Demerara Bauxite Company they were allowed to go scot free. They still continue to pay 10 cents per ton on bauxite won from Crown lands, and we still do not collect our royalty on bauxite won from lands d by the ~~Government~~ I would like

that to be put right because this is a period of crisis and we need money to run this country. We are endeavouring to get every bit of taxation we can possibly levy. My friend talks of taxing the poor man's rum and pleasure. Indeed we do, but we must go to the rich man's wealth, and we are not getting it from the Demerara Bauxite Company. I think the increased taxation on bauxite would yield something like \$300,000. I should like to see it reckoned in terms of millions. Government seems to be afraid to do that because it is a monopolistic company and they may say they do not want our bauxite any more. I do not know anything about the Alco and the Alcan, but this I do know: that the Bauxite Company, whether it operates in Canada or in the United States, is one monopolistic company all over the world. We are in their hands, but we must square our shoulders, and stiffen our backs and say to them: "Give us something more for the wealth you are taking out of this country."

Mr. RAATGEVER: I am amazed at the inconsistency of Government in increasing the export duty on bauxite and removing that on gold. It seems to me that there is something radically wrong. I have heard the various speakers remarking about the Bauxite Co. not paying adequate export duty, but they have forgotten that the Bauxite Co. paid millions of dollars to this Government in income tax and excess profits tax during the war, and provide employment for a considerable number of people. I would like to know the reason for the removal of the export duty on gold. Last year 16,770 ozs. of gold were exported, and Government received approximately \$20,000 in export duty. We have the hon. the Colonial Treasurer telling us—and I am going to read what he has already read—

"The Government is satisfied that this export duty constitutes a burdensome addition to operating costs, detracting to the working of low grade or high grade ores, and that it should therefore be removed."

If we take the figures I have given, this burdensome addition the Colonial Treasurer speaks about amounts to over \$1 per oz. That is something

hon. Members should have noticed when they got up to attack the Bauxite Co. for not paying enough export duty. I am going to oppose the removal of the export duty on gold because I do not think it is right that the people of this Colony should lose that small amount of money which the Companies are paying, and I am sure that the Companies have no objection to paying a fair share of any taxation.

Mr. DEBIDIN: There is very little more I can add to what has been said by the hon. Member for Georgetown North (Dr. Nicholson) and the last speaker on the question of bauxite. I entirely agree that much more should be got by Government either by way of increased export duty or a royalty of 1 per cent. *ad valorem*. Whichever mode is adopted I think Government should get increased revenue from the industry. If we take the argument that a great amount of income tax has been secured by Government that in itself is an indication that the Company has been earning considerable profits, and is therefore in a position to contribute more to the revenue of the Colony. We have spoken of assisting new industries by allowing them to bring in machinery duty free, and collecting our fair share of revenue from them when they have got on their feet. Here is a Company which is fully established and has been operating for several years. It has received a full measure of assistance from Government in the past. Why shouldn't the Colony get its full share of revenue from it now? I feel that the proposed tax of 30 cents per ton might be increased and applied to the various types of ore. On the question of the different types of ore one can readily see that the Company could refine the ore for export, in which case the quantity exported would be reduced considerably, and Government would not derive the full amount of export duty anticipated.

There is another reason why we should get more revenue from the production of bauxite in this Colony. It is that there are other elements in bauxite such as aluminum, and I venture to say that in those subsidiary deposits there are possibly gold and other metals. The Company has stood to gain by selling bauxite in bulk. It secures

additional income, and for that reason we should get more revenue from it.

As regards gold I agree that there is an urgent necessity for allowing a flow of export to buying countries which are hard currency areas, but when I find that the measure has been introduced not merely to rehabilitate sterling but also to protect the mining industries in the Colony, I begin to feel that the entire measure does not merit the sympathy it otherwise should get, because there can be no doubt that Government is already losing a considerable amount of revenue by various concessions given to the mining industries. It is appreciated that the mining companies have all got to incur a certain amount of capital expenditure from which they cannot hope for returns in a day or two, but if their balance-sheets are going to be lean they should not be lean at the expense of the Government. They must be made to contribute their fair share of revenue in return for the service given by Government. For instance, the geological survey is one of the services given to these companies by Government. I feel sure that the export duty on gold can be continued, and if necessary an investigation can be made to see to what extent it would affect the mining companies. I am in hearty agreement with the suggestion that the export duty on gold should remain. The position is that Government proposes to tax the people of the Colony to the extent of 25 per cent. on their own commodity, while people outside are to be allowed to buy it at a cheaper price.

The third item deals with tobacco. I want to say that it is the poor man's necessity and not a luxury as it is thought. In the past a packet of locally made cigarettes was sold for 7 cents, but to-day it is 12 cents and 13 cents per packet in some of the country shops. The hon. Member for Essequibo River (Mr. Lee) has said that after a hard day's work, sometimes knee deep in water and in the rain, a labouring man wants either a schnapp or a smoke when he gets home. I think Government should hesitate before taxing tobacco further. I do not agree with the hon. the Attorney-General when he said that leaf tobacco is used by the people in the country. The majority of the people in the rural areas now s

cigarettes, and they would be hit by the increase in the duty. We have heard a lot about monopoly to-night. I want to say that there is a monopoly in cigarettes and a wicked one at that, because the shops in the rural areas cannot get a proper distribution of supplies, for the reason that one firm in Georgetown, Messrs. J. P. Santos & Co., controls the sale of cigarettes in this Colony. That is a vicious monopoly against which there is considerable complaint.

Mr. RAATGEVER: I rise to a point of correction. It is not correct to say that Messrs. J. P. Santos & Co. control the entire distribution of cigarettes. They only control the distribution of "Lighthouse" cigarettes. Other brands of cigarettes are sold freely by all the merchants in the Street.

Mr. DEBIDIN: They control the distribution of "Lighthouse" matches and cigarettes, and certain other brands. That is what I am told.

Mr. RAATGEVER: Your information is incorrect.

Mr. DEBIDIN: I am going to make a full examination of the point. My complaint is that only a certain quantity is supplied to good customers of the firm, and the smaller shops are unable to get a proper distribution. The result is that certain areas are not served, and, of course, there are other abuses, black marketing and so forth. I feel that the tax on cigarettes should not be increased. It would result in an increase of the price which is already high.

Mr. SEAFORD: I do not intend to reply to the great diatribe of the hon. Member for Central Demerara (Dr. Jagan) for the reason that it is getting late, but chiefly because it has nothing whatever to do with the Bill before the Council.

Dr. JAGAN: The relationship between the Demerara Bauxite Co. and the Aluminum Co. is a very close one, and we are now considering taxation of bauxite. It is very relevant.

The PRESIDENT: The hon. Member was allowed to say what he wanted. He has said it and that is the end of it.

Mr. SEAFORD: I repeat that the diatribe from the hon. Member had nothing whatever to do with the Bill before the Council, therefore I do not propose to waste the time of the Council by contradicting a lot of his statements which are incorrect. With regard to the point made by the hon. Member for Georgetown North (Dr. Nicholson) and the hon. Member for Eastern Demerara (Mr. Debidin) about Government not getting full revenue from the bauxite industry, I would like to ask them whether they can tell this Council what is the revenue Government is receiving from the Bauxite Co. to-day, and what it received last year. Are the hon. Members in a position to tell this Council?

Mr. DEBIDIN: We would like to know.

Mr. SEAFORD: It was over \$1,900,000—nearly two million dollars out of a total revenue of \$16 million. Is that not fair revenue? All I would say to those Members is that there are other countries in the world where bauxite can be obtained, and there is an old saying "Don't kill the goose that lays the golden egg."

The hon. Member for Eastern Demerara (Mr. Debidin) said that we should be careful how we taxed the ore that is being exported; that the Bauxite Co. would refine the ore and the quantity shipped would be less. I think this Colony would welcome the day when the Company refined the ore in the Colony. The hon. Member should know that it would be a new industry, a very big industry, and a wonderful asset to the Colony, if the Company did so. I do not think we need worry on that score.

As far as I can make out, every Member who has spoken so far on bauxite is definitely in favour of the proposal in the Bill. The hon. the Colonial Treasurer has told the Council what the additional revenue would be, but I think the majority of Members have probably forgotten that. I think it would mean increased revenue of \$360,000. I think Government is going to the limit in this respect, and I would remind hon. Members that there is such a thing as going a little bit too far. I think we have to be

careful. We should get all we can, and there is no one more willing than I am that Government should get its fair share. We are all out for the same thing, but we cannot just put our hands into the pool and take out everything that is in it.

Mr. PETERS : It is rather late, and while I am in agreement with some of the views expressed by hon. Members that Government should receive greater benefits from some of the industries in the Colony, and in particular the bauxite industry, it must be said in favour of the Demerara Bauxite Co. that there are certain services being rendered the Colony by the Company which one might regard as spiritual or sociological, that we must not overlook. One who goes up the Demerara River cannot but be impressed by the difference between the living conditions of the folk at Mackenzie and those who live at Christianburg and Wismar, and one must pay tribute to the Bauxite Co. for taking care of that. So that when we are thinking of services rendered to the Colony in dollars and cents we must also consider the sociological benefits.

Mr. LEE : It is very pleasing to know that last year we gained by royalty from the Bauxite Co.

Mr. SEAFORD : I said revenue.

Mr. LEE : The revenue from bauxite was \$1,900,000, but what is the value of the concession made by Government to the Bauxite Co., and the extent of the wealth in the ore taken away from the Colony? I should like the Colonial Treasurer to tell us the value of the ore which has been taken out of the country, and what percentage of the profits we

should receive. In my humble opinion, if we got 40 per cent. of that wealth it would be a fair and reasonable return. I am sure that a calculation would show that it would amount to more than what we would get from a royalty of 30 cents per ton and other revenue derived.

Mr. SEAFORD : For the benefit of the hon. Member I will say that the amount paid into revenue by the Company is considerably more than 25 per cent. of the value of the bauxite that goes out of the Colony.

Mr. LEE : I say let us have 40 per cent. of the value of the ore.

The PRESIDENT : Hon. Members are getting involved. You are talking about profits. If Government's revenue from bauxite is \$2 million that does not mean that the Colony has only benefited to the extent of \$2 million, but probably \$4 million, having regard to the money spent by the Company in wages and in various other ways in which this Company contributes to the national income of the Colony. It is not merely the profit which has brought \$2 million but the rest of the money spent in the Colony in wages and other directions which must be taken into consideration when we are considering what the value of the industry really is to the Colony. I will now put the motion that the Bill be read a second time.

Question put, and agreed to.

Bill read a second time.

The Council was then adjourned until 8 p.m. the following day.