LEGISLATIVE COUNCIL.

Thursday, 26th May, 1938.

The Council met at 10.30 a.m. pursuant to adjournment, His Excellency the Governor, SIR WILFRID JACKSON, K.C.M.G., President, in the Chair.

PRESENT.

The Hon. the Colonial Secretary, (Acting) (Major W. Bain Gray, C.B.E.).

The Hon. the Attorney-General, (Mr. J. H. B. Nihill, K.C., M.C.).

The Hon. F. Dias, O.B.E. (Nominated Unofficial Member).

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

The Hon. E. G. Woolford, K.C. (New Amsterdam).

The Hon. E. F. McDavid, M.B.E., Colonial Treasurer.

The Hon. F. J. Seaford, O.B.E., (Georgetown North).

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

The Hon. M. B. Laing, Commissioner, of Labour and Local Government.

The Hon. G. O. Case, Director of Public Works and Sea Defences.

The Hon. H. P. Christiani, M.B.E., Commissioner of Lands and Mines.

The Hon. B. N. V. Wase-Bailey, Surgeon-General (Acting).

The Hon. B. R. Wood, Conservator of Forests.

The Hon. F. O. Richards, Comptroller of Customs (Acting).

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

The Hon. J. Eleazar (Berbice River).

The Hon. J. Gonsalves, O.B.E., (Georgetown South).

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

The Hon. Peer Bacchus (Western Berbice).

The Hon. E. M. Walcott (Nominated Unofficial Member).

The Hon. H. C. Humphrys (Eastern Demerara).

The Hon. C. R. Jacob (North Western District).

The Hon. A. G. King (Demerara River).

The Hon. J. W. Jackson (Nominated Unofficial Member).

The Hon. T. Lee (Essequebo River).

MINUTES.

The minutes of the meeting of the Council held on the 25th May, as printed and circulated, were confirmed.

UNOFFICIAL NOTICES.

LABOUR UNREST AT PLNS. BLAIRMONT AND BATH.

Mr. JACOB gave notice of the following questions :—

1. Did Government receive a report from the District Commissioner of Berbice that the labourers of Blairmont and Bath estates had declined to work in the canefields of those estates during December, 1937, and January, 1938, because the management of those estates had reduced the rates of wages of the labourers? If so, will Government state how long the strikes lasted, and how they were settled?

2. Did the Blairmont sugar factory suspend operations?

3. Was an armed party of policemen stationed on those estates under Inspector Bovell-Jones and Sub-Inspector Halstead? If so, how many policemen were on each estate, how long they remained there, and who paid the cost of keeping those policemen on the estates?

4. Was an assurance given by the management of the Blairmont and Bath estates that the labourers concerned were free to state their grievances to members of the Legislative Council and that no action would be taken by the management at any time to penalise them in any way in the future? If so, how many labourers have been given notices to depart forthwith from the estates and how many labourers have been evicted by the estates during the last four months?

5. Is it a fact that during the last four months one of the District Secretaries of the Man-Power Citizens Association which has been registered under the Trades' Union Ordinance, Chapter 57, and several other members of the Association have been given notices to depart forthwith, and to give up forthwith possession of premises occupied by them at Bath and Blairmont estates?

6. Will Government take early steps to introduce legislation so as to protect labourers who make requests for increased wages from being victimised and intimidated by proprietors of all estates?

7. In view of the fact that there is a good deal of unemployment in the City of Georgetown, the Town of New Amsterdam, the villages, and estates, and agricultural labourers and others cannot find employment, will Government take immediate steps to lay out suitable sites for planting suitable crops and the rearing of cattle?

ORDER OF THE DAY.

PRIMARY SCHOOL CLASSES.

Mr. LEE asked the following question:—

1. Will Government state what is the greatest number of students taught by one teacher in Georgetown, New Amsterdam, East Demerara, West Demerara and Essequebo, each separately, stating name of school and how many classes are there with the average number of 50 to 90 students in the several districts aforementioned? Also stating names of Masters.

THE COLONIAL SECRETARY (Major Bain Gray) replied as follows:—

1.—(1) The following list shows the schools in each of the districts named in which the greatest number of pupils in average attendance is taught by one teacher.

District.	School.	Class.	No. of Pupils	Name of Teacher.
Georgetown	... Commenius Mor.	... Preparatory	75	Hilda Straker.
New Amsterdam	... New Amsterdam C. of S.	... Upper Division (a)	66	C. B. Gidlings.
East Demerara	... Ann's Grove Meth.	... Preparatory	80	Lottie Simon.
West Demerara	... Anna Catherina C. of E.	... Lower Division (a)	85	K. S. Miller.
Essequebo	... Huis t'Dieren C. of S.	... Lower Division (b)	53	J. J. Wilkinson.

1.—(2) The following is the number of classes in each of the districts which have 50 to 90 pupils in average attendance.

District.	Classes of 50 to 90 pupils.
Georgetown	14
New Amsterdam	2
East Demerara	20
West Demerara	11
Essequebo	2
Total	49

TEACHERS PENSIONS (AMENDMENT) BILL, 1938.

THE COLONIAL SECRETARY: I beg to move that "A Bill intituled An Ordinance to amend the Teachers Pensions Ordinance, Chapter 197, in respect to the calculation of pensions and to provide for payment of a reduced pension together with a lump sum gratuity" be read the second time. This Bill, as explained in the Objects and Reasons, has two main objects. The more outstanding one probably is to confer on teachers the privilege of commuting a portion of their pensions. They have been asking for this privilege for some years, and in accordance with what has become the general practice in pensions legislation it has been decided to incorporate this provision in the Teachers Pensions Ordinance. The conditions under which it will be given to certificated teachers are similar to those which apply to public officers. They will be allowed to commute one quarter of their annual pension for a gratuity equal to ten times the value of the amount by which the pension is reduced. Teachers have been asking for this, and it is hoped that it will be thought to be a substantial benefit under the pensions arrangements.

The other object of the Bill is not so general, and perhaps a little bit harder to explain to members who have not had occasion to deal with the Teachers Pensions Ordinance. The Teachers Pensions Ordinance is not based on the same general method of calculation as that relating to public officers. In the case of a public officer his pension is directly related to the last salary which he draws before

retirement. Those who framed the original Teachers Pensions Ordinance decided that the proper method of computing a teacher's pension was to base it generally on the fact, first of all, that he was a certificated teacher, and give a certificated teacher a certain basic rate, and then to make additions to that basic rate according to his status, that is to say whether he had become the head teacher of a school, or had risen to be a first-class teacher. That principle was understandable and on the whole sound, because in the pay of a head teacher there is an element which depends on the number of children attending the school of which he happens to be in charge, and the framers of the original Ordinance were no doubt trying to be as fair as possible, by not making a teacher's pension depend on that particular element in his pay.

It had, however, one result which is rather unusual in pensions legislation; that was that a teacher's pension was calculated in several different amounts according to his status at different periods of his service. Everybody got this basic rate as a certificated teacher, but beyond that one or two or three calculations were sometimes made, according to the status he had held at different periods of his 30 years service, that being the maximum. The teachers have contended for some time that that is not a very equitable way of doing it; that more regard should be paid to the position at which a teacher has arrived at the end of his service, and that is really the principle on which this amendment of the Principal Ordinance is based. But while the calculation of the pension depends firstly on the basic rate as before, there will be one addition only, and that the most favourable to the teacher, which will have reference to the position which he has reached at the end of his service, provided that he has served three years in that particular post. This new method of calculation is subject to an over-riding maximum, which is normal in pensions legislation, that the pension shall not be more than two-thirds of the last salary drawn.

These provisions, especially those for a gratuity, are, I think attractive to teachers, and there is not much doubt that the majority of those serving will desire to come under these conditions, but any who desire not to do so will be able to contract out of them by informing the Director of Education by the 31st December this year, that they prefer to continue under the present conditions. Those who are coming under the new conditions will also have to notify the Director of Education by the same date, whether they desire to receive this gratuity. In future new entrants, when their names are placed on the teachers' pensions register, will come under these conditions, and will be given the same period as public officers are given to exercise their option.

Those are the main provisions of the Bill, and I have tried to explain what is being done. One small amendment will be made in Committee in order to make it quite clear that we are dealing with future pensions and not pensions as they exist now. I now move that the Bill be read the second time.

Mr. DIAS seconded.

Mr. JACKSON: I desire to express on behalf of the teachers of the Colony generally their gratitude to Government for bringing forward this Bill. There is no gainsaying the fact that teachers had all along felt that the conditions of the Pensions Ordinance now in vogue were certainly detrimental to them. It is a long time that the teachers have been clamouring for what they consider their just due, but perhaps the reason for clamouring might be better explained if I gave a rapid review of the conditions under which teachers laboured for a long number of years. It is within the knowledge of those who were members of the old Combined Court, and those who in years gone by took a deal of interest in the work of teachers, that teachers were always asking for increased pay. They have always felt that the salaries paid to them were not commensurate with the work they did. That, Your Excellency, is a heritage, for I remember a couple of years ago reading in *The Teachers' World* that it was discovered that 2,000 years before our time the teachers in Egypt were clamouring for better wages. I say it is a heritage because it is not confined to British Guiana, but all over the world teachers have felt that from the nature of their work and from its exactions they ought to be better paid.

Many years ago there was no Pensions Ordinance for teachers at all; teachers got no pensions at all. As a matter of fact a few of them on retirement had to seek accommodation at the Alms House, their salaries not having been sufficient to maintain them and enable them to provide for the time when they had to give up their work. It was during the regime of Governor Hodgson that a pensions scheme for the benefit of teachers was introduced. Teachers accepted that scheme as a beginning, for the maximum pension at that time was just under $15 per month for the best teacher. Naturally, teachers asked for more, and during the regime of the late Sir Wilfrid Collet, a Governor of reverred memory, a pensions scheme more in keeping with the needs of teachers was adumbrated. But before the scheme passed the Court there arose another Pharoah who knew not Joseph, and he succeeded in reducing the amount by 40 per cent., and to that was attached a clause that no teacher should draw as pension more than 50 per cent. of his last salary. The result was that several teachers who might have got fairly reasonable pensions had to be satisfied with half of their salary. Later on, in 1928, the Teachers' Association made representations that the 50 per cent. barrier should be removed, and through the kind offices of the Director of Education, now Colonial Secretary (Acting), the Combined Court was moved to remove that barrier.

Teachers however felt that there was another condition which hampered them a great deal. The Colonial Secretary referred to it—that while all certificated teachers had a basic amount for their pension, there had to be two or three calculations for the additional amount. That condition hinged on three words "in that capacity." Teachers felt that those words which appeared in the Pensions Ordinance, Chapter 197, meant in the capacity of a head teacher, and the framers of this Ordinance apparently meant that, because when the first pension was paid under that Pensions Ordinance a teacher received a full pension although he had only served in the highest class for 11 years. What was remarkable about that was that when he retired and applied for his pension he was granted a pension of $24.69, that being 50 per cent. of his salary. In 1928, when the barrier was removed, he appealed for consideration and was given a full pension of $33. That, in my opinion, is an indication that the framers of the Ordinance intended that the pension should be calculated on the retiring class. Then, when the barrier was removed in 1928, he was given a full pension. That is another indication of what might be termed the retrospective character of that Ordinance. I do not quite like to lay stress on the word "retrospective," because I understand it has holy horrors for certain members (laughter), and possibly it might be thought, when we speak of retrospective character, we mean that all the conditions of this Bill should be retrospective. That is not the idea. What really happened was a re-calculation of the salary on the initial post of a teacher who had already been on the pensions list.

While I commend Government on the step it has taken in this matter I think Government might have gone just a little further. Perhaps it is not intended that a number of persons should be deprived of getting their pensions re-calculated, but it might he that Government has not thought of it. Those teachers who are receiving pensions on the old basis--they are not many; I believe they are under 20—might be given an opportunity of having their pensions re-calculated in terms of clause 3 of this Bill. The mere fact that Government is seeking to remove the conditions under which pensions are paid in two or three different instalments, is an indication that Government is satisfied that that basis of calculation is inequitable. The teachers have not been sleeping on their rights, for ever since 1928 they have been asking that they should be given the full pension with respect to the class in which they retire. Perhaps the Colonial Secretary will tell the Council that with the Teachers' Association this matter has been a hardy annual. I suggest that when we go into Committee an effort might be made to get this state of things remedied. I had hoped to suggest a further amendment to clause 3, but I am advised that it might possibly delay the passing of the Bill and prevent those who are about to go on pension from getting their pensions at an early date. If Government would give an assurance that teachers on pension who are being short-paid at present would

be considered, perhaps it might not be necessary to move an amendment to that effect. I would like to emphasise the fact that Government has every right to make the Bill of retrospective character in respect of clause 3, and Government has as a precedent what was done in 1928. I hope what I have said will satisfy this Council that the cause I am pleading is a just one, and one which should have the best consideration.

Mr. ELEAZAR: After the able speech by the hon. member who has just taken his seat, very little remains to be said in thanking Government for bringing forward this Bill, and those who have had the temerity to put it before this Council, but there is an old saying "Once a teacher, always a teacher," so that fellow feeling impels me to add a few remarks. When the Ordinance was framed it was the intention that teachers should get, according to Civil Service ruling, a pension according to whatever class they were in three years prior to retirement. But some meticulous gentleman came forward and said that teachers' pensions must be calculated according to their service in each class. A Pharoah has however arisen who thinks that teachers should be treated in the same way as Civil Servants, and in that we have very much to be thankful for.

The hon. Nominated Member has made a plea that a few teachers whose pensions were calculated on the old basis should be treated in the way it is proposed to treat teachers in future. I do not think that is too much to ask for, and I see no reason why an amendment to that effect should not be included in the Bill. But if Government thinks that those teachers should petition Government on the subject, that is a matter for consideration. My view about the teachers of British Guiana is that they clamour for stipends which never seem to come. This gesture from Government is an indication to teachers which they should take to heart and clamour for status. Government will think more of them and give them better stipends later on.

THE COLONIAL SECRETARY: I am glad to find that the principles of the Bill have commended themselves to the Council and are generally accepted. There has been no point raised in the debate except the one raised by the Hon. Mr. Jackson and referred to by the hon. member for Berbice River (Mr. Eleazar). The point raised by Mr. Jackson was previously raised during the preliminary discussion of the Bill. Two points were then raised—that it was the intention of the Legislature that a teacher's pension should be calculated in the new manner, and secondly, that it was the practice that it should be so calculated. Both of those points were investigated, and the evidence in favour of them was very slight indeed, practically none at all. Of course it is always difficult to decide what the intention of the Legislature was, but on reading the papers I saw very little to support the point raised. The investigations of the Education Department and the Treasury were, of course, the deciding factor in this matter. I cannot, therefore, hold out any hope that this principle of re-computation will be accepted by Government unless some other evidence is put forward. The principle being discussed is a new one, and teachers who desire not to take advantage of the changes effected are required to notify the Director of Education in writing before the 31st December. Investigations will be made on any specific evidence which can be produced, but at the moment I would ask the Council to proceed with the Bill as drafted and take it through all its stages as it stands.

Question put, and agreed to.

Bill read the second time.

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

Clause 4—Teachers to whom section 3 of the Ordinance applies.

THE COLONIAL SECRETARY: I move that clause 4 be amended by inserting after the words "all persons" in the first line of paragraph (*b*) the words "not already in receipt of a pension under the principal Ordinance."

Clause as amended put, and agreed to.

The Council resumed.

Notice was given that at a subsequent

meeting of the Council it would be moved that the Bill be read the third time and passed.

CONSTABULARY (AMENDMENT) BILL, 1938.

THE COLONIAL SECRETARY: I beg to move that "A Bill intituled An Ordinance to amend the Constabulary Ordinance, Chapter 30, with respect to the pensions payable to certain non-commissioned officers and police constables" be read the second time. This Bill has a clear and simple purpose, and that is to bring new recruits of the Police Force under the general conditions of pensions which apply to the Civil Service as a whole. Like other branches of the public service, Police pension conditions have varied from those of the main body of public officers. The principle underlying this Bill is that after June 1 recruits of the Police Force will serve with respect to pensions on the same basis as public officers. There are, however, two variations which have been made with respect to the Police Force. One is that police service may begin at a slightly lower age than that of a Civil servant. A Civil servant may begin his pensionable service at the age of 20, but a policeman may begin at the age of 18. At the other end of the scale it is also necessary for Government to retain power to retire a policeman who becomes physically unfit at the age of 55. It is obvious that police duties impose physical, and in some cases mental, strain which may not apply to the Civil Service as a whole, and it is therefore necessary, in order to safeguard the efficiency of the Force, that Government should be able to call on a policeman to retire at the age of 55.

The other provision of the Bill relates to the provisions which apply to non-commissioned officers and constables who are disabled by injury received in the execution of duty. Owing to an accidental omission in previous legislation, only one group of the two main pension groups of the Force had this special provision, and the new provision provides that all those recruited before June 1 this year shall benefit by this provision. Those recruited after that date will, in accordance with the general principle, come under the provisions of the Pensions Ordinance of 1933, where that aspect of service is fully provided for. I now formally move that the Bill be read the second time.

Mr. DIAS seconded.

Question put, and agreed to.

Bill read the second time.

The Council resolved itself into Committee and considered the Bill clause by clause without discussion.

The Council resumed.

Notice was given that at a subsequent meeting of the Council it would be moved that the Bill be read the third time and passed.

ASSISTANT TO THE ATTORNEY-GENERAL, (AMENDMENT) BILL, 1938.

THE ATTORNEY-GENERAL, (Mr. Nihill): I beg to move that "A Bill intituled An Ordinance to amend the Assistant to the Attorney-General Ordinance, Chapter 253," be read the second time. The reason for the introduction of this Bill is to make the legislative changes necessary consequent upon the re-adjustment which has been made in the office and functions pertaining to the office of Assistant Attorney-General. As hon. members are aware, from the beginning of this year the Assistant Attorney-General is not entitled to exercise the privilege which was formerly his of carrying on private practice of the character pertaining to barristers in England. Hon. members will remember that when financial provision was being made for this year the salary of that officer was adjusted so as to make him a full-time officer without any right to private practice, and clause 3 of this Bill takes away the power which the Governor formerly had to permit that officer to exercise private practice in a limited degree.

Opportunity has been taken in the Bill to change the statutory title of that officer from Assistant to the Attorney-General to Assistant Attorney-General. That is a change which in practice has been in operation and has been observed for some years past, and this clause of the Bill merely gives statutory effect to it. I formally move that the Bill be read the second time.

Professor DASH seconded.

Question put, and agreed to.

Bill read the second time.

The Council resolved itself into Committee and considered the Bill clause by clause without discussion.

The Council resumed.

Notice was given that at a subsequent meeting of the Council it would be moved that the Bill be read the third time and passed.

CO-OPERATIVE CREDIT BANKS (AMENDMENT) BILL, 1938.

THE ATTORNEY-GENERAL: In moving the second reading of "A Bill intituled An Ordinance to amend the Co-operative Credit Banks Ordinance, 1933, in certain particulars," I should like to call the attention of hon. members to the other two Bills standing in my name which follow in order on the Order Paper to-day, because it is necessary to bear in mind the provisions of those two subsequent Bills when considering the provisions of this Bill. They are in effect three Bills, all necessary if the principle of this Bill is accepted by the Council and passed. The two following Bills are really consequential.

The object of this Bill is a very simple one. It is to restore to Co-operative Credit Banks the security which the Legislature gave them for some years prior to the year 1936. The security to which I refer is the right, under certain conditions, of obtaining a preferent lien or right upon the proceeds of property when put up for sale at execution. That right, I think I am right in saying, was first conferred on the Banks in a limited degree in 1924, then extended subsequently in 1931 or 1933, and it was a privilege which they continued to exercise up to the passing of the Deeds Registry (Amendment) Ordinance in 1936. I do not think I need go into the technical details surrounding that particular Amendment Ordinance. It was an Ordinance which was not particularly concerned with the position of the Co-operative Credit Banks. It was passed in fact for purposes somewhat different, but the effect of a particular section in that Ordinance was to take away from the Co-operative Credit Banks the preferent lien which they had hitherto enjoyed. Whether it was the intention of the Legislature in enacting that particular Amendment Ordinance to do that is a matter of doubt, and it is not a matter into which I think I need enter. It has been submitted by the Co-operative Credit Banks themselves that it was not the intention, and support of that view is given by the fact that in the debates at the time the matter does not seem to have been brought to the specific notice of this Council. However that may be, the position since 1936 has been one of increasing anxiety for the Co-operative Credit Banks, because they have found that they have been unable in sales at execution to get back the loans which they have made to peasant proprietors. That has been viewed in a very serious light by the Banks concerned because those loans, usually made to small people, cannot be attached to the land as a right *in rem*, and if the land is sold and passes into other hands the only remedy remaining in the hands of the Bank is to proceed against the person of the debtor.

This Bill will merely restore to the Banks the preferent right which this Council gave to them prior to 1936. The procedure has been altered and, I hope, improved by inserting a proviso that this preferent right at sale at execution shall not be exercisable unless the Secretary of the Bank has given previous notice to the Registrar that he intends to exercise that right. I think that is a very useful provision, because it enables people who go to the sale, and who may be possible purchasers, to appreciate what the position is before they make any bid for the property.

The amendments in the other two Bills are merely consequential upon the provisions of the Bill now under discussion. I may add that this preferent right only pertains to those Co-operative Credit Banks to whom Government has advanced money, so that the acceptance of this principle of giving that class of Bank a preferent right is a safeguard to the Bank and the shareholders of the Bank who are for the most part people of small means. It is also a safeguard against loss to the public of public money. I move that the Bill be read the second time.

Professor DASH seconded.

Mr. ELEAZAR: I move that this Bill be read this day six months because at the time when the original Bill was introduced it was considered inequitable and a hardship, and now that it has been nullified by the passing of another Ordinance an attempt is being made to resuscitate it. It was wrong then and it is wrong now. It has created great hardship on people in this country. For some reason or another the Co-operative Credit Banks allow people to owe them for long periods, and in the meantime the debtors make debts with other people in fairly substantial sums. When those people could wait no longer they go to law for their money, and when judgment is obtained the Secretary of the Bank comes along and says that the debtor is indebted to the Bank. The result is that those persons get empty judgments because the Bank has a preferent claim. Because it is Government money the Banks can sleep and wake up just in time to uplift the fruits of somebody's judgment, but when other people's money is involved they must recover it the best way they can. I suggest that the Attorney-General should go through the whole Bill and consider whether this inequitable clause should be resuscitated.

Mr. LEE: I desire to support the amendment of the hon. member that consideration of this Bill be postponed for six months. It seems to me unfair to those people who have advanced money to other people for the purpose of encouraging them to build houses and to do agricultural work, that Government should now introduce a law whereby Co-operative Credit Banks to which sums of money have been due for long periods are given a preferent lien. There are several of those Banks which mismanage their affairs, and many of them are now thinking of going into liquidation. If consideration of the Bill is postponed the Attorney-General might re-consider it and perhaps introduce a Bill which would meet the approval of the Council.

Mr. JACOB: I rise to support the remarks of the last two speakers. The Co-Operative Credit Banks could have been operated to very good advantage, but unfortunately they have not been so operated for a variety of reasons. First of all the rate of interest charged is too high, and a borrower can only get money from a Bank if he puts something into the Bank. Until Government takes a more considerate view of helping the small agriculturist, and makes provision for loans at low rates of interest we can see no hope of progress in this Colony. No doubt when the original Ordinance was passed the intention was that it would help the small man, but it has been proved that it has not helped anybody. It is not fair for Government to come in at this stage when borrowers from the Banks are indebted to other people in large sums and give the Banks a preferent claim on the property of their borrowers. The whole matter should be re-considered, and I think it would be well to leave the law as it is.

Mr. WOOLFORD: I do not think the arguments advanced by any of the previous speakers support the suggestion that this legislation should not be enacted. Anyone who has any acquaintance with the methods of the borrower who seeks the assistance of the Co-operative Credit Banks knows that one of the first things usually exacted of him before the loan is granted is the deposit of the title to the property which he holds. (Mr. Eleazar: Question). The hon. member for Berbice River says "Question," but if he makes the necessary enquiries he will find that there are in the possession of most of the Banks either transports or receipts for the property of the borrower, and in some cases Letters of Decree. So that if those persons who advanced money to debtors of the Banks and for whom members are so solicitous, had only exercised the necessary caution they would have called upon applicants for loans for their transports, and they would have been forced to confess that they were in the possession of the secretary of the Co-operative Credit Bank. I think that in the interest of the country borrower—he is the person most affected—advances through the Banks, whether the rate of interest is high or not, or whatever the terms are, have had a distinct advantage by reason of the fact that it is the only source whereby such a man can obtain such a loan, and it must be remembered that unless Government finances those Banks they would not be able to exist at all. The borrower is himself a shareholder in the Bank, and usually

it is another shareholder who acts as surety. Both the borrower and his surety give a note to the Bank. It would be quite easy for the trader who wishes to avoid taking a risk, to go to the secretary of the Bank and find out whether the applicant for a loan owes the Bank. It is one of the principles in the country district that enquiries are made of the Banks and information is given. The Co-operative Credit Banks do not operate in the same way as the commercial Banks. For that reason I consider that advances made by these Banks should be protected in the way suggested. They should be given some statutory protection in view of the fact that public moneys are involved.

Mr. PEER BACCHUS: I happen to know that the preferent claim by the Banks has created great hardship. I know that private money-lenders are not doing much in that line because they are not certain whether applicants for loans owe the Co-operative Credit Banks or not. I took the matter up with the Director of Co-operative Credit Banks and suggested that more care should be exercised in lending money to people all over the country. To that letter the curt reply was that the Banks would not divulge the business of their members. I know that some of those people owed private creditors before they obtained loans from the Banks. A borrower from a Bank has to fill in an application form in which he has to state whether he owes anyone else. I happen to know that more often than not that question is never answered truthfully, and although claims have been brought and judgment obtained against such people, no steps have been taken by the Banks against borrowers who have made false statements in their applications for loans. I am appealing to Government to defer consideration of the Bill until the matter has been gone into fully.

Mr. SEAFORD: I have not heard anything which would persuade me to join the appeal made by previous speakers for a postponement of this Bill. The hon. member for Western Berbice (Mr. Peer Bacchus) made a remark that the professional money-lenders were not doing any business now.

Mr. PEER BACCHUS: I never said "professional money-lenders." Most of the money-lenders assist industry without charging any interest whatever.

Mr. SEAFORD: The hon. member may know one or two, but we all know money-lenders in this Colony and what interest they charge, and I think that is one of the reasons why these Banks were introduced —to save people from going to money-lenders. These Banks handle public money which belongs to the people of the Colony. If they are not protected or allowed to have a prior claim they would have to be very much more careful as to whom they lend money. It is the small man who desires it, and perhaps on not very good security, and he will be debarred from getting that money. I feel that it would be to the advantage of the small farmer if this amendment is passed. I cannot see how it would work against him in any way.

THE ATTORNEY-GENERAL: It seems to me that the Council is really faced with this position: Does the Council want to hamper the development and success of the Co-operative Credit Bank movement as applied to agriculture, or does it want to see that that movement is given reasonable facilities for conducting its operations in a successful way? It must be remembered that this privilege or concession is not a new one; it obtained up to 1936. It may be termed a mild form of socialism, but need that alarm the hon. member for North Western District (Mr. Jacob), the hon. member for Essequebo River (Mr. Lee), or the hon. member for Berbice River (Mr. Eleazar)? I should have expected them to come here and press this Council to do more to strengthen and develop the co-operative movement in this Colony. Instead of that they are trying, perhaps unwittingly, to put a spoke in the wheel of the Co-operative Credit Bank movement. I think the Council will prefer to see that that movement is given every chance of success, and Government is assured that unless this right is restored to the Banks the position of very many of them will be very grave indeed. I therefore commend the Bill to the Council.

Mr. ELEAZAR: I think I have the right of reply in respect of the amendment I moved.

THE PRESIDENT: You will have another opportunity Committee.

Mr. ELEAZAR: I have moved an amendment that the Bill be read this day six months.

THE PRESIDENT: The procedure is that the Bill be read the second time.

Mr. ELEAZAR: There is an amendment.

THE PRESIDENT: The motion for the second reading of the Bill will be put, and if that is lost your amendment will be put.

Mr. ELEAZAR: When it is put I will have no chance to reply.

Mr. LEE: The hon. Attorney-General asked why should I be alarmed?

THE PRESIDENT: The hon. member will have an opportunity to make any further remarks in the Committee stage. According to the Rules I will proceed now to put the motion that the Bill be read the second time.

Mr. ELEAZAR: What is my position now?

THE PRESIDENT: That, I am advised, is the correct procedure according to the Rules of the Council, but I would be glad to consider any point with regard to the Rules that the hon. member might wish to put to me subsequently.

Mr. ELEAZAR: I must accept Your Excellency's ruling but I will bring the matter up another time.

The Council divided on the motion and there voted:—

For—Dr. Wase Bailey, Professor Dash, Messrs. Jackson, King, Gonsalves, Richards, Wood, Christiani, Case, Laing, Austin, Seaford, McDavid, Woolford, Dias, the Attorney-General and the Colonial Secretary—17.

Against—Dr. Singh and Messrs. Lee, Mackey, Jacob, Humphrys, Walcott, Peer Bacchus, Eleazar and Wight—9.

Motion carried.

Bill read the second time.

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

Mr. JACOB: I would like to reply to the remarks made by the hon. member for New Amsterdam (Mr. Woolford) and the hon. member for Georgetown North (Mr. Seaford). I am afraid they missed the point I made when I spoke on the motion.

THE CHAIRMAN: The Council is in Committee on the various clauses of the Bill. The hon. member will have an opportunity to raise the point under clause 3 of the Bill.

Clause 3—Amendment to section 18 (2) of the Principal Ordinance.

Mr. JACOB: I should like to take the opportunity to reply to the remarks made by the hon. member for Georgetown North (Mr. Seaford) and the hon. member for New Amsterdam (Mr. Woolford). I am afraid they missed the point I made. My point is that Government should not take this opportunity to clothe the Co-operative Credit Banks with further powers; it is distinctly unfair to other creditors who have given loans to borrowers from the Banks. Government has the power and the privilege of a majority in this Council to pass legislation, but Government should not take advantage of that privilege, I respectfully submit, because it has the power to do so. The Banks should make their claims in the same way as other creditors.

There are some bad money-lenders in every country, but traders who have given credit to borrowers from the Co-operative Credit Banks should certainly be given some kind of protection. The whole Ordinance should be amended, and the rates of interest charged by the Banks should be reduced. Serious mistakes have been made in the past. I admit that several borrowers have been somewhat dishonest, but they should have been detected at the time. One hon. member pointed out that questions on the form of application for a loan were not answered properly when loans were applied for. That was the fault of the Banks. If Banks have made mistakes it is unjust that they should be given power to cover up those mistakes.

Mr. LEE: I would like to reply to the remark made by the hon. Attorney-General as regards my alarm, and it is this: that in my constituency where there are two Co-operative Credit Banks, one in Leguan and the other in Wakenaam, they are both in liquidation. Is it fair to the people that this Bill should be passed when traders and shopkeepers have advanced money to farmers to whom the Co-operative Credit Banks have refused loans? That is my alarm. It is not fair to those people who are now making advances to the farmers. That is why I asked that consideration of the Bill be deferred for six months—so that when the rice crop is reaped in October traders and money-lenders would know that they would have to get their money back before this Bill comes into operation. I therefore move an amendment to clause 3 (*b*) by adding the words "made on or after this 26th day of May, 1938" after the word "debt" in the fifth line. That would mean that this Bill would only affect debts made on and after this date.

Mr. WOOLFORD: I have just mentioned to the Attorney-General that I think the Bill should only apply to transactions subsequent to the passing of this measure. I can quite conceive that during the suspension of the operations of a Bank in a district some creditor might have been kind enough to advance money on the supposition that there being no Bank to make a loan, his loan was secured. There is a great deal to be said for that contention.

I must remind hon. members that transactions with these Banks are conducted on the basis that there is the original debtor and a surety, and it is important that the surety should know that if the loan is unpaid there is a preferent claim against the borrower on the strength of which he gives his note. That is a very important element, and for that reason I would ask hon. members not to oppose the principle of the Bill. I agree that there is a case for consideration where an advance of money has been made, say during the last month. It does seem to me right and equitable that the creditor should be protected to that extent, and there can be no harm in making the Bill operative from this date. There is an existing preference, but it is not capable of enforcement unless this Bill is passed.

THE ATTORNEY-GENERAL: Government is prepared to give consideration to the very definite principle which is embodied in the amendment suggested by the hon. member for Essequebo River (Mr. Lee), and to which my hon. friend has lent his support. The hon. member for Essequebo River, I know, will appreciate that in a Bill of this character it is very important that any amendment which is moved now should be inserted with very great care so as not to upset the balance of the remaining provisions of the Ordinance. Therefore the proposal I have to make is that during the adjournment, if the hon. member would have his amendment ready in writing and would come and see me,—perhaps we may be able to solicit the co-operation of my hon. friend —it might be possible to introduce a form of words which would give effect to the principle which the hon. member has put forward. I suggest that if that proposal commends itself to this Council it should now proceed to consider and pass into law the two remaining Bills on the Order Paper, which are consequential upon this Bill. That would save time.

Mr. ELEAZAR: If in five minutes you find such a formidable obstacle to the passing of the Bill, I do not know how you are going to get over it in two hours. A man comes to me to borrow money, am I to go to the Co-operative Credit Bank to find out if he owes the Bank money? As a matter of fact the secretary of the Bank would not divulge the man's private business. I was responsible for the formation of the first Loan Bank in British Guiana, the Buxton Farming Association Loan Bank, and I know the hardship this Bill will cause. If within five minutes it has become necessary to hold the Bill up, two hours will not suffice to rectify it. I ask again that consideration of the Bill be deferred, not for two hours, but for a much longer period.

Mr. WALCOTT: I would like to do nothing that would operate to the dis advantage of the small borrowers from the Loan Banks, but what seems to me to be wrong about this proposal is that when the Loan Banks are making loans they give no publicity to them. The ordinary man in the street who wishes to secure the advantage of a preferent creditor has to advertise his mortgage. The Loan Banks

do not advertise their claims. I think they have every right to protection, but they should let other people know that they would not be protected if they have a prior claim.

THE CHAIRMAN: I may remind hon. members that a preferent right for Co-operative Credit Banks is almost an accepted part of the system of those Banks. This Bill is only to restore to the Banks the right which they enjoyed. The point has, however, been raised that the proposal as it stands might take away from those who advanced money during the interval when this right had been in abeyance, the security which they had reason to believe they now have. That is a point worthy of consideration, and I think it would meet the convenience of the Council as a whole if the motion is agreed to, that the Committee report progress, to meet again.

The Council resumed.

LOCAL GOVERNMENT (AMENDMENT) BILL, 1938.

THE ATTORNEY-GENERAL: I beg to move the second reading of "A Bill intituled An Ordinance to amend the Local Government Ordinance, Chapter 84, in certain particulars." It is consequential on the Bill just under consideration, and I therefore do not think it is necessary for me to detain the Council in moving the second reading. The amendment which we have in view in the Co-operative Credit Banks Bill will not affect the provisions of this Bill, and I therefore ask the Council to give this Bill second reading.

Professor DASH seconded.

Question put, and agreed to.

Bill read the second time.

The Council resolved itself into Committee and considered the Bill clause by clause without discussion.

The Council resumed.

Notice was given that at a subsequent meeting of the Council it would be moved that the Bill be read the third time and passed.

DEEDS REGISTRY (SALES IN EXECUTION) (AMENDMENT) BILL, 1938.

THE ATTORNEY-GENERAL: I beg to move the second reading of "A Bill intituled An Ordinance to amend the Deeds Registry (Sales in Execution) Ordinance, 1936, in certain particulars." As I have already indicated, this Bill is also consequential on the provisions of the Co-operative Credit Banks Bill, and the amendment which Government has in mind will not affect the provisions of this Bill.

Professor DASH seconded.

Mr. ELEAZAR: The Attorney-General is assuming that the other Bill will go through. Another thing we have to consider is whether the Commissioner is not going to be the Secretary of the Banks and the Secretary exchange positions with him. I do not think these Bills should be rushed through the Council.

THE PRESIDENT: The Bill is only being taken up to a certain stage. If for any reason that other Bill is not proceeded with, this Bill will not pass its third reading. I think the hon. member has referred to a Bill the second reading of which has already been passed.

THE ATTORNEY-GENERAL: I can give the hon. member the assurance that should the view which I expressed at the meetings held, that these consequential amendments will be required, prove eventually to be wrong, Government will be prepared to re-commit the Bill to further discussion in Committee between the second reading and the third reading stage.

Question put, and agreed to.

Bill read the second time.

The Council resolved itself into Committee and considered the Bill clause by clause without discussion.

The Council resumed.

Notice was given that at a subsequent meeting of the Council it would be moved that the Bill be read the third time and passed.

APPROPRIATION BILL, 1938.

Mr. McDAVID (Colonial Treasurer): I beg to move that "A Bill intituled An Ordinance to appropriate the supplies granted in the current session of the Legislative Council" be read the second time. The purpose of the Bill is to give statutory authority for the expenditure to be incurred in the current year on the public service of the Colony in accordance with the Estimates approved by the Council at the meeting in October last. Those Estimates provide for a total expenditure of $5,830,910, of which $1,676,850 is already provided by special laws, leaving a balance of $4,154,006 now to be provided by law. The details of this expenditure are set out in the schedule to the Bill. I move that the Bill be read the second time.

Mr. AUSTIN seconded.

Question put, and agreed to.

Bill read the second time.

The Council resolved itself into Committee and considered the Bill clause by clause without discussion.

The Council resumed.

Notice was given that at a subsequent meeting of the Council it would be moved that the Bill be read the third time and passed.

NEW AMSTERDAM TOWN COUNCIL (AMENDMENT) BILL, 1938.

Mr. McDAVID: I beg to move that "A Bill intituled An Ordinance to amend the New Amsterdam Town Council Ordinance, Chapter 87, with respect to the exemption from taxation of certain premises" be read the second time. Under the existing law every church, chapel, mosque or school solely and exclusively used for religious or educational purposes, as the case may be, and St. Mary's Convent, New Amsterdam, are exempt from town taxes. The object of the Bill is to give the Mayor and Town Council of New Amsterdam discretionary power to exempt from the payment of the tax any manse, rectory, parsonage or presbytery (together with any lands occupied therewith) which is owned by a religious body and used solely as a residence by a minister thereof. The Bill has been introduced at the wish of the Town Council of New Amsterdam who have expressed their concern at the financial position of certain religious bodies in the town, and who wish to afford those bodies some further measure of relief than the present law allows. Government desires to meet the wishes of the Town Council, and I therefore commend the Bill to the Council.

Mr. AUSTIN seconded.

Question put, and agreed to.

Bill read the second time.

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

Clause 2—Repeal and replacement of section 76 (1) Principal Ordinance.

Dr. SINGH: I move that the proviso be amended to include a temple.

Mr. ELEAZAR: The New Amsterdam Town Council asked for this; it is not Government's concern. We do not want any amendment of it. (laughter).

Mr. McDAVID: I would be glad if the hon. member for Berbice River (Mr. Eleazar) would explain the position. Personally I think temples are covered in the Bill.

Mr. JACOB: Perhaps if I said a few words the hon. member might withdraw his objection. I think the hon. member is always nervous when anything is said about mosques and temples. A mosque is used by Mohammedans and a temple by Hindoos. It seems to me that it is due to an oversight that the word "temple" is not included. I might remind my friend of certain work which is going on in New Amsterdam by Pundit Ramsaroop who has started the erection of a building for the accommodation of poor and helpless people, and it follows that a temple will be put up there. If Government does not see the necessity of adding the word "temple" now, the New Amsterdam Town Council and Government will probably see the necessity of adding it later. I think after hearing what I have said the

hon. member will withdraw his objection. The Hindoos in this Colony number over 100,000 while the Muslims number about 25,000. I think the omission of the word "temple" is due to an oversight.

Mr. ELEAZAR: It is not an oversight at all. The New Amsterdam Town Council Ordinance is a domestic affair. The Council has asked for what it wants, and Government will not allow any special pleading from my friend or anybody else to influence it to give more than what is asked for. Already Government is giving too much. I am a Christian, and in my Bible I see "Sufficient unto the day is the evil thereof." Let the hon. member wait until the time comes for him to get his amendment in. I sincerely deplore the attitude of my friend as regards Hindoos and Muslims. It will create trouble, and I warn him.

Mr. WOOLFORD: I doubt very much whether the institution referred to by the hon. member is within the city limits. I think that is the only building which can be described as a temple. I agree with the hon. member for Berbice River (Mr. Eleazar) that all exemptions from municipal rating are considered by the Council itself. It is for the Council to determine whether this or that building should be exempt from taxation. We do know that there are certain religious institutions which are not merely educational. Without knowing the extent and range of the word "temple"—for instance there are masonic temples—we ought to defer consideration of the matter and leave it to the New Amsterdam Town Council to recommend that it should form part of the legislation.

Dr. SINGH: This Council represents the whole Colony, and if a mosque is exempt from taxation there should also be provision for a temple.

THE CHAIRMAN: I would ask the Committee to allow this point to stand over until after the adjournment. It seems to me a strange omission, and I should like to make further enquiries about it during the adjournment.

The Committee adjourned until 2 p.m. for the luncheon recess.

2 p.m.—

Mr. McDAVID: During the interval the point raised by the hon. member for Essequebo River has been considered, and Government is prepared to accept the amendment proposed, that the words "Hindoo temple" be included after the word "mosque" in sub-clause *(a)* of clause 2 of the Bill. It seems, sir, that this is an obvious omission, and it is thought only equitable that it should be introduced in the clause.

Mr. ELEAZAR: I wish to emphasize that it is not an omission at all, and that Government is putting this thing on the Town Council of New Amsterdam, because when the motion was passed by a majority of the Council no mosque or Hindoo temple was contemplated. The men on the Town Council are all Christians. Government is, however, now taking upon itself to act on the suggestion of a member of this Council to include Hindoo temple.

THE CHAIRMAN: It is not a question of a suggestion of a member of the Council.

Mr. ELEAZAR: Government undertook to amend a domestic measure because there was an omission. It is not an omission. I was one who sat on the Town Council when that motion was passed by a majority and no mosque or Hindoo temple was considered at all. But do unto others as you want them do unto you. A mosque had been just recently finished and it was brought to the notice of the Town Council and it was included. Is that going to be a peg for other people to hang their hats on and say "I am a Hindoo and it is an omission that a Hindoo temple is not included." The whole situation was considered, and I strongly deprecate the policy Government has adopted now. A domestic matter comes before the Council and Government must take upon itself to add something to it and say it is an omission, in spite of the protest of one of those who assisted. Though it was as the result of a majority vote passed by the Town Council everybody takes his share of the responsibility. I say, as I have always understood, that when measures of this kind come to Government from the people concerned, Government should not say to them: "You omitted so and so," and then amend them without any reference to the Town Council concerned.

In spite of protest Government still says it is an omission. Government is pampering these people to its destruction one of these days. I say so without fear of contradiction. These people have lived here all these years without distinction of class, colour or creed. Every man is free to carry out the dictates of his conscience. I issue the warning to Government that the day is not distant when you will get something else. I see later the question being asked, what right have the Estate Authorities to order people off their estate, as it is now being questioned what right the New Amsterdam Town Council has to make a Bill and not include Muslims or Hindoos. That exercise has been given to the Town Council by law under a Charter, and that Charter gives them the right to legislate and get the Government to sanction that legislation. They have legislated and asked Government to sanction certain things.

THE CHAIRMAN: It is this Council that legislates.

Mr. ELEAZAR: I quite admit that, Your Excellency, but this Council does not permit of any inroad on any of the sub-Government institutions of this country. All exists by law and it is only a matter of degree of importance. I take it this Council should know that it is not constitutional for this Council to claim the right to alter to suit itself anything that is domestic and has been sent in by any of the other constitutional bodies. Here is a clear instance of Government over-riding what a Town Council has done. Why not ask the Town Council about the matter, or send it back to them if Government has made such a great discovery? Why not ask those, who are responsible for sending it up here, about it rather than attempt to say that it was unintentional? It was never the intention of the Town Council to include anything other than what was sent. This is a Christian community, and no department of this country has any right to legislate for anything outside of Christianity. The New Amsterdam Town Council boasts of all the members being Christians, and it is because of that a mosque only is mentioned there. That mosque had been in existence when the Town Council passed the motion for the legislation, and so it was included on that fact being brought to the notice of the Town Council. I understand to do unto others as I would they should do unto me, and as the mosque was there it was included without the people concerned asking for it. Now that the Bill has come here, another person must come and ask to put on our Statute Books and without the New Amsterdam Town Council's sanction the inclusion of Hindoo temple. When Hindoos came to this country in large numbers that was not done.

THE CHAIRMAN: I must ask the hon. member to remember that this country contains a large and respected Hindoo community. I hope he will bear that in mind.

Mr. ELEAZAR: They would have to thank the gentleman who is urging their case against all-comers. I studiously avoided all the time to do so, and I warn my hon. friend against this attempt to dovetail or sandwich Hindoos and Muslims in the midst of Christians. It is sure to cause friction, and when it comes to this, what next? I have spoken with great restraint in this matter, when as I say I do not think Government is pursuing the best policy in allowing one section of the community to intimidate it into this kind of legislation. Government should certainly put its foot down on attempts of this kind. When we had scores of thousands of Muslims and Hindoos in this country we had not as many temples as now for these so-called Hindoos, who went to school here like myself and never went to a Hindi school to get their education. Who taught them?—Not Hindoos. They got everything from other people, and today they have found out that they are Hindoos and want a distinction made between themselves and others. I strongly deprecate it. I am not so much concerned with the people themselves; they have a right to go on urging and to get as much as they can. Is Government going to over-ride the rights of other people so as to supply their aspiration? Is not this a move of that nature? Here is a body entrusted with the management of its own domestic affairs having sent up to Government certain propositions and Government on the suggestion of somebody else states that the body has made an omission. If Government is going to take this upon its shoulders then let Government say: "We are imposing this." It is not an omission at all

Your Excellency, and when the proper time comes I am going to move Government in the matter, and I am warning members of this Council that a cloud is overhead which may burst over this country if Government does not prevent this kind of practice of stealing into a measure here and there. This was not an omission but a deliberate proposition. The members of the Town Council thought they should include the mosque as it was there already. They felt as Christians that they should always do unto others as they would they should do unto them, and so did not leave the mosque out.

THE ATTORNEY-GENERAL: I feel I must say a word on what I feel is a constitutional point which has been raised by the hon. member for Berbice River (Mr. Eleazar). He appears to have attempted to argue that this Council is amending the New Amsterdam Town Council Ordinance purely in certain respects at the request of the New Amsterdam Town Council itself, and he has submitted that because of that the hands of this Council are somewhat tied and we must confine ourselves to the amendments which Government had been requested to put forward for the consideration of this Council. That is a constitutional proposition which this Council cannot possibly accept. The New Amsterdam Town Council is a subsidiary body which derives its very being from legislation which had been enacted by this Council, the supreme legislative body in this Colony. The New Amsterdam Town Council has certainly a charter, but that charter is the creation of a statute which has been enacted by this Council, and therefore when a Bill is before this Council for the amendment of that statute it must be open to this Council to amend that statute in any direction that it pleases.

The hon. member has reiterated his contention that this is not an omission from the draft Bill which was put forward by the Town Council. That may be so. I take the hon. member's word for it that it is so. But, sir, even if that be so, if in the wisdom of this Council it considers that the inclusion of the word "mosque" to the exclusion of the words "Hindoo temple" amounts to differentiation, then, I submit, it is entirely within the power of this Council to insert the amendment which is being proposed. The position, as I see it, is this. This Council is not prepared to give the New Amsterdam Town Council power in matters of exemption from taxation to differentiate between peoples belonging to one of the denominations as opposed to any other denomination. That seems to me to be a fair principle and a principle which is usually and generally followed, and the amendment which the Government is prepared to accept is merely an amendment which does give effect to that principle. Therefore if this Council feels that principle should be given effect to, then it should give effect to it. In other words, it says to the New Amsterdam Town Council: "If you wish to exempt a mosque you must at the same time be prepared to exempt a Hindoo temple."

In conclusion I would here draw the attention of hon. members to the words which follow, namely that none of these church buildings—Christian, Muslim, or Hindoo—should be exempt from town taxation unless, and I emphasize this, they are used solely and exclusively for religious or educational purposes.

Mr. ELEAZAR: My reply is, that a red herring has been drawn across the trail by the statement that Government is not prepared to allow the New Amsterdam Town Council to differentiate. As a matter of fact, that is what Government has been doing all along, for it was not until the ninth hour these buildings crept in. I am not prepared to drag the domestic affairs of the town into this Council, but I say in reply that it is only because a single denomination which should be made to pay taxes quarrelled about it and adopting Tammany Hall practice got a number of people on the Town Council to support a motion that this Bill was brought including "Manse." Why did not Government say: "We cannot permit you to let the whole taxpayers of the town pay for the house in which your priest lives"? It was never the principle to give this privilege at all, except purely and simply in the case of churches and schools and the land that they occupy. By accident some other people happen to be on the same piece of land as the school, and as you cannot divide what is school property from what is not the

whole passed muster, but other people by wrong analogy say: "Your manse is not paying why should ours." Their manse is however far away from the church grounds, and the Town Council went out of their way and did this thing. We are now told that Government will not allow the Town Council to make exception. What next? Government is placing the Town Council in a worse position as it is that Council who must decide whether this thing should be done. Is Government going to legislate by itself on what the Town Council must decide? Suppose when the Bill is passed the Town Council say: "We never intended this and we are going to exempt them." Is Government going to say: "You must"? Peace and harmony have been prevailing there all the time. What is going to be created in that district by this? I have discharged my duty, and I do not care how Government twists around the position Government cannot make this thing right. I do not mind how you call it constitutional, the Town Council have asked for bread and you have given them stone. They have asked for fish and you have given them serpent. You say: "We do not wish to differentiate so you must take a serpent instead of fish, you have called for bread but you must take stone." When I stood before this Council and laboured that Government should not close every shop at 7 p.m, the Attorney General with his oily tongue got it passed through and the whole Council is now lamenting and bemoaning that the thing has been made law. People come here, who have no regard for religion, and say you are making differentiation between Christians and other people. People who want to worship only in a temple can go there and they do so; no one will go there and chase them out. I am asking that in this matter Government members should have the right to vote independently. Government, however, knows that they cannot and that it can force a thing of this kind through. I vehemently protest against the inclusion in this Bill of the proposed amendment, and with equal force I warn Government that it is playing with fire.

The Committee divided on the amendment, and voted:—

Ayes—Messrs. Lee, Mackey, Jackson, Humphrys, Bacchus, Dr. Singh, Richards, Wood, Dr. Wase-Bailey, Christiani, Case, Laing, Austin, Seaford, McDavid, Professor Dash, Dias, the Attorney General and the Colonial Secretary—19.

Noes—Mr. Eleazar—1.

The amendment was carried.

Question "That the clause as amended stand part of the Bill" put, and agreed to.

The Council resumed.

Mr. McDAVID: I give notice that at the next or subsequent meeting of the Council I shall move that the Bill be read a third time and passed.

TAX (AMENDMENT) BILL.

Mr. McDAVID: I beg to move that "A Bill intituled an Ordinance to amend the Tax Ordinance, Chapter 37, so as to exempt certain receipts from stamp duty" be read the second time. For a number of years the Town Councils of Georgetown and New Amsterdam have had the privilege of issuing receipts free of stamp duty, but in 1931 due to financial stress the Government of the Colony felt that it was unable to continue to afford this relief to the two Town Councils; as a result in the re-enactment of the Tax Ordinance—No. 29 of 1931—the exemption clause which provided for the exemption from stamp duty of the Town Councils was omitted from the Ordinance. I have looked up the Hansard Report of the debate which took place in connection with Ordinance 29 of 1931, and I can find no specific reference to this particular matter either by the hon. member who introduced the Bill or by any other member of the Council. Nevertheless I assume that the Council was fully cognisant of the change which took place, but the Town Councils were not aware apparently of the change and continued to contravene the provision ever since 1931 to the present time. Government has decided to be generous and to restore that privilege of exemption from stamp duty in connexion with the receipts issued by those Town Councils, and the purpose of this Bill is therefore to restore that privilege. Since the two Town Councils have been consistently contravening the law since 1931, the provision gives retrospective effect back to December 31, 1931, in order to prevent

any prosecution of the Town Councils for penalties to which they had opened themselves. I have no doubt that this Council will accept this Bill and I accordingly move its second reading.

Mr. BACCHUS: It is not my intention to oppose the Bill, but I hope it is not a case of differentiation. I am asking that the second reading be taken and the consideration in the Committee stage be postponed in view of an amendment I intend to move to the Bill. I am informed that the amendment proposed will not be accepted by Government at the moment, as it concerns revenue and the permission of the Secretary of State has to be obtained before it can be accepted by Government. I intend to ask that the Local Authorities be included in this exemption. They are similar bodies as the Town Councils but only in a lesser degree, and I think that similar occurrences have taken place in respect to receipts issued by them. The Overseers thought the Authorities were exempt from stamp duty and receipts in many cases had not been stamped. I do not know what may be the outcome of this investigation, but, I am asking that as much revenue is not involved Government favourably considers the inclusion of Local Authorities in the proposed exemption.

Mr. ELEAZAR: I would like to add the sugar estates because Government cannot allow differentiation to go on as it is unconstitutional. I ask to include all in the exemption; all should not give stamped receipts any more. I would like to make another suggestion and that is in respect of the Entertainment Tax. When the Bill relating to the Tax Ordinance was under consideration it was thought to tax these buildings. The question was raised in the Council—

THE PRESIDENT: The hon. member must confine himself to the Bill before the Council.

Mr. ELEAZAR: Very well, sir, I move that all bodies be excluded from stamp duty.

Mr. McDAVID: While I sympathise with the suggestion put forward, the object of the Bill is to restore the position as existed in 1931. The Village Councils can await a further opportunity.

THE PRESIDENT: We are not prepared to go beyond that.

Question put, and agreed to.

Bill read the second time.

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

Clause 1—Short Title, Cap. 37.

Mr. McDAVID: I move that the word, figure and brackets "(No. 2)" in the second line be deleted.

Question put, and agreed to.

Clause 2—Amendment of section 9 of the Principal Ordinance, Ord. 39 of 1931, Ord. 3 of 1933, Ord. 28 of 1937.

THE ATTORNEY-GENERAL: I propose as an amendment to this clause that in the last line before the words "New Amsterdam" there be inserted the words "The Mayor and Town Council of". The amendment to the Principal Ordinance will read "Receipts given by the Mayor and Town Council of Georgetown and the Mayor and Town Council of New Amsterdam."

Question put, and agreed to.

The Council resumed.

Notice was given that at the next or a subsequent meeting of the Council it would be moved that the Bill be read the third time and passed (*Mr. McDavid*).

REGULATION OF DANGEROUS TRADES BILL.

Mr. LAING (Commissioner of Labour and Local Government): I beg to move the second reading of "A Bill intituled an Ordinance to provide for the Regulation of Dangerous and Unhealthy Industries." A Convention concerning the protection against accident to workers employed in the loading and unloading of ships was adopted by the International Labour Conference in 1932. This Convention was ratified by His Majesty's Government and it was necessary to consider whether it should be applied with or without modi-

fication to this Colony. There is no factory law in this Colony with respect to the protection of workers and the fitness of machinery, and it will be difficult to apply legislation to dock workers without making it susceptible of application to workers in other trades where the element of risk may be present. The Bill before the Council therefore gives effect to the Convention to which I have referred, but it goes beyond that. If the Bill is passed it would be possible to make regulations in respect to other dangerous and unhealthy industries.

The Bill was published in April 1937, and the attention of all owners of factories, rice mills, sawmills, foundries, etc. was especially directed to it. I would like to emphasize that the Bill is merely an enabling measure and will affect no one until the regulations have been made. Clause 3 of the Bill gives power to make those regulations, and clauses 4 and 5 provide that those regulations shall not be made until they have been very carefully considered. Further in clause 8 it is provided that the regulations when they are made must be laid before this Council, and this Council may resolve that all or any of them be of no effect. The Bill is a necessary prelude to any regulations governing dangerous and unhealthy industries, and I therefore commend it to the favourable consideration of hon. members.

Mr. CHRISTIANI (Commissioner of Lands and Mines) seconded.

Mr. ELEAZAR: There is only one thing I have to object to in the Bill so far, and that does not affect the Bill at all. I am supporting the Bill, however, on principle because I think it is long overdue in certain respects in this country. When the Bill is in Committee stage I shall move the deletion of clause 4 until Government redeems itself with respect to a number of other regulations which are still to be made.

Question put, and agreed to.

Bill read the second time.

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

Clause 4—Procedure for making regulations.

Mr. ELEAZAR: I would like to move the deletion of this clause, but I must say that I hope these regulations are not going to wait until the proverbial doomsday to come into being, because I happen to know from my place in this Council that for years—it is a fact and not a matter of using an expression—regulations were to be made for certain purposes and they are yet to be made. I have in mind the regulations under Chapter 169. That Ordinance gave no end of trouble in this country before it came to this Council, and when it eventually came to the Council the Bill remained as it was and regulations were to be made to control its operation. Four or six years have now passed and the regulations are yet to be made. There are others in the same position. I hope this will not suffer the same fate.

THE CHAIRMAN: I hope not.

The Council resumed.

Notice was given that at the next or a subsequent meeting of the Council it would be moved that the Bill be read the third time and passed. (*Mr. Laing*).

CUSTOMS DUTIES (AMENDMENT) BILL.

Mr. RICHARDS (Comptroller of Customs, acting): I beg to move the second reading of "A Bill intituled an Ordinance further to amend the Customs Duties Ordinance, 1935." The principal objects of the Bill are stated in clauses 4 and 5. By clause 4 a new standard of test in accordance with that laid down by the Instituion of Petroleum Technologists has been introduced. The effect of this new standard of test is that there will be certain variations as regards the classification of certain oils which are used as fuel. The item is an entirely new one, and substitutes an item of a similar principle in Ordinance 23 of 1935. In order to make the position clear as regards the operation of this item, it will be necessary for me to refer back to Ordinance 9 of 1929 and 13 of 1929. In the Ordinance just referred to there was a simple setting which reads thus: "Refined Petroleum (flashing point 85 degrees Fahrenheit and upwards) etc." There is no alteration in the duty rates in regard to this item. It is just a question of alteration of the standard of test and of

classification in respect of certain oils used as fuel. Oil fuel, distilled, including Gas oil and intermediate oils are really the kinds of oils which the amendment seeks to affect. By Ordinance 13 of 1929 there was an amendment the effect of which was to regulate the duties on all oils in relation to specific gravity. It was found that Gas oil and other intermediate oils were being used as substitutes for adulterants of kerosene oil, and Government decided that a new system of test must be introduced in order to control the use of such oils and the duty collectible on them. As a result the duty was regulated on the basis of specific gravity. I need not worry the Council about Petroleum oil and Petrol, but come to this particular item of Oil Fuel.

The standard of gravity prescribed under the amended Ordinance was between ·885 and ·930. Any oil of a lower specific gravity than ·885 then paid duty as Kerosene oil, while anything under ·930 paid duty as crude petroleum. The object of the present amendment is to introduce the new standard test and, as a result of that, to admit certain oils which are now being manufactured and which it is very desirable should be imported into the Colony for use in Diesel engines and for other purposes. It is very desirable that these oils should be admitted at a lower rate of duty and not as at present, being liable to pay the high rate of duty of 25 cents per gallon imposed on Kerosene oil.

As regards clause 5, that is a measure which has come to Government from the Chamber of Commerce. It is in regard to the imposition of an extra duty of one shilling per lineal yard on woollen piece goods, *e.g.*, piece goods manufactured from wool and containing any percentage whatever of wool. This measure had the approval of the Secretary of State for the Colonies after some consideration, and as a result this item is now before the Council. The matter has been pending for about two years.

Clause 7 follows consequentially upon clause 5, *e.g.*, it limits the period of importation of these woollen goods. The object is to prevent persons who might have heard of the proposal from placing orders and so defeat the object of the Bill and rendering it partially ineffective. One merchant will therefore not get an unfair advantage over another.

Dr. WASE-BAILEY (Surgeon General, acting) seconded.

Question put, and agreed to.

Bill read the second time.

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

Clause 1—Short title.

Mr. RICHARDS: I beg to move the deletion of the word, figure and brackets "(No. 2)" in the second line.

Question put, and agreed to.

Clause 4—Amendment of item 33 of First Schedule to the Principle Ordinance.

Mr. SEAFORD: I desire to congratulate Government on bringing this Bill, as it places at the disposal of the public a cheaper oil than they had been able to get in the past. It is the only oil which Government saw fit to use in their own engines. (Laughter).

Clause 7—Higher duty on woollen goods not to apply to goods ordered before 1st February, 1938.

THE CHAIRMAN: Has this date been reached by agreement?

Mr. RICHARDS: The suggestion as regards the first day of February came from the Chamber of Commerce. It was thought that six months would be sufficient to allow of consignments coming forward.

The Council resumed.

Notice was given that at the next or a subsequent meeting of the Council it would be moved that the Bill be read the third time and passed. (*Mr. Richards*).

THE HAND-IN-HAND FIRE INSURANCE COMPANY BILL.

Mr. HUMPHREYS: I beg to move that a Bill intituled "An Ordinance to provide for the "the Hand-in-Hand Mutual Fire Insurance Company of

British Guiana, Limited" and to re-incorporate the same under the name of "The Hand-in-Hand Mutual Fire Insurance Company, Limited," be read a second time. Moving the second reading of this Bill it may perhaps be useful to members if I make a few remarks and call attention to certain sections which are new and, otherwise, explain the Bill as a whole.

The Company was established in 1843 and in 1865 it was incorporated. Between 1865 and 1918 several amendments were passed, and in 1918 a consolidation ordinance was enacted, which embraced those various amendments but did not go beyond that. Since 1918 it has become increasingly necessary that a new ordinance should be passed, and wider powers and more comprehensive provisions given to the Company. It will be observed, sir, that in this Bill the Schedule contains By-laws. Under the existing Hand-in-Hand Ordinance of 1918, the Board is empowered to make By-laws, but it is considered more convenient in every way that this Council should have connected to the Bill the By-laws which we are asking to be passed at the same time with the Bill. The reason for that is that the By-laws will come into operation at the same time as the Ordinance, and it makes for the more easy working of the Ordinance by the Board of Directors. In the preparation of this Bill many of the old sections have been retained and in a great many instances they have been recast. In many instances several of the sections which appear in the Ordinance of 1918 have now been put in the By-laws, the reason for this being that the Ordinance itself contains the basic clauses which will seldom be amended and that only by legislation. Those sections, in the old Ordinance which relate to the working of the Company or to the machinery for carrying out the provisions of the Ordinance, are now put in the By-laws because it is more convenient that they should be there in order that they can easily be amended, as the Board of Directors thinks the exigencies of the business of the Company demand. It has been found in the past that many of the sections which relate to the business of the Company handicapped it by being put in the Ordinance, as when there is the necessity for a change it meant coming to the Legislative Council in order to have the change effected. The result of having them now in the By-laws is that they can be amended by the Board, if and when it becomes necessary.

I think it will serve a useful purpose if I refer hon. members to several of these sections, particularly those which are new. The object of the Bill is stated briefly in the explanatory memorandum attached to the Bill. The object is that the Company should have more extensive powers and more modern and comprehensive provisions. I call hon. members' attention first to clause 2 which provides that these By-laws and Schedule should be the By-laws of the Company, and I may also refer them at this stage to clause 81 which provides for the making of By-laws and amendments thereto by the Board, the definition of "preferent scrip" which is new and is not contained in the old Ordinance, and the definition of "profits of the Company," "scrip capital" and "special resolution." Under the old Ordinance there is no provision for "special resolution."

I will now pass on to Part II. of the Bill—Constitution and Incorporation of the Company. Clause 4 provides that all property of the Company shall on the coming into force of this Ordinance be vested in the Company. I may, perhaps, for the convenience of hon. members who have not noticed it refer to Part I. again. The Corporation is there defined as meaning the Corporation which was established in 1843 and incorporated by Ordinance in 1865 by the name of "The Hand-in-Hand Mutual Guarantee Fire Insurance Company of British Guiana Limited" and whosecorporate existence was continued by the Ordinance which is now to be repealed by this Ordinance. Throughout this Bill where the word "Corporation" is used it refers to the present existing Company, and "the Company" refers to the Company which is now being reincorporated by this Bill. Clause 4 provides for the vesting in the Company of existing property, and also provides that any person (including the Registrar of Deeds) shall, at the written request of the Company, annotate on any document of title issued by him and held in the name of the Corporation the passing and vesting in the Company of the property covered thereby.

Clause 6 (2) is a new subsection whereby power is given to the Company "to

carry on, upon the mutual principle or otherwise, all other kinds of insurance business and all kinds of guarantee and indemnity business, and in particular, without prejudice to the generality of the foregoing words, to carry on marine, accident, automobile, employers, liability and workmen's compensation insurance." The power to carry on insurance of any kind is new. Under the old Ordinance the powers of the Company were limited in that respect to fire insurance in all its branches, but by this Bill the Company will be empowered to carry on any kind of insurance business, particularly those mentioned, and without prejudice to the generality of the clause the Company may do any kind of insurance business. Sub clause XIX, which is also new, empowers the Company to issue scrip, bonds, debentures, debenture stock and all other obligations for the payment of money, evidencing a debt by the Company in the manner and on the terms and conditions seeming expedient.

Clause 9 provides that an infant may be a member of the Company or scrip-holder; under the old Ordinance he could not be. This is a member not permitted to vote under clause 42. It often happens that a person holding scrip for an infant, *e.g.*, a boy or girl up to the age of 18 or 19, wants to get rid of it and is only too glad to hand it over to the minor. In a good many cases he holds it in his own name as guardian or trustee and is not always trustworthy.

Clauses 10 and 11 are new. These are proprietary clauses. Clause 22 is the same as the existing section 41 of the old Ordinance, and provides for the capital of the Company to be maintained at a sum not less than ten per centum of the total amount assured by the Company on policies. Clauses 23 and 27 should be read together. These provide that "If at any time the capital of the Company is reduced by losses or otherwise below the prescribed minimum, no distribution of cash profits shall be made until the deficit has been replaced by accumulation or otherwise. The Board shall decide whether the scrip capital utilised in payment of the losses is to be restored out of the future profits of the Company or is to be cancelled." That means that if there is a loss of scrip capital—it may not be a big loss—the Board can decide to replace the amount, and in that case it would be divided *pro rata* among the scripholders who had suffered as the result of the reduction.

Clause 35, sub clause 2 is also new and provides that "No member, policyholder, scripholder, or other person shall have any right of inspecting the register or any book or document of the Company except as conferred by this Ordinance or by the By-laws, or authorised by the Board or by a special resolution, and no member (not being a director), policyholder, or scripholder, shall be entitled to require or receive any information concerning the business of the Company." That is a desirable provision, as it often happens that persons, because they are members or scripholders, seem to think they have a right to go into the Company's Office and insist on having any information that they wish. That provision is very necessary.

Clause 38, sub-clause 2 is also new, and provides that any extract from a book of the Company certified by the Secretary and verified on oath shall be taken as *prima facie* evidence of the entry. That follows the Bankers' Books Evidence Ordinance and is really of great utility to these public companies, because it sometimes happens that the secretary is subpoened to produce books of the Company in court and it may mean that the books of the Company are detained in Court and kept there for a very long time and the business of the Company affected. It is now proposed that an extract of the books of the Company be produced in Court the same as in the case of a bank.

Clause 41 provides for the votes of members. Under the old Ordinance no policyholder who holds less than $1,000 of insurance is permitted to vote at all. It is now proposed that every policyholder be allowed one vote according to the amount of insurance he has got, which is the same as under the old Ordinance. The only change is that every policyholder, however small his insurance may be, is now allowed one vote.

Clause 51 has been slightly changed from the corresponding provisions of the old Ordinance. It provides that a poll may be demanded by the Chairman or by not less than three persons entitled be

tween them to fifty votes. Under the existing Ordinance the Chairman or any three persons can call for a poll. It is thought advisable i order to avoid unnecessary expense that there should be some expression of opinion by policyholders who have some substantial interest in the company. The provision is therefore changed to three persons holding between them not less than fifty votes. That is a wise provision.

Clause 56 provides that a copy of every resolution shall be published in the *Gazette*. Clause 57 is new and very important. Under the existing Ordinance there is no power for the Board to summon a meeting of the scripholders, and it is considered desirable that the Board should be able to do so in order to ascertain and get their views on any particular question. In the past there had been an instance where it would have been very desirable for it to have been done. Subclause 6 provides that no resolution shall affect in any way the rights of the members of the Company nor bind them unless and until the members by special resolution approve of the same. The idea of this clause is that the Company may decide that it is necessary to reduce the scrip capital and, on summoning a meeting of the scripholders, they may decide either that there is great necessity for reducing the scrip capital, or to give a lower rate of interest or something of the kind. It is necessary to have the machinery to procure such a meeting in order that the scripholders' views may be ascertained.

Clause 59 is slightly altered from the corresponding provision in the old Ordinance. By that clause it is provided that the number of directors shall not be less than six, and unless otherwise determined by a general meeting shall be twelve. Under the existing old Ordinance the number of directors is twelve. In other words the real change is that a general meeting cannot reduce the number of directors below six. Under the old Ordinance a general meeting can direct that there may be less than six. Now it appears that unless a general meeting decides that the number shall be less it cannot be made less than twelve.

Clause 65 (*h*) is new. It provides that the office of a director shall be *ipso facto* vacated, if he is requested in writing by all his co-directors present at a meeting of the Board to resign. That is not in the old Ordinance.

I desire to call hon. members' attention to clause 81 dealing with the By-laws, because there the scripholders are amply protected. Sub-clause 2 (*c*) provides that "No by-law so made shall interfere with any right, privilege or advantage enjoyed by scripholders at the commencement of this Ordinance unless by a resolution, passed at a meeting duly held under the provisions of this Ordinance, they consent thereto." It would not be competent for the directors to pass by-laws affecting the scripholders unless they had been previously summoned and agreed to their rights being affected.

Clause 82 is new and provides what is to be done in the case of unclaimed money. That is a very comprehensive provision and allows a long time, a matter of about ten years, to anyone entitled to money from the Company to apply for it. Clause 83 is also new and is a necessary provision. It provides that the Company shall not be liable to any member, policyholder or scripholder for the loss of any cheque or warrant sent through the post, provided the amount has been made payable to the payees on order. Clause 88 is not new but provides that the provisions of the Companies (Consolidation) Ordinance shall not apply or affect the Company.

I think I have dealt with he new clauses and the By-laws, a take it hon. members have read them. It would be found that the By-laws read in with the sections and amplify the working out of the clauses and generally regulate the working of the business of the Company. In the Committee stage it would be necessary to ask for a slight amendment to clause 1—the substitution of "1938" for "1937." Government, I am informed, proposes to ask for certain amendments which no doubt will be dealt with by the learned hon. Attorney General. I may say that this Bill is somewhat lengthy together with the By-laws. Perhaps hon. members may want to refer to the corresponding sections in the existing Ordinance, which are re-enacted here or are dealt with in the By-laws, and I will be only too glad to point out any particular clause in the Bill

which is contained in the old Ordinance, or those sections in the old Ordinance which are embodied in the By-laws. I do not think I can usefully add anything more to the remarks I have made, and I therefore move that the Bill be read the second time.

THE ATTORNEY-GENERAL: Sir, in seconding the motion for the second reading of the Bill I will very briefly explain to the Council the position of Government in this matter. The Bill now before the Council is a private Bill and all the requirements have been complied with by the promoters of this measure. Government has given facilities for the passing of this measure because Government believes that it is a measure which is designed to re-organise and improve the position of the Company and facilitate the management of its affairs. The Company being a Company of liquid means, the Government is naturally prepared to give a munificent attitude towards a measure of this kind, and that is the reason why facilities have been given and the promoters not confined to Private Members' Day. Having said that, I would undertake, in so far as this Council may desire, to move amendments to the Bill during the Committee stage. The attitude of Government will be one of strict neutrality, and any amendment which may be put before the Council will be left to the free vote of the Council. I am sure that will be good news to the hon. member for Berbice River. (Laughter).

Mr. ELEAZAR: That is too late.

THE ATTORNEY-GENERAL: As regards the amendments standing on the Order Paper, I think I should first of all make it clear that these are amendments which had been put forward by Government. The history of this matter is that the promoters submitted their Bill in its draft state to Government, and Government had an opportunity to consider its provisions. The amendments which are on the Order Paper are the amendments which Government intimated to the promoters of the measure at an early stage, will be necessary for Government's attitude to remain benevolent and must be accepted by the Company. The amendments were considered by the Company's legal advisers and an agreement was reached. I want to make it quite clear, sir, that the reason for these amendments is to make it certain that in future this Company would not escape from any taxation which might be levied upon companies incorporated in this Colony, either under special statute or under the Companies (Consolidation) Ordinance. I say that, because I believe some misunderstanding exists on this point. I believe that in some quarters there is a feeling, perhaps a natural feeling arising from a hasty glance at the provisions of the new suggested clause 95, to the contrary, that clause 95 has been put in so that the Company can escape from obligations to which it will otherwise have to fulfil.

The position is this. This is not the incorporation of a new company. It is a re-incorporation of an old company, with a slight change of its name, and therefore it will not be equitable that a company seeking re-incorporation with a charter in this way should be considered to fall under those provisions with regard to a tax on its nominal capital which it would have to pay if it was a company seeking incorporation for the first time. That is a principle which is very well understood. In the United Kingdom schemes of this nature are given legislative sanction and in such instances it is usual to require the company to pay a nominal fee as a token, and then in the Ordinance there is a section enabling the company to get the exemption from those duties which would be payable if the company was truly a new company seeking incorporation or registration for the first time. That in effect is what the suggested new clause 95, which will of course be moved and considered carefully and fully during the Committee stage, attempts to do. I may say *en passant* that it is doubtful whether a mutual insurance company of this kind is liable or does possess a nominal capital which can be taxed under the relevant provision of the Tax (Amendment) Ordinance, because the capital of a mutual insurance company is made up in different ways. It is made up of the undistributed premiums of its members, of capitalised profits known as scrip capital, and a reserve fund. Its capital is a floating quantity from day to day. If it were a new company it might be found that it possesses nominal capital which might be taxed under that provision of the Tax Ordinance relating to the taxation of

nominal capital on its first incorporation. But whether that be so or not, as I have already indicated, it will not be equitable that an old company seeking re-organisation of this nature should be treated as if it were a new company.

As regards the suggested clause 96, that has been suggested to the Company by Government in order to make it quite clear to the Company that they will be liable in future to any of the general taxation which falls upon the issue of loan capital. Loan capital is defined in the Ordinance which instituted that tax. I may say in reference to this, that at the present moment there is an issue which may come before the Courts and therefore I will not say very much about it. A submission has, however, been put forward by another insurance company—and an important company because it is a company incorporated under statute and is therefore not subjected to this particular tax. The reason, therefore, why Government intimated to the Hand-in-Hand Company that it would require this clause to be inserted in the Bill is in order to make it clear that whatever might be the position at the moment in law in regard to a company incorporated under special statute, in so far as the Hand-in-Hand Company are concerned they will not be able in the future to rely on any exemption of that nature. Therefore, sir, as I have already stated, it will be a gross travesty of the facts for anyone to state that there is any intention by these amendments put forward by Government to offer any special grant or favour to the Hand-in-Hand Mutual Insurance Company. If, sir, when the Committee stage is reached these clauses can be improved upon, the wording can be rearranged in order to give greater emphasis to the position I have tried to put forward, Government will be only too glad to agree to any new wording which may be put forward as an improvement.

The position really is simply this. This Company has paid all its necessary fees to get this Bill before the Council. It has paid its $100 in stamp duty. If this Bill is enacted and clause 95 is enacted, it will pay the sum of $24 in respect of taxation to which it would be liable if it was a new company, and that will be a token of the position at the time of its re incorporation. From then on the Company will be liable under this the same way as other companies areliable to general taxation, whether it be a company incorporated under the Companies (Consolidation) Ordinance or under a special Ordinance of its own. I beg, sir, to second the motion "That the Bill be read a second time."

Mr. WIGHT: I rise not necessarily to oppose the Bill, but I desire to state that the hon. member for Eastern Demerara (Mr. Humphrys) has not put this particular fact to the Council, that this Hand-in-Hand concern is a mutual insurance company the scrip capital of which is derived from the issue of triennial profits to the policyholder, and that the scrip capital was given to them in lieu of the cash that the Company pays to-day. The foundation or backbone of this insurance company was its capital so issued. It stood at one and a quarter million dollars and the Company reduced it by 25 per cent. the other day. There is no gainsaying the fact that was not a proper thing to do. While the necessary meeting was held and it was carried by a majority, it was only a meeting of policyholders. One could have understood their calling together the scripholders, who are really the backbone of the Company. They have taken away that investment from people who have paid large premiums for their stock to earn a little more than a moderate rate of interest, and the object of my rising is to point out to hon. members that the proper course the Company should have adopted in this matter was to call the scripholders together and discuss the matter before coming to the Legislative Council. I go further than that and say the hon. learned Attorney-General was perfectly right when he used the word "promoters" with reference to the Bill. There is no doubt that this is a new company as all new rules have been put into the Bill.

Mr. SEAFORD: To a point of order, I beg to contradict that statement.

Mr. WIGHT: Most of these rules are new. The most important of them are new. Government is sponsoring a rich concern like this company and as a result it has got all these things done for nothing. It is practically a new company.

Here you have a most important thing they are going to do provide for the issue of preferent scrip. There is only one kind of scrip which is being issued now, and that is the ordinary scrip given to the ordinary policyholder over a triennial period, which he can sell if he is hard-up in order to maintain his insurance. That scrip is going to be bought by the wealthier members of the community from these poor scripholders and the former become the owners of the company as it were. Another point is that you have taken out the word "guarantee" from the name of the Company. You do not require it now. These people had been guaranteed that in case of fire they would be assisted. The most criminal part of the Bill is what I see here.

THE PRESIDENT: I am sure the hon. member used the word inadvertently. He must confine himself to parliamentary expression.

Mr. WIGHT: I withdraw it, if Your Excellency so desires. The Bill provides that "The company shall be under no liability for registering a transfer of scrip under a forged transfer or a transfer executed under a forged power of attorney, if the certificate covering such scrip has been delivered to the company and the title of the true scripholder shall as against the company be defeated by the registration . . . . " Do you tell me that a clause like that should be brought to this Legislative Council, and that we here are going to permit such a thing to be passed? A man goes into my iron safe, steals my certificate, and goes to the company and transfers my scrip and the company will not be liable to me? Surely that must be a sleepy man to put such a thing in the Bill. Clause 14 provides for the issue of scrip certificates; it shows that at the commencement of this Ordinance, this Company has the intention of reducing the scrip capital which is the backbone of the Company, and issuing some other scrip of a lower dividend rating. I want particularly to point out to hon. members that the scripholders are the only people that have absolutely no voice in the management of the Company although they were originally policyholders. Directors of the company are elected on a policy of not less than $1,000, but I see here such persons are to be elected on less than $1,000. I contend that this proves that this is practically a new company, not entirely in the sense that everything is new, but they are going to deprive the six per cent. scripholders of a sound investment in order to institute a lower rate scrip capital. Directors do not hold one penny worth of scrip but have the exercise of votes far in excess of anything the scripholders would have. Scripholders with $50,000 or $60,000 would not have anything like the fifty votes one insurance member may possess. What on earth is the necessity for the change? Why give the Chairman so much power more than he has had before? It savours to my mind of nothing less than big stick methods. For nearly 95 years it has been working satisfactorily. Some years ago the same kind of thing was attempted here and it was knocked out by Government because it was felt that the scripholders were really the partners who should assent before any change in the Ordinance be carried into effect.

Clause 57 provides that the Board may at any time call a general meeting of scripholders or any class thereof. Powers are sought to create different classes of scripholders. I strongly resent that, and I think some hon. members object to it also. Many of them hold scrips from the inception of the Company unto to-day. The Directors need not hold one penny worth of scrips but they have all the voice; they can summon a meeting and must preside over the meeting of the scripholders. It appears to be not a wise thing at all, because the Directors can come out of the Company, but the scripholder cannot come out unless he sells his scrip to the public or where he can find a purchaser. The insurer can come out of the Company every three years, and you are now making a provision that he can come out in one year. Formerly he had to wait three years before he is entitled to profit but it is now proposed to make it one year. A fire may occur and instead of waiting for the expiration of three years a member can surrender his policy and get away with it, but the scripholder cannot so easily get out of it. With respect to the mode of dealing with claims he comes in much earlier than under the old Ordinance. It is not correct; it is certainly not right.

As regards the Directorate the Company has got on quite satisfactorily with twelve irectors all these years, but provision is made in the Bill to reduce the number to six, and in order to have it clinched a clause for the disqualification of directors has also been put in. Sub-clause (*h*) of Clause 65 reads: "The office of a director shall be *ipso facto* vacated, if he is requested in writing by all his co-directors present at a meeting of the Board to resign" A clique may get up against an individual and want to get him out as a director; he and five of them attend a meeting and he is given a requisition to resign his seat; he has no alternative than to go. It is said that is not new, but after a comparison of the Bill with the old Ordinance, I am satisfied in my mind that it is practically a new company. Government has aided them in getting this thing done cheaply; official documents have been done for nothing; Government has sponsored them. The Company is a rich concern, and the public are saying that it is the well-to-do and the people of influence who can get things done by Government free.

Mr. SEAFORD: Is the hon. member correct in his statement that this is done free?

Mr. WIGHT: This is done free of the $150 paid to the contractors to publish the Bill, and then you had this sent out twice in every newspaper. I certainly say that the hon. Attorney-General understood the position in calling them promoters. I am in agreement with him. The word is most applicable to those responsible for this document. There is no re-organisation of the old company, but a new construction practically in all respects. The Company is going in for new business such as Marine Insurance. Every company should be progressive, but this is not a class of investment which should be brought to the Legislative Council to be endorsed free, gratis, and for nothing, as it were. I repeat, and I hope it will be remembered, that before this Bill is considered by this Council it should be sent back to the Hand-in-Hand Company Directors to call the scripholders together and get an expression of opinion from them. The scripholders are the backbone of the Company and it is their capital chiefly which is affected, as the policy-holders only have $400,000 odd.

Mr. SEAFORD (*sotto voce*): What about the reserve?

Mr. WIGHT: The reserve belongs to the scripholders. It is their money which made that reserve. Triennial profits have been paid out regularly to the insurer who has got up to 75 per cent. of his money back. If a fire occurs during that period, there is no doubt that the loss is coming off those whose premiums are not paid, but now that is restricted to one year only whilst the scrip capital can be reduced to pay the loss. Previously you had other things backing that up, but now scrip is put before the others and that scrip is going to be redeemed and a new class issued. That is my serious objection to the Bill.

Mr. SEAFORD: I find it somewhat difficult to follow at times the argument of the hon. member for Georgetown Central (Mr. Wight). I am not sure whose interest he is trying to protect. I am not sure whether it is the scripholder or the policyholder.

Mr. WIGHT: Both.

Mr. SEAFORD: The hon. member says both, because he is sore being both himself. I thought it was for the protection of the general public. It would be easier for me to criticise his remarks if he were not interested in insurance. Everything put forward here is for the advancement and betterment of the Company and the policyholders in that Company. The hon. member mentioned about the Company not calling the scripholders together. At the time that question came up the Company had not the power to call the scripholders together. This new provision gives the Company for the first time power to call the scripholders together. The hon. member will agree that is a point he will have to support. The reason for that provision is obvious. This Company pays out to the scripholders six per cent. on the money which was originally lent some years ago. As this Company became stronger and stronger it built up a reserve and so did not require that scrip capital which was the reserve of the Company. As it built up that reserve it was able to afford to pay back the scripholders, and certainly it is for the benefit of the policyholder for

whom the Company is run, to try as early as possible to pay off the loan capital on which it is paying six per cent. It occurred to the Directors that it might be possible instead of paying off the scripholders to reduce the rate of interest. There is good reason why this provision is put in the Bill, because the Company will have a chance to discuss with the scripholders as to which they prefer. This Company must be run for the benefit of the policyholders. These scripholders have been getting six per cent. on their money for very many years, and if they desire to sell their scrip they will get a very good price for them to-day. I am sure the hon. member will be only too glad to sell it for them. The Company, however, decided that if the scripholder desires to have a say in the matter there is nothing to prevent him becoming a policyholder for a small amount; that will give him a say in the control of the Company as any other policyholder.

I do not like the interpretation the hon. member has put on clause 65 (*h*) that six directors will attend a meeting and five of them will cause the other to resign. Such construction never entered into the Directors' minds for one moment. It is only done because one has to look ahead and one never knows what is going to happen. I am extremely sorry that the hon. member should have made such a suggestion. I can only imagine that it is a brain wave of last night when he was too tired to think anything else. The hon. mover of this motion is quite capable to reply to this motion, and any matter of detail will be considered in Committee.

Mr. WIGHT: The last speaker is entirely wrong in saying that the scripholders cannot be called together. There is nothing under the rules of the Company to prevent the Directors calling the scripholders together and asking their opinion. It is not a matter of right but a courtesy which they could have extended to the scripholders.

Mr. HUMPHRYS: I wish to reply very briefly to the hon. member for Georgetown Central. So far as the expenses are concerned, perhaps the hon. member is not aware that the Company paid $300 in respect of the printing of the Bill.

Mr. WIGHT: That is not correct; the amount is $150.

THE ATTORNEY-GENERAL: To Government. (laughter).

Mr. HUMPHRYS: The hon. member can find out the exact terms, but I do desire to assure him that no preference was shown to this Company at all. We paid all the requisite fees, and I do not think we can do more than that. The hon. member referred to clause 20 of the Bill. He considered it a disgraceful thing that the Company should be under no liability in respect to forged transfers. That provision is adopted from the English Forged Transfers Act which affords similar protection. Sub-clause 2 makes provision that the Company may make good the loss although the Company is not liable. One can imagine a case would arise in which, although the transfer is a forgery, there may be undue negligence on the part of the person receiving the transfer in allowing it to go through. That is a necessary provision as the Company is not expected to know the signatures of the transferer and transferee in like manner as a bank. If two witnesses and the transferer and the transferee are in collusion to perpetrate a fraud, how can the Company be liable?

The hon. member referred to clause 24 as regards scrip. That has been fully replied to by the hon. member for Georgetown North (Mr. Seaford), and it is not necessary to say anything more, but it does appear to me that scripholders are put on the same platform as creditors of the Company. I would like to hear a creditor complaining of being paid. For years past they had been drawing handsome dividends from scrip, and because the Company in order to protect the policyholders and make insurance cheaper seeks to pay off the scripholders there is complaint about it. What cause for complaint can there possibly be if the Company paid off the scrip issued in lieu of profits earned, when handsome interest had been earned thereon for many years? It seems to me that it should be the policy of any company issuing scrip in respect of profits to redeem that scrip as early as possible. This Bill does not change the right that the Company has under the existing Ordinance to redeem scrip if it thinks fit to do so. That has

been done ; as the hon. member pointed out, a certain amount was redeemed.

The hon member also referred to the number of Directors. Under the existing Ordinance the Directors unless otherwise decided by a meeting are twelve, but there is power to have less than twelve ; there can be two. This Bill says there shall not be less than six, and therefore this Bill is an improvement on the old Ordinance.

As regards disqualification, if the members present at a meeting request in writing any Director to resign, I do not think that is an unreasonable provision to have. In another Ordinance of the sister company, the British Guiana and Trinidad Mutual, I observe it is provided there, " if requested in writing by all the remaining Directors in the Colony." I take it the complaint of the hon. member is that the Director may be better off if the request comes from all the remaining Directors in the Colony and not from those present at the meeting. I do not think there is very much difference in that. If it happens that a Director is requested to resign, I have no doubt that members of the Board will all turn out in order to approve or disapprove of what is done.

The question of Broker Disqualification seems to be a necessary provision, as naturally he will have access to all transactions in respect of scrip and transfers, and he will not only be in an unfair position to other brokers but will lay the Company open to the accusation that one of the members of the Company who is a broker is in a position to ascertain the business done. That is a position which should not obtain.

Mr. ELEAZAR : There is an old saying : " When rockstone give dance, axe has no business there." This is really a rockstone dance to me, but as a lawyer and a legislator I think I may have voice in the matter in asking Government not to permit some of these things here on the same principle as Government did in respect to the New Amsterdam Town Council Bill.

Question put, and agreed to.

Bill read the second time.

The Council adjourned until the following day at 10.30 a.m.