

**LEGISLATIVE COUNCIL.***Thursday, 7th January, 1932.*

The Council met pursuant to adjournment, His Excellency the Governor, SIR EDWARD DENHAM, K.C.M.G., K.B.E., President, in the Chair.

**PRESENT.**

The Hon. the Colonial Secretary, Mr. C. Douglas-Jones, C.M.G.

The Hon. the Attorney-General, Mr. Hector Josephs, K.C., B.A., LL.M. (Cantab.), LL.B. (Lond.).

The Hon. T. T. Smellie (Nominated Unofficial Member).

The Hon. P. James Kelly, M.B., Ch. B., Surgeon-General.

The Hon. F. Dias (Nominated Unofficial Member).

Major the Hon. W. Bain Gray, M.A., Ph.D. (Edin.), B. Litt. (Oxon.), Director of Education.

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

The Hon. R. E. Brassington (Western Essequibo).

The Hon. E. F. Fredericks, LL.B., (Essequibo River).

The Hon. B. R. Wood, M.A., Dip. For. (Cantab.), Conservator of Forests.

The Hon. S. H. Bayley, General Manager, Transport and Harbours Department.

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

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

The Hon. J. Mullin, A.I.M.M., F.S.I., Commissioner of Lands and Mines.

The Hon. N. Cannon (Georgetown North).

The Hon. A. V. Crane, LL.B. (Lond.) (Demerara River).

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

The Hon. J. Eleazar (Berbice River).

The Hon. A. R. F. Webber, F.R.G.S., (Western Berbice).

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

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

The Hon. G. E. Anderson (Nominated Unofficial Member).

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

The Hon. F. J. Seaford (Nominated Unofficial Member).

**MINUTES.**

The minutes of the meeting of the Council held on the 6th January, as printed and circulated, were confirmed.

**ORDER OF THE DAY.****SUGAR (TEMPORARY) EXCISE DUTY BILL.**

The Council resumed discussion on the second reading of "A Bill to impose a temporary excise duty on sugar manufactured and sold in the Colony."

Mr. DE AGUIAR: When this Bill came up for consideration yesterday I asked for a postponement in the hope that some arrangement would have been arrived at between the cane-farmers and the sugar estates' authorities regarding the farmers' produce. I regret, sir, that after a conference lasting nearly three hours no agreement has been reached and as a result a deadlock has been created. This Bill in effect seeks to impose a tax of 75 cents per 100 lbs. on all sugar produced and sold in the Colony. The sugar estates with their expert knowledge and equipment might be able to bear, and have expressed their willingness to bear, this tax, but a distinct hardship will be inflicted on those farmers who cultivate canes as a means of livelihood. The general position of the cane farmers, particularly on the East Coast, is that they were allowed to remove their sugar and sell it in the open market, thus taking advantage of the opportunity offered of sales of sugar locally. In arriving at the quantity of sugar that is to be given

to the farmers on some estates a percentage of 55 per cent. of the actual produce was returned to them and on other estates 60 per cent. The deduction of 45 per cent. in the one case and 40 per cent. in the other is retained by the estates to cover the cost of manufacture with a small profit. The farmers contend that selling their sugar locally barely affords them a means of existence and of maintaining their cultivation, therefore any change from the present arrangement would undoubtedly endanger their means of livelihood. At the conference which was held on Monday and Wednesday the estates' authorities submitted certain proposals which in effect would mean a change from the existing arrangement. These proposals, briefly, are an offer of a minimum price for every ton of cane cultivated by the farmer, which, I must admit, when calculated gives them a proportionate share in the benefits of all sugar that is sold locally. It has been agreed, and must be agreed generally, that the present arrangements with the cane-farmers are unsatisfactory to the industry as a whole, therefore the new proposals may be taken as an effort to abolish the existing arrangements. On the other hand I think an arrangement should also be made to allow the cane-farmers to continue their cultivation.

I am in a position to say that the cane-farmers have very carefully considered the proposals put forward by the estates' authorities, but they maintain that in view of the present high cost of growing canes they are unable to accept the minimum offered and therefore ask for an increased minimum. What does that mean? In considering this matter myself I see that in asking for this increased minimum they desire to take the risk of any fall in the export price of sugar. On the other hand if, as the estates' authorities maintain, there is an expected rise in the price of sugar for export the cane-farmers would undoubtedly be better off than at present. It is that risk, that gamble, the cane-farmers are trying to avoid. They feel they are in no position to accept that risk and therefore it is in that direction they hope to approach Government later for some relief. They can see no other way of accepting the proposals unless it is to revert to the former position, which I feel sure the estates' authorities and even Government

would admit was very unsatisfactory. In arriving at the cost of growing canes in the village districts an item that appears to be very heavy indeed is rent. The farmers have to pay the village authorities a rental of \$6 an acre per annum and even those with *bona fide* lands have to pay rates of \$5 an acre per annum. You will agree, sir, that these charges increase the cost to the farmers, who have no other means of obtaining lands for growing canes unless the estates' authorities are gracious enough—and they have met this matter in a very good spirit—to give them lands for cultivating canes in future. In the light of these circumstances the farmers feel that sooner or later they will have to abandon the growing of canes. At present the feeling is that unless they can obtain a better price for their sugar from the estates' authorities, or unless they are allowed to take their sugar as at present, they would be unable to continue cultivation. The position would then be that in eighteen months there will not be one cane-farmer in the whole Colony, particularly on the East Coast with which I am dealing. I have no fear that if no agreement is reached in this matter the estates' authorities will not allow the farmers to take off the present crop or allow them eighteen months to go out of the business, therefore I do not propose to deal very much with that point. That is really the position of the cane-farmers in a nutshell.

Mr. ELEAZAR: I congratulate Government on this Bill and ask you, sir, not to take off one farthing from the proposed duty, because the cane-farmers have been dragged into the matter merely as a red herring across the trail. The farmers should not lose one farthing but rather gain, and the attempt to squeeze them so as to form an excuse for appealing to Government is certainly not commendable in certain quarters. I speak as one having authority. At the inception of cane-farming I was Chairman of Buxton and in order to induce the villagers to grow canes I reduced the rent from \$1 to 50 cents per acre. It was due to me also that they pay their rent at the end of the year when they reap their crop. Three or four years ago I suggested to those interested in sugar that they should ask Government for relief, my idea being that Government should raise the price

of sugar to 5 cents per lb. in the Colony and let them have that by way of relief. They would have been able then to help their labourers. I was told at the time that it was a very good idea but the amount was too small to bring in very much. They therefore had relief by way of removal of the export duty, while the price of sugar remained the same. Now that Government is raising the price to a little less than 5 cents per lb. there is no cause for complaint. At 5 cents per lb. with a local consumption estimated at 10,000 tons there would be a yield of \$1,120,000. Government is asking for \$475,000 of that amount. Where then is the hardship that would be created to warrant the planter saying to the farmer he cannot pay him what he did any more, or that he is going to take away so much and the farmer would not be able to go on unless he met his terms? If sugar is selling for \$3.30 per 100 lbs. and Government would take from that 75 cents for the lowest grade \$2.55 would remain. Let the planters give to the farmers in sugar \$2.55 for every 100 lbs. They have fixed the price for the farmers even below that. They are not only taking away the whole amount Government is asking for but even more. That is a hardship. Let them pay the whole amount to the farmers, and they would still be left with something for themselves without any friction. The cause of the friction is that they desire to get from the farmers every farthing of what they have to pay to Government and a little more. They say they will give \$2 per ton and no more. I challenge them to refute that.

Mr. SEAFORD: That is not a correct statement. \$2 is a guaranteed minimum price and that price goes up to \$4.10.

Mr. ELEAZAR: I am not speaking of what is going up and down but of what is certain.

Mr. SEAFORD: The present price is not \$2 but \$2.30.

Mr. ELEAZAR: The farmers contend that if you are to sell at \$3.30, \$4 and \$4.75 according to the grade of sugar, even if you deduct the whole 75 cents collectable by Government you would still be better off than at the price you are offering now. Whichever way the price goes the parties will remain practically in

the same position. The farmers' contention is "We are willing that you should deduct 25 cents per 100 lbs. but even if you deduct the whole 75 cents it is more than you are offering us now." I see no harm in dealing fairly and equitably with the farmer as Government contemplates. The consumer is the person who is going to pay the whole of this tax. Why then should the man who is merely the collector of the tax complain? Government's position is perfectly clear and simple. The planters can sell their sugar in the Colony at the enhanced price and after paying the tax still make a small profit. The whole cause of the trouble is in endeavouring to get all the tax from the farmers and a little more. The farmers say "Give us the sugar and we will sell it ourselves and pay the duty." Is the attitude of the planters the spirit of compromise Government expects? It is not correct to say that if Government insists upon this tax the planters will have no alternative but to drive the farmers out of the field. Government will only be taking a little of the profit at the enhanced price and even the consumer does not complain. This Bill tends to put money in the pockets both of the planter and the cane-farmer. There is no justification therefore for anybody saying they cannot manufacture sugar with the imposition of this tax without doing violence to one or other of the parties.

Mr. CANNON: The introduction of this Bill is a very ill-conceived idea and I am not in agreement with the last speaker that Government is to be congratulated. The Bill should never have been brought forward at this juncture. I am not competent to say whether the cane-farmer or the sugar planter is right. My duty is to do all in my power for the consumer. I have always done everything to help the sugar planters and will continue to do so, but the people have been taxed in a variety of ways to provide relief for the sugar planters and I object to an absurd imposition on the consumer. Government can get all the money it requires without touching such a very vexed question as this. This tax is a direct hardship on those upon whom Your Excellency has time and again impressed on this Council we should do nothing to inflict any great hardship—the poor people. The main article of food of the poorer

classes is sugar. In many cases they subsist a whole day on what they call "hot sugar water" in the morning, and to ask these people to pay half-a-cent more per lb. of sugar is going to create a distinct hardship. If my information is correct the planters are to-day getting half-a-cent more per lb. of sugar than in the world's market. That is a tax the people have borne to assist the planters to make two ends meet. To attempt to increase the cost of living of these people by this tax is a step in the wrong direction, and I say without the slightest fear of contradiction that the people are going to resent it. The Colonial Secretary in dealing with the matter a few days ago said it would not affect the consumer as it only meant .2 something at the end of a week. Somebody with perhaps very good intentions supplied that information, and I do not think the Colonial Secretary wilfully meant to mislead us when he said that half-a-cent per lb. would only mean a mere fraction to the consumer. This is not the time for us to get tangled up with disputes of this sort when they can be avoided. Government can get all the money required to balance the Budget if it would only do the right thing, and I urge the withdrawal of the Bill in the interest of all concerned and the money sought in other directions.

Mr. WEBBER: I am not in favour of the Bill as it stands and I am less in favour of any imposition on the cane-farmers. I cannot congratulate Government on its ingenuity in the matter while I sympathise with it over the difficulty of finding the money. I am inclined to the opinion of the last speaker. Sugar is an unfortunate item of the dietary of the poor people to single out for attack, as it is particularly an item of food of the young. I would rather see the amount to be found spread over a wider area on a large number of items. The Surgeon-General will tell us that sugar is essential to the rearing of infants and you are striking the poorest elements in the community and those who can least defend themselves. As the last speaker pointed out, many men do a day's work practically on a few spoonfuls of sugar, and it is these people and their children who are going to suffer by the imposition of this tax. When it comes to the cane-farmers they have my entire sympathy.

When an acreage tax was imposed the cane-farmers were exempt. If Government insists on carrying the Bill through I suggest that consideration be given to the policy accepted by Your Excellency's predecessor, and endorsed by this Council, of devising some method of exemption of sugar produced by cane-farmers. On the other hand, the sugar planters can take this opportunity of revising their treatment of the cane-farmers if Government does not see its way to make that exemption. I appreciate the difficulty of exempting that sugar when it is being sold to the consumer unless the estates' authorities can revise their treatment of the cane-farmers and give them back their sugar. Government might suggest to the planters that for this year at least the farmers should be given their payment in kind. I have never been able to understand why the planters would not give the farmers their sugar. My opposition to the Bill is more on behalf of the consumer—the masses of the community. As Labour Member I am concerned with the budget of the labouring classes and I say they cannot afford to pay any more taxation of any sort.

Mr. SEAFORD: A few days ago the hon. Member for Georgetown North stated that the poor man bogey had been completely exhausted. I had hoped that it had been but I see to-day it has been brought out of the cupboard and paraded with flags flying and bands playing. To what extent would the poor man be hit by this tax? As pointed out by the Colonial Secretary in his opening remarks, the tax would work out at 2½ cents per week in a family of five. Can any Member suggest any tax that would hit the poor man to any smaller degree? I maintain that any form of taxation would be felt by the very lowest in the land. Government is asking the people of this country to pay half-a-cent more per lb. for their sugar. The hon. Member for Berbice River a few weeks ago said that the Mother Country would not even give assistance to this Crown Colony in the way of preference. We all today feel pretty sure that that preference is about to be given; we can almost say that it has been promised. In view of that would it be fair to ask the people in the Mother Country to pay that half-a-cent more on their sugar when the people here who are going to derive a direct benefit from that preference

are not going to pay anything at all? It would come as a good gesture from the people of this Colony that they are prepared to pay the same amount as consumers in the Mother Country. There can be no doubt that the benefits derived from the preference or from a higher price of sugar would affect everyone in this country, cane-farmers included. It must not be forgotten that, compared with other parts of the world, sugar is very cheap in this country.

The Colonial Secretary stated that this tax was suggested to the Land Tax Committee by the Sugar Producers' Association as an alternative to a land tax, for the good reason that Government has to raise the money by some means or other. It was felt that to put a tax on land in an undeveloped country such as this would be a catastrophe. It was further felt that the people on the land itself could not bear further taxation. When this suggestion was put up it was not suggested, nor was it anticipated, that the sugar producers would be asked to pay a portion of the tax, but Government in its wisdom did not desire that the entire tax should fall on the consumer and therefore asked the sugar producers to bear  $33\frac{1}{3}$  of the burden. I say in all earnestness that sugar can bear no further taxation to-day, but it was felt that Government had to raise the money and the sugar producers agreed to the tax relying on Government to make use of the occasion to impress on the Imperial Government the sacrifice the sugar industry was making and to hasten the preference which we all anticipate has been partially promised. I hope Government will take this opportunity of doing so.

The Colonial Secretary also stated that Government was prepared to see that the cane-farmers get fairplay. The sugar estates in question are absolutely willing and ready now to acquiesce in that. I admit that at the present time the cane-farmers and factory authorities do not see eye to eye, but I can assure Government and the Members of this House that the estates are willing to do all they can to help the cane-farming industry. They realise that the greater the production, whether of sugar or rice or anything else, the greater would be the benefit to the country. The representatives of these

sugar estates have put up certain figures to the cane-farmers because the present method is very unsatisfactory from every point of view. There is no stabilised or fixed method of payment. One estate may pay by weight of canes, another by quality and quantity of juice, and one estate gives transport and another gives none. It was felt that we could not go on like that if we were to work economically not only for the benefit of the estates but also for the benefit of the cane-farmers, and it was suggested that we should adopt the principle obtaining all over the world by which canes are bought from the farmer at a fixed rate which would pay him and at the same time pay the estate. The rate was worked out at the actual cost of manufacture to the estate plus \$2 profit. These figures were submitted to the cane-farmers. They were not prepared to accept them after many hours had been spent in going into the matter. Yesterday the planters went further and tried to help them still more. We said we were prepared to give a minimum price of \$2 per ton for cane, which would save them from any loss, but after that minimum price our prices were increased very rapidly. When an estate in the past took 40 or 45 per cent. when the price of sugar went up the farmers got only half the benefit of that price, because when the estate took half the sugar it naturally meant that it took half the profit.

Under the scale put forward the estates would maintain a fixed price for manufacture plus profit, consequently any increase in the price of sugar went direct to the farmers who would get double what they are getting to-day. I am going to say publicly now that the sugar estates' authorities will never come to any agreement with the cane-farmers, nor will the cane-farming industry progress, as long as there are certain representatives of the farmers who are not really farmers but make a living by buying sugar from the cane-farmers and selling it at a very much higher price. It is their livelihood and they are going to try to prevent any such scheme as this. If the cane-farmers wish it and Government desires it the estates' authorities would not mind carrying on for this year as in the past, but the farmers must not think that the estates' authorities will be quite so generous as they were last year. The estates will enter into

competition in the open market with the cane-farmer. Last year was the only time the cane-farmers sold sugar at the local rate, and the estates were then prepared to let them make the profit, but they are not prepared to do that in the future and must look after themselves. We are prepared to put our figures before Government or anyone Government likes to suggest and come to a fair solution if Government desire to do so. We have nothing against the cane-farmer and wish to help him in every way. The question of giving the farmer sugar in return for the cane I maintain is untenable, and is so regarded all over the world, for the simple reason that the only satisfactory method is to buy the cane from the cane-farmer. It is impossible to work under any other condition. It has been pointed out that the minimum price is \$2. At the price of sugar to-day the cane-farmer will be getting not \$2 but \$2.30, which obviously would give him a handsome profit. We are prepared to do what is considered fair by the cane-farmer. It must not be lost sight of that by fixing the price of sugar for local sale Government is protecting the consumer in the not unlikely eventuality of the export price of sugar going up considerably owing to the Chadbourne plan taking effect and the preference being given, in which case the price of local sugar would be below the export price. I ask hon. Members to consider the whole question afresh in the light of what I have said. We are prepared to see that the cane-farmer does not suffer, and the consumer would be only giving with one hand what we hope he will be able to get back with both hands. I am an optimist as regards sugar and feel sure that with the rise in price the difficulties we are experiencing will pass. I ask hon. Members therefore not to oppose the Bill in any way.

Mr. CRANE: Four or five years ago this Colony was able to balance its annual Budget without assistance from Great Britain. For 1932 the Colony has been given the sum of \$576,000 as a grant-in-aid towards balancing the Budget. In spite of that very generous contribution we find ourselves floundering about for revenue to equate the Budget. We all know what is wrong. We do not propose at this moment to rehearse what is wrong but it is necessary for us to find revenue to enable the Budget to be balanced.

Government appointed a Committee to consider the proposal of a land tax in order to produce a sum of \$120,000 to \$150,000 per annum. The first question for consideration is: Is it necessary for us to find revenue in the vicinity of \$120,000? If it is necessary we have to face the situation and find the money. I do not propose to go into the details of a land tax, but I cannot help remembering that this suggestion arose out of the consideration of a land tax. A land tax was going to fall not on the sugar planters only but on the farmers in the villages also, whose lands suffered from flood at one part of the year and from severe drought at another. A land tax therefore would have resulted in considerable hardship to the very cane-farmers whose interest we are now considering. Every person who appeared before the Committee condemned a land tax and said the villages could not bear it, and this proposal of a temporary excise duty on sugar manufactured and sold locally is a substitute. In this case the sugar planter bears 25 cents of the 75 cents duty. The cane-farmer will also bear 25 cents on the sugar produced by him. The consumer's liability is going to be doubled and he is going to pay 50 cents.

It seems to me that if the producers are to bear one-third and the consumers two-thirds of the burden they must consider themselves lucky and bow to the inevitable until the Colony's finances improve. I was sorry to hear the last speaker say—I am sure he did not mean it—that the sugar planters intended to enter into competition with the cane-farmers in the sale of sugar locally. Of the 120,000 tons of sugar produced annually the sugar planters have 110,000 tons that they can ship abroad. The cane-farmers can only sell their sugar for export or local consumption. It is unnecessary for this great industry to enter into competition with the smaller farmer who sells nothing more than 1,000 or 1,200 tons of sugar per annum. I therefore hope there is no intention of pursuing that threat. I do not see why the sugar cannot be delivered to these men, and if the sugar planters have real goodwill for them and the Colony why they should not continue to crush the canes and give them the sugar and avoid any question of price. I cannot usefully enter into a discussion between

the parties because I do not know the pros and cons of it, but I can counsel patience and sympathy with each other and an earnest attempt to solve the question.

When this Bill was introduced I remarked that the proposal having arisen out of the land tax Government should have made a statement to the House that if this measure goes through the land tax proposal will be dropped. We want a statement that this duty is in substitution for the land tax. The Land Tax Committee has ceased to function. Government has taken this substitute and ridden it, and we hope it will not at a later date also ride the land tax. I want the people in the villages to know that the Financial Commissioners wanted to tax their lands and this is what they said:—

We have inspected several villages and think that, despite the absence of a cadastral survey, a tax in this form is feasible although we are necessarily unable in the time at our disposal to outline a scheme complete in all its details. The soils in the coastlands, of which the chief kinds have been briefly described in paragraph 6, admit of easy demarcation. From the information obtained by us in the villages or supplied to us, the rents in a particular village vary, as a rule, with the class of soil although, as might be expected, the rates in different villages vary for the same class of soil. It will not be a matter of difficulty to determine prevailing rates for each class of soil in groups of villages which are sufficiently alike in situation and general characteristics. Such rates would be approved by the Government and, when adopted, would form the basis of the land tax, a proportion, for instance one-sixth or one-eighth, of the valuation according to the rates sanctioned being taken as tax.

I am asking those persons who prosecute agriculture in the villages whether they will not prefer the proposed tax to the type of tax outlined in this report. I am asking them to be thankful that Government has taken the view that a land tax should not be imposed on them when they already cannot pay their existing rates and instead the general body of consumers are brought together to assist in producing the sum that is required. Those persons who are asked to bear the burden in this indirect way must appreciate that it would have been considerably greater if the proposal of the Commissioners had been carried out. I hope Government will not allow the deadlock between the parties to interfere with the measure. Government possesses the power

necessary to protect both the producer and consumer. If the retail price of sugar is put up higher than Government expects it to be all supporters of the Bill expect that Government will discharge its duty by bringing in legislation under another Ordinance which enables it to fix the retail price of sugar and protect the public from extortion of any sort. I hope that even those who oppose the Bill will realise that the money has to be found and found in the least irksome manner.

Dr. SINGH: The imposition of an excise duty on sugar is only a temporary one and I hope farmers will be assisted. Farmers are usually small men and a little help will assist them very much. The Budget has to be balanced and whilst I am against any form of further taxation I am willing to support this tax if the farmers are considered.

Mr. FREDERICKS: It is regrettable that this piece of legislation has brought about a disturbance in the happy relations between the sugar planters and the cane-farmers, but there are some things when they do occur one simply has to face because they are a necessity. This legislation is a necessity and sacrificial. The country is in need of money and we must make the sacrifice so that the people on the other side may see that we are helping ourselves and are worthy of some of the things we are asking for and hope to get in the near future. The measure is a temporary one and I do not think that when the planters have voluntarily suggested a tax in the place of another they should not exercise more forbearance with the cane-farmers. Fortunately, the hon. Nominated Member this morning said that if Government required or requested the planters to allow the cane-farmers to continue this year on the terms they were going on the planters would be willing to do so. I was very glad to hear that because that was common equity and commonsense. There is one thing which is being overlooked. The cane-farmers will be ready to make as much sacrifice as anybody when the country requires it. They will refuse to do nothing that will save the dignity of the country, but they object, and reasonably so, to any kind of advantage being taken of such an extreme position. The sugar planters are in no better

position than the cane-farmers and it is to their advantage to have the cane-farmers. I am supporting this tax because I am persuaded that it is necessary at this juncture, and I do not think we can do any better than support it because of the necessity for it. I hope the sugar planters will encourage the cane-farmers by exercising to them that forbearance which commonsense and sound progressive principle dictate.

Mr. BRASSINGTON: It has been often said in this Chamber that all taxes are unpopular. The most popular food tax in this Colony is sugar, and it must be said to the credit of the people that they find very little fault when the price of sugar is raised. It is distinctly to their credit and it is because they know what sugar means to the Colony. I with the late Mr. H. E. Murray took great interest and made many speeches in trying to impress on those engaged in the sugar industry what a benefit it would be if the acreage was quadrupled. If there was a prosperous cane-farming industry in this Colony it would dispense with 50 per cent. of our labour troubles. I am not going into what I consider are the causes of our not having cane-farming producing thousands of tons of sugar instead of a paltry 1,200 tons. It is a very vexed question in which there is a great divergence of opinion amongst the sugar planters themselves. I can only say, and I do not say it boastfully, that I have never had but the minimum of trouble in my relationship with the cane-farmers. The success of cane-farmers is personal equation, management of labour, seeing and having intercourse daily or weekly with those engaged in it, and impressing on them the necessity of cultivating their lands up to the highest standard. Not only that but they must be taught not to undertake to cultivate ten acres when those who can work for them can only cultivate two acres. Two acres of land properly cultivated can give a far better return than eight acres imperfectly cultivated. I know what I am going to say will be resented in some quarters with very ill grace, but I shall say it nevertheless. It is very regrettable that this debate should have taken place showing up to the outside world the fact that the sugar industry and the cane-farming industry have to come to this Chamber to

adjudicate their differences. It is the personal element, the man at the head of the concern, that has everything to do with this industry. I do not go by the price issued by the Chamber of Commerce and on many occasions I give a price over and above that. I went into the figures and calculated what the estate could give in fairness and what it would benefit by a liberal treatment of the cane-farmers, and I gave them a price over and above the price of the Chamber of Commerce if I thought it necessary and fair.

Now as to the cane-farmer selling his sugar. The local consumption of sugar is in the neighbourhood of 8,500 tons per annum and the local quota is divided *pro rata* amongst the number of estates. Prior to the introduction of a fixed price two years ago I never heard any demand—and I claim to have general knowledge—from the cane-farmer that he should be given his sugar to sell because the price was based on the export price. Now that there is a fixed price the cane-farmer naturally wants to get his share of it. I see no difficulty in that. If you pay the cane-farmer the export price at the end of the crop his quota would be ascertained and given to him. It is a matter of deferred payment. I was once a member of the monopoly but that did not prevent me from saying in this Council that sugar is a blessing and a curse to this Colony. Let us hope that those who thought sugar is a curse will now change their minds by the display of a liberal-minded policy by this great industry to settle and compose its differences. It is most deplorable that the sugar industry has to come here and argue its case. Where does the management of labour and men come in when the Head of a big concern has to take a small matter like this to the Chamber of Commerce and wash dirty linen there? It is the old story of jealousy, petty wrangles and absence of co-operation. You have one firm going against the other and the individual going against another. I do not agree with the hon. Member for Georgetown North that this tax will be resented by the people. I am certain I am correct in saying that if there is any food tax that the people least object to it is a tax on sugar. All the brains of the Colony are not embodied in the Members of this Council. There are some labourers in this Colony who have more common-

sense than some Members around this table (Hear, hear and laughter). The people of the Colony are not against the sugar industry. When estates, and recently Marionville, are to be abandoned they appeal strongly against it. I repeat that they are not against the sugar industry but they want a fair deal.

Mr. SEAFORD: It seems to be the general opinion of the House that the rates put forward now by the estates' authorities were the result of this Bill. They have absolutely nothing to do with the Bill. The matter was considered months before as it was desired to bring all estates under the scheme. In proof of that spring balances have been ordered months ago to weigh canes. Mention has also been made of the Chamber of Commerce. The only connection the Chamber had with the question was that it kindly lent its hall for the conference with the cane-farmers.

Mr. BRASSINGTON: The fact remains that the Chamber of Commerce issues every week the price to be paid to cane-farmers and there used to be a Committee of that Chamber to fix the price of farmers' canes.

Mr. WEBBER: To a point of explanation. It was the Cane Farmers' Association who asked the Chamber of Commerce to intervene and procure prices weekly. That is the reason why the Chamber of Commerce came in.

Mr. DE AGUIAR: I wish as a Vice-President of the Chamber of Commerce to endorse what the hon. Nominated Member said. The Chamber of Commerce only lent their rooms to the planters for the conference with the cane-farmers.

THE COLONIAL SECRETARY: At the outset I would like, first of all, to express the thanks of Government to those Members who have signified their intention of supporting this Bill. In my reply to the debate I will therefore confine my remarks, firstly, to the Bill itself, and, secondly, to the agreement between the cane-farmer and the estate that grinds the canes. There is very little to be said in reply to the debate in regard to the Bill. We have the assurance of many hon. Members that they are going to support it and they have given very cogent reasons

for supporting it. One or two Members said they cannot support the Bill. The hon. Member for Georgetown North said it was a tax on the poor man's sugar at a time when the tax should not be put on and advocated his old theory that we can get the money we want by some other method. I am sure he is not wilfully misleading the people of the Colony and Members of this Council when he says that. We all know his method is to do away with the preferential tariff and the Agreement with Canada and have one flat Customs rate, which he says would bring in something over a million and a half dollars in revenue. That may be and, if it were possible, nobody more than I would like to see some method of increasing our revenue by one stroke of the pen. The hon. Member does not tell us who will provide that million and a half dollars. A great portion of it, and I think at least 75 per cent. of it, will be borne by the people of the Colony.

I will now deal with the second point. I regret, and I am sure we all regret, that an agreement has not been reached between the estates that grind the canes and the cane-farmers. I admit frankly that I am rushing in where angels fear to tread, because I know very little about the business of growing sugar, but looking at it from a disinterested standpoint of trying to effect a solution of the difficulty that has arisen, it seems to me that it only needs a little give-and-take on both sides and a little better understanding on the whole for that agreement to be arrived at. The hon. Member for Western Essequibo referred to it and I will deal with what he said in the enthusiastic speech that he made. He referred to the arrangement which was in existence prior to the time when the cane-farmers were given sugar. We all know the difficulties that arose in regard to the weight of canes and the price for cane-farmers' sugar. It was then arranged that the cane-farmer should get his sugar returned to him on a percentage basis, in one case 60 and in the other 55 per cent. Is it not the case that the export price of sugar is extraordinarily low and would not pay the cane-farmer? At the beginning of last year representations were made to Government that it was necessary to protect the local industry and that in order to do that we should raise the duty on imported sugar.

That was done. It enabled the cane-farmer to sell locally the sugar received in exchange for the raw product supplied to the factory. But for that action the cane-farmer would not be getting anything like the price he has been getting for his sugar because he would have been depending on the export price of sugar. I think that has been overlooked. Now I want to put it to the cane-farmers through their representatives that they must not look at the matter as it has existed in the past. They must look ahead. The arrangement that has been offered to them is that there should be a fixed minimum price of \$2 per ton of cane—the export price of sugar has been very much below that price—and they are to receive \$2.30 for their cane at the factory with free transport and certain concessions. I want to emphasise the point that but for the protective price of sugar the cane-farmer would not have been getting the price he has been getting in the past, and beyond that he is getting under this arrangement a guaranteed price for his cane which he would not have been getting in the past. I ask the cane-farmers to realise that and that by accepting this offer they are putting themselves in a better position than they have been in the past and will benefit in the future as the excise price goes up.

Let us now deal with the local price of sugar. The hon. Member for Western Essequibo said the tax least objected to is a tax on sugar because it is recognised that it is the staple industry of the Colony and if the industry is successful and prosperous the people are also successful and prosperous. We have assisted the industry by raising the local price of sugar, so that the consumer had to pay a higher price than the export price, but the consumer has paid the increased price willingly. We anticipate that there is going to be a rise in the price of sugar—it may be in a few weeks or it may be months—which is going to equal or even exceed the local price. The time will come, perhaps this year, when we may be under the necessity of fixing the local price of sugar and retaining a certain quantity to supply local demand on account of a considerable increase in the export price. This arrangement opens to cane-farmers the world's market. When the price goes up they would be paid a price which has some relation to the export price or the world's

price of sugar. They will not then be dependent on the local price and may even get a better price than they do to-day by being dependent on the local price. I advise the cane-farmer, if I may be allowed to advise him, not to look at the position as it is today, but to think of the position as it would be if the export price goes up. That is an important matter and I think it should be carefully considered. I think the difficulty which has arisen is due mainly to failure to understand the position. They will be in a very much better position when the price goes up to participate in the world's market and the world's price of sugar. The hon. Member for Berbice River said he thought the cane-farmer would prefer to go on as he is doing today and pay 75 cents under this Bill. I do not quite follow his argument and how he worked that out. Even if the cane-farmer is prepared to continue under the present arrangement and pay the 75 cents involved he would be no better off than if he accepted the price of \$2.30. In that case he will know exactly where he is because he cannot go below \$2. Your Excellency will be perfectly willing to meet representatives of the cane-farmers if they wish to discuss this matter with you, but I do not think that will be necessary. I believe that as a result of this debate they will go and think the matter over and will be prepared to meet the sugar estates' authorities again, and I advise them carefully to consider the offer that has been made to them. Government regards the offer as a fair one. Finally, I remind them that the price they are getting per acre, \$40, is considerably higher than is obtained from farmers' land in other parts of the world, also even better than in the case of the rice-farmer.

Mr. ELEAZAR : The Colonial Secretary says the farmers would be in a better position. I had it demonstrated to me from the figures paid last year that at the price offered they will get \$18 instead of \$40 for the same quantity of canes.

The Council divided on the motion for the second reading and voted :—

*Ayes*—Messrs. Seaford, Austin, Anderson, Dr. Singh, De Aguiar, Eleazar, Wight, Crane, Mullin, Major Craig, D'Andrade, Bayley, Wood, Fredericks, Brassington, Professor Dash, Major Bain Gray, Dias, Dr. Kelly, Smellie, the Attorney-General and the Colonial Secretary—22.

*Noes*—Messrs. Webber and Cannon—2.

Bill read the second time.

The Council adjourned for the luncheon recess.

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

Clause 1—Short title.

Mr. CRANE: I take the opportunity on this clause to ask Government to make a statement publicly that this Bill is a substitute for the Land Tax Bill.

THE CHAIRMAN: I do not like the suggestion that one Bill is necessarily a substitute for another, but there is no intention of putting forward a Land Tax Bill in order to meet the deficiency this year. Any question of a Land Tax Bill must depend on the report of the Committee now considering a land tax and whether the recommendations made on that report would be accepted or varied by the Secretary of State. I have every hope that we can balance our Budget. A land tax in the current year would not be necessary and there is certainly no intention of bringing forward a Land Tax Bill without giving full warning to the Colony generally.

Clause 4—Sugar manufacture book.

Mr. CRANE: Clauses 4 and 5 refer to the keeping of a book of particulars as prescribed by regulations. Where does the Bill provide for regulations to be made? I should like to know how it is proposed to make those regulations.

THE ATTORNEY-GENERAL (Mr. Hector Josephs): Regulations would be made under the Excise Regulations Ordinance, Chapter 40, which provides that the Governor-in-Council shall have power to make regulations with respect to the manufacture of all articles upon which an excise duty is payable under any Tax Ordinance for the time being in force.

Mr. CRANE: Another point about this clause is that it provides that particulars should be given in relation to the amount of all sugar manufactured during each month at the factory. There might be

stock in hand. If Government is to have a correct idea of the amount of stock on hand, which might be unloaded for local consumption, the book ought to have a separate column for stocks on hand from what is manufactured every month.

THE ATTORNEY-GENERAL: The regulations will contain a return in the first column of the amount of stock in hand and then there will be a column for the amount manufactured every month.

Mr. DE AGUIAR: I am surprised that there is no provision in this Bill for the removal of sugar sold for local consumption. If a book is not kept to show the quantity of sugar sold for local consumption I am afraid we shall land ourselves in trouble.

THE ATTORNEY-GENERAL: The Bill provides in clause 3 for the incidence of the imposition of the tax on sugar sold for home consumption. If the producer is a person who sells sugar for home consumption he has to keep a book. If that person also happens to be the manager of a factory it follows also that he has to produce his book. Whether he is the manager or not he has to keep a book showing sales for home consumption. When the manager delivers sugar to any person it is entered in his book, and the producer has to show what sugar he receives and what he has done with it. Those are matters of detail which will have to be governed by regulations.

Clause 5—Producer's local sale book.

Mr. CRANE: I am suggesting as a matter of policy that after the word "shall" in the first line the insertion of the words "on and after the first day of January, one thousand nine hundred and thirty-two."

THE ATTORNEY-GENERAL: The collection of the duty is covered by the Provisional Collection of Duties Ordinance, which gives the Governor-in-Council power when a Bill is introduced to make an Order-in-Council directing the Fiscal Officers to collect the duties. That Bill actually comes into operation on the day it is introduced and read a first time.

Mr. CANNON: Certain merchants have applied to me for assistance. On the

morning the Bill was laid on the table certain sugar sales were made between 7 and 11 o'clock. I have been asked to find out whether those sales come under this Bill that was laid on the table at 11 o'clock. The parties effected the sales at a certain price knowing nothing of what Government intended to do. When we arrived here the Bill was on the table, and from my point of view it became law from the time it was laid on the table.

THE ATTORNEY-GENERAL: The tax became operative from 12 o'clock of the night preceding the day when it was introduced and read the first time.

Mr. SEAFORD: The position is that the producer shall pay 25 cents and the consumer 50 cents, but if 100 lbs. have been sold the consumer pays nothing while the producer pays the whole 75 cents owing to the Bill not coming into force.

Mr. CANNON: The procedure is absurd and a hardship on people doing business.

THE CHAIRMAN: The hon. Member is not correct in stating that any such procedure is absurd. Every Government has to take such a procedure in order to protect itself. It is quite obvious that if the duty is to take effect from 11 o'clock when the Bill is laid on the table anyone in possession of information a few minutes before would have the opportunity of making a very good place for himself in the market and to negotiate. Government has to protect itself and does protect itself in these matters.

Mr. CANNON: So far as that is concerned Your Excellency's view is correct. But take the other side of the picture. A man not knowing the intentions of Government *bona fide* sells 1,000 bags of sugar at a certain price. No sooner than that is done he is told he must pay to the Treasury a sum which he did not take into account in the sale. Is that fair to that man?

THE CHAIRMAN: It is quite a common thing when there is any suggestion that increased taxation is going to take place for large quantities of goods to be removed from bond in anticipation of the tax. And on the articles so removed under the previous duty is added the

increased duty. It therefore cuts both ways. Some will gain and some will lose.

Mr. ELEAZAR: That has been done in this case, sir. The price of sugar has been raised already.

THE CHAIRMAN: I agree that a date ought to be given in the Bill, otherwise we have no check on the sales.

THE ATTORNEY-GENERAL: I move the insertion of the words "on and after the twenty-ninth day of December, one thousand nine hundred and thirty-one."

Question put, and agreed to.

THE COLONIAL SECRETARY: In the discussion this morning the hon. Member for Berbice River stated that the farmers would like the present arrangement to remain in force for this year. I understood from the hon. Mr. Seaford that the estates would be prepared to do that. If that is so it is necessary to provide a clause under which that can be done and payment of the duty secured. The suggested clause would not necessarily mean that the cane-farmers will for this year take their sugar but simply leaves open the door for an arrangement of that kind being made and for payment of the duty in respect of the sugar handed to the cane-farmer by the estate. The clause, which I move, reads:—

Where the amount of sugar manufactured at a factory for any person does not exceed five tons in any month such sugar shall be deemed to be manufactured for home consumption. The person for whom the sugar is manufactured shall pay to the manager the duty charged by section three before delivery thereof to such person. The manager shall pay all such duty to the Commissioner at the same time as he transmits copies of the entries in the sugar manufacture book in pursuance of sub-section (2) of section four.

Mr. ELEAZAR: The cane-farmer is a producer himself and you are saying he must pay the duty to the estate's manager before he disposes of his sugar. Suppose the farmers agree to have an agency or open a communal shop, why should they not take all the sugar from the estate and sell it and pay the tax.

Mr. FREDERICKS: I do not think this power to the manager is a necessity. I fear it is a limitation of the liberty of the cane-farmer which will be resented. I

agree that Government should protect itself but not give the manager an extra hold on the cane-farmer. After the sugar has been manufactured the farmer on getting a return could take it to the Commissioner and pay the duty.

THE ATTORNEY-GENERAL: I venture to think it is an easy means for the cane-farmer to have the matter fixed up for him. It is a less cumbrous procedure for the cane-farmer than to get a return of his sugar, make a pilgrimage to the Commissioner, pay the duty and return for the sugar. It is also more convenient to the cane-farmer than to keep a producer's book and it minimises the risk of loss to Government.

Mr. SEAFORD: When it is appreciated that at Plaisance or Beterverwagting there are about 130 and at Buxton 150 farmers with an average of 2½ tons per head it would be realised what it would mean if these farmers had to keep a book as a producer. It would be rather difficult to keep a check on the sugar delivered to the farmers unless they have some recognised form of removal from the estate.

Mr. CRANE: A small farmer might find purchasers in town unwilling to give him an advance or have to borrow the money to pay the duty at an exorbitant interest. While it is a good thing that Government should endeavour to collect the tax at its source it is going to work some hardship on the small producer. I can understand a provision for the manufacturer retaining a portion of the sugar to cover the duty and giving the farmer the balance, and this clause should be redrafted in a form that would impose no hardship or inconvenience.

Mr. ELEAZAR: If a man cannot have his sugar until he pays the duty it is an imposition on him. It appears that you will be holding up the entire stock of the small producer until he can find the money to pay the duty whereas the big man will sell first and pay the duty afterwards.

Mr. FREDERICKS: This is something that is going to be resented. A man delivers his canes to the factory and when it is manufactured into sugar you tell him he cannot get the sugar until he pays the duty. That is an interference with the rights of people.

THE COLONIAL SECRETARY: I think there is a great deal of misunderstanding. I am quite sure that the cane-farmers would not thank hon. Members for the attitude they have taken up. The cane-farmer does not want to keep books and under this clause he would simply say to the factory manager "Pay the 75 cents and give me the sugar to which I am entitled." No cane-farmer wants to put himself in the position of being compelled to keep books and make himself liable to a penalty.

Mr. CRANE: The clause specifically says that the farmer must pay the duty before he removes the sugar. The Colonial Secretary reads it to mean that the manager shall advance the duty.

THE COLONIAL SECRETARY: It is a matter of arrangement between the producer and the manager how the duty is paid. If the manufacturer demands cash and the producer has no cash he need only say "Take the duty from the sugar in hand and give me the balance."

Mr. CRANE: We want to prescribe some course which the farmer can always adopt to get his sugar. There may be a benevolent manager on the one hand and a manager who is not prepared to accommodate him on the other. It should be made possible for a man if he is not in debt to leave a portion of his sugar representing the duty payable.

THE CHAIRMAN: What is suggested is that the manager should deduct the duty in sugar before handing over what the farmer is entitled to and that the farmer need not be required to pay cash if he has not the money. The sugar people can best advise us how it can be done.

Mr. CANNON: I suggest that a person for whom sugar is manufactured shall have the duty paid by the manager. That would solve the whole difficulty.

Mr. ELEAZAR: I ask Government to reframe the clause so as to enable the farmer to get his sugar and pay the duty to some responsible officer, and not to keep the sugar in the factory until the duty is paid because it might not be possible for him to pay at the time he can get the sugar sold.

Mr. SEAFORD: The difficulty I see is in the variation of price. If there is a tendency for the price of sugar to fall the farmer may not take his sugar but wait until the market is going up. If sugar is retained by estates in lieu of payment of the duty when that sugar is being shipped the duty which should have been rightly paid by the farmer would then have to be paid by the estates. If a farmer wants his sugar he may take one bag and sell it and pay for the remainder.

Mr. CRANE: There is no question of variation in the duty because the price is fixed at \$2.30 per 100 lbs.

THE CHAIRMAN: I am not sure that we are not making a mountain out of this question. I do not think a man would find much difficulty to raise money to pay the duty because he would have entered into a contract to sell his sugar. I hope this clause will never be put into effect. If the price of sugar goes up it would undoubtedly pay the farmers to sell their canes.

Mr. CRANE: I suggest that the clause be amended by the insertion of the words "pay or give security to the manager."

Mr. SEAFORD: Security to whose satisfaction?

THE CHAIRMAN: If the estates handle that there should be no difficulty at all, and it should be security to the satisfaction of the manager.

THE COLONIAL SECRETARY: That is exactly what I suggested would happen.

Dr. SINGH: I think it would solve the problem if the farmer takes away 50 per cent. of his sugar and when he has sold it return and pay the duty and remove the balance.

THE ATTORNEY-GENERAL: I suggest that the clause already moved should be numbered 7 (1) and a sub-clause (2) be added. The clause would then read:—

7.—(1.) Where the amount of sugar manufactured at a factory for any person does not exceed five tons in any month such sugar shall be deemed to be manufactured for home consumption. The person for whom the sugar is manufactured shall pay to the manager the duty charged or deposit with him one-half the

quantity of the sugar before delivery thereof to such person. The manager shall pay all duty received by him to the Commissioner at the same time as he transmits copies of the entries in the sugar manufacture book in pursuance of sub-section (2) of section four.

(2) Where a person who has deposited sugar with a manager to secure the duty does not pay the duty within one month from the date of the deposit the sugar so deposited shall form part of the stock of the factory.

Mr. WIGHT: I think it is unreasonable to ask a manager to hold one-half of the quantity of the sugar manufactured and hold the estate responsible for the duty if the farmer does not return to pay the duty and take delivery of the balance. The person to whom a farmer is going to sell is going to advance the money and you are throwing additional responsibility on the manager.

THE COLONIAL SECRETARY: I again appeal to hon. Members. We do not want to tie anybody's hand. Leave it to the manufacturer and the cane-farmer to come to some amicable arrangement, and I do not think the cane-farmer will be prejudiced in any way.

Clause as amended put, and agreed to.

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 (*Colonial Secretary*).

#### INCOME TAX BILL.

THE COLONIAL SECRETARY: I move that "A Bill to amend the law relating to Income Tax with respect to the imposition and evasion of tax and other matters" be read the first time.

Mr. SMELLIE seconded.

Question put, and agreed to.

Bill read the first time.

Notice was given that at a subsequent meeting it would be moved that the Bill be read the second time (*Colonial Secretary*).

The Council adjourned until Tuesday, 12th January, at 11 a.m.