

LEGISLATIVE COUNCIL.

Tuesday, 22nd January, 1935.

The Council met pursuant to adjournment, His Excellency the Officer Administering the Government, SIR CRAWFORD DOUGLAS-JONES, K.T., C.M.G., President, in the Chair.

PRESENT.

The Hon. the Colonial Secretary, Mr. P. W. King (Acting).

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

The Hon. T. T. Smellie, O.B.E. (Nominated Unofficial Member).

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

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

The Hon. E. F. McDavid, O.B.E., Colonial Treasurer (Acting).

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

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

The Hon. J. A. Henderson M.B., Ch. B. B.Sc. (P.H.), (Edin.), D.T.M. & H. (Edin.), Surgeon-General.

The Hon. F. Birkitt (Postmaster-General).

The Hon. N. Cannon (Georgetown North).

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

The Hon. J. Eleazar (Berbice River).

The Hon. J. Gonsalves (Georgetown South).

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

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

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

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

The Hon. Peer Bacchus (Western Berbice.)

The Hon. J. L. Wills (Demerara River).

The Hon. R. V. Evan Wong (Essequibo River).

MINUTES.

The minutes of the meeting of the Council held on Thursday, 17th January, as printed and circulated, were confirmed.

MEMBERS SWORN.

Mr. F. Birkitt (Postmaster-General) and Mr. R. V. Evan Wong took and subscribed to the Oath.

ANNOUNCEMENTS.

VISIT OF DUKE AND DUCHESS OF KENT.

THE COLONIAL SECRETARY (Mr. P. W. King): In connection with the telegram sent to His Majesty the King at the request of this Council inviting Their Royal Highnesses the Duke and Duchess of Kent to visit the Colony during their Tour to the West Indies, I desire to read the following telegram received from the Secretary of State, dated January 21:—

"I am commanded by the King to request you to convey to the Legislative Council and the people of British Guiana His Majesty's appreciation of the loyal and dutiful invitation extended to Their Royal Highnesses the Duke and Duchess of Kent. His Majesty regrets however, that owing to the limited time at their disposal it will not be possible for Their Royal Highnesses to accept this invitation."

FINAL BUDGET POSITION.

Mr. McDAVID (Colonial Treasurer). Examination of the Estimates having been completed, I beg to lay on the table

statement showing the final Budget position for 1935. Hon. Members will be pleased to observe that the amount required as Imperial loan-in-aid is now \$276,152 instead of \$381,488 as was originally anticipated. This is due to the fact that the revenue for 1934 has been actually very much better than was anticipated when the Budget was introduced in the Council. The Statement is as follows:—

The Budget for 1935 as originally submitted to Council provided for an estimated Expenditure of	\$ 5,514,474
and an estimated Revenue of	5,010,329
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with a resulting deficit of ...\$	504,145

which was to have been met by appropriating the surplus balance brought forward from 1934 estimated at	...\$ 122,657
and by drawing upon an Imperial loan-in-aid provision of £80,000 to the extent of the deficiency, namely	381,488
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As a result of the examination by the Legislative Council of the draft Estimates of Expenditure, increases have been approved and new items added totaling	...\$ 31,671
while decreases and deletions made amount to	18,394
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a net increase on the original figures of	...\$ 13,277

The Public Service Economy Bill not having been passed by Council, the item Salary Abatements \$41,000 must be deleted from the Revenue Estimate.

The Budget for 1935 as finally approved by Council therefore provides for an estimated Expenditure of	...\$ 5,527,751
and an estimated Revenue of...	4,969,329

The Revenue accounts of the year 1934 have now been closed and I am pleased to be able to inform Council that the unaudited figures indicate that the total Ordinary Revenue for the year amounts to \$5,072,428 with Extraordinary Receipts (including transfers from realisations of various Reserve Funds) of \$382,865, making a total of \$5,455,293. This total is \$256,824 greater than the original esti-

mate for 1934 and \$159,613 in excess of the Revised Estimate prepared when the Budget for 1935 was framed.

The Expenditure accounts for 1934 cannot be closed until the Crown Agents' accounts for December and certain outstanding departmental accounts have been received. But, it is not anticipated that the total of the Revised Estimate of Expenditure for 1934 as set out in the Draft Estimate will be exceeded.

It can safely be assumed, therefore, that the surplus brought forward from 1934 for appropriation in 1935, originally estimated at \$122,657, will not be less than \$282,270.

The approved Budget for 1935 is therefore:—

Approved Estimate of Expenditure...	\$5,527,751
Estimated Revenue	4,969,329
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Deficit	... \$ 558,422
covered by,	
Estimated surplus brought forward from 1934	...\$282,270
Imperial Loan-in-Aid	... 276,152 558,422

The amount of Imperial loan in-Aid required to equate the estimated Expenditure and Revenue of 1935, is therefore \$276,152 instead of \$381,488 or \$105,336 less than was anticipated when the Budget for the year was introduced in Council.

Revised Abstracts of the Estimates of Revenue and Expenditure have been laid on the table for the information of Honourable Members.

E. F. McDAVID,
Colonial Treasurer (Acting)

22nd January, 1935.

GOVERNMENT NOTICE.

CAPT. FAWCETT PENSION BILL.

Mr. McDAVID gave notice of the following Bill:—

A Bill to make provision for granting a pension for Captain A. Fawcett, Bandmaster of the British Guiana Militia Band.

UNOFFICIAL NOTICES.

BARTICA-TIBOKU ROAD.

Mr. GONSALVES gave notice of the following questions:—

1. How many men are at present employed on the Bartica-Tiboku Road?

How many so employed are natives of this Colony, and how many are Islanders?

2. Is it true that a good number of Islanders are being given preference on this work to the detriment of unemployed natives of this Colony?

3. Are the men on this road-work employed in shifts? If not, why not?

4. Will Government take steps to permit of as many as possible of unemployed men of this Colony being given employment on the said road-work and not restrict the work to a limited few?

MOTOR TRAFFIC BILL.

How soon will Government introduce into the Council, and have passed, the long promised Bill for the better regulation of motor traffic, especially in Georgetown, and making provision for third-party insurance with reference to motor buses?

LABOUR DEMONSTRATIONS.

Mr. WILLS gave notice of the following questions:—

1. Will Government state the number of persons arrested, charged and prosecuted to conviction for the past 7 years in connection with disturbances caused by labour demonstrations during the said period, giving particulars of convictions *e.g.*, fines, peremptory imprisonment, or reprimand?

2. Will Government make a pronouncement in relation to the Proclamation given under the hand of the Governor and the Public Seal of the Colony on the 12th day of August, 1933, forbidding labour demonstrations, as to whether or not it is the intention of Government permanently or indefinitely to maintain the said Proclamation in force?

3. If the pronouncement on No 2 above is in the negative, when does Government propose to recall the said Proclamation?

4. If the pronouncement on No 2 above is in the affirmative, will Government state the reason for keeping the said Proclamation operative?

ORDER OF THE DAY.

SUPPLIES THROUGH CROWN AGENTS.

Mr. AUSTIN asked the following questions:—

1. What steps are taken by the local Government, before ordering the public supplies through the Crown Agents for the Colonies, first to ascertain whether such supplies, or any part of them, can be purchased advantageously in the Colony?

2. If no definite steps as above indicated are taken, what are the Government's reasons for failing to conform with the Colonial Regulation on the subject which permits the local purchase of stores wherever the articles can be obtained as advantageously in the Colony as they can be ordered from abroad?

THE COLONIAL SECRETARY replied as follows:—

1 & 2. In the purchase of its stores Government takes into account every factor and places its orders as advantageously as possible.

Mr. DE AGUIAR asked the following questions:—

1.—(i) What is the c.i.f. value of supplies imported by Government through the Crown Agents for the period 1st January to 30th September, 1934?

(ii) Please state separately the imports of—

- (a) Drugs.
- (b) Stationery and stationers' requisites.
- (c) General hardware and building materials.
- (d) Machinery.
- (e) Provisions and groceries.
- (f) Boots and Shoes.
- (g) Other articles.

2. What is the remuneration paid to the Crown Agents?

(a) If by Commission, state the rate, and whether the charge is made on f.o.b. or c.i.f. values.

(b) If an annual sum please state the amount.

3. Under whose authority are orders placed and who are responsible for checking invoices and quantities, comparing prices and keeping full and complete record of all orders given?

4. Have any shipments been made by the Crown Agents during 1932, 1933, and up to and including 30th September, 1934, without the authority of this Government?

(a) If the answer is in the affirmative please state reasons given by the Agents for their action.

5. At what price per tin of 14 ozs. has the contract been awarded for the supply of Condensed Milk as from October 1, 1934?

6. What was the quantity purchased and by whom?

7. If the order was placed through the Crown Agents, please state whether the answer in (5) includes—

- (a) Crown Agents' Commission
- (b) Import Duty and Bill of Entry Tax.
- (c) Free delivery to institutions.
- (d) Allowance for spoilage.

8. When will the contract expire?

9. Why was the old custom of calling for tenders locally not adopted on this occasion?

THE COLONIAL SECRETARY replied as follows :—

1.—(i)—			
(a) Cost ...		\$ 210,649 66	
(b) Freight		19,871 72	
		\$ 230,521 38	
(c) Insurance		292 74	
(d) Commission and other Crown Agents' Charges—			
Commission ...	\$2,813 30		
Inspection charges			
General Stores ...	540 48		
Inspection Charges,			
Engineering Sup-			
plies	946 96		
Packing and Miscellan-			
eous	1,063 02	5,363 76	
		<hr/>	
		\$236,177 88	
(ii)—			
(a) Drugs ...		\$ 30,802 33	
(b) Stationery, etc.		6,679 22	
(c) General hardware and building material		65,150 71	
(d) Machinery		17,494 81	
(e) Provisions, etc.			
(f) Boots and shoes		4,122 23	
(g) Other articles		106,272 03	
		<hr/>	
		\$ 230,521 38	

NOTE.—The figures under (ii) do not include Commission and other Crown Agents' Charges and Insurance which are shown in total under (c) and (d) of Answer at (i).

(a) includes Surgical and Medical equipment.
(g) includes Coal, Textiles, Telephone and Telegraph supplies, Rolling Stock spares, Stamps, Currency Notes, etc., etc.

2.—(a) The Crown Agents receive a commission of $1\frac{1}{2}$ per cent. on the cost (including freight, but not insurance) of all stores purchased through them. Where general stores are inspected an additional $1\frac{1}{2}$ per cent. inspected charge is made. In the case of engineering supplies, when inspected, the additional charge varies from 1 per cent. to $2\frac{1}{2}$ per cent.

The Crown Agents also operate a Marine Insurance Fund, the premium charged being at the rate of $\frac{3}{9}$ per £100.

The above information appears in the explanatory note to sub-head 25 of Head XXXIX.—Miscellaneous—on page 85 of the draft Estimate for 1935.

(b) See answer to (a).

3. Under the authority of Government, Heads of Departments concerned are responsible for checking invoices and quantities, comparing, prices etc.

4. The answer is in the negative. All orders are executed by the Crown Agents on indents placed by this Government.

5. 16/- per case of 48 tins of 14 ozs. less $1\frac{1}{2}$ per cent. delivered duty paid at Georgetown.

6. The following quantities were purchased by the undermentioned institutions :—

During October.		
The Public Hospital, Bartica	5 cases.	
The Leprosy Hospital, Mahaica...	28	,,
The Public Hospital, Georgetown	40	,,
The Public Hospital, Georgetown	20	,,

The Public Hospital, Georgetown	20	
The Public Hospital, Georgetown	25	
The Public Hospital, Suddie	10	..
The Public Hospital, Berbice	3	..
The Mental Hospital, Berbice	12	..
The Mental Hospital, Berbice	30	..
The Alms House, Georgetown	41	..

234 cases.

During November.

The Public Hospital, Berbice	10 cases.
The Public Hospital, Bartica	10
The Dispensary, Pln, Mara	$\frac{1}{2}$ case.
The Leprosy Hospital, Mahaica...	65 cases.
The Alms House, Georgetown	41
The Public Hospital Mabaruma	2
The Public Hospital, Georgetown	50
The Public Hospital, Georgetown	80

258 $\frac{1}{2}$ cases.

7. (a) No. Crown Agent's commission of $1\frac{1}{2}$ per cent. on the net price is payable.

(b) Yes.

(c) Free delivery to institutions in Georgetown and to the Railway or Steamer Stelling for institutions outside the City is included.

(d) This does not arise as supplies are taken as and when required from the local agents of the contractor.

8. 30th September, 1935.

9. Government considered that an advantageous contract having regard to price and quality with a firm of manufacturers of Condensed Milk—Messrs. Nestle, and Anglo-Swiss Condensed Milk Company—had been obtained on this occasion. On expiry of the contract Government will consider the question of again calling for tenders locally as well as through the Crown Agents.

BOUNDARY COMMISSION.

MR. DE AGUIAR asked the following questions :—

1. What is the amount that will be paid by this Government to Officers and others engaged on the work of the Boundary Commission to December 31, 1934? Please show the amount paid in each year separately to—

(a) Officers.

(b) Other employees.

(c) Supplies and transport.

2. What is the amount received from the Imperial Government for the same period?

3. What class of Officers are engaged on the said work?

4. What class of Officers have been substituted from time to time for work in the Lands and Mines Department in place of those engaged on the Boundary Commission?

5. Will Government make a pronouncement as to whether the Officers substituted in the Lands and Mines Department are capable of performing the duties of those engaged on the Boundary Commission?

6. Has the working of this Department been affected as a result of the changes in its personnel? If so, to what extent?

Mr. MULLIN (Commissioner of Lands and Mines): replied as follows:—

1.—(a) Lands and Mines Department—

1930	\$ 7,600 00
1931	9,924 00
1932	10,800 00
1933	10,872 00
1934	10,255 00

Medical Department—

1933	\$ 800 00
1934	2,951 94

(b) Nil.

(c) Nil.

2. Lands and Mines Department—

1930	\$ 200 00
1931	
1932	5,928 00
1933	4,245 00
1934	4,775 00

Medical Department—

1933	\$ 504 50
1934	1,777 26

These amounts are in refund of the cost of employing substitutes in place of officers engaged on the Commission.

3. Lands and Mines Department—
Government Surveyors, viz.,

(a) Superintendent of Surveys.

(b) Grade I. Surveyors.

(c) Grade II. Surveyors.

Medical Department—

Medical Officers.

4. Sworn Land Surveyors.

5. Yes, except in the two senior positions.

6. Yes, particularly in regard to the superintendence of surveys and the filling of administrative posts such as Wardens, usually filled by Senior Surveyors.

1. The following table gives the information required:—

	1929.	1930.	1931.	1932.	1933.	1934 (to 31.10.34).
Demerara—						
Vreed-en-Hoop to La Jalousie	\$ 505 00	...	...	\$ ... 498 00	...	...
Pln. Ruby	...	...	...	...	...	...
Total, Demerara	\$ 505 00	...	...	\$ 498 00	...	...
Essequebo—						
Paradise—Charity	\$ 29,612 00	\$ 2,724 00	...	...	...	...
Anna Regina	...	...	\$ 1,852 00	\$ 24,067 00	...	...
Tapacooma Lake	...	...	...	12,203 00	\$ 20,505 00	\$ 19,217 00
Total, Essequebo	\$ 29,612 00	\$ 2,724 00	\$ 1,852 00	\$ 36,270 00	\$ 20,505 00	\$ 19,217 00
Berbice—						
Bush Lot, West Coast	\$ 3,185 00	..	...	...	...	...
Lots 1 to 25	11,967 00	...	...	...	...	...
Limlair—Kildonan	48,447 00	\$ 3,746 00	...	...	...	...
Kilmarnock to Springlands	...	30,514 00	\$ 24,467 00	\$ 13,130 00	\$ 17,747 00	...
Eldorado to Onverwagt	...	...	...	9,478 00	...	...
Total, Berbice	\$ 63,599 00	\$ 34,260 00	\$ 24,467 00	\$ 22,608 00	\$ 17,747 00	...

DRAINAGE AND IRRIGATION.

Mr. BRASSINGTON asked the following questions:—

1. What amount has been spent on Drainage and Irrigation Schemes in Demerara, Essequebo and Berbice with the object of increasing the production of Rice during the last five years and for the 10 months ended October, 1934? Give each county and district separately.

2. What is the area, production and quantity of Rice exported for the last five years and for the 10 months ended 31st October, 1934?

3. What is the estimated quantity of Rice available for export in 1934?

4. What is the policy of Government in regard to increasing the production of Rice during 1935 and 1936?

5. What amount has been received by the British Guiana Rice Marketing Board from the Rice Industry since its inception to 30th November, 1934? Give each year separately.

6. What is the amount on hand at 30th November, 1934, after deducting expenses, and what is it proposed to do with this amount?

7. What amount has been received by Government for Grading Fees since the establishment of the Rice Grading Office to 30th November, 1934? Give each year separately.

8. What amount has been spent for carrying on the office to 30th November, 1934? Give each year separately.

9. What is the amount on hand at date in respect of grading fees collected, and what is it proposed to do with this amount?

Professor DASH (Director of Agriculture) replied as follows:—

Year.	Area reaped acres.	Yields.		Exports tons.
		Padi tons.	Rice 60% yield of cleaned rice from Padi) tons.	
1929	66,742	72,096	43,257	14,091
1930	63,452	64,252	38,551	22,480
1931	83,492	78,421	47,054	23,632
1932	87,941	84,783	50,869	28,541
1933	87,125	63,524	38,154	29,120
*1934 Estimated	59,618	57,840	34,704	12,115 (to 31st Oct., 1934 .

* (The Spring Crop in areas where planted was almost completely destroyed by the floods).

2—

3. It is estimated that about 17,000 tons were available for export after deducting for local consumption.

4. A pure line padi seed programme for the various districts of the Colony has been put into operation by the Department of Agriculture. This scheme has for its object the free distribution of pure seed for the establishment of nurseries and private seed farm, which will eventually supply enough seed to plant the farmers' entire areas the following year. Seed will be supplied to sugar estates, to estates privately owned, to villages through the Local Government Board and to small proprietors for the establishment of such nurseries and private seed farms. Seed has already been distributed. The question of extension rests with growers who cultivate the crop and on the prices paid for padi and rice.

5. The accounts of the British Guiana Rice Marketing Board date from 23rd December, 1932. From that date to the 31st December, 1933, receipts from rice exports and licence fees amounted to \$12,173.02. For the year 1934 receipts from the same sources amounted to \$2,190.95.

6. At the 31st of December, 1934, the balance on hand amounted to \$6,866.76 less a sum of \$260.75 due to sundry creditors, leaving a net total balance of \$6,606.01.

By Ordinance No. 25 of 1934 provision is made for the continuance of the British Guiana Rice Marketing Board to the 31st of December, 1935. Government is at present engaged with the question of the future policy to be adopted as regards the control of rice exports, and when a decision has been reached the matter will again be brought before the Legislative Council for consideration.

7. October 1 to December 31,

1930	...\$	1,581	50
1931		6,535	86
1932		5,705	85
1933	...	6,108	65
1934 (To 30th November)	2,600	33	\$24,532 19

8.—

1930 (from 1st October).

Office Expenses	...	\$	573
Salaries—			
Grading			
Inspector	...\$	480	
Examiner	...	160	
Staff	175	\$	815 \$1,388

1931.

Office Expenses		\$	479
Salaries—			
Grading			
Inspector	...\$	1,480	
Examiner	...	496	
Staff	690	\$	2,666 \$3,145

1932.

Office Expenses	..	\$	317
Salaries—			
Grading			
Inspector	...\$	1,600	
Examiner	...	494	
Staff	846	\$	2,940 \$3,257

1933.

Office Expenses		\$	341
Salaries—			
Grading			
Inspector	...\$	1,720	
Examiner	...	571	
Staff	991	\$	3,225 \$3,566

1934. (To 30th November, 1934.)

Office Expenses		\$	232
Salaries—			
Grading			
Inspector	...\$	942	
Examiner	...	954	
Staff	...\$	1,294	\$3,190 \$3,422 \$14,778

9. All fees collected are paid into revenue. Although the grading fees collected by Government have been in excess of expenditure up to 1933, due to the diminished quantity of rice exported for this year the receipts will show a decided decrease and a debit balance to Government. The provision of extra shipping facilities by way of bonds and service at Springlands must be considered a further charge against such revenue. It is clear, therefore, that any apparent excess of income over expenditure in connection with rice grading fees will be used up in bad years which must periodically occur, and in other ways.

GOVERNMENT DISPENSERS.

Mr. BRASSINGTON asked the following questions :—

1. How many Dispensers have been drawing their maximum salaries for the past 5 years ?

- (a) Give in each case their class and number of years service.
- (b) If in the 1st class how many years will it take in each case to rise to the position of Steward?
- (c) If 2nd class Dispensers' promotion is dependent on vacancies in the 1st class, how many years will it take in the ordinary course of events for 2nd class Dispensers of 10 years' service and over to become 1st class as from January 1935?
- (d) Will Government consider the advisability of placing 2nd class Dispensers on the 1st class list with service of 7 years and over from 1935?

2. When travelling on duty will Government consider the advisability, on account of the hardship and inconvenience suffered when travelling 2nd class in steamers, to grant Government Dispensers and their families 1st class passages as was done prior to 1930?

3. What amount is allowed to Dispensers as subsistence allowance, and does Government consider this amount adequate?

4. Will Government consider granting \$2 per day as subsistence allowance to all Dispensers when travelling on duty as was done prior to 1930?

5.—(a) What are the leave facilities granted to Dispensers of the 1st and 2nd classes under the following heads—Vacation, Casual and Sick?

(b) Is it a fact that 2nd class Dispensers' leave is similar to that enjoyed by porters of the various Medical Institutions, and less than that enjoyed by Government Office Messengers, if so, will Government consider giving all classes of Dispensers the same facilities?

6. Has the Surgeon-General received any complaints from the Dispensers with reference to their salaries and general status, if so, what has Government done to remedy the complaints?

7. Did Dr. P. J. Kelly, late Surgeon-General of British Guiana, make any recommendation in 1926 in respect to the improvement of the status of Dispensers during his term of office, if so, what is the nature of the recommendations?

Dr. HENDERSON (Surgeon-General) replied as follows:—

1. Nine Dispensers.

(a) Of these:—

Three First Class Dispensers have just over 22 years service.

Two First Class Dispensers have between 17 and 19 years service each.

Four Second Class Dispensers have between 10 and 11 years service each.

(b) & (c) Promotion is not automatic nor is it dependent entirely on seniority. Vacancies cannot in most cases be foreseen.

(d) The whole question of the status and emoluments of dispensers has been referred to the Medical Re-organisation Committee now in session.

2. Recommendations to this effect have been considered from time to time, but Government has not considered it desirable to make an exception in the case of dispensers. The travelling

of officers is governed by the Regulations referred to in the answer to the next question.

3 & 4.—Subsistence Allowances are based on the salary grading of dispensers who are grouped as subordinate employees within the meaning of the Travelling and Subsistence Allowances Regulation, 1930, and the Subsistence Allowances payable are as follows

Where a dispenser's salary is under £120 p.a.—50 cents per day.

Where the salary is from £120 to under £200 p.a.—75 cents per day.

In other cases—\$1.00 per day. See answers to questions 1 (d) and 2.

5.—(a) First Class Dispensers are granted the same leave facilities as are applicable to every other officer on the Fixed Establishment in the Government Service. Second Class Dispensers are graded for leave purposes as employees of the Medical Department exclusive of Establishment and come within the Leave Regulations of 1919. The leave granted to them is as follows:—

12 days vacation leave } per year and
14 days sick leave }

in addition 2 months vacation leave on full pay after 4 years' service.

(b) The question of leave to be granted to Dispensers is under reference to the Medical Re-organisation Committee.

6. A petition requesting re-adjustment of the status and emoluments of dispensers has been received by Governments and has been referred to the Medical Re-organisation Committee for their consideration.

7. The reply is in the affirmative—see Combined Court Sessional Paper No. 30 of 1926 Dr. Kelly suggested that the salaries of the two grades of dispensers should be raised and that the maximum of 1st Class Dispensers should be increased from £150 to £180 per annum, and that of 2nd Class Dispensers from £100 to £130 per annum.

BARTICA-POTARO ROAD AND BRIDGE.

Mr. CANNON asked the following questions:—

1. What is the original estimate of the cost of construction of road to Garraway Stream?

2. What is the estimated cost of erecting the bridge?

3. What is the actual cost of the said bridge?

4. What is the cost of road from the 91 mile to Garraway Stream?

5. Has a road been extended to the Potaro River opposite to Tumatumari? If so, what is the cost?

Did Government consider the possibility of bridging the river at Tumatumari?

Major CRAIG (Director of Public Works) replied as follows:—

1. \$163,680.

2. \$50,180.

3. \$52,220.

4. \$128,574—includes 1½ miles on Potaro side of bridge.

5. Yes. \$5,000.

6. Yes.

SUPREME COURT OF JUDICATURE BILL.

THE ATTORNEY-GENERAL (Mr. Hector Josephs): I move that "A Bill to amend the Supreme Court of Judicature Ordinance, Chapter 10 with respect to the acceptance or performance by a Judge of any office or place of profit or emolument not authorised by law," be read the third time.

Mr. DIAS seconded.

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

Bill read the third time.

DECEASED PERSONS ESTATES' BILL.

THE ATTORNEY-GENERAL: I move that "A Bill to amend the Deceased Persons Estates' Administration Ordinance, Chapter 149, with respect to certain small intestate estates and to extend the application of the provisions of section thirty-one to British Protectorates and Protected States and Mandated Territories," be read the third time.

Mr. DIAS seconded.

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

Bill read the third time.

POST AND TELEGRAPH BILL.

THE ATTORNEY-GENERAL: I move that the following Bill "A Bill to amend the Post and Telegraph Ordinance, Chapter 185, with respect to Wireless Telegraphy, and to the making of Regulations," be read the first time.

Mr. DIAS seconded.

Question put, and agreed to.

Bill read the first time.

THE ATTORNEY-GENERAL gave notice that at the next meeting of the Council he would move that the Bill be read the second time.

SUPPLIES THROUGH CROWN AGENTS.

Mr. DE AGUIAR: I beg to move:—

THAT this Council is of the opinion that it is in the best interests of the Colony that all orders for supplies to Government Institutions be placed locally by tender; and that the practice of buying direct through the Crown Agents or from other sources abroad be discontinued; provided that under special circumstances certain orders might be placed abroad where it is shown to the satisfaction of His Excellency the Governor with the advice of the Tender Board that the interest of the Colony would be better served by doing so, and that such orders be laid before the Legislative Council at its next meeting for approval.

When I gave notice of this motion I fully realised the magnitude of the task I had set myself, having regard to the necessity of obtaining accurate information in respect of the various items that are imported through the Crown Agents for the Colonies for the use of Government institutions, in order to make comparisons and ascertain whether or not those items can be obtained from local dealers, and to place the matter in its true light before Government. This matter is of vital importance not only to the mercantile community of this country, who are the largest taxpayers to Government and the Municipality, but also to the general welfare of the inhabitants of this Colony, and I feel sure that Members of the Council will be afforded the fullest opportunity of debating the motion in order to put the position before Government in its true light. If in the presentation of the facts before the Council I am compelled to embark on any lengthy explanations and submit lengthy details I would crave the indulgence of the Council. On the other hand, if hon. Members of the Council, more particularly the Official Section who are the Heads of the Departments directly concerned, would pay attention to what I am about to say, I feel sure that the monotony that usually exists in this Council whenever a lengthy debate takes place will not exist to-day.

Who are the Crown Agents? They are fully described, I think, in the Dominions Office and Colonial Office List, but I have seen a full description of those gentlemen, or of the office, in the British West Indies Year Book of 1934, and there is one reference in that book which seems to me very significant. Among other things it is said that the office is self-supporting. In other words, the officials of that Department

who constitute themselves a Department of State, are not dependent in any way for their salaries either on the Imperial Government or any other Government. It stands to reason, therefore, that their chief interest is the commission that they earn from the various Crown Colonies whose orders are entrusted to their care. It would be well at this stage to take the minds of hon. Members back to what existed very many years ago. The Chamber of Commerce, as representing the mercantile community in this Colony, was established, I think, in 1889 and was incorporated in 1890. Early in 1891 a letter was addressed by the Chamber of Commerce to this Government in connection with supplies to local institutions. I make reference to that in order to show that even as far back as 1891 the question of obtaining supplies for Government institutions was considered a very important matter to the commercial life of this Colony. Subsequent correspondence took place in 1891, until towards 1929, but the correspondence that passed between Government and the Chamber of Commerce during that period was more or less of a general character, soliciting information and things of that sort.

But the commercial community was startled in 1929 when a letter was addressed to the Government by the Chamber asking for an interpretation of the broad meaning of Regulation 347 of the Colonial Service Regulations. In my hand I hold a copy of the reply from Government dated 17th August, 1929, in which it is stated that the matter had already been taken up with the Secretary of State for the Colonies, and that a copy of the resolution which was passed at a meeting of the Chamber of Commerce had been forwarded in continuation of His Excellency's despatch. This took place on the 17th August, 1929. From that date nothing unseemly arose and everything seems to have gone on very peacefully. Orders from Government institutions were directed to the usual channels locally and therefore there was no further cause to press Government for an interpretation of that Regulation. But on the 7th of April, 1931, the Chamber of Commerce, realising that sufficient time had elapsed for a reply to have been received from Government regarding an interpretation of that Regulation, and becoming rather

alarmed as to what was likely to occur in the event of that arbitrary measure being enforced, a letter was addressed to Government on the 7th of April, 1931, inquiring whether Government had received a reply or any information from the Secretary of State. Government replied to that communication on the 28th April, and in the last paragraph of its letter it is stated:—

“In conclusion I am to inform you that in a subsequent despatch on this subject His Lordship expressed his approval of Government's proposal to proceed for the present along the lines suggested by the Economic Investigation Committee in its report on the Local Purchase of Government Stores (other than clothing and boots), a copy of which is attached hereto.”

I also hold in my hand a copy of the report referred to in that letter, but it is indeed a very lengthy document, and I do not propose to deal with it other than to make passing reference. After careful examination by the Committee it was discovered and reported to the Government that a good number of the items which those institutions needed for their supplies could be obtained locally. But I desire particularly to draw the attention of Members to paragraph 7 of that report which states:—

“With regard to Miscellaneous stores, such as rope, tools, paint, etc., the present consumption of these goods by Government Departments is not sufficiently large to justify direct importation.”

I place a very important meaning on that report and I am satisfied that the members of that Committee had made very careful investigation into the whole matter before arriving at such a conclusion. But in spite of the letter addressed by Government to the Chamber of Commerce on the 28th of April, 1931, the mercantile community again became very alarmed on the subject, for they soon discovered that it was the intention of this Government gradually to secure, if not all, the major portion of its requirements through the Crown Agents to the detriment of the local traders. On the 12th August the same year the Chamber addressed a further letter to the Government, a letter which in my opinion, and I think in the opinion of anyone who has studied it and is competent to express an opinion on it, showed Government that there was absolutely no justification—I make the statement without any fear of contradiction—for continuing its policy of sending

orders abroad to the Crown Agents, except in very special cases, with which I will deal later. A little later on I also propose to refer to this letter of the Chamber of Commerce dated 12th August, 1931, because it is very important and brings out a number of points so forcibly that I feel sure that a good number of them are worth while repeating here.

The matter did not even end there. The Chamber realised at the time, as they still do now, that undoubtedly there were certain influential forces operating that made it extremely difficult for the various points which they submitted for Government's consideration to induce the decision they sought, and therefore they proceeded further with their representations. There was an exchange of correspondence between the Chamber and the West India Committee, in consequence of which representations were made to the Secretary of State, and subsequently a reply was received that the Governors of the various Colonies would be consulted before any further action was taken in the matter. After receiving a reply of that nature the mercantile community felt relieved because, although at the beginning they felt that influential forces were apparently operating abroad, when the reply came throwing the onus, as it were, on the Governors of the various Crown Colonies, it seems to me they were quite justified in assuming that so far as this country was concerned the Government would not take any further action to enforce Regulation 347. For that reason the reply was considered very favourable, and no further representations were made. It might be of interest at this stage to point out that that action was not peculiar to the Government of this Colony at the time. It also concerned other West Indian Colonies. In Trinidad, for example, representations were made at the same time as those by the Georgetown Chamber of Commerce. As a matter of fact some of the representations were made jointly, and presumably joint representations in that instance carried a good deal of weight, ably supported as they were by those of the West India Committee on the other side. As the result of such a favourable reply no further representations were made, and the mercantile community were contented to carry on as they did in the past. But since that date, and up to to-

day, there is very strong evidence of the intention of this Government to procure through the Crown Agents the major portion if not all of its supplies for Government institutions, and that has brought about the motion under discussion.

I propose at this stage to make reference to the questions which I have tabled, replies to which were handed to me during last week, and as I said earlier in my remarks, it will be necessary to make very lengthy explanations and submit very lengthy details in order not only to satisfy Members of the Council but Government that the claim that is being made by the Crown Agents that they can supply the requirements of Government institutions as advantageously as the merchant traders of this Colony is without any justification whatever. Before I make reference in detail to the replies given to my questions I desire to congratulate the draughtsman, or the Officers responsible for the replies given to my questions, on their able skill. It is certainly a work of art, but I hope to be able to explode a good number of the replies given to those questions, and also to show to a large extent that the majority of those items could have been bought locally, in some cases as cheaply and in others cheaper than they were obtained through the Crown Agents. Drugs in the first item. According to the replies drugs, including surgical and medical equipment imported through the Crown Agents cost \$30,802.33. I happen to know that drugs form a very small portion of that large sum, but what happened at the time when Government decided to call for tenders for 1935? Government circularised the various dealers in those commodities, giving particulars of what were required, and particularly stipulated that the firms should tender for all or a portion of them. Government therefore stipulated the terms under which firms must tender, but nothing in the circular conveyed to the possible contractors that in the consideration of the tenders Government reserved to itself the right to take out an item here and there from that large list—I think the number of items on the list was 139—and award tenders for those particular items, the remainder to be supplied through the Crown Agents.

The actual result of the award has been that local merchants were awarded con-

tracts for the supply of 82 items out of a total of 139, but the estimated value of the 82 items only amounts to £348 while the remaining 57 items which were supplied through the Crown Agents are estimated to cost £1,354. Government did not play the game in awarding those tenders. The only reasonable deduction that can be made from action of that kind is that Government received price lists from the local merchants as well as from the Crown Agents, and in considering the items Government picked out the bones—I am sorry I cannot find any other expression—and handed the meat over to the Crown Agents. But those traders admit that owing to certain private reasons, whether because of representations by the Imperial Government or whether as the result of connections on the other side between the Imperial Government and the suppliers of certain commodities, Government is in a position to obtain a few items such as salicylates, at prices which are more advantageous to the Colony than if they bought them from local firms. But that is a special arrangement which has nothing whatever to do with the Crown Agents. I am informed that it is a special arrangement between the Government and the suppliers of those particular commodities, and Government would have been justified if in such instances it had obtained its supplies direct from the firms abroad. But it certainly appears that by reason of this private arrangement, which cannot be made by anyone engaged in local commercial pursuits, those items were used as a lever in order to secure the award of the contract for the supply of the remaining 57 items through the Crown Agents.

There is yet another point. Were calculations made by Government to ascertain whether the tender from an individual local firm was cheaper than the entire tender submitted by the Crown Agents? My opinion is that apparently that was not done, because if that was done, having regard to my knowledge as to the manner in which tenders are made up, I am strongly of the opinion that, apart from the items I have just referred to in respect of which special arrangements were made with the suppliers, the entire contract would have been awarded to local traders. I repeat that if the quantities required by the various institutions were taken

into consideration, and the price quoted for each item in the tender was carefully gone into, the contract would have been awarded to a local trader. When the Chamber of Commerce wrote Government on this very sore question a reply was received regarding the quality of the goods. I made inquiries and found that the contract was awarded local traders at a price *ex* Bond, and I am further informed that those local traders obtained their supplies from the same source as Government. If local contractors have to supply goods to Government *ex* Bond, duty free, there must be something wrong in the Customs Department if those goods are tampered with in any way before they reach the Government institutions.

During the debate on the Estimates Members drew the attention of Government to the items Freight and Insurance. I will deal with those two items a little later, but it seems to me that in the calculation of the cost of those goods I would not be at all surprised if that important item of freight and another important item, cost of remittances, and charges of that nature were not taken into consideration in arriving at the cost of goods supplied through the Crown Agents. If Government made that mistake I would not be at all surprised. In commercial experience you find even those people who are engaged in trade sometimes omitting to include such items as cost of exchange, insurance and similar charges. Therefore, if Government omits to take those charges into consideration I would not be at all surprised, but greater care should be exercised by those who are responsible to Government before giving the information out that goods ordered through the Crown Agents can be obtained cheaper than from local dealers. I make the statement without any fear of contradiction, that the Crown Agents are not in a position to buy as cheaply as one who is engaged in trade. They send a list of goods to three or four suppliers for quotations, and when those quotations are received they place an order with the cheapest suppliers. The activities of local traders are spread over a much wider field in the United Kingdom and they are therefore in a much better position than the Crown Agents to obtain their supplies at a cheaper rate. They are compelled to for the reason that in the course of their business they are up against

severe competition. When Government receives goods that are bad they are thrown away and the taxpayers suffer the loss. I think the entire Council will agree with me that the Crown Agents are not in a position to buy as cheaply or cheaper than the local traders.

Of course I know I will be met with the reply from Government that it is the desire to obtain supplies for Government institutions from the United Kingdom or from British sources. That is where another snag comes in. As far as I know the Crown Agents only operate in the United Kingdom. What is the position of the rest of the Empire? What is the position of Canada? The Crown Agents do not operate there as far as I know, but local dealers do. Can they reasonably say that goods cannot be obtained from Canada or other British possessions as cheaply or cheaper than they can buy them in the United Kingdom? I do not think they would venture to say that. If they did it would show their lack of knowledge. There are some items that can be obtained from Canada cheaper than from the United Kingdom, and *vice versa*. It may be necessary to explore other British possessions. As far as this Colony is concerned I think we have shown our loyalty to the British Empire by the imposition of a General Tariff with respect to our Customs duties, in some cases 100 and in other cases 300 per cent. Therefore it is in the interest of local traders to buy from Empire sources. But do our mutual friends, the Crown Agents, live up to what they preach? I am in a position to submit that they do not. In my hand is a copy of "The Trinidad Guardian" dated January 10, and the headlines are a direct answer to the Crown Agents. They read:—"Foreigner's firm to dredge Port-of-Spain Harbour." "£400,000 contract award reported." "Private firm controlled in Holland." It is a reprint from "The Sunday Express," and there are other headlines of a great deal of interest. They are:—"Britain Lends the Money and a Foreign Controlled Company Makes the Profit." It is stated that British firms, such as the Tilbury Contracting and Dredging Company, which specialised in that kind of work for 50 years, tendered for that contract which amounted to £400,000. Representatives were sent out from Britain to inspect the coast of

Trinidad and prepare the details, but "The Sunday Express" understands that the contract has been given to a small private company registered in England, 90 per cent. of whose shares are held by a foreigner who is one of the three directors. That is an example of the loyalty and patriotism that is expected from the people of this Colony.

The next item in the replies to my questions is "Stationery, \$6,679.22." I think it was in 1932 that the information went around that it was Government's intention to establish what was then to be called a Central Stationery Store, and representations were made to Government pointing out that such a measure would undoubtedly result in loss. The reply was that Government had no intention whatever to open a store, but it was the desire of Government to group all the votes for stationery under one Head in order to have some effective control, and I think with that principle all the Members of this Council were in agreement. There was a provision that it would not cost Government any more than it cost before. I have a distinct recollection that when the estimate under that Head was discussed I pointed out at the time that that was only the beginning, and a little later on we would find additional expenditure cropping up under that Head. That has come to pass. In the 1935 Estimates this toy Department of Government is to cost Government \$840 in personal emoluments. It will be observed that I have not taken into consideration at all the salary of the Archives expert which is \$720, but only the personal emoluments of those in charge of the stationery work which amount to \$840.

Then there is Miscellaneous, \$250. I am prepared to admit at this stage that I endeavoured to obtain some information regarding certain costs of stationery, but that Department happens to be in the wrong place. It is somewhere in the Colonial Secretary's Office and, to put it briefly, the gates were closely guarded, and it was impossible for me to obtain any information in that respect. But to look after \$6,679 worth of stationery it costs Government \$1,090, a little over 15 per cent., and I make bold to say that a stationery under contract with the Government would not net the

contractors anything like 15 per cent. There is the further advantage—and this argument applies with equal force to a number of other items—that if Government needs one sheet of blotting paper from the local contractors it would be delivered within 5 minutes, but in ordering through the Crown Agents it is essential to order 50 or 100 sheets, and 20 would be damaged by rain or some other thing. In spite of that Government will attempt to explain that there is a saving in obtaining supplies of stationery from abroad, but Government cannot justify such a statement in view of the remarks I have made.

I now come to the item "General hardware and building materials, \$65,150.71." When I drafted those questions I was somewhat disappointed with myself that I could not elicit more detailed information, but I realised at the time that if I had attempted to inquire into any matter that would involve detailed work this motion would not have come before the Council probably within a year. Therefore I had to group what I had in mind and classify it as general hardware and building materials. It has not been possible, therefore, for me to obtain the information I would like under this Head, and for that reason perhaps it would be just as well if I allowed this item to remain over at least for the present.

The next reply from Government is interesting. I asked what was the value of provisions and groceries imported through the Crown Agents, and the answer is "Nil." That saves me a great deal of trouble. I interpret the reply as a frank admission on the part of Government that it is unable to obtain through the Crown Agents any provisions and groceries for the supply of Government institutions at prices anywhere near the contract prices of local merchants.

I therefore pass on to the item, "Boots and Shoes \$4,122.28." I have before me a Price List for goods to be supplied under contract with the Government for the period 1st January to 31st December, 1935, and on that Price List I observe that boots and shoes were tendered for locally, and Government accepted the tender of a reputable firm in Water Street for the supply of those articles at \$2.64

per pair, but those boots and shoes are only good enough for messengers and others, but not the Police. Therefore I think I would be justified in assuming that \$4,122.28 was spent with the Crown Agents for the purchase of boots and shoes for the Police Department. Government will probably argue in reply to my criticisms under this Head that the policemen of this country need special boots, and that the boots that are being supplied to messengers and others are not good enough for the Police, or Government will probably claim that the boots imported for the Police Department are in every respect superior to those that are being supplied by the local contractors. That is where I would ask Government to give fuller information to the Council. If my information is correct—and I have every reason to believe that it is correct because I exercised very great care in the collection of information for the benefit of the Council—the Crown Agents' price for the policemen's boots is 9/6d. per pair f.o.b. The c.i.f. charges through commercial houses are usually in the vicinity of 15 per cent. on the f.o.b. value of such commodities as boots and shoes. Therefore, if I take that factor into consideration, according to the calculations I have made it seems to me that the Police Department during the period January to December, 1934, imported approximately 1,575 pairs of boots for the sum of \$4,122.28. Taking into consideration that the local tender of \$2.64 per pair is duty paid, all things being equal, that is to say, provided that the policemen's boots are of the same quality as those being supplied to messengers, I estimate that the loss to this Colony by placing the order through the Crown Agents is \$555.12 on that particular item. If you add to the figures \$4,122.28 the Crown Agents' commission of $1\frac{1}{3}$ per cent., which is equal to \$54.96; *ad valorem* duty at the rate of 10 per cent. \$412.22, and Bill of Entry Tax, \$123.66, the total cost of the boots and shoes imported through the Crown Agents would be \$4,713.12, whereas 1,575 pairs of boots at \$2.64 bought from the local contractors would have cost the Colony \$4,158. That transaction involved a loss of \$555.12. It will be observed that I have made no allowance whatever for wrong ordering, oversizes, and dry-rot pairs of boots which I am sure must arise.

I am questioning the amount of \$106,272.03 against the item "Other articles." This is undoubtedly another wide description, but I do not wish to repeat what I have said before. I would only ask hon. Members to bear in mind the remarks I made when I dealt with the item "General hardware and building materials." In this instance I am in a position to make reference to a few items of interest, I hope not only to the Elected Members of the Council but also to the Official Members who are Heads of responsible Departments which use a lot of supplies included in this description. Yesterday, for example, through Water Street there was a full dray load of goods going to that Department which apparently does not belong to Government at all. I refer to the Transport and Harbours Department. In that dray load were kegs of paint and bales of something else. It would be interesting to know what is the saving. I prefer the word "profit;" I do not like the word "saving" at all. I would like to know what is the profit the Department expects to make on the importation of those paints. The Director of Public Works will probably tell us that if the Transport and Harbours Department needed paint they could send to him as he has a lot of it. There could be a little commercial interchange between the two Departments with profit, but we do not find that. Instead there is overlapping of the work of Government institutions, but that is another question with which I will deal later.

But as I am dealing with the Transport and Harbours Department perhaps it would be of some interest if hon. Members were informed of the practice that is being adopted at present in respect of supplies of fuel for that Department. As far as I know, fuel for that Department was ordered in the past through local agents. It must be borne in mind that fuel for that Department is an exceedingly heavy item, and $1\frac{1}{2}$ per cent. commission on such orders would help the Crown Agents considerably. Therefore we find that although the local agents are still executing those orders, it is being done *via* the Crown Agents. The Council should be informed whether the $1\frac{1}{2}$ per cent. commission paid to the Crown Agents is being deducted from the cost of such supplies. I am informed that it is a separate charge, but

even assuming it is not a separate charge I still maintain that by changing the system and sending the orders *via* the Crown Agents it becomes more expensive. In the first place I have never yet known in commercial circles of a trade discount being given without an addition being made to the price of the goods. If a trader gives 10 per cent. discount you can bank upon it that 10 per cent. has been added to the price of the goods. No trader gives anything for nothing. (Laughter). There is nothing wrong in the principle. Hon. Members who are not familiar with trade will probably smile and even laugh at it, but if when they receive a trade discount of 2 per cent. in Water Street they imagine they are getting it for nothing, or that the merchant is losing, I am sorry for them. That is all I can say. For that reason I claim, and I think I am justified in claiming that if the $1\frac{1}{2}$ per cent. commission paid to the Crown Agents is deducted from the invoice then the price in the first instance carries a similar charge. The alternative, however, would be this: that if this total has nothing whatever to do with the Crown Agents' commission, and that this Colony bears it as a separate charge, then the cost of the fuel for the Transport and Harbours Department is increased by a like amount. I do not think that statement can be contradicted.

There is also a further point which applies with equal force to my other argument. When the fuel was supplied by the local agent Government paid for it in local currency. If the Crown Agents pay, they obviously pay in sterling. I happen not to know the system of accounting between the Crown Agents and the local Government, but it does seem to me that in addition to the charge of $1\frac{1}{2}$ per cent. commission a further reasonable charge by the Crown Agents would be a charge for interest and exchange. Therefore, if the Crown Agents are paying in England for the fuel supplied to the Transport and Harbours Department I respectfully submit that at least—it might be more—30 days' interest would be a proper charge on the value of the invoice. If those statements are correct then it seems to me that Government's case that it can obtain supplies through the Crown Agents cheaper than it can from local traders is without foundation, except under special circumstances.

Another item that is being used to some extent by most Departments of Government is what is called 7-ounce duck. I think the Transport Department uses it for the awnings of its steamers, and it is also used by the Hospitals, the Alms House and other institutions. I happen to know that the price that is being paid by the Crown Agents for that item is $6\frac{1}{2}$ d per yard, first cost. The ordinary f.o.b. charge to land that item is estimated at 28 per cent., which would make the landed cost something in the vicinity of 16.64 cents per yard. Does Government know that the same article can be bought in the Colony quality for quality at $7\frac{1}{2}$ d per yard? If that statement is correct, where is Government's case? I have not taken into consideration certain minor charges but simply the ordinary charges, and the price through the Crown Agents is 16.64 cents per yard as compared with 15 cents per yard locally. Then there is the further advantage that Government can buy a bolt at a time locally, but by ordering through the Crown Agents it has to send for 50 or possibly 200 pieces, some of which gets damaged. Then we are told about savings. I cannot use that word myself, and I hope I will never practice the system of Government saving.

I made passing reference to white zinc. I have a price list in my hand, and I observe that the contract for the supply of white zinc was awarded to a local merchant since October last year. It is true that Government reserves the right to purchase from whom it likes, but is it fair treatment that in spite of the contract with the local merchant the Public Works Department only recently imported 5 tons of white zinc? It would be interesting to know the cost of that shipment to the Public Works Department. I happen to know the cost of white zinc to the merchant and the profit that is usually made on that commodity. I also happen to know the contract price at which the tender was awarded, and I can reasonably say that the price of that contract leaves very little or no margin of profit to the local merchant. If that is so, why the desire on the part of Government to order that item through the Crown Agents? Is it to make the office more self-supporting? Obviously that must be the intention. Government

cannot buy Hubbuck's white zinc at a price cheaper than local merchants can. It happens to be one of those items the price of which is stabilised. Where is the saving? Why should Government at every turn attempt to boycott the trade of this Colony I do not understand. It seems to me that the only reason of Government is in order to pay this extra commission to run the office of the Crown Agents. I would like to hear what is Government's experience in the importation of white zinc, or for that matter all paints. I would also like to know how many tons of paint Government has on hand at the present time at the Transport and Harbours Department and the Public Works Department. Where did it come from and who ordered it?

When I asked on whose authority orders were placed I received a skilled reply from Government. I knew that before I asked the question, but I was trying to obtain information as to the officers responsible for the placing of orders. Assuming that Heads of Departments requisition their supplies or prepare their indents, there must be a channel through which orders are sent. Are those orders sent through the Colonial Secretary's Office, or are Heads of Departments permitted to send their orders helter-skelter in a slipshod manner to the Crown Agents for execution? If the latter is the system then it would not be surprising if Government is faced with the same position that existed some 40 or 50 years ago when supplies in those days were ordered through the Crown Agents, and the Governor in Council had to meet as quickly as possible to cancel those orders and place them with local traders. I can readily see that if there is no direct control over the placing of orders by Heads of Departments this Colony will be faced with the loss of thousands of dollars as the result of either over-importation or a lack of knowledge of the kind of goods they are importing.

I would like to assist Government with this debate, and for that reason I am as it were laying all my cards on the table, leaving it to Government to answer as fully as possible all the various charges I make. I am prepared to give credit to Government for any item which it is satisfied it can obtain cheaper by importing through

the Crown Agents. It would be against the interests of the Colony if I did not share that view, and I think every reasonable member of the community will agree that if certain items can be obtained cheaper from abroad they should be imported. That brings me to the item I am about to deal with. I do so for the purpose of obtaining information because even at this stage I am not satisfied that this item, large as it appears to be, can be imported more advantageously through the Crown Agents, nor am I satisfied that Government is playing the game with another part of the British Empire, namely Canada, which supplies the same commodity. As a matter of fact there could be no question of price so far as this item is concerned, because there is a price arrangement between the suppliers in the United Kingdom and the suppliers in Canada.

The item I refer to is cement. On 28th December 3,000 drums arrived by the "Ingoma," the declared value being \$4,329. I do not understand the Customs Regulations in this respect, nor do I understand whether it is necessary for Government to conform to those Regulations. Further, if the supplies of Government are included in the statistics of goods imported into the Colony, would it not be a misrepresentation of facts if items imported by Government are not correctly declared? The declared value of \$4,329 was presumably the f.o.b. price. As I have gone into the matter as carefully as I could, and from the calculations I have made it would appear as if the freight charges would amount to about 4/- per drum. If I take that into consideration then it seems to me that the declared value of \$4,329 was the f.o.b. price. I am in a position to state that if my calculation is correct, if my assumption of the freight and other charges is correct, Government did not buy that cement any cheaper abroad, more especially if the Crown Agents received an inspection fee to inspect the shipment. I am told—in fact I am almost satisfied that Government could have done just as well if it had placed that order in the Colony. I know that from my own experience. My firm has sold Government cement more than once, and I know the price and the profit that was made on it. I also knew at the time the amount of money that

Government saved when that order was placed through my firm and it happened more than once. This Council is entitled to the information regarding that shipment of cement, or any other shipment for that matter. Government should take Members of the Council into its confidence and submit the facts relating to those purchases.

I propose briefly to make reference to the Crown Agents' charges. Had it not been for the full reply which Government was good enough to give to my question I probably would have had very little to say on this score, other than perhaps to mention that the charge of $1\frac{1}{2}$ per cent. commission is reasonable. I do not think there is any Member of this Council who would deny those gentlemen at Westminster this $1\frac{1}{2}$ per cent. commission, because after all it is a reasonable charge. But look at the result? The charge is based on the cost price of the article. That is also reasonable. The total cost of articles imported through the Crown Agents during the period January to September, 1934, is \$210,649.66. The amount of commission paid is \$2,813.30. I have not checked the figures supplied by Government but I accept them as correct. Then there are Inspection charges, General Stores, amounting to \$540.48. I do not know who decides, whether the local Government or the head of the Crown Agents' office, that certain stores must be inspected, but the fact remains that the cost under that Head is \$540.48. Then we have "Inspection charges, Engineering supplies, \$946.96," amounting altogether to \$4,300.74. I merely refer to those figures to show that although on the face of it an initial charge of $1\frac{1}{2}$ per cent. may appear to be reasonable, the charge on the average is more like 2 per cent. Therefore there is nothing whatever, or very little for that matter, to congratulate them upon in respect of that charge. But what I am mostly concerned about is to know at whose discretion these inspections are made? I can quite understand the engineering part of it. Engineering supplies need close inspection, but who is to decide when general stores are to be inspected? If it is at the whim of the officials at the Crown Agents' office then my experience of Government system tells me that the inspection charge will gradually climb until one of these fine mornings we will hear the Colonial Treasurer praying for a

new item to be inserted in the Estimates because it had now reached a figure that is beyond his careful scrutiny.

I pass on to another reasonable charge for Marine Insurance of 3/9d. per £100. I admit that it is a reasonable charge, but in the same breath I would like to ask when was the last date Government filed a claim against the Crown Agents for any loss or damage to goods insured under this system, what was the amount of the claim, and whether it was paid? Did this Government file a claim against the Crown Agents for the damage done to the Austin ambulance that was recently imported, and which had to be repaired here, or parts for which had to be obtained in this Colony? I believe the charge was something like £5. Did Government file a claim in that respect, as it was entitled to do, or was it too much work for the Head of the Department that imported the ambulance? Was it a case of why bother with the Crown Agents, they are such good fellows, their charge is so reasonable? If that is the system Government proposes to allow to continue, I can only sound a note of warning that it is quite likely Government will be faced with very serious loss in this direction, because one can never tell when some damage of greater amount will arise, and Government will find the Official sheltering himself behind the precedent. After all it would be a precedent established by Government by not filing a claim against the Crown Agents. In commercial circles it happens perhaps more often than with Government, but if Government's intention is to pursue its present policy it will probably find itself in the same position as merchants do to-day, and claims will arise more often than they have in the past.

I will now deal with questions 5, 6 and 7 relating to the purchase of condensed milk. I think question 6 was very plain. It dealt with the tender which I am prepared to show was handed out as a gift to the Crown Agents. The question was: "What was the quantity purchased and by whom?" The previous question was: "At what price per tin of 14 ozs. has the contract been awarded for the supply of condensed milk as from October 1, 1934?" The reply is: "The following quantities were purchased by the undermentioned institutions." Then particulars are given

of the purchases made by the various institutions during the months of October and November. In the same breath I am told that the contract will not expire until the 30th September, 1935. Was it a stated quantity? If it was, who made the purchase? I am not satisfied with the answer that the purchase was made by Government. I know that. In whose brain the idea of ordering milk through the Crown Agents was conceived? It was a sorry day for this Colony, and there will be many more sorry days as far as I can see, because there is somebody somewhere who is suddenly cropping up with ideas of purchasing through the Crown Agents. Whether it is somebody in the office of the Crown Agents I do not know. It may be that that somebody is in the service of the local Government. That, of course, is for Government to say. It was a sorry day when Government awarded the contract in the manner in which it was done, and it is going to cost the Colony a good deal of money, which I will show in facts and figures. But before doing so I will deal with the other question: "Why was the old custom of calling for tenders locally not adopted on this occasion?" Government's reply is:—

"Government considered that an advantageous contract, having regard to price and quality, with a firm of manufacturers of Condensed Milk—Messrs. Nestle, and Anglo-Swiss Condensed Milk Company—had been obtained on this occasion. On expiry of the contract Government will consider the question of again calling for tenders locally as well as through the Crown Agents."

I am concerned with the statement made by Government that it considered that an advantageous contract, having regard to price and quality, had been obtained on this occasion. Let us examine for a moment the method adopted by Government on this occasion. But before going to that I would like to digress for a moment and make passing reference to the fact that this is the first attempt by Government to embark on the importation of provisions and groceries, with respect to which earlier in my remarks I congratulated Government on having got away with it. A little later we will examine the result of that importation. Returning to the subject of condensed milk I desire to point out that the policy of Government in the past was to call for tenders quarterly. A contractor would be given a contract for one quarter, and at

the end of that time further tenders would be called for. That has been going on for years. On this occasion, I think it was on August 4, Government actually carried out, or attempted to carry out its settled policy.

The Council adjourned for the luncheon recess.

MR. DE AGUIAR: When the Council adjourned I was dealing with the replies to my questions referring to the contract for condensed milk. I was explaining at the time that on the 4th of August Government adopted the usual practice in calling for tenders for this commodity for the quarter which was to begin on October 1, and end on December 31. An advertisement was duly inserted in the *Official Gazette* of that date. The following week an amended notice appeared in the *Gazette* and it was then discovered that Government was no longer calling for tenders for the supply of that particular commodity, although the contract was expiring on September 30. Merchants who usually sent in tenders to Government every quarter enquired the reason why the notice was amended, and why Government was no longer calling for tenders for the supply of milk. Among the reasons received from Government was that Government intended to procure its supplies of milk in the open market. If that was Government's policy there is nothing at all to grouse about. The result was that no tenders for the supply of milk were sent to Government. It subsequently turned out, however, that a contract was placed by Government through the Crown Agents, but instead of being for one quarter that contract was for one year. That being the case it only remains for me to contradict the statement made by Government that the contract was placed advantageously, having regard to the surrounding circumstances. Let us examine the position as it existed round about that period. In August last—I have satisfied myself about the information—the regular price for a single case of milk similar to that being supplied under this contract, was \$3.90, less 2 per cent. trade discount, delivered. Government must have known, in fact it ought to know if it is properly advised, that in respect of milk there is always a very strong competition between the representatives of the various brands. Each is jealous of the

activities of the other, and in consequence the price of milk, generally speaking, has been at a very low figure during the past year, and from all indications—I speak with some authority on the subject—that position is likely to remain for quite a little while. Can Government then say that in binding this Colony for a period of one year to buy milk at a price of 16/- per case was an advantageous contract? From the commercial side the answer is "No." Let us examine the question one step further. Had Government adopted the old policy of calling for tenders, what would have been the position? At what price would Government have been able to place the contract? In that respect I must draw attention to the fact that if that was done the contract would have been only for a quarter. Lest it be said that the information which I am about to disclose to this Council was obtained subsequent to the granting of this contract by Government, I propose to quote dates. In my hand is a copy of a letter authorising a reputable firm in this Colony, who are the agents for a recognised brand of milk, to tender for the supply of milk to Government for the quarter October–December, and that letter is dated September 5, 1934, long before any information was released as to Government's intention regarding the purchase of milk. There are two paragraphs of interest in this letter and I propose to read them. The first one reads as follows:—

"We have your letter of August 27, advising that the Government is not calling for bids for canned milk for the quarter October to December 31, and that they propose to purchase their requirements in the open market. As you undoubtedly know, supplying Government requirements for milk is not a profitable business, but as a certain amount of advertisement can be derived from this it is sometimes worth making a sacrifice for a short period and selling to Government institutions."

The next paragraph reads:—

"If you are in accordance with the above suggestion then you may offer to supply the Government institutions with.....at the special price of 7½ cents per tin, or \$3.54 per case net."

The contract placed by Government was for \$3.84 less 1½ per cent. discount, but that is offset by the fact that that 1½ per cent. goes back to the Crown Agents for commission. One is a discount on the gross price while the other is a commission charged on the cost and freight. I have made a little calculation in order to arrive at the possible loss that this Colony is

likely to sustain as the result of that little milk contract, and in order to embrace the entire period I have taken the average consumption for 12 months. The supply of milk to Government institutions in October was 234 cases, and in November 258½ cases, and for the sake of convenience I have arrived at a monthly consumption of 250 cases, making a total of 3,000 cases over the period. Milk that is being supplied to Government enjoys the preferential rate of duty. The milk figures for which I have quoted would have had to pay the general rate of duty. Let us see how much further the loss is extended. Assuming the price of \$3.84 per case that is being charged to Government will work out at \$3.40 on the c.i.f. basis, the Bill of Entry Tax and the duty would amount to 27.2 cents. The price of \$3.54 per case would give a c.i.f. value of \$2.90 per case. The Bill of Entry Tax and duty payable on that at the rate of 15 per cent general tariff, is 52.2 cents or a difference of 25 cents per case. Added to that is the actual difference in the contract price of 30 cents per case, and the net result of that would be a difference of 55 cents per case lost to the Colony on the consumption of 3,000 cases. So that the first attempt by Government to purchase milk through the Crown Agents will cost the Colony \$1,650. That is a glaring case of a lack of knowledge on the part of those who advise Government on matters of this kind, and it seems to me that the sooner Government tries to put its house in order the better it would be for all concerned. I am not prepared to lay a charge in respect of this milk contract on any person in the Colony at the present moment, whether he be an officer of Government or a private citizen, but it does seem to me that this is an item in respect of which our wiseacre friends, the Crown Agents, saw the possibility of earning more commission. For that reason I think I am right in assuming that the genius behind this matter came from the office of the Crown Agents. The fact remains that the Colony will be saddled with a loss of \$1,650 on this little transaction which involves \$11,000, an average of over 15 per cent.

Since then what has been the position? In November the price rose to \$3.95 per case, to-day it is \$3.75 less 2 per cent. trade discount. A person who has had experience in this class of business knows that on a cash basis those prices are 10

cents per case lower. That is no secret. Where is Government's expert advice in these matters? I can hardly attribute it to the members of the Tender Board. The members of that Board are so keen in the consideration of tenders that very often the tenders are referred to Government institutions in order to ascertain the correct quantities of each and every item, and extending the contract over a period of a year, which of these tenders Government should accept. I can hardly conceive that members of the Board advised that a contract on that basis should be made through the Crown Agents.

Before I pass on to the general question, perhaps Your Excellency will permit me to quote an extract from a letter which was received by a commission agent in this Colony who, in order to obtain some kind of business from Government institutions, notified his principals in the United Kingdom to get in touch with the Crown Agents either personally or by letter and quote them prices of the various items which they handle. The following reply was received by the agents from his principals:—

"With respect to your remarks about the Crown Agents; business with this Department is done by tender. The Crown Agents keep official lists of suppliers of all the commodities they buy, and we are on their list, but these lists are not put out to firms on each occasion. The practice is to issue tenders to a certain number of manufacturers each time supplies are required, the names being taken in rotation."

I am in a position to tell the Council that up to the present moment those people have not received an order, and I believe they have been trying with the Crown Agents for a very long time.

Let us examine for a moment the conditions that are required of local contractors before they are given contracts. First of all the general conditions refer to quality. I must necessarily take up the time of the Council on this point because I know that great emphasis will be laid in Government's reply on the question of quality. I submit that in accordance with the conditions of the contract Government is fully safeguarded on any point arising out of the contract. On the question of quality it is clearly stated under General Conditions, No. 3:—

"All articles are to be supplied on a duplicate order from the Official Order Book of the De-

partment or Institution requiring them. They are to be equal in every respect to the standards shown or the samples deposited. Where no standard is shown or samples deposited the goods supplied are to be of the best description and quality. On a dispute as to the quality, the decision of the Head of the Department is to be final and binding on the Contractor."

I suppose that will dispose of any point Government may wish to raise on the question of quality. Condition 4 reads:—

"The contractor shall be bound to remove rejected goods after he shall have received notice of rejection, and to replace them within a reasonable time with goods of standard or approved quality. In the event of a Contractor failing so to do, or failing within 24 hours to execute an order by the Head of a Department or any other officer authorised thereto by him in writing, the Head of the Department or said officer may purchase goods of standard or approved quality elsewhere, the cost thereof over and above the Contract price, if any, and expenses incurred including cost of return being deducted by the Government from any money that may be due or may become due to the Contractor."

Does a similar condition exist in respect of the goods shipped by the Crown Agents? Am I to understand that they are such a wonderful lot of buyers that they have never at any time made a mistake in their lives and shipped a wrong article, or something that was not wanted? I cannot believe that. If they have, what has become of the goods? Did Government merely discard them? Has Government ever sent a claim to the Crown Agents for rejected goods? I have been informed that for a long time Government has not made any claim against the Crown Agents for rejected goods. What would happen if the Head of a Department ordered a particular make of instrument and the maker happens not to be on the list of suppliers to the Crown Agents; can they substitute another make of instrument for the one ordered? Condition No. 10, which seems to me to be very illegal, states:—

"The Government reserves to itself the right to purchase and obtain through the Crown Agents for the Colonies instead of through the Contractors, any material for the construction or repair of any of the Public Buildings or works in the Colony, or goods for which the contract may be accepted; and any such purchases shall not annul or invalidate the contract. And further it shall be lawful for the Head of a Department or his Deputy acting under the instructions of His Excellency the Governor, to purchase otherwise than through the contractor, timber, shingles or any other articles seized by the Revenue Officers, and condemned to be sold by reason of infractions of the Revenue

Laws, and to make purchases from the Aborigines of the Colony; and to use materials and articles provided by convict labour at His Majesty's Penal Settlement or elsewhere in the colony, or by workmen or artisans employed in the Department of the Director of Public Works.

The Government reserves to itself the right to supply any or all of the articles mentioned in a class from any Government plantation, institution, or department, or to order, other than through the Contractor, any articles urgently required which the Contractor is unable to deliver immediately."

That seems to me to be a hard condition, but on the other hand if Government says that it should reserve to itself that right it is very well. My only object in referring to those conditions is because I am of the opinion—and most people with whom I have discussed the matter are of the same opinion—that Government has all the protection under these conditions. I do not propose to make any further reference to local contractors at all. I think I have said enough to make the position quite clear, that except under very special circumstances Government can obtain the major portion, if not all of its supplies from local traders at prices which will compare favourably, that is to say they would be as cheap, if not cheaper than they could obtain through the Crown Agents.

I think at this stage it would be just as well to make general submissions in support of the motion. My first submission—and it is a submission which has already been represented to the Government—is that by ordering supplies for Government institutions either through the Crown Agents or from suppliers abroad Government undoubtedly withdraws a very large sum of money from local circulation. The figures given in reply to my questions for the nine months up to September, 1934, total \$236,177.88, excluding import duty because Government pays no duty. Taking those figures over a year the annual withdrawal would be something in the vicinity of \$335,000 to \$340,000, again excluding duty. If duty is taken into consideration, because in nine cases out of ten the supplies by local contractors include duty, I think it would be safe to assume that the withdrawal of a sum not less than \$400,000 per annum is likely by the continuation of Government's policy in ordering goods through the Crown Agents. The point to be consid-

ered is what effect will the withdrawal of such a large sum of money have on the inhabitants of the Colony? I can only say that it would have certainly a very serious effect. It will be said that the merchants have to pay for their goods, and in that way a certain portion of the money will find its way out of the Colony, but the point I am making is that the immediate withdrawal of such a large sum of money from circulation must undoubtedly affect the commercial interests and incidentally the inhabitants as well, because, after all, the commercial community are employers of labour to a large extent, and if their business is to be curtailed by the withdrawal of such a large sum of money annually it is obvious that they must do something in the way of reducing their expenditure. It is common knowledge to Government that when Government began this policy a certain large firm in Water Street reduced its staff. That firm was particularly engaged in the supply of goods to Government institutions. That firm is working to-day with a smaller staff than it did three years ago.

My next submission is and there can be no doubt about it, I am perfectly satisfied, that Government must increase the size of its orders when placing indents through the Crown Agents. In other words, by dealing with the man on the spot Government can order as it likes, that is to say it can order from 1 to 100, but it cannot do that through the Crown Agents. And what is the result? The result is that apart from the tying up of a fair sum of money which this Colony has to pay interest on at present, there is bound to be some loss either through deterioration, owing to the nature of the supplies, or shrinkage. If this system develops and Government creates another Department to attend to the ordering of supplies and the distribution to the various institutions, where would it end? Where would the expense of the Government end? It has begun with the Stationery Store and will spread until an Importing Department is created.

My next point is that I think Government has entirely lost sight of the fact that merchants are among the largest taxpayers. In other words, whatever small profit they might make, only as the result of keen buying for Government supplies,

Government gets back from them a portion of their earnings in the way of income tax and other forms of revenue collections. But what do we get from the Crown Agents? Not even thanks, and far less revenue. A further point is that I am sure it will be willingly accepted that the local contractors, as the result of their experience of marketing conditions and the peculiarities of the market have a special knowledge of the requirements of Government institutions. There is no man under the sun who can buy as effectively for 100 markets as the man who has only to buy for one market, and that is the position the Crown Agents are in. They are expected to know that an article which is suitable for Ceylon must also be suitable for British Guiana. That is not the case by a long way. As a matter of fact articles that are consumed in this Colony are not even known in some of the West Indian Islands. The same man who buys for Trinidad cannot buy for British Guiana unless he happens to know both markets by reason of his occupation. That cannot be said of the Crown Agents. I do not think any one of them has ever touched the soil of British Guiana. All they know about British Guiana is what they get through letters from this Colony. They are not actively engaged in commerce. Does Government get anything back from the Crown Agents if they go wrong? They cannot be expected to give a guarantee for 1½ per cent. Any local firm would give such a guarantee. If a true comparison is made between the prices at which local contractors supply these articles and the prices at which the Crown Agents supply them I feel sure that the advantage would be strongly in favour of awarding contracts to local merchants.

Those are my main submissions in respect of the advantages that are to be gained by placing orders with local contractors, but there are one or two other points I would like to make in order to afford Government every opportunity to justify its policy of ordering through the Crown Agents. If Government can convince this Council that it can procure supplies at cheaper prices, having regard to all the circumstances, I would support Government, but it is because I believe, and I hope I have been able to show by the facts I have presented to the Council, that Government is not in a position to

do so, I am quite willing to afford Government every opportunity to reply as fully as possible to the remarks I am making on the motion. For that reason I do not propose to leave a stone unturned to seek the fullest information possible from Government and afford Government an opportunity to reply very fully on it.

On the question of purchasing goods through the Crown Agents, does this Colony obtain all the benefits in the way of trade discounts from suppliers on the other side? I begin at once by saying that I happen to know that Government does not in every instance obtain the full benefit of those discounts. If it does not, then it seems to me that somebody obtains the difference, and it is the duty of Government to enquire into it. It is common knowledge that ordinary trade articles in respect of which a trade discount of 40 per cent. is given are supplied by the Crown Agents at 20 per cent. What else can be expected? If they run their business on $1\frac{1}{3}$ per cent. commission they must take these little perquisites, these little trade discounts. Again, what arrangements were made by the Crown Agents in respect of the carriage of supplies from the United Kingdom to British Guiana? If there is a special arrangement, does Government enjoy the benefit of that arrangement? Do they pay prime on freight, and if they do, do they get a rebate on that prime? I do not expect Government to answer these questions. Government is not aware of all these little intricacies of trade. Government is not engaged in trade. Ordering goods through the Crown Agents is only mere letter-writing. These are things to be enquired into, and the things which make the commercial community feel that Government cannot—and that is my submission—through the Crown Agents procure goods as advantageously as from the local dealers. But even assuming that in a few isolated instances the Crown Agents are in a position to obtain certain classes of goods at prices slightly better than local dealers can, would that be sufficient justification on the part of this Government to say that all orders must be sent through the Crown Agents? It seems to me that in view of all I have said there can be no justification. As a matter of fact I am tempted to say, and I will say it, that it is manifestly unfair treatment to

local contractors to single out nine items out of ten and order the one large item through the Crown Agents. There can be no justification whatever for that having regard to all the circumstances. In other words Government leaves the bone to be grabbed up by the hungry dogs.

In my motion I made reference to special circumstances, and before I take my seat I think it would assist Members if I just briefly informed them of what was operating in my mind at the time. It must be admitted that at some time or another the local Government, by reason of special work, will necessarily require items that are not usually carried in stock regularly by local merchants. By that I mean that if the Transport and Harbours Department to-morrow—as I believe they intended to do but have since changed their minds—required a locomotive certainly they cannot expect to get it from a merchant in Water Street. If the Conservator of Forests needed a special instrument to tell the difference between wallaba and greenheart he could not get it in this Colony. But if Government is desirous of obtaining any of those items and makes enquiries in the proper channels I am sure it would receive the best advice obtainable on those matters. The merchants are in a position to know the “ins” and “outs” of all matters pertaining to trade. We have all types of men engaged in business in this Colony, and although I refer to these as special circumstances under which Government might reasonably send orders through the Crown Agents, it does seem to me that even in such cases the position might be met by seeking information from the proper quarters. I confidently leave my motion before the Council. I think I have taken up a little more time than even I anticipated at the beginning of the debate. In commending the motion to the Council I would ask Members to express their views as fully as I have endeavoured to do on the subject (laughter), because I realise as most Members must have done, that this matter is one of very great importance to the inhabitants of this Colony.

Mr. SMELLIE: I rise to support this motion. I shall be very brief, and shall probably take three minutes where our hon. friend has taken three hours. (Laughter). The chief matter I wish to

deal with is the question of freight, but the hon. Member has spoken so exhaustively on that subject that he has actually cut the ground under my feet to a certain extent. I took a certain amount of interest when the Estimates were being considered in the amount for freight under each Head, and I find that under 23 Heads the total amount voted for freight was \$12,890 including \$5,040 under Hospitals and Dispensaries. In addition to that I notice in the replies given to the questions of the hon. Member for Central Demerara that it is stated that for 9 months the Crown Agents paid out in freight \$19,871. Now it is a well-known fact that steamship companies add to their freight rates primage at the rate of 20 per cent. outwards and 10 per cent. homewards. Most of this is refunded. In some instances I think the whole amount is refunded half-yearly, and sometimes annually. I calculate that the amount involved through the Crown Agents is in the vicinity of \$4,000. That amount is undoubtedly due to Government. I cannot see that it is a perquisite of the Crown Agents because, after all, it is Government's money. Government has paid the freight, and in all probability has paid the Crown Agents commission on that freight, including primage. Primage can only be claimed when goods are shipped on the f.o.b. basis, but on a c.i.f. basis undoubtedly the primage belongs to the seller and not the purchaser. In those cases I am referring to the Crown Agents should refund that primage to Government.

The next matter in which I am interested is the contract for the supply of condensed milk. In reply to the hon. Member's question, No. 9, Government states:—

"Government considered that an advantageous contract, having regard to price and quality, with a firm of manufactures of condensed milk—Messrs. Nestle and Anglo-Swiss Condensed Milk Company—has been obtained on this occasion. On expiry of the contract Government will consider the question of again calling for tenders locally as well as through the Crown Agents."

That firm has a very high reputation, and from all I know they produce a very high quality of milk. That is not the milk that Government gets. That Company, I happen to know, produces three brands of milk, the "Milkmaid," which is sold at \$6 per case, the "Eagle," at \$5

per case, and the "Teapot" brand, which Government has contracted for through the Crown Agents, and which is being sold to-day at \$3.75 per case, with a reduction of 10 cents per case for purchases of 10 cases and over. There is also a trade discount of 2 per cent. which reduces the price of the "Teapot" brand to \$3.57 as against the contract price through the Crown Agents of \$3.84 per case, a difference of 27 cents.

There is another point. Has this milk to be paid for in England? Then there is the question of interest on the amount outstanding, exchange, and the cost of remittances must be added to the cost of goods. I have very grave doubts as to whether the cost of goods imported by Government through the Crown Agents is properly calculated. The calculation of the cost of goods is a very important matter in all merchant stores. There are columns which begin with the first cost, discount, duty and landing charges, trade discounts and Bank charges, etc. Eventually we arrive at the cost of the goods. I venture to say that there is nothing of that kind in existence in Government offices. They do not attempt to calculate the cost of goods in that way and therefore they are not in a position to say whether they cost more or less than they can be obtained by contract locally.

The hon. Member has dealt so thoroughly with the various matters that I feel I would only be wasting time in going over them again. But with regard to the reply to question 9 I have only dealt with price. Now I will deal with quality. I am informed that the "Teapot" brand is of the same quality as Cleeves and Killarney brands. Cleeves was the brand last delivered to Government under contract for the last two or three years, and the point that has been in my mind ever since I had this information is; is the Surgeon-General satisfied that the hospitals of the Colony should receive inferior milk? There is no doubt that there is no comparison between the quality of the milk now being delivered, and for the last two or three years, and the best quality of milk. It is a matter that I should not attempt to say anything about, but I have always thought that in those institutions every effort would be made to get the very best quality, and not the cheapest Government could

find. I will conclude by reminding Government that contracts for supplies placed locally have been very much to the advantage of Government, and that the revenue to be derived from various sources by placing contracts locally must not be lost sight of.

Mr. SEAFORD: The hon. Member who has spoken has covered the ground so very fully that it does not need for me to say very much, but one thing I would like to say about the hon. Member for Central Demerara is that when he asked his questions he did not go into the matter as fully as he might have. He might have got rather more precise figures from Government as to the cost of the items. I had hoped that when he began to tell us about wrong instruments being sent out and things of that sort we might have got a little interesting information about the harbour. I believe he is a member of the Transport and Harbours Board, and perhaps his position does not allow him to say very much about it.

Mr. DE AGUIAR: I am not a member of the Board.

Mr. SEAFORD: I have heard some very interesting things about which perhaps other Members will enlighten us. There is very little for me to say, but I think the damage that this system of buying through the Crown Agents does to the Colony is recognised everywhere, even by Government. I am going to ask Government one question. I would like to know who is responsible for it. Is it the local Government or the Authorities on the other side? I would like a definite answer, because as a rule we have a debate in this Council and that ends the matter. There is a lot of talk, but as soon as it is finished everything is forgotten. In this case I do not think it should be allowed to drop—in fact it will not be allowed to drop. Before we go on we would like to know which end to attack, this Government or the Authorities on the other side? For that reason I ask Government to say who is responsible for it. There is no getting away from the fact that purchasing supplies locally does increase labour and provide more work for people. It will tend to a certain extent to help employment amongst a class of people who are perhaps more seriously hit than any others. There

are certain people who after leaving school find it very difficult to find work to do, and it is work of the kind available in the various stores that we are educating people to do. That is a point Government should consider in dealing with these matters.

In reply to the hon. Member's question, No. 3, Government states:—

“Under the authority of Government Heads of Departments concerned are responsible for checking invoices and quantities, comparing prices, etc.”

I wonder how many Heads of Departments include in the cost of the goods the cost of remittances. I wonder if they include insurance of the goods when they are in the Colony, also the loss by pilferage or breakage, or of materials going bad, the cost of cartage, portorage and things of that sort? I am sure they have not the means of estimating those things. It is wrong to expect them to, but I think all those charges should go against the cost of the goods. What about drugs that have to be kept in cold storage? Has Government bought a special refrigerator to keep them in? If it has then the cost of running it should go against the cost of the goods. It is a recognised fact also that where large quantities of goods have to be imported and stored the loss is very much greater than if they can be bought from local firms in such quantities as required.

I disagree with the hon. Member for Central Demerara when he says that Government cannot obtain everything it requires through local firms. There are agents in this Colony who can supply every article that Government can ever require. I will remind the hon. Member of a case that occurred a few years ago, about 1928. There was a certain drainage plant for the East Coast which was ordered through the Crown Agents. It was foisted on one of the estates, and I had the great pleasure of looking after it. It used to keep me awake night after night wondering how many hours it would work without breaking down. When I went to England in 1929 I took the matter up with the makers, and one of the representatives of the firm told me it was impossible. He made inquiries and then told me I was right, but he said: “How on earth did you get that, we have not

made those engines for 10 years? Your Government must have bought bankrupt stock." (Laughter). I do not think if Government ordered an engine through local agents it would ever get bankrupt stock. Government is getting materials through the Crown Agents to-day from firms which have agents in the Colony. In certain lines there is only one lot of manufacturers to obtain goods from, and they have fixed prices. When Government orders through the Crown Agents it has to pay them $1\frac{1}{2}$ per cent. commission, and two agents have to get a commission instead of one. There are certain items for which quotations are not invited from local agents. That I can prove. In reply to the hon. Member's question, No. 7c, Government states :—

"Free delivery to institutions in Georgetown and to the Railway or Steamer Stelling for institutions outside the City is included."

What about the cost of other things that are imported? How does Government allow for delivery to institutions? If Government buys from a local firm the goods have to be delivered free. We see posters all over the place which remind us to "Buy British." Government has been trying to persuade us to use local wood and local produce. I am asking Government to use local labour. By buying articles locally Government will increase employment, and I ask Government not to look at the matter from the point of view of saving two cents here and there. Government must consider the people of the Colony and provide employment for them. It goes much beyond the penny saved or lost here and there. I am asking Government to give the matter careful consideration because, after all, it is the Colony's interest we have to consider, and it is Government's duty to consider the interests of the people in the Colony rather than anyone outside. That is the reason why I ask Government to say whether it is the local Government or the Authorities on the other side of the Atlantic who are responsible for the policy of ordering supplies for the Colony through the Crown Agents.

Mr. WIGHT : With reference to freight charges, the hon. Nominated Member, Mr. Smellie, certainly hit the nail on the head because I have totalled the items up and found that \$12,890 has been passed for freight. I think that before we go any further

Government should inform the Council whether any rebate has been given Government on freight. I am putting the matter perfectly straight. I think we are entitled to have that question answered before we argue any further on the subject. For instance, we have heard such a lot on the question of cement. I think it is within everyone's knowledge that the Municipality was informed that on no account were they to award contracts for the supply of cement except it was of British origin. We contracted with a firm in "the Street" and we were given German cement, which was cheaper, and the City Engineer told us it was quite as good as British cement. We endeavoured to stop that kind of thing and insist on British cement. Government does not take any heed of that. It is within my personal knowledge that Government has brought German drugs into this country through the Crown Agents. That is perfectly true and can be proved.

With regard to stationery, I am not an expert but if Government gives me permission I will go into its Stationery and I feel sure I would condemn a tremendous amount of stock there as inferior in quality to what Government can buy in Water Street ever so much cheaper. There is one particular firm in Water Street that can sell goods below the actual cost on the other side simply because of the fact they get credit and a rebate on the freight.

With regard to the Hon. Mr. Smellie's remarks about condensed milk, I feel strongly on the subject and I am going to condemn Government very seriously on the matter. A sick person requires the best nourishment, and it is a most serious charge to say that Government is buying what I would call milk substitute or the remains of good milk to give those sick people. I am indeed surprised that the Surgeon-General has not protested against that class of milk. A hospital should be supplied with only the best of milk and drugs. Drugs are in the same category. An inquiry should be made into the matter, and the public is entitled to condemn the principle of the whole thing. I had no doubt as to who was supplying the milk because I have very peculiar methods of handling things and I never like to hurt anybody's feelings. But as soon as I heard the brand I knew where the milk was coming from. The less said the better.

I am satisfied from what the hon. Member for Central Demerara has said that it is perfectly improper that Government should call for tenders and then select certain items to be ordered through the Crown Agents. I will give an instance which happens to have passed through my hands. A very reputable firm of drug suppliers were asked to tender, which they did on two or three occasions, but were not awarded any contract. One of the principals of the firm decided that he would test the question because he was satisfied that nobody could tender below his firm's prices. He actually sent in a tender below the cost of manufacturing the drugs, but only one item was accepted from his firm. The next time the firm was asked to tender he declined to have anything to do with Government and told them what he thought proper.

I think the public is entitled to know why the sick in the hospital are not being supplied with the best milk. That is one of the reasons why the institution has a bad name. The patients do not get proper nourishment. There should be an inquiry into the matter.

Mr. WONG: In opening the debate the mover of the motion threw out an implication in regard to which I must join issue with him. He referred to the mercantile community as being the largest taxpayers in the Colony, and the imputation was that they were more interested in the motion before the Council than any other class in the Colony. It is a growing practice with the mercantile community to believe that anything that affects them, either an increase or decrease in colonial expenditure, is a matter of greater interest to them than to anyone else because they are the greatest taxpayers. But I would remind them, sir, that the mercantile community are only the greatest taxpayers because every time a merchant sells a dollar's worth of goods he collects the necessary few cents to enable him to pay his taxes or his duties, or even his income tax.

As regards the motion, I am in favour of it because of the principle which I think is involved in it, the principle, I take it, that this Colony should purchase its supplies from the cheapest possible sources. It is a principle that affects not only the mercantile community; in fact, it

affects them no more than "the man in the street" I am here to represent to-day. I have a suggestion which I think should make the motion acceptable to all parties. I am not going to put that suggestion in the form of an amendment because I have reason to believe that the motion concerns a matter in regard to which the decision does not lie finally with this Government. I will therefore leave it as a suggestion, and the suggestion is that supplies should only be ordered after a call for tenders in which the local merchants should participate, and also the Crown Agents for the Colonies. It is a suggestion which I think should commend itself to the mercantile community since from their champions here we have heard that they are convinced that they can buy more cheaply than the Crown Agents. It is a suggestion that should also meet with the support and approval of Government and the Crown Agents because I feel that both Government and the Crown Agents are also convinced that the Crown Agents can buy more cheaply than the local merchants, and therefore sell more cheaply to Government. Above all, if the suggestion is adopted the Colony will get its supplies from the cheapest possible sources.

Mr. ELEAZAR: I am not a merchant and therefore I have nothing to say against the merchants trying their best to get Government patronage, but I represent a certain section of the masses, and as they are much more interested I think I should be permitted to say that Government might enquire into the situation that has arisen. When the hon. Nominated Member has made the long speech he has made—although he said it would be a short speech—I think there is something wrong in the State of Denmark because he usually only seconds a motion. Government itself must consider that there is something wrong somewhere, and I think that something is due to the fact that Government is anxious to get goods too cheaply, regardless of the quality. That is the reason why people complain that the milk in the hospital is so bad. It is also usual to hear persons who pay a shilling for examination and medicine at the hospital say that the medicine is water.

Why is there so much solicitude for the Crown Agents? We say that Government

is not considering the interests of the taxpayers of the Colony sufficiently when Government is only looking at the matter from the point of view of curtailing expenditure. Government should go further and see whether a small increase in the price of an article is not more to the benefit of the people who pay taxes. If Government looks at it from that point of view Government will see that it is in the interest of the Colony. There is a law in Venezuela which forbids the importation of boots into that country; the people must wear locally made boots. We must think of our own people first, but Government has not been doing that. The manner in which the subject has been handled, and above all that has been said, the fact that it has been able to draw the Hon. Mr. Smellie from his seat is worth all that has been said. Government will take cognizance of that fact alone and do what is just to local importers.

Mr. DIAS: I would like to contribute a few words to this debate because the matter is one that has engaged the attention of the community for some years. It is not kept up daily but at certain periods one hears grievances expressed in connection with purchases made through the Crown Agents for this Government. Before I express the views I have on the matter I would like to correct at least one statement which I think is rather misleading. The hon. mover of the motion, in giving figures which were elaborate and interesting, made mention of the fact that the total importations into the Colony through the Crown Agents amounted to about \$400,000, and that if those purchases were made locally it would mean that \$400,000 would be circulated amongst the people. That is a fallacy, I submit. That is not correct because whether Government bought through the Crown Agents or from the merchants here the cost of those goods would finally find its way out of the Colony.

Mr. DE AGUIAR: I would remind the hon. Member of the remark I made. I said that the total importation in a year averaged \$400,000. After deduction is made of the amount that has to be sent away to pay for the goods the balance remains in circulation.

Mr. DIAS: I accept the explanation.

The hon. Member may have intended to do so but he did not, because he emphasised "Fancy \$400,000. circulated in the Colony!" If we were to take the average profit said to be made on supplies of the nature mentioned—something around 3½ per cent.—it would be easily seen that anything between \$10,000 and \$15,000 would be the maximum circulated in the Colony. People reading the newspapers and hearing about \$400,000 circulated in the Colony might be led to imagine that all that money would be circulated.

There was another statement made by the hon. Member. I do not think it was a statement in a positive sense, but he enquired whether contracts made by the Crown Agents would embody terms similar to those read by him which were required of the local merchants. I may tell him that what he read in that contract are conditions which are found in every contract of that kind. I recently saw a contract drawn by the Crown Agents which was in my opinion excellently drawn.

When it comes to the principle of the motion I wish to say that I agree with it, but I do not think that, if the position is analysed, there is any material difference between the motion and the policy which Government says it is adopting. The object of the motion is that supplies for public Departments should be obtained locally, and the proviso in the motion was explained by the mover who said he admitted that if Government could get goods cheaper through the Crown Agents it should do so because, after all, the people of the Colony would benefit. Government says that is exactly what it is doing and proposes to do. Whether that is correct or not it is a matter of figures, but I agree that wherever goods can be purchased in this Colony as cheaply as they can be obtained through the Crown Agents the contract should be given to local merchants. I do not think that in circumstances of that nature there would be any justification for going outside of the Colony to make purchases. Goods should be obtained from the cheapest source provided they are up to standard quality, because any money that is saved must reflect ultimately on the expenditure of the Colony. A saving of that kind, especially where large sums are involved,

would undoubtedly be of great benefit to everyone.

I support the motion, but reading Government's replies and reading the motion itself, I see no difference in the policy. I see no difference between what is proposed and what Government says is its policy. There may have been little errors in the past. The case of milk was mentioned. I am not a merchant, but if there was a loss of \$1,650 as the hon. Member says, that is very much to be regretted. If the figures quoted before the contract was placed show that the milk could have been obtained from that quarter at a cheaper rate, then the purchase should have been made locally. We do know that prices fluctuate, and in one quarter the price may be very high, but the fact that milk is cheaper to-day could not, I suppose, have been foreseen by anybody. I support the motion because it seems to me that if we can get what we need in this Colony at the same cost we ought not to spend money abroad.

Mr. CANNON: My contribution is going to be very short. The principle is all I think we can ask for. It has arisen during this debate that there is some doubt in certain quarters that the cost of goods imported through the Crown Agents is properly calculated so as to arrive at their true cost to Government. That matter should be looked into and those who are in a position to advise Government might be asked to co-operate with those members of the Service who are entrusted with the calculation of the costs, and thereby arrive at what is the true cost of the goods to the Colony. I think that is a point which might be gone into.

Mr. GONSALVES: Nobody would have been more surprised than I if the mover of the motion had not been able to handle the motion in the way he did, because of his experience in the mercantile community, and because of his knowledge of matters which form the subject of his motion. It was pleasing to hear him handle the motion as he did, and I think it justifies the statement which used to be made that there were no mercantile men in the Council who would express the views of the mercantile community. On the motion itself there is very little that need be said by anyone else in this Coun-

cil because I think we have heard everything possible in connection with the purchasing of goods, the cost, etc.

With regard to the remark made by the Hon. Mr. Dias that Government proposes, by the replies to the hon. Member's questions, to correct errors of the past, I understand that the motion has been brought forward with a view to correcting those errors definitely, and having a proper system of purchasing supplies for Government. If the motion is to be the means of correcting those errors then it is an acknowledgment on the part of Government that errors have been committed by those officers of Government who are responsible for the purchasing of those goods through the Crown Agents. I cannot at the moment see any distinction between purchases for Government and purchases for the Municipality of Georgetown or New Amsterdam. The Georgetown Municipality calls for tenders for supplies, and all goods required by the Corporation are supplied locally by tender, in spite of the fact that it has an agent in London. The London agent only procures such goods as cannot be obtained in this Colony. I refer to machinery and things of that kind. Every other article required by the Municipality is purchased in this City and the merchants benefit. What would be the position if the Town Council were to take a leaf out of Government's book and buy all its goods through its London agent? I would like to know from those Members in the Council who are interested in business in Water Street what they would say if such a thing did happen? Would they say that it would not have the effect of reducing the business of those firms, or would not have the effect of inducing those firms to reduce the staffs they employ? If as it stands now Government, as the result of purchases through the Crown Agents, has caused such a state of things to exist, would it not be worse if the Town Council were to adopt that attitude? I think if the Town Council of Georgetown has done many wrongs there is at least that wrong it cannot be accused of yet.

If Government were to take that view, and take it seriously, I am certain that whether this motion is accepted or not the hon. Member will be asked at the end of the debate to withdraw it on an

undertaking that Government would give it serious attention. I am not saying that I am going to vote against the motion, but I have been so accustomed to listening to a debate for two hours, and at the end the mover withdraws his motion, that I should not be surprised if that is the position in regard to this motion. I think the matter is one of sufficient importance to require serious attention. I do not think Government should say that the best is being done for the benefit of the taxpayers in view of what has been told us with regard to purchases through the Crown Agents.

One hon. Member referred to stationery. Perhaps the Crown Agents are not responsible. If they send stationery here and Government Departments are disposed to continue to accept it then, of course, the blame must be laid on Government. I know of one Department of the Service where a licence had to be signed by three members of a Board, and that licence was typewritten on what I would call cigarette paper, a flimsy document which I think Government should be ashamed to issue as a cinema licence. When I questioned it I was told "This is the paper they give us." I suppose the same remark could be applied to many other things besides stationery. Therefore it seems to me that when you have such statements made by people who know what they are talking about it is time, if Government has not had in the past anyone in the community who has been able to give assistance or advice, to look around and see whether it cannot get advice in future so as to be able to correct those errors of the past.

Mr. BRASSINGTON: It is hardly necessary for me to say I am in complete agreement with the mover of the motion. To say I am astonished at some of the facts that he has laid bare to-day would be incorrect. I am not astonished at any of the shortcomings of the British Government, whether it is the Crown Agents, the Colonial Office or anybody who is responsible on the other side. I am always prepared to hear of their shortcomings. I am not going to ask the local Government to make promises. I know that the intentions and efforts of the local Government are generally of the best in regard to the welfare of the people of the Colony, but I do not know if the responsi-

ble officers of the Government in Downing Street or the Crown Agents will even read this debate. My opinion is that they will probably read the first few columns or a page of the debate and then throw it into the waste paper basket. I am not going to add any more to the bitter pill Government has been asked to swallow to-day. Government has brought it on itself, and I say that the people of the Colony and the Members of this Council are greatly indebted to the hon. Member for Central Demerara for the able manner in which he has drawn attention to what in my opinion is a growing scandal. I am sorry if I have spoken too strongly, but as I have often remarked in this Council I speak as I feel, and my feelings are year by year growing stronger in regard to the treatment that is meted out to this Colony by the Authorities on the other side. Unless we combine and let our voices be heard with unmistakable emphasis it will not only continue but will grow worse. I hope that this motion will go to division so as to give every Member an opportunity to record his vote in favour of it.

THE COLONIAL SECRETARY: In view of the turn the debate has taken, and the very exhaustive manner in which the Member for Central Demerara has moved his motion and certain facts he has stated, I think it would be only right that I should ask that Government's reply—whether I will make it or somebody else—should be postponed to some other day in order that Government may have an opportunity to enquire into the points raised. It is information which I have not got, and I would like to enquire into the many points the hon. Member has raised. I think it is very desirable that that should be done. At any rate I cannot reply in five minutes, and there is just that much time left before the adjournment. I think the hon. Member has made a very sad statement that the public really does not get 2 per cent. discount in Water Street. For years I have been under the impression that I made some profit when I got 2 per cent. discount but I know now it has been a loss, and more especially our wives when they read in the newspapers to-morrow that it is a loss instead of a profit. We have been living in a fool's paradise.

Mr. DE AGUIAR: Do I understand

that the Colonial Secretary is asking for an adjournment of the debate until to-morrow?

THE COLONIAL SECRETARY: I do not think I can get the information by to-morrow. The hon. Member has brought in about six or seven different Departments, and I do not think I would be able to get all the Heads of those Departments together by to-morrow. There will be no delay about the matter.

THE PRESIDENT: I think the hon. Member, having occupied a day, will give Government the benefit of a day, and I

suggest that the debate be adjourned until Thursday.

Mr. DE AGUIAR: I have no objection, but I was hoping that I would hear by to-morrow the views of Government on the principle of the motion. What I think the Colonial Secretary is asking for time for him to enquire into some of the startling figures I have given. I would like to assure him that they are absolutely correct. I thought I would have heard something about the principle of the motion.

The Council adjourned until the following day at 11 o'clock.