

FOURTH  
LEGISLATIVE COUNCIL

FIRST SESSION

1947-1948

MESSAGE No. 7

Honourable Members of Legislative Council,

I have to inform Honourable Members that consequent on the difficulty of obtaining supplies of new containers during the recent war, spirit distillers were forced to use second-hand packages and packages made of unseasoned wood, and also, in the case of high-proof spirit, drums made of metal of a low gauge which would not have been used in normal times. The use of these containers led, during transportation of consignments from the various distilleries to spirit warehouses in Georgetown, to losses of rum being frequently far in excess of the allowances permissible under Section 45(3) of the Spirits Ordinance, Chapter 110, and applications were made to Government from time to time for remission of the duty chargeable on the additional spirit lost. This led to the enactment under the Emergency Powers (Defence) Acts, 1939 and 1940, of the Defence (Spirits Ordinance Amendment) Regulations, 1945, by virtue of which the Governor in Council was empowered to remit the whole or part of the excise duty payable on deficiencies of rum in excess of the allowances provided under the Spirits Ordinance in instances where the Council was satisfied that such deficiencies were attributable to the faulty condition of containers.

2. Since the enactment of these Regulations, the Executive Council has granted applications for the remission of duty chargeable on excessive losses of rum in transit to Georgetown resulting from the use of inferior containers, and the general basis on which remission was granted was to double the scale of allowances for deficiencies laid down under the Spirits Ordinance. In special circumstances, however, where satisfactory evidence was available to show that the rum lost could not be collected but went instead to waste, the duty payable on the total deficiency was remitted. In each case the Executive Council was satisfied that losses over and above the prescribed allowances were due mainly, if not entirely, to leakage, and that none of the rum lost was likely to have gone into consumption.

3. It has now been brought to notice that the Defence (Spirits Ordinance Amendment) Regulations, 1945, were excluded from those Regulations which, by enactment of the Defence Regulations (Temporary Continuance) Order, 1946, were retained in operation after the expiration of the Emergency Powers (Defence) Acts. Consequently, the Defence (Spirits Ordinance Amendment) Regulations, 1945, ceased to have effect on the 24th of February, 1946, (the date on which the Emergency Powers (Defence) Acts and the Regulations made under those Acts expired) and waiver by the Executive Council of the duty on rum losses since that date was therefore ultra vires.

4. Subsequent to the 24th of February, 1946, the Executive Council considered applications for the remission of duty on excessive losses of rum occurring during the period July, 1945 to December, 1946, and duty totalling \$2,411.75 was waived in respect of 438.5 proof gallons out of a total chargeable loss of 555.6 proof gallons. I have, therefore, to invite Honourable Members to signify covering approval of this action.

5. I have also to inform Honourable Members that on account of the continuing and unavoidable use of inferior containers, 102 casks of rum showed excessive losses during removal from various distilleries to Georgetown in 1947. After deduction of the allowances provided for under the Spirits Ordinance, there remains a loss of 92.3 proof gallons on which excise duty is payable. The Executive Council is satisfied that loss in each case has been due mainly, if not entirely, to leakage, resulting from the use of old and defective packages, and that none of the rum is likely to have gone into consumption. It is considered equitable that remission of duty on a part of this excessive loss should be granted on the basis of paragraph 2 above, and, accordingly, I invite Honourable Members to approve the remission of duty payable on 68.0 proof gallons of rum at the rate of \$6.00 a proof gallon, in excess of the allowances specially provided for under the Spirits Ordinance; duty on the remaining 24.3 proof gallons will be collected.

C. C. WOOLLEY,

Governor.

GOVERNMENT HOUSE,  
British Guiana.  
16th March, 1948. .