

# LEGISLATIVE COUNCIL

(Constituted under the British Guiana  
(Constitution) (Temporary Provisions)  
Order in Council, 1953)

FRIDAY, 28TH MAY, 1954.

The Council met at 2 p.m. His Honour the Speaker, Sir Eustace Woolford, O.B.E., Q.C., in the Chair.

## PRESENT :

His Honour the Speaker, Sir Eustace Gordon Woolford, O.B.E., Q.C.

### *Ex-Officio Members:—*

The Hon. the Chief Secretary,  
Mr. John Gutch, C.M.G., O.B.E.

The Hon. the Attorney-General,  
Mr. G. M. Farnum (Acting).

The Hon. the Financial Secretary,  
Mr. W. O. Fraser, O.B.E.

### *Nominated Members of Executive Council :—*

The Hon. Sir Frank McDavid, C.M.G., C.B.E. (Member for Agriculture, Forests, and Lands and Mines).

The Hon. P. A. Cummings (Member for Labour, Health and Housing).

The Hon. W. O. R. Kendall (Member for Communications and Works).

The Hon. G. A. C. Farnum, O.B.E. (Member for Local Government, Social Welfare and Co-operative Development).

The Hon. R. B. Gajraj.

The Hon. R. C. Tello.

### *Deputy Speaker:—*

Mr. W. J. Raatgever, C.B.E.

### *Nominated Officials :—*

Mr. W. T. Lord, I.S.O.

Mr. J. I. Ramphal.

### *Nominated Unofficials :—*

Mr. T. Lee.

Mr. W. A. Phang.

Mr. C. A. Carter.

Mr. E. F. Correia.

Rev. D. C. J. Bobb.

Mr. H. Rahaman.

Miss Gertrude H. Collins.

Dr. H. A. Fraser.

Lt. Col. E. J. Haywood, M.B.E., T.D.

Mr. R. B. Jailal.

Mr. Sugrim Singh.

### *Clerk of the Legislature—*

Mr. I. Crum Ewing.

### *Assistant Clerk of the Legislature—*

Mr. I. R. King.

### *Absent :—*

The Hon. G. H. Smellie—on leave.

Mr. L. A. Luckhoo, Q.C.

Mr. W. A. Macnie, C.M.G., O.B.E.

Mrs. Esther E. Dey—Indisposed.

The Speaker read prayers.

## MINUTES

**Mr. Speaker:** Hon. Members will observe that as regards the minutes of the meetings, held on May 21 and May 27, an addition has been made, including the correspondence that passed between His Excellency the Governor and myself for transmission to the Secretary of State. That has now been done because it is quite difficult sometimes to get the *Hansard* reports sufficiently early to show what action has been taken to carry out the wishes of the Council and it is just as well to show this in the minutes which are an accurate record of what took place. There is some difficulty also in getting the *Hansard* printed in time and, knowing that, I have decided to record some things in the minutes which would ordinarily be ready in time for the next meeting of the Council following that at which a resolution of the importance of the one under notice was passed. The question is, therefore, that these minutes which have been printed and circulated, be taken as read and confirmed.

Question put, and agreed to.

Minutes of the meetings of the Council held on Friday, May 21, and Thursday, May 27, confirmed.

## INACCURATE NEWSPAPER REPORTS

**The Chief Secretary:** Sir, I do not know whether it would be proper for me to refer at this stage to a matter concerning the minutes but, as I mentioned to you just now, I feel I must rise to enter a protest at what purports to be a report of our proceedings yesterday, and which appeared in one of the daily newspapers this morning. I, personally, am reported as having said—and I am quoting now—that I

“was afraid that the perpetrators of the outrage would not be easily apprehended.”

I said no such thing. I am reported in the same newspaper as saying that offers will be made by the Police to catch the persons who did the act. What I said was that “every effort had been made and would continue to be made by the Police”, but I went on to stress the paramount need for information from the public if their efforts were to be successful. To crown all, I am reported—and I am quoting again—as

“counselling all right-thinking people to do their best in supporting any measure bent on the commission of acts of this nature.”

I am also reported by the same newspaper as having heard Members of the old House of Assembly and their colleagues making unsavoury remarks about the British Empire and the Crown Head. I have certainly heard them do so on many occasions, but I did not allude to the fact yesterday. All I mentioned was the remark of the late Minister of Education when he said that they would continue to bear proudly the appellation “terrorists.” It is interesting that this same individual should have issued a statement to the overseas Press yesterday, disclaiming his and his party’s connection with these acts of violence.

I am second to none in appreciating the value of the Press and in welcoming their presence in our Chamber. I also appreciate their difficulties in regard to staff and acoustics, but I feel that we must ask that they maintain a proper standard of accuracy.

**Mr. Speaker:** I regret very much that this complaint has had to be made by the Chief Secretary, especially having regard to the important nature of yesterday’s debate and the remarks made by the hon. the Chief Secretary himself. How these things are circulated and how they are treated, we all know, especially in a case where

there was discussion on a matter such as the one referred to by the hon. Member, Mr. Raatgever. He did call attention to certain remarks made by the Chief Minister of Jamaica with regard to the people of British Guiana, and he was given permission to address the Council. It was agreed that this Council should be empowered to transmit a protest or something like that to the Secretary of State for the Colonies, providing, of course, any such unfortunate statement has been made.

I have had several complaints of this nature — about inaccurate newspaper reports — and I have been reported inaccurately myself, but I am supposed to speak indistinctly. There have been some silly and inaccurate reports appearing in the Press from time to time, and it seems to me that some of the newspaper reporters sometimes take accounts from their conferees, with the result that sometimes the same mistake appears in all the newspapers at the same time. There is no excuse for any competent reporter who attends this Council and misrepresents what has been said. A really competent reporter would enquire of a Member what he said if there has been a case of misunderstanding, and I am sure that every Member of this Council is quite accessible. It is quite untrue to say that I cannot be heard within a distance of a few feet away, and even if there has been any mishearing I am always accessible or the newspaper reporters can ask the Clerk about it. If not, they can send a note to the Official Reporters whose reports, I must say, are far better than those which appear in the Press.

I cannot have Members being misrepresented in the astonishing way in which it is being done. As I have said before, I intend to issue certain instructions to the Clerk with regard to this question of reporters coming here. I am tired of being asked

to support applications for the appointment of Official Reporters, but I have only given about two or three such testimonials in my life. So far as I am concerned, I cannot understand why young men — and I am referring especially to those with a secondary education — would not aspire to become shorthand reporters. There is an increased demand for them in the Civil Service — I think the salary has risen to £600 per annum — and it is a pensionable office. Some persons, I understand, think it is *infra dig* to qualify for such an appointment, but that is an entirely erroneous view. Many of the great editors and politicians in Britain started their careers in the Press gallery. There is no excuse for not having competent newspaper reporters here, whereas if anyone goes into the Magistrate's Court he would find two or three reporters there reporting cases of filthy language and things of that kind, and they are always appearing in the Press although nobody is really interested in them. On the other hand, reports of proceedings in such places as the House of Assembly or the Legislative Council are grossly inaccurate and very little attention is paid to their correctness.

This question of misrepresentation of speakers is a very dangerous thing altogether, and I do not know what we can do about it. I am giving directions now that the names of the newspaper reporters attending here, along with the names of the newspapers they represent and the period during which they have worked, should be submitted to me each day, so that I would be able to make representations in the proper quarter if any Member has been misrepresented. If any reporter on duty wants to leave, he should make a note and hand it to the Official Reporter stating the time he left and the name of his successor on duty. I regret, I say, that the hon. the Chief Secretary

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has found it necessary to make these remarks.

#### LEAVE TO MEMBERS

Mr. Luckhoo has again found it impossible to attend and has been granted leave. So long as sittings take place in connection with the revision of the Municipal voters list, he will be absent. The subject matter is of great importance. I have also to announce that Mr. Macnie finds himself unable to attend today.

I am glad to see the hon. Member, Mr. Raatgever in his seat today. I think he wishes to say something.

#### DYNAMITING OF QUEEN VICTORIA STATUE

**Mr. Raatgever:** As I was not present yesterday through illness, I crave your indulgence. Sir, today before the Order of the Day is proceeded with to support wholeheartedly the first resolve clause of the motion moved yesterday by the hon. Member, Rev. Mr. Bobb, which reads as follows:

"Be it resolved: That this Honourable Council places on record its unqualified disapproval of, and profound regret at, the partial destruction of this statue, and urges that vigorous steps be taken to bring to justice the perpetrators of this shameful deed;"

He was referring, of course, to the statue of Queen Victoria. The motion was carried unanimously, as one of the reporters phoned and told me yesterday. I strongly agree that every step should be taken to bring to justice the perpetrators of this distardly and cowardly act. If necessary, they should be flogged as an example to others when caught. I think it is by flogging such people that we will be able to put an end to the behaviour which is taking place now.

I, however, do not agree with the second resolve clause of the motion which recommends that the restoration

of the statue be undertaken without delay at public expense. I feel it is the duty of all loyal Guianese who love their country, and feel that the small group of megalomaniacs we have among us should be severely dealt with, to provide voluntarily the money to repair or replace the statue of Victoria the Good, who has done so much, particularly for our ancestors. I do not think the money should be provided from public funds. I think the Members of the Interim Legislature should take the lead in this matter and come forward and subscribe voluntarily. If necessary, a Committee should be appointed from among ourselves to collect subscriptions from all over the Colony. In fact, I think it is our duty to do that. We depend too much on Government's using taxpayers money. Members talk but seldom act. There has been too much talk. We get up, talk, move motions and do nothing about them. The time has come for us to show our disapproval in a tangible manner if necessary each Member should give a month's salary to start this fund.

I sincerely hope that what I have said will be accepted by my fellow Members and an early start made.

**Mr. Speaker:** I gave the hon. Member an opportunity of addressing the Council because he told me that if he were here he would have been inclined to propose a subscription by everybody in the community for the restoration or replacement of the statue. Of course, that question was decided yesterday. It was decided that Government, or, perhaps, the City Corporation would have considered it their privilege to provide funds. Anyway, it was on that account that I allowed the hon. Member to say what he said. There will be no discussion on it.

**Sir Frank McDavid** (Member for Agriculture, Forests, Lands and Mines): I bow to your ruling, Sir.

but as regards what the hon. Member has said, I must point out that that was a unanimous decision to recommend to Government that the cost of the restoration of the statue should be covered from public funds. It is perfectly true that you advised against the use of public funds, but we all know what we wanted. Members meant nothing less than that — funds from public revenue should be used. It would be entirely out of order to proceed otherwise. Government has to accept or reject the recommendation. Of course, if a private citizen of some status should start a fund, that would be a different matter. In so far as this Council is concerned it has already gone on record that this decision will command a considerable amount of respect and allegiance by a lot of people in this Colony, and, I think, Sir, the matter should end there.

**Mr. Speaker:** I think the hon. Member (Mr. Raatgever) was strong in the view that he would have preferred the contribution to be made from a different source.

#### PETITION

**Mr. Bobb** presented a petition on behalf of Mr. W. H. Pilgrim concerning his service as a primary school head teacher.

#### ORDER OF THE DAY

##### SUPREME COURT OF JUDICATURE (AMENDMENT) BILL

**The Attorney-General** (Mr. G. M. Farnum, acting): I beg to move the first reading of a Bill intituled:

“An Ordinance further to amend the Supreme Court of Judicature Ordinance to vary the procedure relating to the publication of Draft Rules of Court.”

The memorandum of Objects and Reasons appended to the Bill sets out

quite clearly the desirability of this amending legislation.

**The Chief Secretary** seconded.

Question put, and agreed to.

Bill read a first time.

#### B. G. CREDIT CORPORATION BILL

##### COUNCIL IN COMMITTEE

Council resolved itself into Committee to consider the Bill intituled:

“An Ordinance to provide for the establishment, constitution, powers, duties and functions of the British Guiana Credit Corporation and for purposes connected with the matters aforesaid.”

Clause 2.—*Interpretation.*

**The Attorney-General:** I suggest that the figure 4 be substituted for the word “four” in the last line of the definition of “official member.”

Amendment agreed to.

Clause 4.—*Constitution of the Corporation.*

**Mr. Raatgever:** I would like an explanation of the reason for the disqualification of Unofficial Members of the Legislature as regards membership of the Corporation, as stipulated in sub-clause (3).

**Mr. Speaker:** An explanation was given when the hon. Member moved the second reading of the Bill.

**Sir Frank McDavid:** I feel that the hon. Member ought to have an explanation. I took some care to explain, when moving the second reading of the Bill, that it was a somewhat unusual provision in a measure of this sort, in this Colony at any rate, and the reason is twofold. First, that Members of the Legislature should be saved from

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embarrassment by being at the same time members of an institution of this nature. Obviously, Members of the Legislature are public men who have to move about in their constituencies, and if they have no constituencies, as we have not now, they are nevertheless subject to pressure. Therefore it is desirable that they should be free from such embarrassment.

Furthermore it is also proper that the Corporation's duties should be free from the possibility of any political influence whatsoever. The fundamental idea in setting up a Corporation of this character is that there should be independence of thought and action. I went to some trouble yesterday to point out that there was only one clause in the Bill which indicated the possibility of influence on the Corporation, and that is clause 54 where it is provided that, after consultation with the Chairman, the Governor in Council may give certain directions to the Corporation on matters of policy which concern the public interest, and I tried to show by implication that it was only in matters of general policy in the public interest that directions would be given to the Corporation.

To sum up, the whole idea behind this disqualification is to free the Corporation of any possibility of political influence, and at the same time to free the politician from embarrassment. Yesterday I took care to emphasize that we are not dealing with this Legislature as it is constituted at present, but with the future, when we all hope we shall return to constitutional government and have elected Members around this table. So we must safeguard the position not only for the present but also for the future, and I think Members generally accepted that explanation as valid.

Lastly, I pointed out that this particular clause was analagous to a sec-

tion in the Industrial Development Ordinance of 1952, of Jamaica, where it was found to be a very desirable provision. I do hope Members will see the force of the argument.

Mr. Raatgever: Thank you.

Clause 4 agreed to.

Clause 8.—*Procedure and meetings of the Corporation.*

Mr. Gajraj: I agree with the principle laid down in sub-clause (9) of clause 8, and I believe the intention is that the Corporation shall have power to co-opt any one or more persons with respect to any matter on which they may need advice, but in this sub-clause reference is made only to "a particular industry." The duties of the Corporation of course include the promotion of investment in agricultural industries, mining, rural and urban housing, and many other problems to which the Corporation will have to address itself. Therefore I think it is rather narrowing down the right to co-opt persons when reference is made to industry alone. I do not know if the hon. Mover can suggest a better word. Perhaps we could substitute the word "problem" in order to give it ample scope.

Mr. Speaker: If the hon. Member looks at clause 14 (2) he will see that in pursuance of the discharge of their duties the Corporation shall provide credits for agriculture, industry, rural and urban housing, and utilities both of a public and private nature, and other undertakings of a like nature.

Sir Frank McDavid: I see the hon. Member's point. I suppose the explanation is that this Bill has been taken from various sources and this particular clause has been taken from the Jamaica Industrial Law. That is why the word "industry" appears here. The activi-

ties of the Corporation cover a wider field and although, I think, the Corporation would not be precluded from having advice in this way in dealing with agriculture, yet it would be better to have it changed if possible. The only suggestion I can make is to take out the words "at which they are dealing with the needs of a particular industry" altogether, and insert the words "on any matter" after the word "Corporation." I suggest that, subject to the advice of the hon. the Attorney-General. In that case the sub-clause would read—

"The Corporation may co-opt any one or more persons to attend any particular meeting of the Corporation for the purpose of assisting or advising the Corporation on any matter, but such co-opted persons shall not have the right to vote."

**Mr. Gajraj:** That would meet the problem.

**Mr. Speaker:** They cannot exceed the statutory number and the members must be drawn from a certain section of the community. It is therefore necessary to put in this sub-clause.

**Sir Frank McDavid :** May I explain? If a statutory corporation functions under Rules and Regulations and sits around a table at a formal meeting no person has any place there unless he is a member. It is like this Council. Very often we would like to have sitting with us people who can guide us on specific matters, but we are precluded from doing so. This sub-clause is to permit an individual to sit around the Board's table as if he were a member or has the status of a member; he can speak as a member but cannot vote. I can imagine a situation arising where someone might refuse to go and advise the Corporation because he is just put in the chair in front of the Board's table as a witness. If he is given the right for that particular meeting of a member, al-

though he cannot vote, it would help. That is the object of this sub-clause.

Clause 8 as amended passed.

*Clause 9—Information obtained as a member or officer of the Corporation to be secret and confidential.*

**Lt.-Col. Haywood:** In the marginal note the word "officer" is mis-spelt.

Clause passed as amended.

*Clause 12—Power of Corporation to appoint district committees.*

**Mr. Bobb:** For explanation I would be glad if the hon. Mover would just make clear whether it is proposed to appoint to these district committees the members of the existing committees of management of the Co-operative Credit Banks, whose experience and knowledge of things of this kind and whose association therewith are already known, or will the members of these district committees be limited to the members of the Regional Development Committees and their sub-committees.

**Sir Frank McDavid:** I am a little embarrassed by that question, as when I first received this draft I had the idea that the existing committees of management of the Co-operative Credit Banks at least would function as district committees under this Ordinance. I do appreciate what the hon. Member has emphasized that many of those members are men of experience in this type of work and that, perhaps, at the beginning the best thing would be that these district committees should be composed of those same men at least for the time being. But since then the idea of the Regional Development Committees and their area sub-committees has been developed to a point, and the intention now is that those bodies—the Regional Development Com-

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mittees and their area sub-committees should function as district committees under this clause. A preliminary discussion took place on the matter, and the intention is that the Corporation would make use of the Regional Development Committees and their area sub-committees as its district committees under this particular clause.

I suppose that unless a member of an existing Co-operative Credit Bank's committee is a member of either of those bodies he would not function any longer. We would undoubtedly lose the services of some men of experience, but hon. Members would appreciate that we could not go on having so many bodies of this type, as we would get confusion worse confounded. In the Regional Development Committees and the area sub-committees you have them giving the same sort of advice and the same consideration, and to have more committees we would certainly produce confusion. I am personally sorry that the management committees of the Co-operative Credit Banks would cease to function and that we have to rely on the Regional Development Committees and the area sub-committees to function as district committees of the Corporation.

**Mr. Bobb:** I do not desire to make a speech on this point, but I would certainly like to point out that the explanation, which I appreciate very much coming from the hon. Mover, comes to me with quite a surprise. Without attempting to be apprehensive, I may assert that we are going to begin to create troubles here. When those special committees were appointed, as far as I can judge looking through the lists as they appeared from time to time, I was not under the impression that those persons were chosen because of their association with the Co-operative Credit Banks in

the past, and I do not know quite truly what the basis of the choice was. In many cases sub-committees were appointed on the recommendation of the members of the Regional Development Committees; so one finds that in some instances the members of these sub-committees have had not the remotest connection with the Co-operative Credit Banks. Already the question has been asked. The Committee members of those Banks are saying "Our services have been valuable and Government has been thankful for our services in the past, but other people who are quite new to this kind of thing are brought in and no notice has been taken of the services we have given and of our association with this sort of organization." I am afraid, Sir, I am under a moral compulsion not to give my assent to this phrasing of the clause with that intention behind it. I would like to be persuaded that something more equitable is going to be done in the interest of the people who have put in so much work for the Co-operative Credit Banks. I am sure the Corporation is going to be extremely benefited by the services of those people.

The other point, which the hon. Mover mentioned, is that there are several of these Co-operative Credit Banks and it is not possible to absorb the members of their committees of management in the new arrangement. I am prepared to agree that would be impossible—to absorb them all. For instance, the allocation of the districts and the formation of boundaries would exclude many of these people, but where you have them in the same area—we are talking of village communities which we want to help and to improve in the running of their own affairs and taking a keen interest in things concerning them—people who have the "know how", I shudder to think it would be the very best thing just



to use them in launching this rather big and more useful organization and after a few months say to them "We don't want you any more" and bring in new persons, if the intention is only to use those people for a start and then ask them to leave and bring in new fresh people without regard to their experience and knowledge.

**Sir Frank McDavid :** The hon. Member has used two phrases — the morality of the clause and the equity of the intention. No question of either morality or equity arises in this at all. We are trying to adopt the most practicable course and the words most advantageous in the circumstances. The various sub-Committees have not been appointed or introduced with that particular reference to the Credit Corporation, or with any action connected with it. They have wider functions and responsibilities, as the hon. Member knows. The purpose behind the Regional Development Committees is to stimulate the idea of self-help and development in certain areas—to ascertain local needs and to impress those local needs on the District Administration, and then on the Government, and to see that each area gets its fair share of such development as is going. Our Regional Development Committees cover the corporate areas, and the sub-area Committees within them. It is natural that these Committees would be the liason for credit facilities. They are the people to advise the Corporation on questions of loans and as regards individuals who are qualified to borrow money.

The difference between the Regional Development and Area Committees, and the existing Management Committees of the Co-operative Credit Banks is that the former will function in an advisory capacity and the other operates in a managing capacity. The Managing Committees existing now are respon-

sible bodies, having executive and administrative responsibilities according to law. The Regional Committees and the Area Committees are not Committees of management at all. They are going to be merely advisory, and that is all that this Bill we are considering contemplates. The Corporation wants people in the districts who are going to advise them on (a) as to the type of loans that would be required in the district, and (b) as to the credit worthiness of the particular individual.

I am speaking without the books because I am not the Credit Corporation. I am not going to be on the Board, but I may say that there will be a greater amount of direct management in the districts than there is at present. I said yesterday that there are the Assistant Supervisors of the Credit Banks residing in the country districts, and who are now the Chairmen of the existing Committees of the credit banks. These officers will become District Managers of the Credit Corporation, and I assume that they will be provided with certain delegated powers and authority, as District Managers. I am not laying down the law, but I think they will be given directives as regards specified types of loans and amounts. I take it that loans of a certain sum, for the reaping of crops and so on, would be made on the authority of the District Manager, given by the authority of the Board at the time. That type of loan would not have to go before a District Committee at all. I hope I have been able to explain the difference between what is contemplated in this Bill and what exists today. We are not going to have Managing Committees any more at all. The Corporation will merely seek advice from people who are best qualified to give it, and I think the sub-Committees are very well qualified to give the Corporation the type of advice it needs.

**Mr. Ramphal :** I was very much impressed by Sir Frank's statement about the independence of this Corporation, and I take it that the sub-Committees will carry a similar form of independence. I am more convinced, however, from what Sir Frank has just said, and also from what the Revd. Mr. Bobb has said, that there should be some retention of these co-operative bodies. The Regional Committees are off-shoots of the Economic Council, and if that is not so, then what I am going to say would not hold good. These Regional Development Committees are really features of the Economic Council and if that is so, they are really pseudo-political bodies and therefore should not have functions similar to these. If they are going to establish industries and so on shortly, they should not be the bodies that would suggest (a) the type of loans that would be required in the districts, and (b) the credit worthiness of the individual — whether his credit was good or not.

**Mr. Bobb :** I felt I was rather strengthening what Sir Frank had said. If we attempt to equate the District Committees with these sub-Committees the case would be stronger still. If the members of the District Committees would not act as liaison officers, we shall find later on that the Regional Development Committees would have to do the job of initiating schemes and supervising schemes initiated by the Corporation. I think they would be put in an embarrassing position to have to initiate and, at the same time, advise on several people, especially along the same lines. I think the functions and membership of these District Committees should be revised, and that here is the place for utilizing members of the past co-operative credit banks that are going out of operation.

**Mr. Ramphal:** I wonder whether the hon. Member would keep Members of this Council out of it and let us deal with the other people?

**Mr. Bobb:** I do not think that by excluding other people and making the members of the sub-Committees, *ipso facto*, members of the Corporation, we would be doing the best thing.

**Mr. Lee:** I think the hon. Mover of the motion is correct and, therefore, I would like to support his view. The Corporation desires to obtain advice from the District Committees as regards the granting of loans and so on, and they should be permitted to give that advice independently. The Corporation is setting up independent Committees devoid of all politics, and it should be allowed to do so. It is quite possible that the members of the Regional Development Committees might include persons who are aspirants to legislative honours, and whose position might be somewhat difficult as regards advising the Corporation. It is also possible that the sub-Committees appointed through the District Commissioners might want to advise the Corporation as entirely independent bodies. The Corporation need not accept the advice of a Regional Committee, and in such a case the matter in question might go to His Excellency the Governor for his decision.

**Mr. Bobb:** The facts are that in some cases some of the members of these Committees are known aspirants to legislative honours at the next elections.

**Sir Frank McDavid:** I do not want to prolong this argument, but this point has arisen because of a question put to me as to the relative position of these Committees. There is nothing in the law showing who they are going to be. All that the law says is that there will

be an appointment of these Committees. The original suggestion was that the first Committees appointed by the Corporation should be the existing Committees appointed by the Credit Banks. There is much to be said for the argument that the existing Committees of these banks should be brought into the Corporation, one reason being that it would avoid any suggestion that the Corporation had become tainted, so to speak, with the political virus. I think, however, that all that is necessary for us in this Council to do is to indicate, as we have done today, the idea that the Corporation, in the exercise of its powers under this section, should appoint its own Committees and not rely on using the services of the existing Regional Development Committees or the Area Sub-Committees. The reasons for that, it is stated, are (1) political, (2) lack of experience and (3), better experience that some other persons might have.

I am sorry that the Revd. gentleman did not support some of his argument by reference to any question of morality or dignity. The Corporation would owe nothing as a Corporation to the gentlemen who now form the existing Committees of Management of the banks, and one cannot charge the Corporation for selecting other members if it sees fit to do so. I hope this would be carefully reported in *Hansard* and perhaps even more carefully reported in the Press in view of what took place before this meeting. I have promised to have the views of hon. Members on this matter put before the Corporation and also before His Excellency the Governor, as an indication of the comments generally that have been made. All that this section asks for is to give the Corporation power to appoint Committees, and nothing more.

**Mr. Bobb:** Having been given that undertaking, these words mean nothing to me now.

**Mr. Raatgever:** It should be recorded and brought to the notice of His Excellency the Governor so that what we decide here should be carried out. That is the way we all feel about it. I understand that when we sit here there is nobody to take any note for the purpose of passing it on to the respective Minister for action. I was told that only certain recommendations are referred in that manner. I made a suggestion once which was supported by other members and later when I spoke to the particular Minister about it, he told me he was unable to do anything about it. There must be some sort of procedure in these matters and I would like to know what it is.

**Sir Frank McDavid:** There is no procedure to the extent that when a Member expresses an opinion, it is conveyed to His Excellency the Governor. But at a proper stage of a debate a Member can move a motion inviting the Speaker or the Minister in charge of the particular matter to do so. However, in this case I personally undertake to bring this discussion and its implications to the notice of the proper authorities. That is as far as we can properly go at this stage.

**Mr. Carter:** Mr. Speaker.

**Mr. Speaker:** Are you moving a resolution?

**Mr. Carter:** No, Sir. I am asking if the Credit Corporation will have any powers to suspend or recommend the removal of a Member of the Regional Development Committees.

**Sir Frank McDavid:** Regional Committees are not committees of statute. They are bodies which have been set up by His Excellency for the purposes of development. I do not understand the question—if the Corporation can sus-

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pend a Regional Committee member? I do not see the relevancy.

**Mr. Ramphal:** I see the implications of what the hon. Member is trying to ask: if it is going to be the position that the Corporation will be able to control Members of the Committees.

**Sir Frank McDavid:** If I were Chairman of the Corporation Committee and the members of a Committee did not please me, I should get my Board to agree with me that we should have nothing more to do with it. I would not consider it as being in existence.

**Mr. Carter:** What prompted me to ask the question is that there may be Members of Regional Committees whose interests may clash with the interests of prospective borrowers, and since they are the persons to advise the Credit Corporation, they may refuse to advise in the borrowers' interests. That is what I want to get at.

**Mr. Tello:** I am sorry to intervene, but I am a strong advocate of the Regional Development Committees, and I am sorry that suggestion has been brought into the discussion. I somehow think the Members are taking advantage of possible developments among these Committees. The Regional Committees are not under the administration of the Credit Corporation, and they are not related. What we are trying to do here is to pass a clause of this Bill. I believe the Credit Corporation and the Regional Committees will work together harmoniously, and they are going to learn to rely on each other.

**Mr. Speaker:** Something will be done to bring to the notice of the Corporation the questions raised here.

If there is no amendment, I propose to put the question.

Clause 12 and sub-clauses passed without amendment.

Clause 18—*Appointment of valuers and inspectors.*

**Mr. Carter:** At sub-clause (2) it is stated:

"The fee and necessary travelling expenses of any valuer or inspector shall be fixed by the Corporation and shall be payable by the applicant for a loan before the valuation is made."

I think that provision is very wrong. If the Corporation is a business working at a profit, it would be unfair to ask a borrower, who may not get the loan, to pay the expenses. I therefore propose an amendment to sub-clause (2) deleting all the words appearing after the word "applicant," and insert the words "if and when a loan is made."

**Mr. Lee:** It is hard on the applicant yet at the same time public money has to be protected. And an applicant should not be allowed to say that he has a property worth \$10,000 when it is not. The usual practice is that the borrower stands the expenses of the person valuing the property. I think the applicant for a loan should take the risk of paying the fee of the valuer.

**Mr. Tello:** I agree with the last speaker that a fee should be paid by the borrower, but I feel that borrowers are going to include many very small people. I therefore suggest an amendment to the effect that a fee and necessary travelling expenses shall be fixed by the Corporation in consultation with the applicant for a loan.

**Mr. Carter:** It seems to me that the Credit Corporation is being created to assist people in the upper bracket who can very well assist themselves. I had thought that the idea was that the Cor-

poration should go to the rescue of the poorer classes of people in the country who have the ability but not the means to make good. If a small man applies to the Corporation for assistance I think it would be wrong to ask him to pay the fee and travelling expenses of a valuer before a loan is made. It is unheard of in British democracy.

**Mr. Farnum:** It is the law and practice in the Co-operative Credit Banks that a borrower has to pay the fee of the valuer, but he is told what the fee would be. I think it should be made clear in the Bill that an applicant for a loan should be told beforehand what the fee and travelling expenses of the valuer would be, so that he would know whether he could afford to pay or not.

**Mr. Speaker:** As a lawyer I can say that for the purpose of the valuation of properties in the City and environs the Registrar accepts the valuation of an auctioneer or somebody of experience, and I think the usual fee is not more than \$5 per property, the valuer paying his own expenses. In the case of properties outside Georgetown the Registrar accepts the valuation of some well known person in the district, usually a landed proprietor, and the fee is about the same. I agree that the fee should be paid beforehand, and I agree with the hon. Member, Mr. Farnum, that the charge should be known by the applicant for a loan in every case. The fees for valuation in respect of mortgages are very small.

**Sir Frank McDavid:** Will you permit me, Sir, to return to the particular clause? I am always surprised when I hear charges like the one which fell from the lips of the hon. Member, Mr. Carter, who implied that this clause is almost un-British—that it is intended to limit the advantages and benefits of the Credit Corporation to people in the higher income groups. I would like to

suggest to the hon. Member that that sort of thought in this Chamber does not help. The fact of the matter is that this clause is reproduced from the existing Co-operative Credit Banks Ordinance, No. 16 of 1944, section 42. I will read that section because the words used there are stronger than those which appear in this clause. The section reads:

“42. (1) In any case where the Board may consider it necessary or desirable so to do the Board may employ the services of a valuer for the purpose of estimating the value of any property offered as security under this Ordinance.

(2) The fee to be paid to any valuer for services rendered under this section shall be fixed by the Board and in any case where it is proposed to employ the services of such valuer the applicant for the loan shall be required to deposit with the bank the fee so fixed together with the valuer's necessary travelling expenses before the valuation is made.”

So this is the law now and nobody thinks it is un-British. It is a common rule in all leading organisations. Of course it is not applied strictly or harshly. I know that many lending organisations do not impose travelling expenses on an applicant, but they have the right to do so. I feel that the Corporation is going to act as beneficently as possible to its borrowers. I do not believe for a moment that the Corporation, on the receipt of an application for a substantial loan in respect of some business up the Berbice River, for instance, is going to fix a large amount for the expenses of someone to be sent up to value the estate or property which is offered as security. However, if Members feel that they would like to remove from the clause what may appear to be an imposition on a borrower let us do so. That could easily be accomplished by deleting the words “and necessary travelling expenses.” Of course the fee can include the cost of travelling. As the clause stands it does seem to impose on the Corpora-

[Sir Frank McDavid]

tion the duty to charge travelling expenses. I would accept an amendment to delete travelling expenses merely on that ground. I would like the Corporation to act as kindly and generously as possible.

**Mr. Rahaman:** I presume that many applications for loans will be turned down. I would therefore suggest that in cases where loans are refused after an inspection, the applicants should not be made to pay for the services of the valuer.

**Mr. Sugrim Singh:** I visualize that the Corporation will be deluged with applications for loans, and that between 70 and 75 per cent. of those applications will be speculative. The result will be a volume of work to provide valuers all over the country. I appreciate the point made by the hon. Member, Mr. Carter, and I would suggest that in order to prevent speculative applications for loans, every applicant should be made to deposit a fee, but if his application is granted he should be relieved of the payment of the fee. That would avoid speculative applications, because speculation would cost something.

**Mr. Lee:** Are we going to burden the Corporation and the public with the expense of the services of a valuer when a loan is granted? As the Bill stands the Corporation will lend money at practically Treasury rates.

**Mr. Jailal:** I do not think there ought to be so much confusion about this clause. In any business where valuation of property has to be undertaken a very nominal fee is charged. If people are allowed to make applications for loans and have their property valued without having to pay a fee, the Corporation would be deluged with applications which may not be

valid. I agree that an applicant for a loan should pay a nominal fee and reasonable travelling expenses of the valuer. I cannot support the deletion of the clause.

**Mr. Gajraj:** I quite appreciate the fears which the hon. Member has expressed in regard to the varying nature of the charges which may result from applications for loans by persons to the Corporation. But, Sir, I would like to say that I support the intention of the sub-clause as printed, because whilst Members have said that these fees should be fixed in consultation with the applicants so that the applicant may know beforehand what he is committed to pay, we find that the fee and necessary travelling expenses will have to be paid in advance of the inspection. It stands to reason, therefore, if the applicant pays the fee he has agreed to it and in his opinion it is a reasonable fee. If it is beyond his capacity to pay, then he would say to the Manager of the branch of the Corporation "I am very sorry I cannot pay this fee, but if it could be reduced then I would be able to go on with the proposal I make."

**Mr. Tello:** I notice that the words "reasonable" and "equitable" have crept in. Who can value what is reasonable and what is equitable other than the people who are dealing with the business themselves? If both parties in consultation are able to arrive at a charge or fee, would not that amount be reasonable and equitable? It is true that if one accepts the charge one knows of it and, as stated, has agreed to it. But is it not customary that knowledge and agreement are not regarded as consultation? If that is going to be the idea why not provide for it in the clause?

**Mr. Jailal:** I have to rise to defend myself. In every part of the Colony where people live and develop, right now we have certain fixed fees for transport. The steamers charge so much, the automobile so much, the trains so much, and the planes charge so much. There can be no departure from that. If a man has to hire a launch to go up the Abary he knows beforehand that he has to pay \$50. Similarly, if he has to go up the Mahaicony River he knows the charge. Those fees are normal, but to the people who do not travel they would seem abnormal.

**Mr. Ramphal:** I take it, this Corporation is being established in absolutely good faith, and I am appealing to those Members who have moved amendments to allow the clause to go through. It is the normal business procedure. It is not what may be regarded as unsocialistic. It is absolutely the ordinary business method. When Sir Frank gave us the chapter and verse from which it was taken, I am not sure that hon. Members took any objection to it. I am appealing to hon. Members.

**Mr. Bobb:** I just want to add one word. It seems very difficult to change the clause as it is written here, and the measure of relief will have to come through the internal administration. I am thinking now that it should be possible for these inspectors to be in different parts of the country and not have to travel long distances so as to impose extraordinary charges on the people. So far as the fees are concerned, I would like to know whether the Corporation has in mind fixed fees or rather relevant fees for the amount of money applied for. If a person's property has to be inspected and is worth \$500 and the application is only for \$200 and the fees are \$x, what happens when the property is worth \$20,000 and the amount of the

application is something like \$10,000? That is where the internal administration comes in. I know a few things have happened where \$x was not constant. I am hoping that the internal administrative machinery would see after these things. I remember as the Chairman of a Village Council I had to take very strong action on something similar to this and, therefore, I can appreciate the point of my friend on my right, but I do not see how any change can be made in the clause.

**Mr. Speaker:** As the hon. Mover has explained, we all know that there are numbers of people in Georgetown who may be relied upon to give the actual valuation of property and that travelling expenses are incurred in obtaining their services. If hon. Members will look at the clause they would see that no prescribed amount has been fixed. It says it shall be fixed from time to time. There are competent valuers whose services can easily be had and I do not think their fee ever exceeds \$5.00, except in some cases where they have to make long journeys. It is only in extreme cases, such as going up the rivers, that you may find some difficulty in securing competent valuers. It facilitates the granting of loans. If you do not have to pay the valuer and do not provide the travelling expenses, it means that some member of the Corporation would have to go and value the property and the travelling expenses might then far exceed that. I suggest to leave the clause alone. Hardly anybody gets more than \$5.00 for valuing places.

**Sir Frank McDavid:** In order to test the will of Members I will move, what I said before, that the words "and necessary travelling expenses" be deleted. The clause would then read: "The fee of any valuer or inspector shall be fixed by the Corporation..." My reason for doing that is, that the Corporation,

[Sir Frank McDavid]

as the lending body, may well fix a general fee to cover certain areas where the expenses of any valuation may be much higher and the Corporation may wish to assume part of those expenses. Consequently the Corporation may employ those words "and the necessary travelling expenses as fixed by the Corporation" which are to be omitted. To test the will of Members I do move the deletion of those words.

**Mr. Bobb:** I would like an explanation. Is the hon. Mover suggesting that the Corporation may meet the travelling expenses?

**Sir Frank McDavid:** Yes; but I cannot answer for the Corporation. What I would do if I had to do it is, fix a general fee in certain areas and absorb the cost of sending valuers there. I would not, however, charge the same fee if an inspector had to go, say 100 miles up the Berbice River. I would have another fee for that. If the words remain in the clause it may seem that the Corporation will be legally bound to charge travelling expenses. I do not think that the Corporation should be bound to do so. In order to be as generous as possible, let the clause be "The fee of any valuer or inspector shall be fixed by the Corporation....."

**Mr. Speaker:** A valuer is not going to visit a place unless he gets travelling expenses.

**Mr. Carter:** In view of the explanation by Sir Frank I will not press my amendment.

**Mr. Tello:** I am pressing mine.

**Mr. Speaker:** I am going to put the motion for the amendment by Sir Frank for the deletion of the words "and necessary expenses."

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

<i>For—</i>	<i>Against</i>
Mr. Singh	Mr. Phang
Mr. Jailal	Mr. Ramphal
Lt. Col. Haywood	Mr. Lord
Dr. Fraser	Mr. Gajraj—4.
Miss Collins	
Mr. Rahaman	
Mr. Bobb	
Mr. Carter	
Mr. Lee	
Mr. Raatgever	
Mr. Tello	
Mr. Farnum	
Mr. Kendall	
Sir Frank McDavid	
The Financial Secretary	
The Attorney-General—16.	

*Did not vote—*Mr. Correia—1.

**Mr. Speaker:** Does any hon. Member wish to discuss any other point? If not, I will put the whole of clause 18.

Clause 18 put, and agreed to.

Clause 20—*Funds and resources of the Corporation.*

**Sir Frank McDavid:** I think there will have to be an amendment to clause 20 (1) (a). It reads:

"20. (1) The funds and resources of the Corporation shall consist of—

(a) such sums as may be provided annually for the purpose of the estimates of revenue and expenditure of the Colony."

Obviously, something has been left out, and I propose to ask that this paragraph, (a), be amended to read as follows:

"(a) Such sums as may be provided annually for the purposes of the Corporation in the estimates of revenue and expenditure of the Colony."



**Mr. Speaker:** Is that the only amendment?

**Sir Frank McDavid:** No; I have a more substantial amendment to move when we get down to sub-clause (2).

Amendment to sub-clause (1) put, and agreed to.

**Sir Frank McDavid:** The Financial Secretary has drawn my attention to an implication in sub-clause (2). It requires a re-charge on the Corporation of the annual charges on any loan raised by the Colony and the proceeds of which are handed over to the Corporation. That is all right, but the very fact that this clause specifically refers to charges on loans and no reference whatever is made to interest charges on money provided for capital of the Corporation from the revenue of the Colony, it may appear that the Corporation is to be excluded from any charge at all for interest on ordinary sums from revenue provided from the Colony. The Corporation is to be a business undertaking and therefore, there must be some charge for interest on any money borrowed, whatever may be the source. I propose, therefore, to ask that a new sub-clause (2) be inserted, reading as follows:

“(2) Interest shall be paid by the Corporation to the Government of the Colony at such rate as may be determined by the Governor in Council on any amount specified in paragraphs (a) or (c) of subsection (1) of this section.”

It will be noted that (a) refers to sums voted under estimates of expenditure, and (c) to sums voted for what we call C.D. and W. schemes. I am referring to (a) and (c) of sub-clause (1). It is only fair to insert this as a new sub-clause (2), and following that I will ask that the printed sub-clause (2) be renumbered as sub-clause (3) and amended by the insertion of the

following words between the words “Colony” and “shall” in the third line:

“under paragraph (b) of subsection (1) of this section.”

The new sub-clause (3) will, therefore, read as follows:—

“(3) The annual charges on any amount which may be allocated to the Corporation from the proceeds of loans raised by the Colony under paragraph (b) of subsection (1) of this section shall be met by the Corporation.

Provided that all or any part of such charges may be met from the general revenue of the Colony subject to the approval of the Legislature.”

New sub-clause (3) put, and agreed to.

Clause 24— *Other powers of expenditure.*

**Mr. Tello:** Before Your Honour goes on to put this Clause, I wish to put to the mover a question which is a little embarrassing, but I know that by his answering it, he will be stilling the pulsing of many a heart of people outside this Chamber. Would Clause 24 provide for the lending of money to such persons that are credit-worthy, but lack the ability to offer what is known in commercial language as security? With some people, their character stands them security, while with others, they have a great deal of material worth but have not the character. I think we got the assurance yesterday during discussion on the original motion that the Corporation intends to take risks, and we were further assured that the Corporation is intended to reach down to the very lowest—to what I call, the smallest men in the Colony.

One can appreciate that among these small people there would be a great percentage of those whose only security is their good character and evidence of their industry and thrift. Some of those

[Mr. Tello]

people, though rather thrifty, will fail to produce material security, because of their constant and hard fight with the elements and their misfortune of losing on their investment especially in agricultural ventures. I know that it is almost unfair to ask the mover to speak for the Credit Corporation, but having been given the assurance that it will probably be taking risks and there is the possibility of the Corporation reaching down to the small man, can he not give us the further assurance that these small people who are looking to the Corporation as a God-send, these small people, some of whom have characters void of any blemish will be allowed to offer as sufficient security their character in applying for loans from the Credit Corporation?

**Mr. Speaker:** Those would be personal loans? It comes to that.

**Mr. Tello:** Yes, Sir, personal loans.

**Mr. Speaker:** I do not know if the hon. Mover will give that undertaking, but I assume that a man with fair character who wants money to build a house can give collateral security. That is in the case of a personal loan.

**Mr. Singh:** This term "personal loan"—I would like the hon. Member who used it to throw some light on it. While bearing in mind that the Corporation cannot throw money around to people with laudable ideas merely, and thus run amok, I would like to know whether a group of enterprising people with no security can get a loan. I do not think that the hon. Mover can give the undertaking or assurance required of him. However, I do say that the loan facilities should be available to the smallest man, even if he has not

got land or other security. The object of this whole project is, I think, development. Quite a few hard-working people who have served others and would like to launch on their own hope to enlist the assistance of the Corporation in their cause. For many of them, to find security would mean, in effect, remaining where they are.

**Mr. Ramphal:** Clause 14 (3) (e) says that one of the functions of the Corporation will be to

"make loans to individuals, and make loans to, and purchase shares or debentures of, companies engaged in new or existing industries;"

There is where, I suggest, individual loans come in.

**Mr. Speaker:** The word "individual" can also mean a corporation.

**Mr. Ramphal:** I hardly think the Corporation can loan without any security whatsoever. I doubt it has that in mind.

**Mr. Gajraj:** I do not propose to answer the question put by the hon. Member, Mr. Tello, but I think hon. Members might remember that the Chairman-designate, Dr. Duthie in a broadcast statement made before he left the Colony, said he regarded the function of the Corporation to help the smaller man as being essential. In regard to those persons who have got no material security to offer, I think they might be able to raise their loans through existing institutions of that kind, like the banks, life assurance societies, building societies, and so on. Whereas, the Credit Corporation will cater to persons with and without material possessions. On the other hand, Dr. Duthie uses the words "credit-worthiness of the individual."

It would be asking the hon. Member too much to give an undertaking on behalf of the Corporation that everyone will be given a loan who asks for such a loan. What I think is a correct answer is that every application will be treated on its merit. If the applicant shows that he has got initiative and industry, and if those qualities are backed by good character and a good record of work done in the community, then by all means, I am sure the General Manager, Chairman and Members of the Corporation will give their sympathetic consideration to his application. We cannot make a hard and fast rule that people of a particular character will be given loans, or we will be in an awful state.

**Mr. Bobb:** I think I gather from the hon. Member, Mr. Tello's remarks that he did not wish a definite statement from the hon. Mover on this point, because he realised it would be very embarrassing. I think he was anxious to be assured of a way open for persons to get loans on the strength of their character and integrity. I think the country is expecting that every kind of sympathy will be meted out to such persons who are deserving of it. I endorse what the hon. Member, Mr. Gajraj has said, that every application will be considered on its merit. People will also like to see that loans are repaid within the time considered reasonable.

**Mr. Farnum:** I remember that at the conference at which Dr. Duthie was present the question was put to him, whether the Corporation would assist artisans who might be in need of a bit of machinery or something of that nature to develop their business and raise their standard of living—people who might not have any security to offer. Dr. Duthie gave the definite reply that the Corporation would assist people of that sort because it was a question of character. But there is no

provision in this clause which would allow the Corporation to lend money under those conditions to people without security to offer.

**Sir Frank McDavid:** There is no provision that prevents them doing it.

**Mr. Speaker:** I do not see that any thing is to be gained by asking the hon. Mover to explain what is going to happen.

**Sir Frank McDavid:** I will not be drawn into giving any precise formula here governing the Corporation's policy; it would be most improper for me to do so. The point is: what is the whole object of this Bill? Why are we setting up this Corporation? One of the reasons is, in the words of the report of the International Bank Mission, to extend and expand productive credits rather than the mortgage security credits afforded by the Co-operative Credit Banks. The Corporation shall exercise their judgement in lending money, and ensure that when they put money in the hands of an applicant for a loan, that he is going to use it to good purpose, and that he is the kind of man who has the energy to use it and get something for himself. It is a different kind of lending, and that is why we have a person of Dr. Duthie's calibre here at all.

There are a number of people who, as Dr. Duthie has said, are what he termed credit worthy. By that I do not think he means that they have pounds in their pockets, but good honest men who, with a little capital, could turn it over, repay their loans and make something for themselves. That is the fundamental reason for this Bill—to extend credit, more than was possible under the restrictive terms of the Co-operative Credit Banks. That is why there is no clause in the Bill which forces the Corporation to take certain

[Sir Frank McDavid] securities for certain loans. It is all left to the judgment of the Corporation, and that is why, in the earlier part of the Bill, we took very great care as to who we are going to put on the Board. They have to be men who would exercise good judgment. The exclusion of Members of the Legislature does not imply that the present Members are not to be so regarded.

I hope I have said sufficient to indicate what lies behind this Bill and the institution which we hope to set up, but I am not going to be drawn into giving any assurance whatsoever. That is a matter for the Corporation. We are providing the means of extending credit so that credit-worthy people would get loans much easier than in the past.

Clause 24 agreed to.

Clause 25. — *Interest on loans made by the Corporation.*

**Mr. Sugrim Singh:** I wish to move an amendment for the insertion of the words "not exceeding six per centum" in the second line of clause 25 between the words "interest" and "as". It may seem that we are trespassing on the province of the Corporation but this is a matter of very great importance to the public and one of the most vital clauses of the Bill. Clause 29 gives the Corporation control and power to dispose of crops for the purpose of which loans have been made, and there is a heavy penalty for an illegal disposal of such crops. Similar penalty is provided in clause 40 for false statements. Loans at 6 per cent. interest can be obtained from lending companies and private individuals without any risk to the borrower of incurring such penalties. Paragraph (b) of clause 20 (1) suggests that the Corporation will have to pay

interest on funds allocated to it. It reads:

"(b) such sums as may be allocated from time to time to the Corporation from the proceeds of loans raised by the Colony;"

**Sir Frank McDavid:** We have just inserted an amendment in order to make it quite clear that the Corporation will pay interest on its capital coming from other sources. The hon. Member must assume that the Corporation is going to pay interest on its capital.

**Mr. Sugrim Singh:** Speaking generally the Credit Corporation can be compared with any other business concern, but its object is to assist development. While it is true that the fixing of a maximum rate of interest is within the province of the Corporation I think we should make it clear to the general public, who are looking forward to assistance from the Corporation, that the rate of interest to be charged on loans will not exceed 6 per cent. We are hoping that it will be 4 per cent. I think we could safely take that decision and let the public understand clearly that the Corporation is out to help them in the true sense of the word.

**Sir Frank McDavid:** I entirely appreciate and sympathise with the intention behind the hon. Member's amendment, but I would submit that it would be wrong to intrude into this Bill a maximum rate of interest in connection with the charter of a Corporation of this nature. First of all it is an institution, the members of which are to be appointed by the Governor. Its purpose is beneficent. It is true that there is a clause which imposes on the Corporation the obligation to pay its way, but it is not supposed to make excess profit. Therefore, we are starting with that premise—that it is merely sup-

posed to pay its way. It is not a lending organisation to make money for shareholders.

There is another point. Whenever legal minima or maxima are prescribed they tend to become fixed rates. We all know there is a tendency when minimum wages are fixed, that they become the maximum. I am not saying that it will happen, but the implication of fixing a maximum rate of 6 per cent. interest is that it would become the general charge.

The last point is that the general rate of interest is a matter of public interest and a matter of general policy on which the Corporation can be given direction from the Governor in Council under clause 54. I do not think it is desirable at all that it should be a matter of direction under the law. If it is necessary it should be a matter of policy direction from the Governor in Council, taking into consideration all the facts. There is no magic value about a 6 per cent. rate of interest. Today we are glad to see the Bank rate coming down. It is not right to put into legislation such governing conditions. World factors sometimes govern such transactions. Hon. Members should be satisfied with the assurance that the Credit Corporation is a beneficent institution created by the Legislature in order to give assistance to the people of the country, therefore such a direction should come from within the Government itself and not be fixed in the law.

**Mr. Lee:** I am not satisfied with the explanation given. Experience has taught the public this: This is a statutory body and so is the Rice Marketing Board which is today to a certain extent Government-controlled. They are not satisfied with the administration of that Board.

**Mr. Raatgever:** I take strong exception as a member of the Rice Mar-

keting Board to the remark of the hon. Member. It is not a Government Organization. The Rice Marketing Board is not a part of the Government of this Colony, as I am a member of it and I am not a member of the Government.

**Mr. Lee:** It is a statutory body created by the Government, and if my learned friend would read the provisions under which it is made he would see that Government has the control of it. The members of the Board may say "No", but time will tell whether it is so or not. Perhaps, in the near future application may be made for an amendment of the Ordinance, but we of the public desire it to be known that we are not going to give a free, discretionary power to the Committee of this Corporation to charge interest as they jolly well like. We desire to have it limited. The Corporation is a statutory body and, if they are going to borrow money through Her Majesty's Government at 6 per cent., they can come to this Council and ask that an amendment be made. We are protecting the public. These monies are coming from Her Majesty's Government for the development of this Colony. Let us assume for the sake of argument that through their speculative action they lose money, they can then say to their borrowers in future, "We have lost money this year and we are going to increase the interest charges in order to balance our losses". We want to protect ourselves against that. We are laying down that the interest charges should not exceed six per cent., and that is what we want the public to know. If the Corporation want to exceed six per cent., they must come here and explain to this Council, which I hope will be an elected one in the future, and say "We are borrowing £10 million for the purpose of giving

[Mr. Lee]

assistance to the public through the Corporation; we cannot get this money unless we pay so much per cent." In point of fact, as hon. Members know, for the Corporation to borrow money they have to come here for the enabling Ordinance, and in that Ordinance they can point out that they are borrowing at six per cent. and ask that their interest charge be increased.

**Mr. Ramphal:** May I ask why not 5 or 6 per cent?

**Mr. Lee:** We say "not exceeding" because the present charge of the Co-operative Credit Banks is six per cent. and it was intended to increase it to 8 per cent. Therefore, the members of the Co-operative Credit Banks feel that if this Corporation is to charge interest on loans based on the knowledge of the public it should not exceed six per cent. The Corporation will be taking over the Co-operative Credit Banks charging a certain amount of interest and they want that rate of interest put into the law and ask that it be so.

**Mr. Ramphal:** I wish to support Sir Frank in every respect and to ask the hon. Members, Mr. Sugrim Singh and Mr. Lee, to look at clause 54. That is, perhaps, the most important point, where the policy is to be made by the Governor in Council and the Governor in Council can say the interest charge must not go beyond six or five per cent. The time may come when that policy may be changed and, if the Governor in Council does anything in that respect that displeases, the hon. Members may come to this Council and ask for a policy. I do not think we should fetter the Corporation by the inclusion in the Ordinance itself of a fixed amount of interest charge.

**Mr. Sugrim Singh:** I do not know what my hon. Friend is getting at. Clause 54 refers to directions of a general character as to policy. Our point is, we are not asking for six per cent., we say "not exceeding six per cent." My good friend, Mr. Lee, has made the point that it is not without reason that we make that application. This Corporation is going to absorb the Co-operative Credit Banks, and we are left open as to what they will do. With all due respect to Sir Frank, I ask to put it in the law. In the exigencies of the Corporation it may be necessary to go further but they cannot do so unless they come back to this Council, and so we say "not exceeding six per cent."

**Mr. Lee:** We say "not exceeding" to reply to the hon. Member, Mr. Ramphal, the Governor in Council fixes or is consulted on the price of rice in respect of the Rice Marketing Board, which is a statutory body, and similarly the Governor in Council will be consulted here in respect of the interest charge of the Corporation. Are the public satisfied with the administration of the Rice Marketing Board with respect to prices and otherwise? They are not satisfied.

**Mr. Cummings** (Member for Labour, Health and Housing): I do not know whether the hon. Member, Mr. Singh, has observed carefully these words in clause 54:

"the policy to be followed in the exercise and performance of their functions in relation to matters appearing to him to concern the public interest."

It seems to be abundantly clear that the rate of interest, having regard to the reason for this Corporation, is something which concerns the public interest. I think hon. Members say or His Excellency said, it is hoped to obtain funds at 4 or 4½ per cent. That is a question of policy, as has been said

by some hon. Member. If this Council is not satisfied with the policy this Council has the remedy. I feel my hon. Friends are over-emphasizing the importance of having this limitation by statute. I do think it would be quite wrong to limit a business corporation with regard to the amount of interest to be charged.

**Mr. Lee:** If I may reply to the hon. Member, at the conception and institution of the Rice Marketing Board there were verbal opinions and figures advanced in this Council with respect to profits by a single-selling organization. We believed the Government then in its entirety, and now we are seeking protection for the public.

**Sir Frank McDavid:** Why bring up the Rice Marketing Board, one of the most successful institutions in British Guiana? It is quite irrelevant. If we are going to fix the maximum rate of interest on the one side of the Corporation we would have to fix the maximum rate of interest on the other side. We cannot just do that. We do not know what loans would be raised for the Corporation; we do not know what the charges will be from year to year on the capital given to the Corporation. The two things are bound together. The amount of capital of the Corporation is \$3,750,000 this year and we may vote another \$3 million next year, and after that the Corporation will have to borrow. We cannot fix the rate at which the Corporation should lend. It seems to be quite improper to try and fix by law the maximum rate of interest at which the Corporation should lend. We must trust first the Chairman, the Board, the General Manager, the statutory officers of the Corporation, and we must trust the Governor in Council.

When you create statutory bodies of this nature you are certainly impos-

ing a considerable amount of confidence in them. That is why the quite unusual provisions have been included relative to the Board and the qualifications and disqualifications of the members. You are reposing the utmost confidence that the Board would do the best by their clients, the people of the country, and also do their best by the Government, and that they would not throw away the money. This Corporation is not going to be an easy thing to run. As I said before, anybody can lend money, but here is a case of something completely new in which we rely on the discretion and goodwill of a few men. Do not let us tie them up. Rather than do that do not have it at all. If we cannot trust the Corporation to fix what rate of interest should be charged, then I submit we do not trust them at all.

**Mr. Farnum** (Member for Local Government, Social Welfare and Co-operative Development): I had wanted to say something in respect of the remarks of the hon. Member, Mr. Lee about the Rice Marketing Board, but that was answered by Sir Frank McDavid.

**Mr. Lee:** We will deal with that later on in this Council. It will come up at a not far distant date. Let me reply to the hon. Sir Frank McDavid. The money for this developmental scheme is being provided by Her Majesty's Government, but there is no provision as to what rate of interest we are to pay for that money. They say "You spend the money for this scheme and we are going to provide it; as you develop you would repay it accordingly". But that is only said relative to the Colony, but when we come actually to the expenditure we must see to the protection of the people who are going to develop the Colony. Let us assume for the sake of argu-

[Mr. Lee]

ment that a group of persons want to borrow \$20,000 to develop a particular area and, as it is agricultural lands, they cannot repay that money within a few years. What would happen to them should they be told after they had started to develop the area that the rate of interest for the loan would be greater in future? Would those people be protected if that occurred? I borrow money to build a house and after I have erected my house Government say to me "You have to pay an increase on the interest." Would that be protecting the public? We want the public to be protected. If they say that we can come by way of legislation to secure that, so can Government at all times come and amend the legislation which says a sum not exceeding six per cent. You say we must trust you, and we say you can trust us. Come to this Council which is the legislative body and seek the increase of the percentage above six per cent.

Mr. Sugrim Singh: Sir Frank has referred to the question of not trusting the Corporation or the Governor in Council, but it is far from our intention to do any such thing. This Corporation is going to absorb the credit banks; it is not a question of overtaking the work of the Corporation. I am pursuing the amendment, and I am asking hon. Members to support it so that the public would know from the newspapers tomorrow morning that the money they would get from the Corporation would be at the rate of 6 per cent., and not more than that.

Sir Frank McDavid: The usual time for adjournment—5 o'clock—has come, and I propose to ask that it be taken now.

Mr. Speaker: I would like to put the amendment, if possible, before we adjourn.

Mr. Sugrim Singh: My amendment is very brief, Sir. It is for the insertion of the words "not exceeding six per centum" between the words "interest" and "as" in the second line of this clause 25.

Mr. Speaker: I propose to put the clause as printed and that would negate the amendment, if carried.

Clause 25 put, the Committee dividing and voting as follows:—

<i>For</i>	<i>Against</i>
Mr. Jailal	Mr. Sugrim Singh
Dr. Fraser	Mr. Correia
Mr. Rahaman	Mr. Phang
Mr. Bobb	Mr. Lee
Mr. Carter	Miss Collins—5.
Mr. Ramphal	
Mr. Lord	
Mr. Raatgever	
Mr. Gajraj	
Mr. Farnum	
Mr. Cummings	
Sir Frank McDavid	
The Financial Secretary.	
The Attorney-General	
The Chief Secretary	
—15—	

*Did not vote*—Mr. Tello—1.

Clause 25 carried.

Mr. Speaker: With regard to the Bill itself, we are nearing the end of its consideration and I am quite willing, personally, that we should continue to sit in Committee and complete it. Do Members wish to sit and vote on the Bill today? There is a legal amendment to be made, I understand.

Sir Frank McDavid: I am always willing to finish work, but I must say that there are amendments to be made



to clauses 37, 38 and 39 and I am not in a position to take them this afternoon. I must ask that these clauses be deferred.

**Mr. Speaker:** The Bill, therefore, will remain in Committee.

PRIVATE MEETING DEFERRED

We should have had a private meeting this afternoon, but several Members are absent. Will Members be willing to meet me, however, before we start at the next meeting? I propose to adjourn the Council until next Tuesday.

**Sir Frank McDavid:** First of all, may I move that we go back into Council? I move that Council resume.

The Financial Secretary seconded.

Question put and agreed to.

Council resumed.

**Sir Frank McDavid:** As regards the adjournment, I wish to say that I would not really be ready to complete the amendments to which I have referred before about Thursday next week. Therefore, if we are going to adjourn until Tuesday I would have to ask that other business be taken first. I would suggest that Council be adjourned until Thursday afternoon, next week, and so far as the private meeting to which Your Honour has referred is concerned, I would suggest that it be held on Tuesday, under your Chairmanship.

**Mr. Speaker:** We have to meet to see what can be done.

**Mr. Ramphal:** I suggest Tuesday, Sir.

**Mr. Speaker:** I am suggesting we meet as early as possible. Do all Members agree to meet on Tuesday?

Members agreed with this suggestion, and thereafter the Speaker adjourned the Council to Thursday, June 3rd, at 2 p.m.