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SHI/CUS/1#18

(Formerly)

SUBJECT :

CUSTOMS LEGISLATION.

Alteration in Prices consequent on above

CONNECTED FILES.

NUMBER AND YEAR.

152/39	Draft Model Customs Ordinance
0465	Customs Legislation -
0465/A	" " Correspondence - Miscellaneous
0465/B	" " F.I.D.F. exemption from payment of duty on liquor
0465/C	" " Customs Ordinance No. 1 of 1943
0465/D	" " Customs Regulations, Orders, &c.

0465/E

EX. CO. MINUTES.

No.

(It is requested that, in any reference to this minute, the above Number and the date may be quoted).

MINUTE.



6th August, 1948.

From Collector of Customs,

To The Honourable,

The Colonial Secretary,

Stanley, Falkland Islands.

Stanley.

I have the honour to report that in accordance with the terms of a notice published yesterday in the F.I. Weekly News, the Falkland Islands Company have advanced their prices to include the new duty rate in respect of tobaccos, cigarettes, spirits, etc., notwithstanding the fact that no stocks upon which the new duty has been levied have yet been released from Customs control, with the exception of 1 case of Vermouth and 2 cases of Rum about a month ago.

2. As considerable stocks of goods admitted at the old rate of duty are still in existence in the F.I.Co.'s warehouse, I am of the opinion that the action taken by them is somewhat premature. I have approached the Chief Storekeeper on the subject, but he was unable to furnish any reason apart from the inconvenience that would result if too many prices for more or less the same goods were employed, and further, that the practice of increasing the price when the duty was increased was adopted generally in England.

3. A conservative estimate of old stocks held by the F.I.Co., would be as follows:-

	<u>Duty @</u> <u>Old rate.</u>	<u>Duty @</u> <u>New Rate.</u>
Gin 500 galls	£650	£1300
Rum 1000 pipes	1300	1800
Cigs. 5000 lbs.	1250	2500
Tobacco 8000 "	2000	£5200
		2400 £8000

Which would seem to represent a windfall to the F.I.Co., of at /

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least £2,800. As the chances of a reduction in the present rates of duty seem very remote, I consider that the F.I.Co's action in increasing prices prematurely to be very unfair. I do not agree with the Chief Storekeeper that much inconvenience would be caused by different prices etc., as an accurate stock ledger is kept and one could see at a glance when the old stock was exhausted.

B. B. Biff

Collector of Customs.

EXCERPT FROM F.I.Co's advertisement in the F.I. Weekly News published on 5th August, 1948.

"We wish to inform our customers that commencing today, Thursday, Cigarettes, Tobacco, Wines and Spirits will be increased in price as a result of the new Government Tax".

CONFIDENTIAL.
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Copy to Ck for info.

7th August, 48.

Sir,

W.N. 5/8/48
I am directed by the Governor to refer to your notice in the "Weekly News" that you have now increased the prices of spirits, wines, tobacco and cigarettes, "as a result of the new Government tax".

2. In fact, no stocks upon which the new duty has been levied have yet been released from Customs control, with the exception of 1 case of Vermouth and 2 cases of Rum about a month ago.

3. Prima facie, therefore, your announcement appears to misrepresent the facts: unless it is your attention to pay over to Government the increased duty on the considerable stocks in hand which would otherwise be a windfall for your Company.

4. I am to ask you to be good enough to clarify the position.

I am,

Sir,

Your obedient servant,

See 6

The Manager,
Falkland Islands Co., Ltd.,
STANLEY.

Colonial Secretary.

WH.

Reply at 4

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The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley

9th August, 1948.

A.
Sir,

3 I have the honour to acknowledge receipt of your Confidential letter No. 0465/E dated 7th instant.

19th May

2. The new duties came into force on ~~11th June~~ last. There can therefore be no question of misrepresentation of facts.

3. Recent importations per s.s. "Lafonia" on 19th ulto. amount approximately to 125 cases gin, 20 cases whisky, 85 cases rum and punch, 4 barrels wine, 26 cases cigarettes and 13 cases tobacco.

4. As regards stocks in hand the only considerable stocks are of brandy and liqueurs, the price of which will not be increased until the next importation. The bulk of the stock of gin has been reserved for the use of s.s. "Lafonia" and "Fitzroy" and to fulfill orders for our Farm Stores. We have no stock of whisky.

I am,

Sir,

your obedient servant,

DM Colbeck
Manager.

Reply at 6
The Honourable

The Colonial Secretary,

Stanley.

*cf. for comment
10/8*

B.

C.F.B.

For your comments on above, pl.

W.A.C.S.
10. 8. 48

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UCS

we spoke pl. I think the draft covers the matter very adequately.

Sub.
Capt.
10/8/48

(see 6 — which was prepared by Lt. L.S.)

0465/E

10th August, 48.

CONFIDENTIAL

Sir,

4 I am directed by the Governor to refer to your letter of the 9th of August, 1948, and to observe that the importations to which you refer in your third paragraph have not yet been cleared. Accordingly they appear irrelevant to your rebuttal of the suggestion that your announcement in the Weekly News of the 5th of August, 1948, misrepresented the facts. For it is understood (and it is certainly implied in that announcement) that on and after the 5th of August ^{the} goods specified would be increased in price for the reasons indicated.

2. Accordingly, either

- (i) old stocks existed on which increased duties had not been paid or
- (ii) no old stocks existed and you had consequently commenced selling new stocks on which new duties had been paid.

Since (ii) is not the case, the only alternative would appear to be (i): as to which the explanation in your fourth paragraph is noted.

3. But that explanation does not appear to justify the terms of the announcement, which is both explicit and comprehensive.

3 4. In view of your explanation of the disposal of stocks in hand, and of the second paragraph of my letter No. 0465/E of the 7th of August, 1948, I am to ask you to be good enough to inform me of the nature of the stocks to which your announcement refers.

I am,

Sir,

Your obedient servant,

(Sgd.) A. B. MATHEWS

Colonial Secretary.

Reply at 7.

By 19/8/48

The Manager,
Falkland Islands Company, Limited,
STANLEY.

• The Falkland Islands Company, Limited. 7

(INCORPORATED BY ROYAL CHARTER 1851)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley

13th August, 1948.

CONFIDENTIAL.

Sir,

6 I have ~~to~~ the honour to acknowledge receipt of your letter No. 0465/E dated the 10th instant.

2. It is regretted that the announcement of 5th August in the Weekly News was to some extent misleading.

3. As explained to you verbally not all old stocks are subject to increase in price, also, you will appreciate that it is not practicable to have similar goods on sale at different prices at the same time and according to ordinary commercial practice new and old stocks have to be averaged.

I am,

Sir,

your obedient servant,

W. M. Clark

Manager.

The Honourable
The Colonial Secretary,
Stanley.

L.S.

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has.

This crosses the issue. If prices are raised for the ^{reason} ~~purpose~~ of an increase in duties both the public and the Govt are entitled to suppose the increased duties will be paid on the goods.

3. Both the arguments in para 3 of 7 do not hold water and are no concern of the Govt

5. I suggest we should now make a formal demand for the duty based on the amount's shown is 1 - less, if you think fit, such amount's ~~are~~ ^{are} marked as not for sale in the Colony as Mr Roberts informed you. - unless you think the matter should now rest until Mr. ? returns.

Kite.
17/8

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Inside Minute Paper.

Y.E. (on return)

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All this file, which deals with a disingenuous notice in the W.N. issued by the F.T.C. Paras. 1 and 2 of 8 are of course correct, but I don't think that we can very well press ~~the~~ the matter now: and in any case I preferred to hold it over for Y.E.'s return.

2. As far as I am aware, the F.T.C. is the only firm which has put prices up on goods which have not paid the additional duties. This is the usual practice in the U.K. and W. Africa, but in this small community where control of stocks is easily exercised I felt it reprehensible, and took the action shown by the correspondence. I do not think that we can get anything out of the F.T.C. but it is desirable to have their hands nailed to the table as much as possible *when opportunity to do so arises.*

ABL
24.8

6 was a good crack and I think we can leave it at that. I will mention to Capt. Roberts.

he 7/1x

PAL
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