

LEGISLATIVE COUNCIL.

Friday, 22nd November, 1935.

The Council met pursuant to adjournment, His Excellency the Governor, SIR GEOFFRY A. S. NORTHCOTE, K.C.M.G., President, in the Chair.

PRESENT.

The Hon. the Colonial Secretary, (Mr. E. J. Waddington, C.M.G., O.B.E.)

The Hon. the Attorney-General, (Mr. Hector Josephs, K.C.)

The Hon. F. Dias, O.B.E. (Nominated Unofficial Member).

Major the Hon. W. Bain Gray, C.B.E., Director of Education.

The Hon. J. S. Dash, Director of Agriculture.

The Hon. E. G. Woolford, K.C. (New Amsterdam).

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

The Hon. J. Mullin, O.B.E. Commissioner of Lands and Mines.

The Hon. F. J. Seaford (Georgetown North).

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

The Hon. W. A. D'Andrade, Comptroller of Customs.

Major the Hon. J. C. Craig, D.S.O., Director of Public Works.

The Hon. M. B. Laing, District Commissioner, East Coast Demerara District.

The Hon. Q. B. De Freitas, Surgeon-General (Acting).

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

The Hon. J. Gonsalves (Georgetown South).

The Hon. J. I. De Aguiar (Central Demerara).

The Hon. Jung Bahadur Singh (Demerara-Essequibo).

The Hon. E. M. Walcott (Nominated Unofficial Member).

The Hon. H. C. Humphrys (Eastern Demerara).

The Hon. A. R. Crum Ewing (Essequibo River).

The Hon. C. R. Jacob (North Western District).

The Hon. A. G. King (Demerara River).

The Hon. S. H. Seymour (Western Essequibo).

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

The Hon. F. A. Mackey (Nominated Unofficial Member).

MINUTES.

The minutes of the meeting of the Council held on the 20th November, as printed and circulated, were confirmed.

PAPERS LAID.

The following documents were laid on the table:—

Report of the Trustees of the Berbice Lutheran Fund for the year 1934.

Schedule of additional provision required to meet further expenditure in excess of the Estimate for the year 1935, not included in the Schedules of additional provision already passed by the Legislative Council. (*The Colonial Secretary*).

ORDER OF THE DAY.

EXAMINATION OF MAGISTRATES.

Mr. JACOB asked the following question of which he had given notice:—

How many Stipendiary Magistrates have been examined during the last four years, giving their names, by the Medical Board in this Colony as to their medical fitness for permanent appointment on the Fixed Establishment, and have failed to pass the required standard?

THE COLONIAL SECRETARY (Mr. Waddington) replied as follows:—

No such case has arisen.

SUPPLEMENTARY ESTIMATE.

THE COLONIAL SECRETARY: I beg to move:—

That this Council approves additional provision being made to meet further expenditure in excess of the provision already made for the year 1935, as set forth in the Schedule of additional provision, which has been laid on the table.

The Supplementary Estimate was laid on the table only this morning but has previously been circulated to hon. Members. There is contained in the remarks column an explanation in each case, and I trust, therefore, that hon. Members have been afforded time to understand all the items which have been laid before them. There are a few further items which I propose to move into the Schedule in the Committee stage. Some of those additional items have been detailed in the list which has been circulated to Members and I shall give an explanation of any of the others where necessary. Every endeavour has been made in these Supplementary Estimates to include every item where excesses appear to be necessary. In a few cases the expenditure was unavoidable and urgent and a Special Warrant has been issued. In all other cases the applications from the various Departments for additional expenditure have been subjected to the closest scrutiny, and only those items have been included which appear to be absolutely necessary for efficient administration. I propose that the Council resolve itself into Committee to consider these Supplementary Estimates in detail.

Mr. DIAS seconded.

Question put, and agreed to.

DISTRICT ADMINISTRATION HEAD-
QUARTERS.

THE COLONIAL SECRETARY: I move the insertion of the following items: viz., "3. Books for all Districts, \$10;" "5. Miscellaneous, \$8."

Question put, and agreed to.

MAGISTRATES.

THE COLONIAL SECRETARY: I beg to move the insertion of an additional

item, "8. Crown Witnesses Expenses, \$200."

Question put, and agreed to.

POLICE.

THE COLONIAL SECRETARY: I move the insertion of a new sub-head, "24. Prosecution expenses and detection of Crime, \$600." This is additional expenditure. With this vote it is very difficult to estimate exactly what will be required. It depends very much on what cases the Police have to investigate. This year there have been a number of cases of great importance, and it has been found that the provision was inadequate and \$600 further is required.

Question put, and agreed to.

THE COLONIAL SECRETARY: I move the insertion of an additional item "32. Purchase of instruments and upkeep, Drum and Fife Band, \$5.05."

Question put, and agreed to.

PRISONS.

THE COLONIAL SECRETARY: I beg to move the insertion of three items, viz., "2. Dietary, \$350." This is due to a greater average number of prisoners than was estimated for. "4. Sanitary, fuel and lighting, \$50," to cover the extended lighting system in the Jail. "10. Bakery, \$175." The Prison bakery supplies bread to various Government Departments.

Question put, and agreed to.

MEDICAL.

THE COLONIAL SECRETARY: I move that sub-head 2 (Travelling expenses and subsistence allowances, \$400) be increased to \$550 to cover additional expenditure which has been found to be absolutely necessary.

Question put, and agreed to.

DEPARTMENT OF AGRICULTURE.

THE COLONIAL SECRETARY: There is a mistake in sub-head 9 (Miscellaneous, \$100). It should have been \$15 and not \$100. I move that the item be reduced to \$15.

Question put, and agreed to.

MISCELLANEOUS.

Mr. DE AGUIAR: Sub-head 3 (Contingencies, \$600) seems a large sum. The original vote was \$900. There might be some explanation.

THE COLONIAL SECRETARY: This additional sum is entirely due to one matter, namely, payment of postal charges by the Crown Agents. In the past the Crown Agents had charged the various Colonies their proportionate amount of the postal expenses incurred, but for a number of years they had ceased to make that charge. It was found last year that they would have to start it again, and the amount which we have to pay is \$600.

Mr. DE AGUIAR: The reply is very interesting. Am I to understand that the Crown Agents charge the Colony \$600 for stamps for writing Government: What are these postal charges on? I am against the item.

Mr. Mc DAVID (Colonial Treasurer): This matter was explained in Sessional Paper No. 9 of 1935, which was laid on the table at the last session, containing correspondence in connection with the Crown Agents' charges. In paragraph 6 of the Circular despatch it is stated that the Crown Agents estimate that, in order to avoid a deficit in 1935, an improvement in their revenue to the amount of some £33,000 is required. To assist in providing the required additional revenue, the Crown Agents have proposed:—

(a) To resume the recovery from Colonial Governments of postal charges, etc., incurred on their behalf, which since 1st January, 1931, have been borne by the funds of the Crown Agents' Office. The amount expended in 1930 under this head was £7,788 and the annual figure has approximated closely to this amount since that date.

(b) To increase the remuneration derived from the management of the cash balances of the Colonies comprised in the Joint Colonial Fund.

The \$600 is the estimate based on the last charges made on this Colony some years ago. They include stamps and other postal charges on the Government of this Colony.

Mr. DE AGUIAR: I do not agree that it is a fair charge, and even if I stand alone I move that the item be not passed. I am strongly opposed to this item. The

Crown Agents are paid a commission on all shipments made to this Colony and their commission charges should be sufficient to reimburse them for all such petty expenses as stamps and things of that kind.

Mr. SEAFORD: I am inclined to agree with the hon. Member. I know of no firm having agents acting for them abroad who pay charges for stamps. Such charges are borne by the ordinary commission they make. The Crown Agents are the agents of Government and I think it is unreasonable of them to ask for payment for stamps or anything else. It does not seem that \$600 can be only for stamps and we should have some further explanation.

Mr. AUSTIN: I should like to enquire if the Crown Agents do not get free postage of all correspondence to the various Colonies, and if this money may not be used in connection with sending pensions to different parts of the world to people who draw pensions from this Colony. If that is so they might easily bear this small expenditure of \$600 rather than put it on the taxpayers of this Colony.

THE CHAIRMAN: The Crown Agents' letters are not franked. I caused these papers to be printed and laid before Members of the Council for their information to show how the Crown Agents calculate charges in the hope of coming out on the right side. My recollection of the papers is that for four years running the Crown Agents lost heavily and it was necessary to revise the charges all round. I do not know whether hon. Members who have objected to this item have studied that particular Sessional Paper. I suggest that the Council pass the item and raise the question at the next session. The expenditure is based on a system which is universal throughout the whole Colonial Empire and I shall find myself in considerable difficulty if the amount is not voted. In the meantime hon. Members might study the papers laid before them and raise the matter in a more formal way on another occasion.

Mr. DE AGUIAR: Is this money paid on the authority of Your Excellency or the Secretary of State? I maintain that authority should always be obtained from this Council before any expenditure is

authorised. If Your Excellency authorised the expenditure of this money feeling sure that you would obtain the support of the Council I am disposed to allow the matter to stand over. It is my intention carefully to examine the Sessional Paper because I am doubtful of several charges of the Crown Agents. Further, I am not satisfied that previous to the presentation of that document this Council was fully informed of the charges by the Crown Agents. I am not prepared to say, even after the publication of the document, that the Council has been fully informed because I have not had an opportunity of studying it, but I intend to do so.

THE CHAIRMAN: I must differ from the hon. Member on one point: that is, that he has not had a chance of studying the Sessional Paper. That Paper was laid on the table of the Council on the 8th July. I have not given any undertaking, so far as I can remember, in my despatch to the Secretary of State. I would suggest that the despatch and other papers published be carefully studied.

MR. SEAFORD: I do not think there is any desire to embarrass Government. What the Council would really like is to get all the charges of the Crown Agents under the proper head. If the Crown Agents have been losing money and they want extra commission for the work let them get it that way, and not in the round-about way of postage. The Council want to know exactly how the money is spent.

MR. DE AGUIAR: Comparisons are always made of the cost of goods imported through the Crown Agents with the prices charged by local merchants. I feel sure that but for these round-about charges the position would be shown up in an entirely different light.

THE CHAIRMAN: I agree with the hon. Member for Georgetown North that it is not desirable to show an item of this sort under "Contingencies." I cannot say how it is provided in the Estimates for the forthcoming year, but information will be given to the Council and specific attention will be drawn to it. In the meantime Government will have an opportunity of finding out how the details are made up. I would again refer hon. Members to the

Sessional Paper, No. 9 of 1935, which I published in order that they should have information on the very points they have raised.

Question put, and agreed to.

THE COLONIAL SECRETARY: I beg to move the insertion of a new item: "17. Refund of fees, Registrar's Office, \$250."

Question put, and agreed to.

PUBLIC WORKS—ANNUALLY RECURRENT.

THE COLONIAL SECRETARY: I move the insertion of a new item: "12. Transport, \$2,900." Expenditure on the lorries is made from this sub-head and is then chargeable to the different heads of expenditure, current or loan, and this amount does not mean any increase in the sum that will be spent during the year because provision for the expenditure is under the various heads.

Question put, and agreed to.

ROADS, RIVERS, CREEKS AND PORTAGES.

THE COLONIAL SECRETARY: I beg to move the insertion of three items, viz, "Berbice District 1. Main Road and Bridges, \$1,000"; "East Demerara District—4. Main Road and Bridges, \$1,400." "West Demerara District—7. Main Roads and Bridges, \$1,000." The total addition of \$3,400 is being saved under Public Works—Extraordinary in regard to the road at Kingelly, which it has been decided not to proceed with.

MR. WOOLFORD: I protest against the allocation of \$1,000 for the Berbice main roads. It is quite true to say that any increase in traffic on the Berbice-Corentyne roads affects the roads in New Amsterdam, and it is a matter of complaint by the residents of New Amsterdam that within recent years traffic has considerably increased. It must be borne in mind that in New Amsterdam there are only two roads, and it is impossible for traffic to escape going over either one or both of them. At some moment the traffic must pass over both roads and it is becoming increasingly difficult for the roads to bear the heavy traffic. I would like to think that during next year Government will give some consideration to an increase of the contribution to New

Amsterdam for the maintenance of the roads and bridges. At present the contribution is 50 per cent. I suggest that a fair and rational increase would be 75 per cent. The revenue from the Corentyne in regard to buses has considerably increased, and so far as New Amsterdam is concerned the traffic on the roads is very considerable. I would like Your Excellency to give the matter some consideration. The representation I am making is that of the Chamber of Commerce, a representative body, who have asked me to bring it to your notice. Either the subvention should be increased or Government consider the making of a contribution of a sum of \$2,000 for the purchase of a motor roller for the town, which is without one at present and would be of considerable assistance.

THE CHAIRMAN: I will undertake next year to have an investigation made as to whether the subvention Government makes to the town of New Amsterdam for road maintenance is equitable or not. As the hon. Member is aware, a Committee has been appointed to consider that question in Georgetown, and I hope that before very long they will sit.

Question put, and agreed to.

The Council resumed.

THE COLONIAL SECRETARY: I beg leave to amend the motion on account of the alterations which have been made in Committee, and to substitute the words "as amended in Committee of the whole Council" for the words "which has been laid on the table."

Question put, and agreed to.

THE TAX BILL.

THE COLONIAL SECRETARY: I beg to move that "A Bill further to amend the Tax Ordinance, Chapter 37" be read the second time. The Bill deals with two matters. First of all, section 46 of the Principal Ordinance, which deals with the licence for dances, has a proviso whereby the Governor in Council has a discretion to refund the amount of licence paid. It is proposed in this Bill to delete that proviso. It is, in fact, a power which the Governor in Council has not exercised in

any applications made of late, and it is thought that it should be deleted. The second amendment deals with the licence for trading in precious stones and continues the tax which is in force at the present time. The licence was reduced from \$150 to \$100 for one year and it is proposed to continue that decrease for the year 1936.

Mr. DIAS 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 2—Amendment to section 46 of Cap. 37.

Mr. GONSALVES: I rise to draw attention to section 3 (b) of Ordinance 24 of 1934:—

"(b) this section shall not apply to any concert or theatrical or other public entertainment or amusement of any kind or description whatever of a like nature, given, had or held, for the exclusive benefit of any purely religious, educational or charitable object."

We are repealing section 46 of the Principal Ordinance and retaining section 3 (b).

THE COLONIAL SECRETARY: I think that point is quite clear. There are two amounts payable, one under section 46 of the Principal Ordinance and one under section 47 as amended by Ordinance 24 of 1934. The one under section 47 is not payable in respect of entertainments for the exclusive benefit of any purely religious, educational or charitable object, but the other under section 46 is payable in all cases with the proviso that the Governor in Council shall have power to remit. It is proposed to delete that proviso.

Mr. GONSALVES: The distinction is between dances and other entertainments. When the amendment was made in 1934 agricultural shows were brought in. Representations were made here that agricultural shows had to pay the tax, and I think that was how the provision came to be put in. I cannot understand why it is proposed to repeal that proviso because

it was after some pressure that it was inserted. The reason was that dances are held for charitable purposes and it was held to be a hardship that they should be taxed. We are seeking to take away this privilege with respect to dances for charitable purposes and allowing the exemption to remain in respect of sports and things of that nature.

THE ATTORNEY-GENERAL (Mr. Hector Josephs): Experience has shown in many of the cases in which application has been made for a remission of the licence of a dance held for charitable purposes that the schedule of expenses exceeded the receipts. In addition to that most of the expenditure was for music, which swallowed up nearly all the proceeds. The result was, generally speaking, that there was very little money left for the particular charity, and it would seem to follow that most people went to the dance and had a good time and there was hardly any benefit accruing to charity. That is why it was decided that it would be well to repeal the proviso as no specific good was obtained from carrying it out. It can hardly be expected that there should be a remission of the duty when the expenditure was so big that there was only a small amount left or nothing left at all.

MR. GONSALVES: If Government is satisfied that the money is not going to charity it can exercise its discretion. The effect of deleting the proviso will be to deprive the British Guiana Dorcas Society and other organisations of that kind of the benefit which it now confers.

MR. DE AGUIAR: Now that I have heard the explanation I must join in asking that this proviso be not repealed. If the Governor in Council is not satisfied it would refuse an application for a refund.

MR. DIAS: The idea which gave rise to this provision was that charitable organisations should benefit from any entertainment given for its benefit. My own experience has been that there has been little or no benefit to these organisations. In some cases 75 per cent. of the receipts goes in the payment of musicians and other disbursements, so that in the end the only party who is expected to contribute to the funds of the organisations is the taxpayer, by foregoing the \$4 while

everybody else have been dissipating on the funds raised.

MR. GONSALVES: It seems that we are penalising the majority for the recklessness of the minority. There must be some responsible officer of Government who can investigate these matters and on his recommendation a decision arrived at as to whether the tax should be refunded or not. I ask hon. Members to take a wide view of the matter and not create a hardship on certain people because of one or two black sheep. Dances were given in aid of the Flood Relief Fund and the British Guiana Dorcas Society and it cannot be said that the schedules sent in by the promoters of those dances were not satisfactory.

MR. SEAFORD: Ninety per cent. or more of these so-called charity dances are given to "raise the wind." I do not think that the \$4 is going to affect them very much. The repeal of this proviso is going to assist in putting down abuses.

THE CHAIRMAN: That was really the idea in the mind of Government that caused this amendment. It places a greater sense of responsibility on persons who hold so-called charity entertainments. The hon. Member for Georgetown South has used arguments to Government not to press the amendment. There is no great question of policy behind it and I am therefore prepared to leave it entirely to the open vote of Members as to whether they consider that this proviso should be repealed or not. It is not a matter to which Government attaches great importance, but the amendment was brought forward because there was a good number of cases where it was felt that the proviso encouraged abuse of the privilege. I will put the clause to the open vote.

The Committee divided on the question, and voted:—

Ayes—Messrs. Walcott, Dr. De Freitas, Laing, Major Craig, D'Andrade, Austin, Seaford, McDavid, Professor Dash, Major Bain Gray, Dias and the Colonial Secretary—12.

Noes—Messrs. Mackey, Jackson, King, Jacob, Crum Ewing, Humphrys, Dr. Singh, De Aguiar, Gonsalves; Wight, Mullin

Woolford and the Attorney-General—13.
Clause deleted.

The Council resumed.

Notice was given that at the next meeting of the Council it would be moved that the Bill be read the third time and passed. (*The Colonial Secretary*).

CUSTOMS DUTIES BILL.

Mr. D'ANDRADE (Comptroller of Customs): I beg to move that "A Bill to consolidate and amend the Ordinances imposing duties of Customs" be read the second time. The object of this Bill, as its title indicates, is to consolidate into one Ordinance several Customs Duties Ordinances, which are enumerated in the Fifth Schedule to the Bill. The Principal Ordinance, Chapter 34, which was enacted in 1929, has been amended on no fewer than 17 occasions. The extent of the several amendments affected by this amending Ordinance will be seen on an examination of the marginal references throughout the Bill which are noted in manuscript. Not only is it a difficult matter for anyone in possession of these many Ordinances to ascertain rightly the duty payable on any particular article, but the difficulty has been further enhanced by the fact that several of these Ordinances are no longer in print and therefore are not available to the public. I have also frequently received requests from the Chambers of Commerce, as well as from other bodies and individuals, in other countries, asking for our latest tariffs, and I have had to reply that there are none available. The necessity for the consolidation of these Ordinances then is quite evident.

An explanatory memorandum has been attached to the Bill setting out all the amendments which are being introduced in the Bill, otherwise the provisions remain exactly as they are at present. Taking them in the order in which they appear I shall just comment briefly on these amendments. In clause 2, as well as in other clauses where the words appear, "charged, levied and paid," has been substituted for "raised, levied collected and paid" and the expression "goods" substituted for "goods, wares and merchandise" and in other places for "articles." These

expressions as they now appear in the Bill are in accordance with the English Acts. The words "and the several other duties otherwise enumerated" have also been deleted from this clause as being unnecessary, for wherever the levying of any other duty is provided for in the Bill the words "there shall be charged, levied and paid" are repeated. The words "imported for use in the Colony" have been substituted for "imported into the Colony."

In clause 4 (2) the definition of "value" has been amended to a slight extent. Value is defined in the corresponding section as "the value of any article for the purposes of this section shall be taken to be the price which an importer would give for the article if it were delivered, freight and insurance paid, in bond at the port of importation." That is intended to be the price that the importer would give for purchases in the open market. An importer may, in exceptional circumstances, pay for an article a price which is very much below the cost of production. It is quite obvious that it was never intended that that price should be taken as the value of the goods. The new definition reads that "the value of any goods for the purposes of this section shall be taken to be the price they would fetch on a sale in the open market at the time of importation." That removes any doubt whatever that might have existed. Sub-clause (3), which is a new provision, is for the conversion of the value of goods expressed in the currency of foreign countries into that of sterling. This provision gives effect to what has been carried on for many years and only really legalises it. In order to convert the value into sterling it is necessary to have a rate of exchange, and the rate of exchange that is always taken is that quoted locally. It might be contended that some other rate of exchange might be taken, but the practice has worked very satisfactorily and the amendment only legalises it.

Clause 10 contains some minor amendments consequent on the repeal of the Principal Ordinance, and the substitution of "Dangerous Drugs Ordinance, 1925" for "the Opium Ordinance."

In clause 15 provision is made for an allowance in respect of the duty for breakage on glassware. As the section now

reads the allowance is not only in respect of breakage of glassware but also in respect of the packages. Within recent years glass and earthenware have been packed in galvanised tanks, which are subsequently used for storing water or oil, and it is obvious that breakage should not cover the cost of the container.

Clause 18 replaces section 18 of the Customs Duties Ordinance, which now reads :—

18. Any goods admitted free, or at a given rate of duty, on condition that they are used for a specific purpose, shall be so admitted, subject to any regulations the Comptroller of Customs deems necessary.

Goods admitted for a specific purpose may be used for any other purpose because there is no penal clause. The section as now amended rectifies that omission. Sub-clause (2) further provides for the production of conditionally exempted goods at any time within three years of importation.

Coming now to the First Schedule, the first item in which there is an amendment is item 7. That is only a reclassification, "Ghi and Phalkaghi" being now placed under the general head of "Butter and Butter Substitutes." The next item (11) amended is cement. The duty under the General Tariff has been increased from 75 cents to \$1.05. The object of this amendment is to confer greater protection to cement of British Empire origin. Within recent months, it is known, large quantities of subsidised German and other continental cement has been dumped in some Colonies, and the object of this amendment is to prevent similar happenings in this Colony. The amount of revenue involved, based on imports in 1934, would not amount to more than \$350, provided that all cement imported that year will be now imported from England or some other British country. The preference which has been added is just sufficient to rectify the duty between the cost of foreign cement imported and duty paid in this Colony and that of British cement, therefore there is no reason to fear that there will be no importation whatever of foreign cement. Whatever small importation there might be will be subject to the higher rate of duty, which will to a certain extent compensate for any loss of revenue resulting from the reduced rate.

In sub-items 45 the duties and method of assessment of brandy, whisky and gin, if under proof, have been re-arranged. At present if brandy, whisky or gin is under proof and is imported in bottles of reputed sizes, they pay duty on the liquid quantity at the rate which has been retained in this Bill, but if such liquors were imported in bottles of different sizes not known as reputed sizes the duty will be calculated at a different rate on the reputed quantity. As re-arranged the rates have been fixed on the strength. All brandy and whisky of a strength below 80 per cent. proof spirit and all gin of a strength below 85 per cent. proof spirit will now be admitted at the rate of the liquid quantity, and all such spirits of a strength above 85 per cent. will be admitted at the proof rate, which also remains unaltered. The effect of this, except perhaps in very exceptional circumstances where a very strong brandy or whisky is imported, would be that no more duty would be paid. Most liquors are sold between 22 and 24 under proof and anything over 20 would be extraordinarily strong. That gin is fixed at 85 per cent. is due to the fact that several British gins imported are stronger than 20 under proof.

All spirituous medicinal preparations not recognised by the British Pharmacopoeia now pay ad valorem duty at the rate of 16 $\frac{2}{3}$ per cent. (preferential) and of 33 $\frac{1}{3}$ per cent. (general) under item 16 of the Second Schedule. That is, "all other goods not particularly mentioned in the duty Schedules or particularly exempted." This, strictly speaking, was incorrect. The correct rating should be as "Unenumerated Spirits," viz, \$5 under the Preferential Tariff and \$10 under the General Tariff. As re-arranged such spirits if containing not more than 50 per cent. of proof spirit will pay ad valorem rates, and if containing more than 50 per cent. of proof spirit at the rate of \$2.50 and \$3.10 the proof gallon under the respective tariffs. Special provision is being made in the Second Schedule for medicinal preparations of a strength below 50 per cent. proof spirit, which will pay 16 $\frac{2}{3}$ and 33 $\frac{1}{3}$ *ad valorem* rates. The reason for imposing these duties is that certain medicinal preparations not recognised have been imported into this Colony as medicines and

used for some other purpose. I had a case coming under my notice where a preparation had been used in the making of essences. Of course, it was never intended that they should have been so admitted, but with the law as it stood nothing else could have been done. Such preparations will now pay this rate of duty. I may mention that most of the proprietary and patent medicines now imported are below 50 per cent. proof spirits, and only in very exceptional circumstances do we receive spirits of a strength exceeding 50 cent.

In the Second Schedule the first item is "Apparel." Under this item several items of apparel which appear in the Ordinance have been grouped under this heading, such as hats, caps and other headgear, and hosiery. In the existing Ordinance caps come under the head of "Other apparel" and pay in addition to the *ad valorem* duty a specific duty of 36 cents for each cap. The effect of that would be that caps of foreign origin will no longer pay that additional duty. There is another small amendment. In sub-item (d) the words "and boys" are added after the word "men's." There is no reason why a man's singlet should be exempt from payment of the additional specific duty and a boy's not be similarly exempt. A minor amendment in sub-item (k) is the insertion of the words "or per pair if ordinarily so sold." That is to meet cases such as gloves, on which we collect duty on each glove at that very high rate of duty. Item 8 has been more clearly set out and numbered. That item is rather jumbled in the existing law.

I pass on now to the Third Schedule. Under the original item 4 all manures were put together and they pay a duty of 2 and 5 per cent. That is now rearranged so that certain classes of manures remain at 2 per cent whereas the general tariff rate is increased from 5 to 12 per cent. The object of this, as in the case of cement, is to afford protection to the British manufactured article. Item 9 relates to machinery necessary for the production of art calendars within the Colony. This is intended to assist the local producer of calendars so that he can compete with the imported article. In item 10 the words "and iron" are inserted before the word "hooping."

The Fourth Schedule is the table of exemptions. Item 1 (14) is amended by the addition of the words "equipment. . . for any recognised local organisation working in conjunction with the St. John's Ambulance Brigade or Association." Such equipment from time to time has been admitted under item 2 of the Schedule by the Governor in Council. It is now intended that provision should be made in this Schedule for its exemption from payment of duty. Item 1 (35) applies to "all instruments, apparatus and materials imported by Imperial and International Communications, Limited, which are necessary for the repair, extension and maintenance of the wireless telegraph station." When the Bill of Entry Tax Bill was before the Council I explained the reason for the insertion of this item both in that Bill and in this. It is to give effect to clause 9 of the Licence to Imperial and International Communications, Limited, to maintain and operate a wireless telegraph station at Thomas Lands, Georgetown. The next item that has been amended is 5 (4). The amendment is to allow any of these preparations when approved by the Surgeon-General to be admitted free of duty.

The Fifth Schedule contains the list of the Ordinances which are being repealed. When the Bill is in Committee I shall ask leave to move certain amendments. The first is that clause 19, which provides for the collection of the colonization duty, be deleted. This duty was first imposed in 1918. The revenue collected by means of it was to be used in the establishment of a fund for financing unindentured immigration into the Colony at a later date. In December, 1921, the Combined Court by resolution authorised the suspension of the collection of this duty, with effect from August of that year and every year thereafter. On the enactment of the Customs Duties Ordinance, which was then a yearly enactment, similar provision was made until 1929. When the Customs Duties Ordinance, Chapter 34, was enacted a similar resolution of the Council was also passed suspending the collection of this duty indefinitely. That resolution has never been rescinded, consequently the duty has not been collected up to date. It is not Government's intention to ask the Council at any time in the near future to reimpose this duty, therefore the neces-

sity for its being retained in the Bill no longer exists. For that reason I shall move its deletion.

I also shall move the deletion of item 20 (Cork Manufactures) of the First Schedule. The duty is 10 cents per lb. under the British Preferential Tariff and 20 cents under the General Tariff. These rates work out in the case of the former tariff at 59 per cent. and in the case of the latter at 63 per cent. The small difference between 59 and 63 per cent. is accounted for by the fact that the imports from the United Kingdom consist to a very large extent of corks used as stoppers for bottles. The duty on a consignment corks recently imported, and on which 10 cents per lb. was collected, worked out at a rate of 84 per cent. of the value. I can see no reason why cork manufactures should be subject to so high a rate of duty. The result of the deletion of the item would be that cork manufactures would now be classed under item 14 of the Second Schedule and pay duty at the rates of $16\frac{2}{3}$ and $33\frac{1}{3}$ per cent. I move that the Bill be now read the second time.

Mr. LAING seconded.

Mr. DE AGUIAR: I would like to express my appreciation of Government having at last decided to consolidate the Customs laws. Since 1929 no fewer than 18 Ordinances have been passed amending the Principal Ordinance, Chapter 34, and I agree with the mover of the motion that there has been a great deal of inconvenience. If for no other reason, I congratulate Government on having at last introduced this Bill. There is one little complaint that I have to make. Having regard to the fact that it is not intended to impose any additional taxation, I hardly see the necessity of distributing the Bill to Members of the Council at such a late date. A little more time should have been given us to make recommendations of amendments of the tariff as a whole. Great care has to be taken to see that the Canada—West Indies Trade Agreement is strictly complied with, and if Members find themselves in the position of not being able to make any suggestions the reason would be well understood. So far as I am concerned, I shall confine myself to the Bill as presented. I must confess that I am not clear about clause 4. To my mind

that clause puts one in doubt as to what is the mode of paying ad valorem duties. The present system is that when an article is imported into the Colony the importer has to present all accompanying documents for the value of the particular consignment, but nowhere in this clause do I observe any reference to the production of invoices in support of an importer's claim. I do not know whether the new sub-clause (2) will be taken to mean that the production of the invoice by an importer proving the value of his goods would be taken to be the price they would fetch on a sale in the open market. If that is the intention I have no further comment to make, but I do not think the matter should be left as it is having regard to the practice at present in vogue.

With regard to the duty on cement, I offer no serious objection to the increased duty on foreign cement, other than to draw attention to the fact that it is likely to place merchants in a very curious position. At present the difference in price between the final cost of cement imported from Empire sources and from foreign sources is as much as 3s. 9d. per barrel. The intention now is to increase the duty on foreign cement by 39 cents per barrel. That is a very big difference and it places the importer in a very peculiar position. A man tries to buy in the cheapest market. To meet competition the merchants have to sell at the best price, and if there is so big a difference in price merchants would naturally turn to the foreign article. While up to the end of 1934 there have been no large importations of cement from foreign sources, the position has changed considerably since then and it would be found later in the year that very large quantities will be imported. That is going to place importers in a very peculiar position. I think it is my duty to point this out because some hardship is going to be created. I know that a large quantity is going to come in, and importers are going to be called upon to pay the higher rate because the Ordinance is going to be brought into effect immediately.

As regards the new method of assessing the duty on brandy, whisky and gin, I am going to make a suggestion. I am going to suggest that we place brandy and whisky at 85 per cent. as one or two brands of brandy might be affected. I

can well understand the desire of Government to tighten up the provision of clause 18, but it seems to me that the period of three years is a long time. I do not think it would be unreasonable to suggest that the period of one year should be substituted.

I wish now to refer to the Order in Council published in the "Official Gazette" of November 20. It has been the practice when increased duties are imposed that the new rate shall come into effect on the date the matter was introduced into the Legislative Council. It seems to me from this Order in Council that the Governor in Council may approve ten days, or fourteen days or a month, before a matter is introduced into the Legislative Council, and considerable hardship would be inflicted on importers if they have to wait such a long time to know whether they would have to pay increased duties. On the other hand it appears that while Government may impose the new duty from that date, it will refuse to allow a refund when the duty is reduced. It seems to me to be rather hard.

Mr. D'ANDRADE: Perhaps the hon. Member will allow me to explain. The effect of that Order is that the Ordinance will come into effect from the date it was introduced in the Council. If the duties are increased the higher rates will be collected, and if there is a reduction the reduced duty will be collected. Even if duties are collected at a higher rate the amount collected in excess will be refunded.

Mr. DE AGUIAR: That is news to me. I have never yet known of a case where a refund was given. However, I accept the Comptroller's word. I do not know whether there is such a thing as a prescriptive right; if there is I can assure the Comptroller that he would certainly get some claims. I leave the matter at that.

THE ATTORNEY-GENERAL: I am afraid that the hon. Member is labouring under a very grave misapprehension. The effect of the Order is that it comes into force on the day of the first reading of the Bill in the Legislative Council, not from the date when it was made in the Executive Council.

The Council adjourned for the luncheon recess.

Mr. CRUM EWING: With reference to clause 4 (2) there is a type of importer—a *bona fide* commission agent—who imports goods with the object of canvassing, and not with the object of disposing of them immediately on their arrival. His principals on effecting shipment grant him a sample rebate varying from 10 to 50 per cent. For the past 10 years this type of importer was allowed to pay duty on his goods less the sample allowance granted by the shippers. That practice has been discontinued recently, the Comptroller of Customs giving as his explanation that the value the goods fetched on their arrival is the value on which duty should be paid. Those goods are kept in the Colony for a period of six months to a year, during which time they are shown around and sent to Barbice customers for inspection. Those goods are materially damaged as the result of having to go from place to place, and when after six or eight months an attempt is made to sell them they never realise more than 50 per cent. of the actual value. Rubber goods are subject to deterioration in the tropics if not kept in cold storage, and this clause will create a hardship on an agent who imports such goods for the purpose of canvassing. There might also be a fall of prices in the market and an exporting firm, rather than incur the expenditure of reprinting its catalogue, may reduce the price of an article from 10 to 5 shillings and on the invoice give a trade discount of 50 per cent. This clause compels an importer to pay the duty and disregards the sample allowances. I do not know whether the Comptroller of Customs can see his way to insert an amendment in order to alleviate the risk to the mercantile community by the passing of the clause as it now stands.

Mr. D'ANDRADE: The hon. Member for Central Demerara in his remarks said that great care has to be taken to see that the Canada-West Indies Trade Agreement is strictly complied with. I give him the assurance that in every instance the preference required under the Agreement has been given in the Bill. The hon. Member also stated that there is no provision in clause 4 empowering the Comptroller of Customs to demand the production of invoices, and he subsequently added that that was the position in regard to the existing Ordinance. Power is

given to the Comptroller of Customs under section 88 of the Customs Ordinance to demand at any time the production of invoices if required. Invoices are taken as evidence of the export value of goods for the purpose of duty, but it does not necessarily follow that the invoice value would be accepted in every case. Goods may be purchased in exceptional circumstances. A man may be able to purchase goods at a price much below their value and the price paid would not be accepted in such a case as the value. On the question of cement, as I said before, there is still a possibility of foreign cement being imported. The increased protection is just sufficient to allow British cement to be landed and duty paid at a price equivalent to the price at which foreign cement can be imported plus the duty. I thought that as a Protectionist the hon. Member would perhaps have suggested that the duty be increased to a point beyond that in the Bill so as to give an advantage to the British manufacturer (Laughter).

The hon. Member for Central Demerara suggested that instead of the strength of brandy and whisky being fixed at 80 per cent. the strength should be 85 per cent. as in the case of gin. In fixing those strengths they were based on the brands which are at present imported into the Colony. There are certain British gins of a strength above 80 per cent. and that is the reason for inserting 85 per cent. The strength of brandy is slightly over 80 per cent. and I think Government would be well advised to accept the suggestion to fix the strength at 85 per cent. all round. I may mention that is the limit fixed in several Colonies, and it will have no effect on the revenue. The hon. Member also suggested that in clause 18 the time limit should be reduced from three years to one year. With that suggestion I do not agree: one year is too short a time. It might pay some traders to import goods, declare them for a specific purpose, keep them in stock for a year and then dispose of them. The three years limit is a reasonable one, and it has not been made longer because it would be difficult to trace those goods after three years.

The hon. Member for Essequibo River raised the question of the duty on samples. He stated that the value should be the

price which is actually paid for samples and not what the importer would ordinarily pay for those samples if imported in the ordinary course of trade. He also stated that a commercial agent may import goods and retain them for six or eight months, and when he disposes of them he does not realise sufficient to cover the cost of those goods and the duty. The value of goods for the purpose of the payment of duty must necessarily be the value at the time of importation. A man dealing in hats imports a large shipment—one of each kind—which is invoiced to him as samples, but the main purpose of that importation may be an immediate sale. As the result of their being exclusive designs they fetch a higher price than if they were imported in quantities. In the particular case of commercial agents the position might be reviewed later, but it is a question more for regulations than for amendment of the value. In the Fourth Schedule item 1 (21) provides for the admission of patterns and samples, subject to any regulations made by the Governor in Council. There are at present regulations providing for the admission of samples, the duty free admission in respect of any one sample not to exceed \$1 and in respect of an aggregate sample \$5. If any consideration is to be given to this particular class of importer it should be done by regulations.

There is a good deal to be said for and against such an amendment. The greater part of samples imported into the Colony are of foreign origin, and the question will have to be considered whether the same facilities should be granted in respect of foreign samples as would be granted to British samples. Again, the question of uniformity between this Colony and the West Indies is now under consideration. There will probably be a conference in Trinidad at no distant date in continuation of the last one held in Bermuda and this question will have to be taken up. One of the matters for consideration will be Customs Regulations. I have been told by the hon. Member that in Trinidad the duty is assessed on the value less any sample discount shown on the invoice. I have since heard otherwise but not officially, and I propose to investigate the matter and go into it very fully. There are certain samples in respect of which I would be quite prepared to

consider a deduction off the full value, such as dinner ware in the case of incomplete sets. An importer would hardly give for an incomplete set the same price as he would pay for a complete set. I am quite prepared in valuing such goods to make an allowance. There are also certain articles, such as garments, which are received as samples in a mutilated condition. In such cases no duty whatever is collected. There are other minor things. One member of a deputation of the Chamber of Commerce who interviewed me a few days ago spoke of doyles being imported in incomplete sets, and I said I would be prepared to make an allowance if the importer would allow me to stamp them with a rubber stamp in indelible ink "Sample." At the same time incomplete sets would not be of the same value as complete sets. It is a matter that requires careful consideration and I am prepared to give it such consideration.

Question put, and agreed to.

Bill read the second time.

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

Clause 10 (2).—Drawback on goods re-exported within three months of importation.

Mr. D'ANDRADE: I move that the words "sub-section (1) of this section" be substituted for the words "section ten hereof."

Question put, and agreed to.

Clause 19—Colonization duty.

Mr. D'ANDRADE: I move the deletion of this clause for the reasons I have already given.

Question put, and agreed to.

First Schedule—20. Cork Manufactures.

Mr. D'ANDRADE: I move the deletion of this item for the reasons already given.

Question put, and agreed to.

Item 45—Spirits and Strong Waters.

Mr. D'ANDRADE: I move that in sub-items 1 (a), (b), (c) and (d) the figures and words "85 per cent." be substituted for "80 per cent."

Question put, and agreed to.

Second Schedule—1. Apparel.

Mr. JACOB: I wish to draw attention to the fact that if the duty on imported ready-made clothing is increased to some extent it will benefit certain classes of people who find it very difficult to earn a livelihood. It is a matter well worth Government's consideration, and I hope that on investigation it will be found that something ought to be done next year.

THE CHAIRMAN: No doubt the Comptroller of Customs will make a note of what the hon. Member has said.

Mr. D'ANDRADE: Yes, sir.

The Council resumed.

THE COLONIAL SECRETARY: I move that the Standing Rules and Orders be suspended to enable the two Bills to be read a third time to-day. I think hon. Members will realise that a Bill such as the Customs Tariff Bill, which becomes effective from the date it was introduced, should be published in the public interest as soon as possible.

Mr. DIAS seconded.

Question put, and agreed to.

THE TAX BILL.

THE COLONIAL SECRETARY: I beg to move that "A Bill further to amend the Tax Ordinance, Chapter 37" be read the third time and passed.

Mr. DIAS seconded.

Question "That this Bill be now read a third time and passed" put, and agreed to.

Bill read the third time.

CUSTOMS DUTIES BILL.

Mr. D'ANDRADE: I beg to move that "A Bill to consolidate and amend the Ordinances imposing duties of Customs" be read the third time and passed.

Mr. LAING seconded.

Question "That this Bill be now read a third time and passed" put, and agreed to. greatest possible care and independence for the benefit of the Colony.

Bill read the third time.

RESIGNATION OF MR. T. T. SMELLIE.

THE COLONIAL SECRETARY: Sir, before this Council adjourns I would like to express our regret that Mr. Smellie has found it necessary to resign his seat. Mr. Smellie has been a Member of the Executive Council since 1920, and an original Member of this Council under the new Constitution. His views have always carried real weight with all Members of this Council and have been expressed in a manner which commanded universal admiration and respect. His attitude towards all matters debated in this Council has always added to the dignity of the proceedings of this Council, and it is a matter for very great regret that he has found it necessary to tender his resignation.

THE ATTORNEY-GENERAL: Sir, may I, as a Member of this Council who has served longer on the Executive Council than Mr. Smellie, endorse what has fallen from the Colonial Secretary. I was present in 1921 when Mr. Smellie took the oath as a Member of the Executive Council and up to this time he has served in that Council and also in this Council. I desire to state that I myself will miss his help and very valuable assistance. There is no doubt that he did his work with the

Mr. DE AGUIAR: Sir, I would like on behalf of the Elective Members to associate myself with the words that have fallen from the hon. the Colonial Secretary and the hon. the Attorney-General in connection with the retirement of Mr. Smellie. There can be no doubt that Mr. Smellie has given very valuable service to the Colony during the time he was associated both with the Executive Council and the Legislative Council. So far as the Legislature is concerned, he has been very regular in attendance at the sessions and I am sure that his presence here will be missed. On those occasions when he expressed his views in this Council I venture to say those views were very valuable indeed. I heartily associate myself with what has been said by the previous speakers.

THE PRESIDENT: I would like to endorse from the Chair what has been said with regard to Mr. Smellie. Personally, I greatly regret the fact that his health has rendered it necessary for him to retire from public duties. My own personal debt to him is for a short period only, but even so is for a considerable amount. The debt this Council owes him for his long and good service here is certainly very much greater than that. The debt that the Colony owes him is far greater still on account of the many duties he undertook outside of this Council. I am sure hon. Members of the Council concur fully with what has been said in this regard.

The Council adjourned *sine die*.