

# LEGISLATIVE COUNCIL

THURSDAY, 13th FEBRUARY, 1947

The Council met at 2 p.m. His Excellency the Officer Administering the Government, Mr. W. L. Heape, C.M.G., President, in the Chair.

## PRESENT

The President, His Excellency the Officer Administering the Government, Mr. W. L. Heape, C.M.G.

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

The Hon. the Attorney-General, Mr. F. W. Holder.

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

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

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

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

The Hon. H. N. Critchlow (Nominated).

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

The Hon. E. A. Luckhoo, O.B.E. (Eastern Berbice).

The Hon. J. Gonsalves, O.B.E. (Georgetown South).

The Hon. Peer Bacchus (Western Berbice).

The Hon. T. Lee (Essequibo River).

The Hon. V. Roth (Nominated).

The Hon. T. T. Thompson (Nominated).

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

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

The Clerk read prayers.

## MINUTES

The minutes of the meeting of the Council held on the 7th February 1947

as printed and circulated, were taken as read.

Mr. RAATGEVER: I think there should be some reference in the minutes to the fact that you, sir, wanted to postpone discussion of the Bill to repeal the excess profits tax and that it was eventually taken at my request. I think some reference should be made to that.

The PRESIDENT: A discussion will take place. The hon. Member should know that it is my intention to adjourn at 3.30 p.m. in order that the Colonial Treasurer may discuss the matter with Members. I would prefer to let the Minutes remain as they are if the hon. Member would not mind.

Mr. RAATGEVER: I am referring to the Excess Profits Tax Bill which Your Excellency wanted to defer for consideration. I opposed that and eventually it was agreed that it should be taken. I think that should be mentioned in the minutes.

The ATTORNEY-GENERAL: I see the hon. Member's point and the answer is that the reference he desires will appear in Hansard. The Hansard gives a full and detailed account of what takes place in the Council and the hon. Member's point will be met when the Hansard of that date is published.

Mr. RAATGEVER: That is all right but Hansard has not been published for two years as far as my memory serves me. We are now getting the 1944 reports. If Your Excellency thinks the reference should not be made in the minutes I will withdraw my request.

The PRESIDENT: I would rather not put it in the minutes because it would be a departure from the usual practice as we will have the minutes containing matters of detail. If the hon. Member would not mind I would prefer to confirm the minutes as they stand.

Mr. RAATGEVER: Very well, sir.

Minutes confirmed.

## ANNOUNCEMENT

## PROPOSED EARLY ADJOURNMENT

The PRESIDENT: The proposal is that the Council should adjourn at 3.30 to discuss informally item No. 1. Therefore, with the permission of the Council we will, when we get to the Order of the Day, proceed with items 2 and 3 and get as far as we can by 3.30.

## PAPERS LAID

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

- (a) Report of the Co-operative Credit Banks for 1945.
- (b) Report of the Registrar of Friendly Societies for 1946.

## GOVERNMENT NOTICE

LICENSED PREMISES (AMENDMENT)  
BILL, 1947

The ATTORNEY-GENERAL gave notice of the introduction and first reading of the following Bill:—

A Bill intituled "An Ordinance to amend the Licensed Premises Ordinance, 1944, with respect to the opening and closing hours of licensed premises and for other purposes connected therewith".

## ORDER OF THE DAY

The PRESIDENT: With the permission of the Council we are postponing item 1.

CUSTOMS DUTIES (AMENDMENT No. 2)  
BILL, 1947

The ATTORNEY-GENERAL: I beg to move the second reading of the following Bill:—

A Bill intituled "An Ordinance further to amend the Customs Duties Ordinance, 1935."

It will be within the recollection of hon. Members that on December 4 last this Bill came before the Council and received its first reading and in accordance with the Schedules to the Principal Ordinance, the Tax Ordinance, Chapter 41, came into operation. Since that time

there has been much discussion with regard to this Bill. As hon. Members are aware, this Bill seeks to raise revenue and if we look at the memorandum of Objects and Reasons it would be seen that the objects are:—

- "(a) to provide additional revenue by increasing the rates of duty on malt liquors, spirits, tobacco and perfumery, and to restore the rates of duty payable under the General Tariff in respect of Petroleum spirits and oils prior to the 29th May, 1943, when as a temporary measure, they were reduced to the same level as the rates under the British Preferential Tariff;
- (b) to increase the *ad valorem* duty on merchandise bearing advertising devices—including bottles and crowns used for aerated waters and similar beverages — from 8½% under the British Preferential Tariff and 16½% under the General Tariff to 16¾% and 33¼% respectively; and
- (c) to encourage the use of aluminium sheets and asbestos sheets for building purposes, by reducing the rates of duty of 16¾% and 33¼% payable under the British Preferential and General Tariffs, respectively, to 6% and 12%, respectively."

Now, if hon. Members look at the Bill itself it would be seen that in clause 2 the First Schedule to the Principal Ordinance as substituted by the Customs Duties (Amendment No. 2) Consolidation of Schedules) Ordinance, 1944, has been further amended by substituting for items 4, 33, 44 and 48 thereof, certain other items that have been mentioned. As regards the new item 4—Beer, ale, stout and porter—the British Preferential Tariff will be 75 cents per gallon and the General Tariff \$1 per gallon. Proposed amendments have been circulated to hon. Members and these seek to maintain the existing margins not from the point of view of the percentage value, but rather in terms of the actual value. When we reach the Committee stage it is proposed that I should move this amendment in. The next point deals with item 33—oil—and hon. Members will see the proposed new figures. These will be an increase on the rates which were in existence prior to May, 1943, and that would be seen on reference to

the Customs Duties Ordinance, 1935. In May, 1943, as a temporary measure, the margin of duty on petroleum oil was suspended. Item 44 deals with spirits and strong waters and it would be seen that the rates on brandy have been increased by \$1 per gallon, while the rates on other bottled spirits have been increased by 50 cents in both British Preferential and General Tariffs. As regards perfumed spirits, when not over proof, the rates have been increased from \$3.60 to \$6 per gallon British Preferential Tariff, and from \$7.20 to \$12 per gallon General Tariff. The rates on perfumed spirits, over proof, have been increased from \$4.80 to \$8 per gallon British Preferential Tariff, and from \$9.60 to \$16 per gallon General Tariff.

We pass on to item 48—tobacco—and I wish to say that the rates contained in the previous schedule — the schedule to Ordinance No. 25 of 1944—were increased by 25 cents per lb. when the Bill was printed and it was afterwards decided to limit these increases to 15 cents per lb. The reason for that is that it was recommended by the Comptroller of Customs who is here and who will answer any question in so far as details are concerned. With regard to clause 3 the proposal is to delete item 3 of the Second Schedule to the Principal Ordinance as substituted by the Customs Duties (Amendment No. 2) (Consolidation of Schedules) Ordinance, 1944, dealing with arms, ammunition and explosives. It would also be seen that in clause 3 (b) there is a proposal to insert a new item 3—Aluminium sheets and Asbestos sheets, plain or corrugated. I wish to inform Members that it is not now intended to proceed with this amendment as a general revision of the tariff will follow as a result of the March trading analysis. The proposal at clause 3 (c) is to increase the rate of *ad volorem* duty paid on toilet preparations and cosmetics, except perfumed spirits, soap and dentrifices, to 20% British Preferential Tariff and 40% General Tariff. Clause 4 provides for an amendment to item 3 of the Third Schedule by the deletion of the word “capsules”. The definition of the word is apt to lead to disputes and misinterpretation, and I would emphasize that it was not intended to apply to metal crowns. Capsules and other metal crowns would

be admitted as such. Those are the main features of the Bill and, as I have said before, hon. Members have been supplied with the amendments which it is proposed to move after the Bill has received its second reading. The idea of the changes is to retain the existing margins on the returns of actual value. I think hon. Members have had considerable time to go into the details of this Bill and I believe they have been gone into fairly fully and thoroughly. I now move that this Bill be read the second time.

The PRESIDENT : I would just like to add a word to what the Attorney-General has stated. This Bill was made more complicated than usual by the many amendments given to me in a cyclostyle sheet but, actually, the reason for these many amendments has nothing to do with the principle or the intention to change any rate of duty and increase taxation. When this Bill was introduced a copy was sent to the Secretary of State for the Colonies and it was in accordance with his request that the alterations which have now been put before hon. Members are being made. The Secretary of State telegraphed me stating that he wished to maintain the differential between the General and the British Preferential tariffs in accordance with the existing rates. He said: “I think the increased duties proposed in the case of beer and brandy should be reduced so as to maintain the existing preferential margins in the Empire.” That is the reason why we have had to give hon. Members all these minor amendments. What I want to make very clear is that there is no change in principle. These changes have been made so as to maintain the existing differential. They are tiresome to read but the Comptroller of Customs would be able to reassure hon. Members on any point they desire to ask him.

MR. CRITCHLOW seconded.

MR. RAATGEVER : There is not going to be any opposition to this Bill except for one item, and that is advertising matter. Certain Members are of opinion that it is not necessary to increase the duty on this item and that it should be removed from the list. In the circum-

stances I shall be grateful if Your Excellency gives consideration to that point.

The PRESIDENT: Does any other Member wish to speak on the principle of the Bill? I am quite prepared to allow the amendment which has been suggested when we reach the Committee stage. As no other Member wishes to speak, I will put the motion for the second reading.

Motion put and agreed to.

Bill read a second time.

### COUNCIL IN COMMITTEE

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

#### *Clause 1 — Short title.*

The ATTORNEY-GENERAL: I will ask for the deletion of the word and figure

“No 2” in the brackets, and also that the year “1946” be made to read “1947”.

Amendment put and agreed to.

#### *Clause 2—Amendment of the First Schedule to the Principal Ordinance, No. 25 of 1944.*

The CHAIRMAN: We will now come to the cyclostyle sheet which has been circulated with the proposed amendments. I have explained that these changes are only to maintain the existing differential. If hon. Members agree—and it would save time—I would suggest that we put the whole of the schedule as amended by the page which has been circulated and that it should stand part of the Bill.

Mr. RAATGEV9R: We will take the whole thing, sir, except for the one amendment I suggested.

Schedule amended to read as follows:—

### RATES OF DUTY

		British Preferential Tariff	General Tariff
Item 4	For	\$ 0.75	\$ 1.00
	Substituted	0.75	1.04
Item 33 (2)	For	7.25	12.25
	Substituted	007.25	0 012.25
Item 44 (1) (a)	For	6.00	7.20
	Substituted	6.00	7.25
Item 44 (1) (c)	For	7.50	9.00
	Substituted	7.50	9.25
Item 44 (1) (d)	For	8.75	10.80
	Substituted	8.75	10.85
Item 44 (1) (e)	For	7.50	9.00
	Substituted	7.50	9.25
Item 44 (1) (f)	For	8.75	10.80
	Substituted	8.75	10.85
Item 44 (1) (g) ..	For	7.00	14.00
	Substituted	7.00	13.50
Item 44 (2) (c) ..	For	6.50	7.00
	Substituted	6.65	7.22
Item 44 (2) (f) ..	For	0.50	1.00
	Substituted	0.25	0.50
Item 44 (2) (h)	For	1.00	2.00
	Substituted	1.00	1.60
Item 44 (3)	For	6.50	13.00
	Substituted	6.50	12.50
Item 48 (a)	For	3.00	4.00
	Substituted	2.30	3.60

		RATES OF DUTY	
		British Preferential Tariff	General Tariff
Item 48 (b) (i)	For	2.60	
	Substituted	2.50	
Item 48 (b) (ii)	For	3.00	
	Substituted	2.90	
Item 48 (b) (iii)	For		4.00
	Substituted		3.60
Item 48 (c) (i)	For	1.85	
	Substituted	1.75	
Item 48 (c) (ii)	For	2.30	
	Substituted	2.20	
Item 48 (c) (iii)	For		3.25
	Substituted		3.15
Item 48 (c)	For	1.60	1.60
	Substituted	1.50	1.50
Item 48 (g)	For	1.70	1.70
	Substituted	1.60	1.60

*Clause 3—Amendment of the Second Schedule to the Principal Ordinance,  
No. 25 of 1944.*

The ATTORNEY-GENERAL: In this clause we have to delete paragraph (b). As regards advertising articles which appears in (a), I understood the hon. Nominated Member (Mr. Raatgever) to say he wanted it retained.

Mr. RAATGEVER: No; we want it deleted.

The ATTORNEY-GENERAL: I understood the hon. Member to say that he did not want any interference with that.

Mr. RAATGEVER: We do not want any increase in the duty payable on advertising matter. We want it to remain as it is at present and see no necessity to interfere with it.

The CHAIRMAN: Have you got any amendment to move?

Mr. RAATGEVER: I move that (a) be deleted.

Mr. de AGUIAR: I think the hon. Member means item 4.

Mr. G. H. CROAL: (Comptroller of Customs): The item being referred to is item 3 (a)

Mr. RAATGEVER: I formally move that item 3 (a) be deleted.

Mr. GONSALVES: I do not quite understand how the duty on this item—advertising matter—would be increased if this is left in.

The CHAIRMAN: Then the Comptroller of Customs will explain.

Mr. CROAL: The Second Schedule embraces 18 items; 17 are specific items and the last item—18—covers all other goods not enumerated so that if advertising matter is deleted from the list it would come under "all other goods." If it is kept in it would come under the other goods as advertising matter.

The COLONIAL TREASURER: I think it is fair that the Council should also know what was the reason which led the Comptroller of Customs to advise Government to accept this particular amendment. I think the reason should be told for the purpose of record, whether the Council deletes the item or not.

Mr. CROAL: Sir, in the Fourth Schedule — "Table of Exemptions from Duty" — advertising articles of no commercial or marketable value are included among the list of articles exempted from duty, but this item had been put in the Second Schedule—"Table of *Ad Valorem* Duties"—in 1929 to meet the case of persons abroad who send merchandise to the Colony for free distribution which had some marketable value. It was intended that should apply to articles such as Ash Trays, Beer Mugs, etc., the value of which obviously deteriorated on account of the fact that they bore a device, but, as they replaced articles of marketable value, it



was thought that some duty should be paid on them. Since those days we have had importers importing other merchandise of their own and applying devices to them which did not necessarily affect their value and, therefore, they should not get a diminution of tax. Such articles as Bottles and Crowns to be used for containing local stuff and Bill Books, have been made to carry advertising devices, and we have been advised by the Law Officers that if those items should remain in the Schedule they would become a danger to revenue in so far as importations are concerned, as other articles of many kinds could come in at the low rate of duty. In other words, by paying extra to put an advertising device on such goods you qualify them for admission at the low rate of duty. At present the intention is not so much to obtain increased revenue as to remove a danger in the tariff.

The COLONIAL TREASURER : From the statement of the Comptroller of Customs, Members of Council will appreciate that the object of the amendment, as it is in the Bill, is to protect revenue from what, I understand, are abuses. As I have said, I have not heard reasons which should induce Members to move an amendment. I would be much obliged if the hon. Nominated Member, Mr. Raatgever, would explain from his point of view why it is desirable that these abuses should be allowed to go on.

Mr. SEAFORD : May I ask the Comptroller of Customs one question ? If I want to import matches into the Colony for my personal use and I get the makers to put my name. Can I get as much as I want free of duty ?

Mr. CROAL : In reply to that question, this will not apply to matches which pay a specific duty as regards quantity and not in regard to value. Your matches will remain affected at the same rate of duty. It is only in respect of goods in the Table of *Ad Valorem* Duties.

Mr. GONSALVES : It seems that the only way the Customs Department can measure up to commercial brains is to introduce special legislation. There is no

way of devising by which they are able to regulate or distinguish between what comes to the hon. Member for Georgetown North (Mr. Seaford) for his personal use and what is to be used in commercial trade. That seems to be the position. Not being able to measure up to what comes from the Chamber of Commerce, the idea is to move an amendment so as to get duty on it. It is a case of Peter paying for Paul, whatever happens.

The CHAIRMAN : I did not quite follow what items are regarded as advertisement. Do you mean that up to now such goods as Ash Trays with advertising devices on them come in free of duty ?

Mr. CROAL : Not free; they pay one-half of the rate of duty

The CHAIRMAN : Would the hon. Nominated Member give his reason for the request ?

Mr. RAATGEVER : I do not intend to give any reason. I do not see the necessity for it. The Comptroller of Customs has said that the practice has been in force since 1929, which means that it is rather strange Government should wait eighteen years to find out that this concession has been abused and to want to amend it. As far as I understand, this is only included to get increased revenue—this item among others. That is what Government told us, Members of this Council. That was distinctly stated, and now some other construction is being put on it — to prevent the commercial community from evading payment of the tax. The Comptroller referred to "bottles and caps bearing an advertising device," which means that poor people who buy aerated drinks will have to pay more for them, because that increase of duty is going to be put on the price of those drinks. There is no question that the increase will be passed on to the consumer, who will have to pay more for the drinks, when it is not necessary.

The CHAIRMAN : I would like to ask the Comptroller of Customs to consider this question. Is this put into the Bill to collect more revenue from soft drinks, or is it put in to prevent evasion of Customs Duties ?

Mr. CROAL : It is put in primarily to prevent evasion of Customs Duties, but incidentally if this is in we would get \$10,000 more in revenue in respect of goods which may qualify for admission at the lower rate of duty. In the case of "bottles and caps," only a minority of local manufacturers go to the trouble of importing bottles and caps with advertising devices. The poor manufacturers buy the plain bottles and caps and pay the full duty. If you look at the Tariff you would see that this Legislature had been very careful in the past to refuse to admit ordinary bottles at the lower rate of duty. In the Third Schedule you have an item paying a duty of 2% British Preferential Tariff and 5% General Tariff—packing materials for local produce. Those materials include cartons, boxes and bottles suitable and intended for bottling preserves, honey or milk. The very fact that they have put in those words "preserves, honey or milk" shows the intention was to make ordinary bottles pay the full duty. When any importer attempts to get bottles in through the backdoor by paying the lower rate of duty, he is evading the duties. If the intention is for bottles and caps to pay the lower rate of duty, I suggest that you put bottles and caps in and leave the other articles out. You will then give relief to the users of bottles.

The CHAIRMAN : Where is the \$10,000 in duty to come from ?

Mr. CROAL : Mainly from bottles and caps as well as stationery used by merchants, bill books which bear an advertising device. Then you have professional men and opticians taking advantage of the lower rate of duty.

The COLONIAL TREASURER : May I ask the Comptroller to comment on the suggestion that the increase on the duty on bottles used for containing locally manufactured stuff is going to increase unnecessarily the price per bottle of the drinks to the consumer ?

Mr. CROAL : I feel that will not be so, for the simple reason that only two or three of the many manufacturers do import bottles with embossed devices on them, and those bottles are returnable as

their devices enhance the value to the proprietors, because the mark is proprietary and they get special revenue from their use. I consulted my opposite number in Trinidad recently about this matter, and he said merchants who put a device on goods should pay a little more because they get an extra advantage. I find on examination of the Colonial Tariffs that no other Colony is doing this sort of thing, as it actually encourages persons to put advertising devices on their goods and so save money on taxation.

The COLONIAL TREASURER : One last question ! Why is it this suggestion had not been considered before and recommendation made for an amendment ? The hon. Nominated Member, Mr. Raatgever, said this thing had been going on since 1929.

Mr. CROAL : This suggestion, sir, arose some years ago, and my predecessor in office had made recommendations for its deletion, but it is not a very pleasant matter. It was left over for an opportune time and, we feel, this is the time. The Economic Adviser took this chance to get more money, \$10,000, and said "Let us put it in now instead of waiting for a revision of the Tariff."

Mr. de AGUIAR . There is one question I would like to ask the Comptroller. I would like to know whether, if the clause is allowed to stand, the Comptroller of Customs would still retain the discretionary power of allowing articles of no commercial value but are for advertising purposes to come in free of duty. What would be the position in regard to *bona fide* advertising articles ?

Mr. CROAL : We have an item under the Free List providing for that. Advertising articles of no commercial value are free of duty. If it has no value, neither duty nor ordinary tax is paid on it.

Mr. de AGUIAR : What about the quantity ?

Mr. CROAL : The practice 20 years ago was to revalue those things. We take off the value because they have undergone a certain amount of deterioration. I am prepared to do that in future.

Mr. de AGUIAR : That is wrong. It cannot be argued that a mug advertising Dewar's White Label Whisky will have a commercial value. I do not think it can be successfully argued. It is true it may be used by somebody, but that does not give it commercial value. It only has a commercial value when it can be sold.

Mr. CROAL : In most countries, the bars, hotels and restaurants have their equipment stamped. They do not pay for it ?

Mr. de AGUIAR : It is given to them. I only illustrate "mugs", but there are dozens of other things. The question is how far the discretion given to the Comptroller will apply. I do not agree with him that Bill Books with an advertising device aback of them should pay any duty. I think that is an article of no commercial value.

Mr. RAATGEVER : The idea of having advertising devices on these things has really the result of increasing the revenue from Customs Duties. People abroad send these articles down to be given away free of charge in order to advertise particular brands of commodities and so increase the sales of those commodities, and by the increased sales Government benefits in increased revenue through the Customs Duties on the increased goods coming into the Colony. This amendment will affect the sale of Bay Rum and also the sale of Rum by increasing the duty by 50 cents per gallon and making it the highest in this part of the world—in Trinidad, Jamaica and other West Indian Islands. We will not oppose it though Government calls it a luxury, but the poor man is entitled to have some amenity. He has very little in this Colony. I do not want to have any discussion on this matter. If the hon. the Colonial Treasurer wants it he can have it, but the poor man will pay more for his rum by this Legislative Council making the duty higher than it is.

The COLONIAL TREASURER : We are not discussing Rum Duty. I do not see how and by what process is the price of aerated drinks going to be increased because of this particular change of the duty.

Mr. RAATGEVER : I am dealing with Rum.

The CHAIRMAN : I think we must stick to what we are dealing with. The point is, we want to make up our minds on the merits of the proposal to delete the words and, I think, the Comptroller of Customs has given a great deal of information. Members sitting around this table, I think, now understand far more what the meaning of the words as printed in the Bill is and what the deletion implies than they did before and, if hon. Members agree with me, I prefer to stick to the particular amendment we are dealing with now.

Mr. RAATGEVER : I am sticking to the amendment which affects bottles. Rum is sold in bottles, and rum is going to be affected further by this increase. It is going to increase the price of rum further than it has been already increased by this Council.

Mr. CROAL : Very few spirit dealers bottle rum in bottles with embossed devices. The majority pay the full duty on plain bottles.

Mr. RAATGEVER : What about Limacol bottles ? I take it the amendment affects that item.

Mr. CROAL : The manufacturers of Limacol get plenty of relief under Item 2 of the Third Schedule at rates of duty of 2% British Preferential Tariff and 5% General Tariff.

The COLONIAL TREASURER : I myself was extremely doubtful as to what it meant.

The CHAIRMAN : I think the discussion was very useful. It was well ventilated. I think we will take the specific proposal. The question is "That the words in clause 3 (a)—'by the deletion of item 3 thereof—be deleted'".

Question put, and the Committee divided and voted as follows :—

For : Messrs. Raatgever, Roth, Lee, Peer Bacchus, Gonsalves, Dr. Singh, de Aguiar and Seaford—8.

Against : Messrs. Thompson, Luckhoo,



Critchlow, the Colonial Treasurer, the Attorney-General and the Colonial Secretary—6.

Did not vote : Mr. Farnum—1.

Clause amended accordingly.

The ATTORNEY-GENERAL : I ask that paragraph (b) be deleted. As I have pointed out before, it was intended to proceed with this amendment providing for reduced rates of duty on Aluminium sheets and Asbestos sheets, plain or corrugated, until the general revision of the Tariff which will follow the Imperial Trade Conference.

Mr. RAATGEVER : May I ask the reason for that ?

The ATTORNEY-GENERAL : The President has intimated the reason. The Secretary of State has suggested that the proposal should be deferred in view of the forthcoming Imperial Conference.

Mr. RAATGEVER : It is a very serious matter. Because of the scarcity of galvanized sheets people have been asked to use aluminium sheets, and a good many have ordered them for use in the burnt-out area, on the understanding that the duty will be lowered. Now it is proposed to remove it without even giving notice. I do not think that is satisfactory.

The CHAIRMAN : I think it is very unsatisfactory, but I am afraid we have no other option.

Mr. SEAFORD : If we do not accept this now, it may have very far reaching effect in view of the International talk that is going to take place. It is a slight increase now, but, if we are to accept what we have been told now, it may mean a very much better future than if we try to amend it.

The CHAIRMAN : I think your advice is sound.

Mr. RAATGEVER : Very well !

Question "That clause 3 (b) be deleted" put, and the Committee divided and voted as follows :—

For : Messrs. Farnum, Thompson, Gonçalves, Luckhoo, Dr. Singh, Critchlow, Seaford, the Colonial Treasurer, the Attorney-General and the Colonial Secretary—10.

Against : Mr. Raatbever—1.

Did not vote : Messrs. Roth and Lee.—2.

Paragraph deleted.

*Clause 4 — Amendment of the Third Schedule to the Principal Ordinance, No. 25 of 1944.*

Mr. RAATGEVER : What is this going to be ? What does it mean ?

Mr. CROAL : This relates to the same item "Bottles and crown corks for local manufacture". Some importers recently have raised the question as to whether these crowns should not be admitted as "capsules." That means that though they are getting them in at one-half the rate of duty, they want to get a less tax as free goods. When this word "capsules" was put in the Tariff it was intended to apply to materials used for finishing the packing of bottles, but it did not relate to stoppers for the bottles. The very fact that the item carefully excludes "bottles" except for bottling preserves, honey and milk, naturally "bottle stoppers" pay the same duty as bottles. Reference to a modern dictionary gives some grounds for doubt as to what "capsules" mean. If the item is deleted to make genuine capsules as such come in, local manufacturers who use them would not be affected in any way in getting them as packing materials.

The CHAIRMAN : I thought capsules were things one swallows !

Mr. RAATGEVER : I do not see why this thing should be changed at all. It is clearly stated as "capsules" in the Customs Ordinance and if anyone attempts to pass "crown corks" as "capsules" the Comptroller should stop that. I do not see the necessity for removing it from the Ordinance. It has been in there longer than 1929, and surely the necessity should

have arisen to remove it before now, but yet it remains in the Ordinance.

The ATTORNEY-GENERAL: I think they are right to remove it. It causes doubt and someone trying to evade the tax.

Mr. RAATGEVER: I understand there is a case being heard at the present time and Government are attempting to remove it, because there is some doubt as to whether they will win the case or not. If that is so, I think it is despicable for Government to do that.

The ATTORNEY-GENERAL: This will have nothing to do with that case, which will be determined by the circumstances at the time the cause of action arose. We are dealing with it as from now.

Mr. RAATGEVER: I do not see the necessity for pursuing this matter. If it is not bringing revenue to the Colony, it is just as well to let it remain and the Comptroller of Customs use his discretion. Capsules are things put over the bottles in addition to the cork.

Mr. SEAFORD: If this is going to clarify the position I think we should put it. I think too much is left to the Comptroller of Customs and it is not an easy matter to interpret all these things.

The CHAIRMAN: I thank the hon. Member; I was just going to say the same thing. It seems to me that if the Comptroller of Customs finds there is difficulty in the interpretation then it is much better to remove it. I am in favour of the amendment myself. Does the hon. Member wish to move the amendment?

Mr. CROAL: If this amendment is not carried now I am afraid that instead of collecting 8% on Crown corks hundreds of people would be coming to me and getting thousands of dollars back by regarding these Crown corks as capsules. If the importers do not accept my decision they can go to the Supreme Court and get an interpretation. I cannot compel them to accept my decision. We think this is the best possible way of disposing of this matter and, as I have said, there would be no difficulty. We would have

capsules classed as packing material. The whole difficulty is that this item has too many words in it.

Mr. RAATGEVER: The whole object of this amendment is to collect 16½% on these things.

Mr. CROAL: No; we would admit them at 2%—as packing material.

Amendment put, and agreed to.

Council resumed.

The ATTORNEY-GENERAL: I beg to move that this Bill be now read the third time and passed.

Mr. CRITCHLOW seconded.

Question put and agreed to

Bill read a third time and passed.

#### TAX (AMENDMENT No.3) BILL, 1946.

The ATTORNEY-GENERAL: I beg to move the second reading of a Bill intitled:—

“An Ordinance further to amend the Tax Ordinance, 1939.”

The objects of this Bill are—

- (a) to provide additional revenue, by increasing the rates of duty on rum, sweets and compounds, produced or manufactured in the Colony; and
- (b) to increase the storage rent on warehoused goods.

This is stated in the memorandum of Objects and Reasons. It would be seen from clause 3 that it is proposed to increase the rate on sweets from 25 cts. to 50 cts., while in 5 (b) the rate remains as before—at \$3—in respect of bay rum, lime rum, etc. As stated in clause 4, the storage rent for articles in bonded warehouse would be raised for each month or part of a month. I think these amendments are quite clear to hon. Members and that it is not necessary for me to go any further. As regards section 2 of the Ordinance which deals with sweets and compounds, at present the rate is \$5.50 and we are really substituting \$6 for \$5.50.

Mr. CRITCHLOW seconded.

The PRESIDENT: Does any other Member wish to speak on the principle of the Bill?

Motion put and agreed to.

Bill read a second time.

#### COUNCIL IN COMMITTEE

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

#### *Clause 1—Short title.*

The ATTORNEY-GENERAL: The word and figure "No. 2" in brackets should be deleted and "1947" should be substituted for "1946".

Amendment put and agreed to.

#### *Clause 2—Amendment of Section 4 of Principal Ordinance, No. 21 of 1942.*

The ATTORNEY-GENERAL: In the original amendment the rate was \$5.50 and it is now proposed to make it \$6.

The CHAIRMAN: The new clause 2 reads:—

"2. Section four of the Principal Ordinance, as substituted by section 2 of the Tax (Amendment) Ordinance, 1942 and as amended by section 2 of the Tax (Amendment) Ordinance, 1943, is hereby further amended by the substitution for the words "five dollars and fifty cents" in paragraph (a) of subsection (1), of the words "six dollars"."

There is no amendment in principle.

Clause 2, as amended, put and agreed to.

#### *Clause 3—Amendment of section 5 of the Principal Ordinance.*

The ATTORNEY-GENERAL: This clause should be amended by using the word "five" in letters instead of a figure, in the first line; and by the insertion be-

tween the words "Principal Ordinance" and "is" in the first line, of the following:—

"No 14 of 1940, as amended by section two of the Tax (Amendment) Ordinance, 1940."

Clause 3, as amended, put and agreed to.

#### *Clause 4—Substitution of new section 58 in the Principal Ordinance.*

The ATTORNEY-GENERAL: Instead of the figures "58" in the first line we should have words—"fifty-eight".

Amendment put and agreed to.

Clause 4, as amended, passed.

Council resumed.

The CHAIRMAN: With the permission of hon. Members we would take the third reading now.

Agreed to.

The ATTORNEY-GENERAL: I beg to move that this Bill be now read a third time and passed.

Mr. CRITCHLOW seconded.

Question put and agreed to.

Bill read a third time and passed.

#### INCOME TAX (AMENDMENT No. 2) BILL, 1947.

The PRESIDENT: I suggest now that Council adjourns until Friday (tomorrow) at 2 p.m. We have a heavy Order of the Day still to deal with and I think the Council should go immediately into an Unofficial Committee and meet the Colonial Treasurer to discuss item 1.—Income Tax (Amendment No. 2) Bill. I am just going to say one or two things informally before the Colonial Treasurer starts. We will now adjourn and meet tomorrow, at 2 p.m.