

LEGISLATIVE COUNCIL.**THURSDAY, 6TH JUNE, 1946**

The Council met at 2 p.m., His Excellency the Officer Administering the Government, Mr. W. L. Heape, C.M.G., President, in the Chair.

PRESENT

The President, His Excellency the Officer Administering the Government, Mr. W. L. Heape, C.M.G.

The Hon. the Colonial Secretary, Mr. D. J. Parkinson (Acting).

The Hon. the Attorney-General, Mr. F. W. Holder.

The Hon. the Colonial Treasurer, Mr. E. F. McDavid, C.B.E.

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

The Hon. C. V. Wight (Western Essequibo).

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

The Hon. H. N. Critchlow (Nominated).

The Hon. J. B. Singh, O.B.E. (Demerara—Essequibo).

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

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

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

The Hon. Peer Bacchus (Western Berbice).

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

The Hon. J. W. Jackson, O.B.E. (Nominated).

The Hon. T. Lee (Essequibo River).

The Hon. A. M. Edun (Nominated).

The Hon. V. Roth (Nominated).

The Hon. T. T. Thompson (Nominated).

The Hon. W. J. Raatgever (Nominated).

The Clerk read prayers.

OATH OF ALLEGIANCE

The PRESIDENT: The first duty of the Council is the swearing in of Mr. Parkinson and Mr. Raatgever as Members of this Council.

Mr. D. J. Parkinson, Colonial Secretary (Acting) and Mr. W. J. Raatgever (Nominated Member) then took the Oath of Allegiance.

The PRESIDENT: On behalf of the Council I should like to extend a hearty welcome to the Members who have just been sworn in, both of whom I am confident will give most able service.

THE NEW ATTORNEY-GENERAL

I would like also to take this opportunity, and I am sure it is the unanimous wish of the Council that I offer our most cordial congratulations to Mr. Holder on his appointment as Attorney-General of this Colony. (Applause).

MINUTES

The Minutes of the meeting of the Council held on Wednesday, the 15th of May, 1946, as printed and circulated, were taken as read and confirmed.

ANNOUNCEMENTS.**PURCHASE OF TWO SHIPS**

The COLONIAL SECRETARY communicated the following Messages:—

MESSAGE No. 1

Honourable Members of the Legislative Council,

The present number of ships in the fleet of the Transport and Harbours Department does not allow a sufficient margin for docking for repair and overhaul at regular intervals, while the schedule of replacement shows that some vessels are due to be scrapped. During the war years, heavy demands were made on the steamer service for the transport of produce, and especially of rice; indeed, it was necessary to purchase two second-hand vessels, one of which, Honourable Members will recall, was badly damaged by fire recently.

2. It was originally intended to purchase new ships of the Barima type which the Crown Agents estimated would cost not less than £67,000 each and could not be obtained until the end of 1947.

3. The Crown Agents have now advised that it may be possible to obtain, for £40,000 each, two ships from a number of vessels which the Ministry of War Transport desires to sell. These vessels were built in 1945 and are priced in the Disposals List at £46,400 each.

4. The General Manager and the Board of Commissioners of the Transport and Harbours Department have reported that these vessels are well suited to the coastal and river services of the Colony and are available at bargain prices. They have each 50% greater cargo capacity than the "Tarpon", are oil fuelled with speed 9 knots, are air conditioned and fitted for service in tropical climate.

5. They will enable the Transport and Harbours Department to deal with cargo in an even flow. At the present time cargo accumulates at the stollings and then not only holds up the sailing of passenger vessels but also increases overtime charges amongst personnel at loading point, on board ship and at destination.

6. Honourable Members are therefore invited to approve of the provision of £80,000 being made to effect the purchase of these ships which will effect a substantial economy on the original programme and should meet our steamer requirements under existing traffic conditions for the next 10 or 15 years.

W. L. HEAPE,
Officer Administering the Government.
GOVERNMENT HOUSE,
British Guiana,
21st May, 1946.

LIGHTSHIP TO REPLACE BEACON

MESSAGE No. 2

Honourable Members of the Legislative Council,

The Demerara Beacon is now in urgent need of replacement. The structure has been seriously affected by the cumulative effect of attack by teredo and erosion of the seabed; soundings at the Beacon show that as a result of scouring the depth has increased by 15 feet, thus exposing the Beacon piles to such an extent that the whole structure oscillates during heavy seas. While there is no immediate danger, the present position cannot be permitted to continue.

2. It is not considered practical to repair the existing structure because—

- (i) The scour may continue.
- (ii) Piles, braces and walings have so deteriorated that timbers

originally 16" square have now a core of only 8" to 10" sound wood.

- (iii) Bolt holes through oscillation have elongated, producing much loose play.

3. To rebuild the Beacon would involve an outlay which has been estimated at \$41,760 and might possibly reach a much higher figure. There is no equipment available in the Colony for doing this work and in any case the same situation which exists to-day would recur 14 years hence.

4. It is therefore proposed that the Beacon should be replaced by a lightship, to be constructed by the Transport and Harbours Department, using the hull of the barge "Arawana" if this is found to be in satisfactory condition. It is estimated that the erection of the superstructure to carry the light, the installation of lighting plant and accommodation, and all other work would cost \$15,000; and the vessel, with regular maintainance, should last for 25 to 30 years. As compared with the cost of erecting a new beacon with a life of only 14 years a saving of approximately \$30,000 would be effected; and the saving compared with the cost of a new lightship would of course be very much greater.

5. It will be necessary for the "Arawana" to be placed on the slip for careful examination by the Government Surveyor of Ships but in anticipation of this craft being passed as suitable and in wholly satisfactory condition for the purpose intended, authority is now sought from the Legislative Council to expend the sum of \$15,000 on the conversion of the vessel as proposed. It is important that this should be completed before October next when rough weather is usually experienced.

W. L. HEAPE,
Officer Administering the Government.
GOVERNMENT HOUSE,
British Guiana,
23rd May, 1946.

PAPERS LAID

The COLONIAL SECRETARY laid on the table the following :—

Speech by His Excellency the Governor Sir Gordon James Lethem, K.C.M.G., at the opening of the Twelfth Session of the Legislative Council on the 15th of May, 1946. (Leg. Co. No. 5 of 1946).

Review of the year 1945 by His Excellency the Governor Sir Gordon James Lethem, K.C.M.G. (Leg. Co. No. 5a of 1946).

LEGISLATIVE COUNCIL

Reports of the Department of Lands and Mines for the years 1940 to 1944.

GOVERNMENT NOTICES

INTRODUCTION OF BILLS

The ATTORNEY-GENERAL gave notice of introduction and first reading of the following Bills :—

- A Bill intituled "An Ordinance to amend the Co-operative Credit Banks Ordinance, 1944, with respect to the security to be given for loans made under that Ordinance and other matters connected therewith."
- A Bill intituled "An Ordinance to authorise the Demerara Electric Company Limited to restrict the supply of electricity to the inhabitants of Georgetown and its environs."
- A Bill intituled "An Ordinance to amend the Mitchell Trust Ordinance, 1937, with respect to the number of the beneficiaries and vacancies therein."
- A Bill intituled "An Ordinance relating to quarantine and similar matters."
- A Bill intituled "An Ordinance to amend the Mining (Consolidation) Ordinance for the purpose of requiring the consent of the Commissioner to transfers of concessions, leases and licences granted under that Ordinance."

PURCHASE OF TWO SHIPS

The COLONIAL SECRETARY gave notice of the following motions:—

That, with reference to the Officer Administering the Government's Message No. 1 dated the 21st of May, 1946, this Council approves of the provision of £80,000 for the purchase of two ships for the Transport and Harbours Department.

LIGHTSHIP TO REPLACE BEACON

That, with reference to the Officer Administering the Government's Message No. 2 dated the 23rd of May, 1946, this Council approves of the provision of \$15,000 for the purpose of converting and equipping the "Arawana" for service as a lightship.

UNOFFICIAL NOTICES

SUGGESTED TRAFFIC REFORMS

Mr. ROTH gave notice of the following question:—

Whereas the efforts of the police to bring under proper control the road traffic in the City of Georgetown are in no small degree nullified by their lack of legal control over irresponsible pedestrians,

And whereas these irresponsible pedestrians, more popularly known as "jay walkers" provide unnecessary hazards, not only to themselves, but to other users of the roads,

And whereas a still greater hazard to all road users is caused by the unnecessary use of too powerful and/or undimmed headlights on certain motor vehicles,

Will Government consider favourably the amendment of Section 156 of Chapter 13 of the Laws so that it shall be an offence for

- (a) any pedestrian to walk along any road provided with pavements or footpaths except for the purpose of crossing that road,
- (b) any pedestrian to loiter on or in any way cause an obstruction on any road,
- (c) any person to drive a motor car or other vehicle in the City of Georgetown with lights which dazzle or annoy other users of the road.

PETITION

Mr. EDUN presented a petition on behalf of Ramlackan Singh.

RESIGNATION OF THE HON. M. B. G. AUSTIN, O.B.E.

Mr. WOOLFORD: Sir, before you proceed with the Order of the Day I ask your permission to move the suspension of the Standing Orders in order to allow of my making a few remarks about the resignation of a Member of this Council whose place Mr. Raaigever has just assumed. I therefore move the suspension of the Standing Orders to allow me to do so.

Motion put, and agreed to.

Mr. WOOLFORD: Sir, since last we met this Council has been deprived of the long and valuable services of Mr. Austin who has resigned following on his resignation from the commercial life of the community. Mr. Austin has had very many years of service in this Council as well as in the Executive Council of the Colony, his service extending from the year 1929 to this year. I refer, sir, to the year 1929 because it followed the period of the new Constitution, and it had previously been complained that there were interests in this Colony entitled to be represented in this Council but who could not on their own secure election at the polls. I have never subscribed to that declaration because I know of two gentlemen in this community—I refer to Mr. J. B. Prest, a former Attorney of Messrs. Sandbach, Parker & Co., who, I think, speaking purely from recollection, did contest an election and was returned as a Member for Georgetown, and I think I can also say that a representative of Bookers, Mr. J. B. Cassels, also secured election to this Council.

But to refer back to Mr. Austin, he was so well known to all of us that I think it might be said of him that although a Nominated Member he was most regular in his attendance here, as he was in going to his office. I think I used to see him almost every morning going to his office at a very early hour. That regularity was followed up by an interest in this Council's affairs which signalized his appointment as a Nominated Member. Cradled as he was in the laps of Conservatism in those days he became almost an active politician, and much against his will. I think it could be said of Mr. Austin that despite the fact that he was a Nominated Member, so often referred to as a "yes man", whatever that might be, he was in a special way a "no man", if that term has any significance, (laughter), because on the very infrequent occasions on which he rose to make a speech in this Council he was a most trenchant critic of Government policy. He rose unexpectedly and without any previous intimation, perhaps, of doing so, and spoke fearlessly but honestly in criticism of Government policy. His remarks were received with such great respect that I personally have known that the particular policy was not persisted with. I had the pleasure of being associated with him in the Executive Council, and in that Chamber he was equally positive when the necessity arose and he was so minded.

I mention these facts as indicating that it is within the province of a Nominated Member, so greatly exemplified by Mr. Austin, whenever he cares or wishes to do so, to express his assent or dissent with Government policy without any limitation. I am sure some of us will miss Mr. Austin. He had unique experience in mercantile and shipping law. I suppose that almost his entire life has been spent in the consideration of matters of a varied nature in that direction, and I and other Members know that he was a direct representative of the Ministry of Shipping, and in that capacity he has been of very great service to the Colony during the war.

Through his quiet and retiring manner, although his inclinations on behalf of those he represented often met with criticism and even resentment by Members in this Council, I am glad to think and feel that he never lost the respect of Members of this Council. I hope, therefore, that Members will give me their support when I ask you, sir, as President of the Council, to convey to Mr. Austin our very warm appreciation of his past service, and our sincere wish that he will enjoy his retirement from public life, and the assurance that when he does return to this Colony we shall all be pleased to see him sitting in one of our reserved but not very ornate seats. I therefore move that this Council's expression of appreciation, which I have endeavoured to express, be transmitted to Mr. Austin, and I hope I am expressing the sentiments of every Member present when I say that I believe it is the unanimous wish of everyone present here.

Mr. PERCY C. WIGHT: In seconding the motion, sir, I endorse heartily the remarks made by the Deputy President. I have known Mr. Austin for many years. He is a man without any ostentation, honest of purpose, of few words, and as straightforward as anyone could wish.

Mr. EDUN: I cannot allow this opportunity to pass without endorsing the very able remarks made by the hon. mover with reference to the services rendered this Colony by the Hon. M. B. G. Austin. When I joined this Council as a Nominated Member I felt that Mr. Austin was one of those reactionaries in whom this Colony could have found no progress, but as I watched him in this Council and heard him contribute to the debates in his own way I discovered one streak in his

nature, and that was that whatever he did and whatever he said was in the interest of British Guiana. I am convinced about that more than anything else. I am sure he will be missed because those of us who attend regularly will agree that Mr. Austin's seat was always occupied.

I endorse all that has been said and I feel that this Council should pay tribute to those who have served. Public service is known to be a thankless job. No matter what one does and how much he does for the public there comes a day when the public kicks against it. In this case Members of this Council ought to pay tribute to one who has done so much in his own way for this Colony.

Mr. JACKSON: I should like to be permitted to associate myself with the remarks made with reference to Mr. Austin's usefulness in this Council. I think one point has been omitted, perhaps because it is not generally known, and that is that Mr. Austin and I have been associated in prison! (laughter). I mean prison work. We sat on the Board of Governors for the Georgetown Prison and the Penal Settlement.

Mr. WOOLFORD: I think it was the Board of Official Visitors. I do not wish the hon. Member to involve himself or Mr. Austin. (laughter).

Mr. JACKSON: I was always struck by the manner in which Mr. Austin inquired into the complaints of the prisoners and the sympathy he has always shown for them. I will miss him immensely on that Board. I trust he will have the enjoyment of his retirement from business and from politics, and I am positive he will always remember the happy times he has spent in this Council and in prison. (laughter).

Mr. de AGUIAR: As Mr. Austin's services have been so ably eulogized by Members on the left wing I think I should claim the privilege of saying a few words on behalf of the Members on the right. On the assumption that the motion has been duly seconded by the hon. Member for Georgetown Central (Mr. Percy C. Wight) I would like to join in the remarks of appreciation of Mr. Austin's service in this Council. I would like to add ~~that~~ not

only was Mr. Austin's service in this Council appreciated but also his service to Government on the several Committees and Boards on which he sat during his term of membership of this Council.

It would be true to say that Mr. Austin did not speak in this Council on behalf of the commercial community but rather as an individual and a colonist. But even if he did on some occasions express the views of the mercantile community I feel sure that Government's action in nominating the gentleman who now succeeds Mr. Austin is welcomed by the commercial community, and that in Mr. Raatgever we will have a very worthy champion of the cause of the mercantile community. There is no doubt about it that whenever Mr. Austin rose to speak in this Council his views were respected not only by the Members of the Council but, I venture to say, even by the Government. As the hon. mover rightly said, I also recall more than one instance in which, as a result of his strenuous opposition, if that is the correct term (I would not refer to it as opposition, but his sound and valuable contribution to the debate) Government's policy was deferred for further consideration, and in many cases Mr. Austin's views were respected.

It is fitting, therefore, that this Council should pay this tribute to that worthy gentleman, and I heartily wish to associate myself with the remarks made by the previous speakers.

Mr. CRITCHLOW: I beg to associate myself with the remarks made by hon. Members. I have listened attentively to Mr. Austin's contributions to many debates in this Council, especially on matters concerning the poor, and I can assure the public that although some people outside regard Nominated Members as "yes men" Mr. Austin was not one of them. In any matter for the benefit of British Guiana or the people Mr. Austin always gave the right side his support. I remember when the question of old age pensions was being debated he was one who suggested that the increases should take effect from this year. I happen to have worked with Mr. Austin at Bookers as a boy, and I have also played cricket with him. I can say that he is a very good gentleman and always played the game well.

The PRESIDENT: It was gratifying to listen to the very warm expressions of opinion of this Council, and it will give me great pleasure indeed myself to transmit a suitable expression of this Council's unanimous appreciation of Mr. Austin's services. For my own part I have only had the pleasure of knowing Mr. Austin for the two years since I came to British Guiana, but I would like to take this opportunity of saying publicly, on behalf of Government, how much Government has appreciated Mr. Austin's devoted service to the Colony, and what a pleasure it has been for Government to work with him in Councils and on Committees. No task which Government asked Mr. Austin to undertake has been too arduous for him to perform. I shall indeed very greatly miss his services, and I hope that this action of the Council will be gratifying both to Mr. Austin and to his family.

I think the Hon. Mr. Critchlow really said what I was going to say—that you can always rely on Mr. Austin to play the best possible game of cricket. I really do appreciate the Council's action in the matter and I will convey its appreciation myself. (Applause).

ORDER OF THE DAY

BILLS—FIRST READING

The following Bills were read the first time:—

A Bill intituled "An Ordinance to amend the Co-operative Credit Banks Ordinance, 1944, with respect to the security to be given for loans made under that Ordinance and other matters connected therewith."

A Bill intituled "An Ordinance to authorise the Demerara Electric Company, Limited, to restrict the supply of electricity to the inhabitants of Georgetown and its environs."

A Bill intituled "An Ordinance to amend the Mitchell Trust Ordinance, 1937, with respect to the number of the beneficiaries and vacancies therein."

A Bill intituled "An Ordinance relating to quarantine and similar matters."

A Bill intituled "An Ordinance to amend the Mining (Consolidation)

Ordinance for the purpose of requiring the consent of the Commissioner to transfers of concessions, leases and licences granted under that Ordinance."

CO-OPERATIVE CREDIT BANKS BILL

The PRESIDENT: With the permission of Council the Attorney-General would like to take the second reading of the Co-operative Credit Banks Bill, the Electric Co. Bill, the Mitchell Trust Bill, and the Mining Bill in that order. If Members are agreeable he will proceed with those Bills straight away.

The ATTORNEY-GENERAL: Your Excellency and hon. Members will see that this Bill is "to amend the Co-operative Credit Banks Ordinance, 1944, with respect to the security to be given for loans made under that Ordinance and other matters connected therewith." The Objects and Reasons which accompany the Bill show that the provisions of the 1944 Ordinance regarding the security to be given by borrowers to Loan Banks have proved to be excessively restricted in regard to transactions which may be effected under the Ordinance. Bills of Sale, which under the Ordinance became the normal security for loans, may not be executed to secure loans for less than \$50 and are otherwise unsuitable for the protection of Loan Banks. Moreover, representations have been made to Government that farmers and others had, before the passing of the present Ordinance, become accustomed to the borrowing of small sums from the Banks on the security of promissory notes and the deposit of their transports. The whole matter has been reconsidered by Government, and it has been decided to provide for a wide range of security for loans substantially based on the amount of the loan. Small farmers and traders will then be in a position to obtain loans below \$50 and to offer adequate security to the Banks.

For the Bill of Sale permitted under the Ordinance, an instrument in writing creating a charge on the borrower's movable property in favour of a bank is substituted by the Bill. It is simple and fully effective for the purpose, while it avoids all the pitfalls of the Bill of Sale procedure. It will only be required to

secure loans exceeding \$240 in amount but not exceeding \$960. The form has been adopted from the Agricultural Credits Act, 1928. The fees for filing the instrument in the Registry have been reduced and members of loan banks will be able to use the credit facilities more freely for the purpose of their farm and other industrial enterprises. For loans not exceeding \$240, a promissory note with one or more sureties will be sufficient. Opportunity has been taken to make a few other amendments to the Ordinance which have appeared to be necessary since 1944.

Hon. Members have before them certain amendments which I propose to move in later in the course of the consideration of this Bill. I have submitted paragraphs providing securities for loans of two classes only; namely, loans not exceeding \$240 and loans exceeding \$240. It has been learnt from the statistics of the Banks that about 65 per cent. of the loans are between \$50 and \$60 each, the remaining 35 per cent. varying between \$10 and \$480. Therefore the emphasis is on the loans between \$50 and \$60. The people who desire the new form of security are those who seek loans under \$240. This amendment, which I have had placed before hon. Members, has been approved by the Co-operative Credit Banks Board. I think this procedure and the method which is suggested here would meet with the approval of Members of this Council. In fact representations, as I have pointed out a moment ago, have been constantly made by members of the public and by the Officers of the Banks' Board and various Credit Societies. I suggest to hon. Members these amendments will enable the Banks' activities to be enlarged and the people who desire to get small loans to be satisfied by obtaining those loans and by the security which they will give to the Banks, the Banks co-operating with them and they with the Banks. This is an endeavour to make a real co-operative movement. With these observations I beg to move that this Bill be now read a second time.

The COLONIAL TREASURER seconded.

Mr. LUCKHOO: I think Government

has taken a very wise step in amending the law as it now stands. Cases have occurred in which farmers had been put to very serious inconvenience in getting loans from the Credit Banks owing to the law as it presently stands—the Ordinance of 1944. Prior to that time, there was the practice of giving loans to farmers and those engaged in industrial enterprises and by way of security a promissory note was given to a Bank for the payment of the loan advanced. But under the law as it presently stands, no loan under \$50 can be had from a Bank unless a Bill of Sale is given in favour of the Bank. I am glad to see that steps are being taken to simplify the position and to regularize the transactions which had taken place some time previously.

When the amendments were passed in 1944 representations were made to me and, I think, the Committee of the Banks approached Government on this subject with the view of amending the law so as to facilitate the granting of loans. By this Bill it is intended now to make good the deficiencies of the present law, and it will be a great help to the farmers who, instead of relying on the good offices of the money-lenders, prefer to go to the Banks and get their loans under easy terms of interest and easy terms of repayment. It will be surprising to many to know the amount of interest charged by moneylenders for small loans given to these agriculturists, and it is simply strange that such a state of affairs has continued to the present time without there being any proper check in respect of the rate of interest charged by moneylenders under their Ordinance. The rate of interest charged in many cases is rather excessive, and it is prudent for Government to step in at this stage in order to control the interest charges made by people, who are registered under the law to lend money and who pay only a registration fee of \$5 every three years for the purpose of carrying on such business. That is something this Government should look into if it intends to help the farmers and agriculturists in the manner directed in this Bill.

I think, Sir, this is a very wise step, and I well remember when this Ordinance was passed. There was a great stir among the communities of the different Banks who

felt that Government had come to their assistance and was helping them to tide over their difficulties. But what do we find? The law as it stands provides that a man wanting a loan of \$100 has to execute a Bill of Sale with the many difficulties which are involved in that. Due care has to be taken that the instrument is renewed every year and at the proper time otherwise the security lapses. That is very important in all these matters, and I am glad to see that steps are being taken to do away with that form of security. The loans can be secured by means other than by a Bill of Sale. I take it that a mortgage on immovable property will be taken. A Bill of Sale with all its intricacies is not the proper form of security.

It is very important that in respect of agricultural economy farmers be provided with easy means of obtaining money to invest in the land. It is the only way Government can hope to secure some reliable source of production from these men who are engaged in agriculture. I congratulate Government on taking steps now in the matter and, I hope, it will be made known among these people that they can obtain loans from the Co-operative Credit Banks provided proper security can be given. I am not aware that these Banks lend any large sums of money. During the last few years there has been no case in the Court for the recovery of amounts loaned by these Banks. Sureties will be offered when large sums are required but if the loan is over a certain sum, as pointed out in the Reasons accompanying the Bill, proper security will be required by way of a mortgage. A Bill of Sale is an out of date form of security and needs constant watching, and care has to be taken to see that the loan is collected at the proper time. I think the step taken will provide some encouragement to small farmers and agriculturists to carry on their business.

The COLONIAL TREASURER: I have seconded the motion, and in order to facilitate the course of discussion I would like to refer this Council to one particular feature of the Bill which the hon. the Attorney-General did not refer to in his opening remarks. That is in regard to clause 3, paragraph (c) sub-paragraph (i). Some Members may remember that when

the 1944 Bill was being discussed in Council some controversy arose over the fact that the Bill, which is now an Ordinance, did not have any specific provision to enable a borrower to obtain money from the Bank to purchase land. There was a somewhat heated discussion on this particular subject and the Governor gave the undertaking that it would be considered by Government and, if possible, some action would be taken to remedy that defect. Subsequently I was appointed Chairman of a Committee to advise on that particular point, and as the result of that advice that particular paragraph to which I have referred has been introduced.

Hon. Members will see that the Banks will now be permitted to lend money to an applicant in respect of the payment of the whole or a part of the purchase price of land bought by the applicant, and also to borrow money in respect of the erection, or renovation, or repair of any dwelling house on the applicant's land. That is a new power, and it is to be read in conjunction with the clause somewhat further down whereby a limit of \$240 is placed on all loans which can be made by a Bank, subject only to the approval of the Governor in Council in any particular case where a higher amount is desired. That is an important feature of this Bill. It introduces a power which is lacking in the present Ordinance. An applicant in the country who desires to buy land can now find a means under this Bill by which he can get money to enable him to pay the purchase price. I suggest that is an equally important feature of this Bill as the other features which have been so much stressed in respect of small loans and small applicants.

Mr. PEER BACCHUS: I remember well when the 1944 Ordinance was being debated, the condition now outlined by the hon. the Colonial Treasurer was an amendment I sought to that Bill. Subsequently the Council sat and recommended a limit of \$240. Under the 1944 Ordinance a Bank has no limit so far as the borrower is concerned, and it is sought now to place a limit at which a Bank may lend to its members. It is a very necessary provision so that people can obtain money to purchase land if they so desire. But I

think that in the case where the loan is over and above \$240 the approval of the Governor in Council has to be sought. That, I think, should be made a little bit clearer because, if I remember rightly, they also asked for special reasons, special circumstances to be shown on which the Governor in Council would consider any excess of \$240. That, I ask, should be borne in mind. That condition should be made very clear so far as the Bank is concerned, whether any specific purpose has to be stated to have the loan extended over and above \$240. I share the view that farmers and small traders can benefit by the Co-operative Credit Banks. I share the view that facilities should be extended to all those people so as to make it convenient for them to get a loan within a reasonable time and with reasonable security.

But, Sir, I fear that this enactment is going to interfere, and very largely too, with an inheritance. We are inheritors of certain Dutch legislation which is in our law and is practised to-day. Therefore I fear that this is legislation superseding that one and it may interfere a whole lot with some business people. I have in my mind intended to concede so much facilities up to \$60 to the small people, because we have had it from the hon. the Attorney-General that 60 odd per cent. of the loans made by the Banks are loans between \$50 and \$60. Now, the inheritance I speak about is this: We know that so far as immovable property is concerned one cannot transfer a property to another person without giving public notice in the *Official Gazette* and one of the newspapers of the Colony. Therefore creditors in Water Street, for instance, knowing that a person possessed a certain immovable property had allowed him a certain amount of credit, and were secured to a certain extent. But is the security of traders in Water Street intact after the enactment of this Bill? Overnight a small trader can borrow from a Co-operative Credit Bank, giving preference to the Bank on his immovable property, without anything being known in Water Street as to whether that property has an encumbrance. I say, this Bill is going to take away an enactment of this Colony which, I feel certain, if this Government attempts to repeal it, would meet with

wholesale opposition not only from this Council but nearly throughout the Colony. That is what this Bill is seeking to do to the extent of loans to \$240. If 63 per cent. of the borrowers borrow between \$50 and \$60, I am prepared to see that preference and priority in facilities be afforded the small man in obtaining a loan, but it can be seen that to extend the amount to \$240 is going to interfere with the normal course of business as carried on in Water Street with small traders at present without any let or hindrance.

I hold in my hand an application form on which a member of a Co-operative Credit Bank has to apply to the Bank for a loan. Condition 9 set out on that form is a declaration to be made by the borrower as to his indebtedness prior to the application. Even if the Bank was enforcing strictly that condition it would have assisted business people a whole lot, because one has to declare his indebtedness before one's application is considered. But, Sir, like everything else the loan is given whether the declaration is false or not. As long as the Bank is being secured, it is unmindful of whether the declaration is false or not. I maintain that even conceding the entire \$240 preference to the Co-operative Credit Banks, if that single condition is being strictly enforced other business people will be also secured. I do not intend to oppose the Bill, but I think it is my duty to bring these facts before Government and to ask Government whether those facts are not sufficient to warrant reconsideration of that clause to the extent of \$240 preference.

Mr. WOOLFORD: I think I should rise at this moment to really explain what the hon. Member has failed to do. What the hon. Member says in effect is this: As the result of this Bill you are creating a statutory charge on a debtor's immovable property and making it easier to borrow money on that property without any indication to his creditors who had given him a credit on the faith of that security. The hon. Member referred to the necessity of passing mortgages and to the fact that public notice has to be given before conveyance can be made from one person to another. What he intends and the community desires is that there be a system in

which mortgages have to be effected. I think that is what the hon. Member has in mind. In other words, the hon. Member pointed out that before a man can borrow money on security of immovable property he has to pass a mortgage, and before a mortgage passes in this Colony it has to be advertised for a period of three weeks in the newspapers and the *Official Gazette*. So when the hon. Member referred to the passing of transport for a loan, he is not quite correct. What the hon. Member is emphasizing is that you are creating and giving the Co-operative Credit Banks the right to take a preference security on immovable property whether or not the borrower owes not only people in Water Street but people in the villages who gave him a certain amount of credit. It is a matter for consideration.

It is not a provision in the English Law. It is the same position in Barbados and in Trinidad. I think, with the possible exception of Natal and, perhaps, the Province of Quebec, this is the only Colony which emphasizes the absolute necessity, in the case of a person who wishes to borrow money on the faith and security of immovable property, of having that condition on his part published to the world so as to give his creditors an opportunity of dunning him. How that can be met I hesitate to say at the present moment. I think it is quite right that the hon. Member should point that out. If it is true that a declaration by the borrower to the Bank of his indebtedness is a prerequisite to the granting of the loan and in effect that is not being carried out, then it is an encouragement to the borrower to obtain any loan on full credit while his creditors remain unpaid. It is a matter for consideration.

I have also risen to say that the system whereby a person is obliged to deposit with the Banks in the various districts his title to his property, which in this Colony is known as a transport, is a practice which, I hope, will now disappear. That is, in every case where a Bank holds a transport for an existing loan as security there will be substituted for that security the charge contemplated by this Bill. In other words, that this statutory charge, this instrument, as it is called, that the borrower is made

to execute will be the security and the transports held will be released. We all know that a transport is no security. The Banks of this Colony have been trying for years to get some system recognised by this Government, and we have a large number of East Indians in this Colony who have the belief that the deposit of a transport is some security. It sometimes causes great inconvenience to the borrower, because I know in the practice of my profession men who had borrowed money from Co-operative Credit Banks and left their transports with the Banks, when wishing to obtain bail for a friend asked the Authorities to lend them that transport in order to exhibit it to the Magistrate to show that they possessed property, and they were not allowed to do so. The Banks hold what is really a worthless piece of paper. It is something which I hope will not be allowed to continue, and although it is not provided for in the Bill I hope that in practice Government will direct its officers, the Secretaries of the Co-operative Credit Banks, to surrender those transports to their owners and have substituted for them the instrument contemplated by the Bill.

I again implore Government to abandon the system whereby a person who wishes to bail another who is charged with an offence is required to lodge his transport by the direction of a former Colonial Secretary who, speaking with great respect, had no right to direct Magistrates to insist upon the deposit of transports before they granted bail. The Circular issued by the Colonial Secretary directed Magistrates to retain those transports, and the owners cannot get them back. They are deposited in the form of security. Let us get rid of all these notions which have no tangible worth, and I take this opportunity to ask the Attorney-General to advise Government to direct that those transports be given back, and that the instrument provided for in the Bill be taken in substitution.

At one time if a person wanted to sell a property which he could not do without the production of his transport he would pretend that he had lost it, when in fact it had been pledged at a Loan Bank. It encourages a person to say what is not true. At one time it cost between \$50 and

\$60 to replace a lost transport, but in these days it only costs \$6 or \$7, and it has not to be advertised. I know of some merchants—I see the hon. Member for Central Demerara looking at me—who labour under the delusion that in retaining a person's transport they have some tangible security. I have spoken often on this matter and I hope that this idea of insisting on the deposit of a transport will be removed from the minds of the Secretaries of these Co-operative Credit Banks who should understand that it really is no security at all.

Mr. LEE: I am asking Government to defer consideration of this Bill until the next sitting of the Council in order that the Council might consider the reply of the Attorney-General to the questions put to him by the Advisory Committee of the Department of Agriculture.

Mr. de AGUIAR: I hope the hon Member has read the amendment before the Council.

Mr. LEE: What I am trying to point out is this: Clause 5 provides for security "(a) in the case of a loan the amount whereof does not exceed two hundred and forty dollars, by a promissory note made in favour of the bank by the borrower and one or more other persons who own immovable property as sureties approved by the Committee." The object of this amendment is to permit small farmers to borrow money without executing a mortgage or a bill of sale, or without incurring any expense, provided the Committee is satisfied that it could lend them any amount up to \$240. What I am trying to point out is that loans should be made to farmers up to an amount of \$50 without any surety, provided the Committee is satisfied as to their *bona fides*.

The COLONIAL TREASURER: A breach of the conditions under which these particular loans are granted constitutes a criminal offence under the Defence Regulations, and I hope the hon. Member does not imply a similar provision in respect of this one.

Mr. LEE: I admit that and I say that the people are asking for that. (laughter). If there is a breach they should be prosecuted

criminally. The Treasurer cannot deny that in two cases of that kind heavy penalties were imposed. Under this Bill a farmer must provide security in order to obtain a loan. I am suggesting that a farmer who owns no immovable property but is known to be a good farmer should be granted a loan if the intention is to grant as much facility to farmers as possible. The Agricultural Superintendents have been made Chairmen of all Loan Banks in the country districts, and would know whether a man is a good farmer or not. I am asking Government to introduce a provision in the Bill giving Agricultural Superintendents and the Committee of the Banks discretion to grant loans to farmers for the purpose of cultivating their lands.

The ATTORNEY-GENERAL: Without any security at all?

Mr. LEE: Yes, without any security at all, provided the Committee is satisfied, because it is to encourage the development of the land. Moneylenders are enriching themselves at the expense of the farmers who are charged as much as 24 per cent. interest per month. Why can't the Loan Banks assist the farmers in the cultivation of their crops? I am not saying that there will not be fraud, but even if provision is made in the Bill for criminal prosecution the farmers would accept it rather than have to go to moneylenders or shopkeepers for loans.

The PRESIDENT: You want loans to be granted without security. Is that your object?

Mr. LEE: Yes, sir.

The PRESIDENT: You support the Bill, except that you say that loans must be made without security on the recommendation of the Agricultural Superintendents. Is that what you want?

Mr. LEE: Yes, sir. In the Committee stage I will move an amendment to that effect. The system has proved successful in the Grow More Food Campaign. Why can't it be adopted in this case?

Mr. de AGUIAR: I am very glad that I invited the hon. Member to read the

amendments which have been placed before the Council because he has abandoned his original proposition and introduced something which of course is entirely new. I would like to point out to him that if this Council adopted the suggestion put up by him it would defeat the object for which Co-operative Credit Banks have been formed. The entire basis of this co-operative movement is to lend money on some form of security which the Committee may approve. Whether the amount of a loan is \$50 or \$100 I cannot conceive for a moment that the hon. Member would suggest that it should be granted without any security whatever. When the hon. Member attempts to invite this Council to consider what was done in the case of the Grow More Food Campaign—the assistance rendered in certain special cases in order to meet certain objects—and tries to apply that principle to the Co-operative Credit Banks, it seems to me that he will not receive the support of any Member of this Council. The lending of money through the Co-operative Credit Banks is for the purpose of assisting farmers or people on the whole to help themselves, and in my opinion Government would be ill advised to attempt to incorporate in this legislation the facilities to which the hon. Member referred.

I recall very distinctly the debate that took place when the Bill, which is now Ordinance 16 of 1944, was before this Council, and I think the hon. Member attempted on that occasion to make the same point. I recall too that he got no assistance at all from Members of this Council. I had hoped that he would have risen today to compliment Government on introducing this amendment of the Principal Ordinance, because it rather meets the point that we raised on that occasion. It was pointed out then that the system of lending money by way of bill of sale was too cumbersome and expensive and would not give the assistance desired, but before loans were granted Government wanted certain legal formalities to be complied with. That took place in 1944. We have had nearly two years' experience since then, and it is because of that experience and the further representations made to Government in the matter that this Bill is now before Council. Subject

perhaps to a few minor points which I may raise in Committee, it seems to me that the amendment might well be accepted so that the Bill might pass its second reading.

I desire to emphasize that a very large percentage of the capital of the Co-operative Credit Banks represents Government funds, and I happen to know that within the past year or so the amount of money borrowed as it were from Government in order to finance those Banks has increased considerably, and is increasing all the time. Surely that money cannot be lent out without adequate security. When Members talk about lending money through the Co-operative Credit Banks without security they should first of all reflect on the structure on which those Banks operate. It is true that the powers of the Banks Committees in the various districts are limited, but nevertheless they are in a position to grant loans out of hand. It is therefore necessary that in the consideration of those loans the law should provide for security to be given by the borrower to the Bank. Then we have the Board whose main duty is to see that those Banks operate within the framework of the Ordinance, and at the same time they have special powers to deal with applications for loans to a larger amount. The point I am emphasizing is that by reason of the structure on which those Banks operate it is very desirable, and in the interest of the general public, that the granting of loans should never be without security. If loans are made without any security at all it would destroy the basis on which these Co-operative Credit Banks operate.

I am afraid I cannot agree with my friend the hon. Member for Western Berbice (Mr. Peer Bacchus) who is pegging again at his old theme. He wishes to see the discretion of the Board increased above \$2,400. He and I have had quite a number of discussions on that point, and I am going to suggest to him that in this Bill an effort is made to meet him half way. There is not that wholesale restriction, if I may use that term, to loans in excess of \$2,400. What the Bill says is that no amount in excess of \$2,400 "shall be approved by the Board unless the sanction of the Governor in Council is first had and

obtained." I am suggesting to the hon. Member that that is a very good compromise to the argument he has advanced for a very long time in this particular respect.

Mr. PEER BACCHUS: I do not suggest that the limit should be raised because I happen to know that when application is made to the Governor in Council special reasons have to be given on which the application would be considered. I think it is somewhat ambiguous. I am suggesting that the Board should be empowered to recommend the granting of loans instead of being asked to forward them to the Governor in Council with special reasons.

Mr. de AGUIAR: I do not know where the hon. Member has got that from. I am rather inclined to think that he is rather suspicious of something that might happen. I hope that he is not seriously suggesting than even if the Board considers an application for a loan in excess of \$2,400 and in its discretion agrees that it should be recommended, the Governor in Council should not examine the application on the facts presented before giving its final approval. If I understand him correctly, that on the recommendation of the Board the Governor in Council should grant a loan, it seems to me that it would be a waste of time to give the Governor in Council the discretionary power to refuse an application for a loan if it so thinks fit.

Mr. PEER BACCHUS: I am quite sincere. The approval of the Governor in Council should be absolutely formal. I am saying that the term "special reason should be given" is a bit ambiguous and should be more definite as to what information should be supplied to the Governor in Council.

Mr. de AGUIAR: I am going to suggest to the hon. Member that he may leave that point until such applications come in, as the information the Governor in Council may require in respect of one application may differ in respect of another. It all depends on the circumstances. I am very grateful to him for saying—at least I understand him to say—he does not expect formal approval after the Board has recommended. But what I suggest to him is that he may

withdraw his opposition to the second reading of the Bill now that it has been explained to him.

The PRESIDENT: I do not think the hon. Member opposed it!

Mr. de AGUIAR: I rather understood he was opposing the second reading. Having obtained an explanation I hope he will now support it and let the Bill go through in its present form. In practice it will work very well and meet the objections he has in view.

Lastly, I would like to turn my attention to my hon. friend, the Member for New Amsterdam. (Mr. Woolford). I understood him to be inviting this Government on the question of not retaining transports as securities for loans. He quite rightly referred to the fact that the retention of those transports offers no legal security. But I would like to invite him to consider one or two phases of the matter, as I understand it. He will, perhaps, excuse me if I attempt to trespass on the legal side of the matter, as I am only an ordinary layman. I would like to invite his attention to the moral effect that I happen to know exists when a person hands over his transport to a Bank as security for a loan. I think he will agree with me at once that the moral effect is very great. But even if he does not agree with me on that score, I feel sure he would agree with me that if that man wishes to dispose with his property in order to pass title to the buyer he must first of all present his transport to the Registrar. If his transport is pledged to the Bank, he must go to the Bank for it or he may choose the alternative which is to make a declaration that he has lost or misplaced his title deed and pay for another one. It is only when he does that he will be able to obtain a copy of that deed. If a man has pledged his title deed to a Bank and in his desire to cheat that Bank applies to the Registrar for a copy and swears to a declaration that he has lost or misplaced that Deed, the hon. Member knows more than I do the offence that man has committed and the penalty that is attached to it.

I do not think, even if he disagrees with me on the moral aspect of it—I agree

with him there is no legal security by the retention of the transport—he would disagree with me on the second point. No man would commit perjury in order to obtain a copy of his title deed because he knows fully well the consequence. Therefore, although there is no legal security yet it seems to me it affords the Bank some knowledge—let us say—of this man's intention to dispose of his property. If he has not lodged his title deed as security for a loan from the Bank, he can dispose of his property at will. If he has lodged it and intends to dispose of his property and wishes his transport in order to complete that transaction, he would have to approach the Bank. Whilst the transport offers no security, I think myself it is a document which may well be handed over to the Bank for safe-keeping, and at the same time it will give the Bank knowledge of the borrower's *bona fides*. We have to be very careful in granting loans from Government funds. We want to assist the people. There can be no doubt about that. It is Government's intention to assist and to give every facility possible in the granting of loans, but at the same time in rendering that assistance we want to be perfectly sure the amount that is loaned in good faith will be repaid by the borrower in the same good faith.

Mr. C. V. WIGHT: I am only rising to say something in regard to the point made by the last speaker about security. I do not know whether the other legal hon. Members would agree with me. There is no security by lodgment of a transport by anyone until the law of this Colony is made unambiguous. There is doubt in the legal profession as to whether certain lodgments of title deeds, transfer of scrips, do create an equitable mortgage, and it seems to me the moral effect hardly goes further than the man's own integrity and honesty of purpose. That is all the effect the lodgment of a transport or title deed will have as regards security. Personally, in my opinion it is useless as a security and it is useless to create that moral effect on the person who has lodged that title deed. There is, however, one point I would like to stress, and that is already before Government. There are

lots of cases to which this Ordinance is applicable in the country districts, especially that which I represent—the Pomeroon and Essequibo Coast—where there is great difficulty in obtaining title. If this is to be efficacious, if we are to have the full effect of this Ordinance, it is necessary that alongside this Government should bring in some measure to give more speedily, transports in such cases where the title deed is hundreds of years old, some 50 to 90 years going back to a great grandfather. It would be necessary if the full force of the effect of this Bill, as at present put forward, is to be obtained, if this Bill is to give of its best in assisting those who need loans, for Government as soon as possible to place alongside this a measure to give quicker title deeds to those who need them.

Mr. THOMPSON: I rise to congratulate Government on at last bringing forward this Bill so as to facilitate the working of the Banks. I can assure you that these Banks have been stalled for a very long time. Since the introduction of this Ordinance a deputation met the acting Colonial Secretary in 1944 and pointed out the great hardship that was created by the Ordinance, but we did not succeed. Hence it is a very pleasant feature to find at this time that Government has at last seen the advisability of so ordering that the small farmers can raise loans when necessary. When it comes to the Banks, their main objection was to the expense incurred in taking out a mortgage. A man borrowing \$50 found that he got very little from it to carry through his intention. For that reason it was urged that the old system be fallen back upon. The only objection I had was where the borrower had the necessary security and still had to provide another. I am glad to find an amendment that meets that, and so I have no objection to the Bill as it appears before us.

I think it is very bad business not to have security for loans given. I do not know whether the hon. Member for Essequibo River would permit \$100 to be loaned to a person and not ask for any security. It does not mean that the integrity of the borrower is questioned by

asking him for some sort of security. A borrower should not be afraid to give security for a loan obtained. I am not going to put a premium on dishonesty. I have known cases where promissory notes were given, and the greatest difficulty was experienced in getting those notes honoured. I think it would be bad business for a man to go to a Bank, obtain a loan and go away in a happy go lucky fashion only to return and say that his crop has failed and he can do nothing about the payment of the loan. It would be bad business to lend money without asking for some sort of security.

In the Co-operative Credit Banks the greatest care is exercised. The Secretaries of the Banks are always vigilant in seeing that borrowers maintain the security given. I admit that you cannot always get at a borrower's indebtedness. Those of us in the districts who are serving on the Banks know fairly well what the borrowers' position is, and so the loans are made with the greatest precaution. The Secretaries go through the *Official Gazette* and always know what places pledged are being sold without the fact being generally known. So I cannot see why there should be any fear in this matter or any objection to a promissory note being given, especially as the borrowers who are in a position can very well stand their own security. You will find that farmers instead of going to moneylenders are more ready now to go to the Banks and obtain loans at a very small rate of interest. If you say that large loans should not be given, and a man's transport is lodged with the Bank, whether it is effective or otherwise as a security, and that man goes to Water Street for a large credit I do not know that the merchants there will give him that large credit without holding some security for it. That man will have to get his transport. As a result of that he will not be able to involve himself as the hon. Member for Western Berbice is thinking. He will not be able to get away with the goods.

Mr. PEER BACCHUS: To a point of explanation! The hon. Member has put the cart before the horse. The case I was quoting was if the borrower is already involved in Water Street and he goes to

the Bank and obtains a loan without public notice, he gives preference to the Bank on his immovable property.

Mr. THOMPSON: If I understand the hon. Member rightly, the borrower has to lodge his transport with the Bank, and if that transport is already lodged he cannot have it to go to a second place. I am respectfully submitting that the amendments we have before us will certainly improve conditions and assist the Banks in going forward. I have been requested to ask that this matter be carried through with as little delay as possible. I support the Bill wholeheartedly.

Mr. GONSALVES: I think the Bill, as it stands, cannot be considered otherwise than reasonable. It seems to afford quite a lot of facilities to persons to obtain loans. Certain suggestions have been made by the hon. Member for New Amsterdam (Mr. Woolford) and other Members, the first dealing with the point of holding the transport as security. The hon. Member for New Amsterdam pointed out that the transport is held by the Bank and the owner experiences difficulty in obtaining the use of it. One thought has occurred to me. It may be possible, subject to what the hon. the Attorney-General thinks, instead of the transport being left with the Bank an annotation can be made on the transport to the effect that the Bank has given a loan on the strength of that title deed, the same as is done in the case of a mortgage. When a property is mortgaged the Registrar makes a note that the title is subject to a mortgage. In that way, if that transport has to be used again, as suggested for getting another loan, that will be got over because on production of the transport to someone else the annotation will be there and the person who in the face of that annotation still lends a loan on the value of the title will do so at his own risk and will have but himself to blame. That difficulty will be got over by the adoption of such a course. As I understand the working of the present Loan Banks, there is no risk involved in their loans because, if the property offered in security is taken into execution, the Loan Bank's claim has preference. So the Bank does not stand to lose in any case.

As regards the suggestion made by the hon. Member for Essequibo River (Mr. Lee) that the Banks may lend without even a promissory note up to a sum of \$240, so far as I am concerned I do not think it is reasonable to suggest that. If he would discard his position as a legal man and assume that of a businessman, would he think that is good business? Unless he is going to have the District Officers follow the borrower to see that the money borrowed is going to be used for the particular purpose, how is he going to know that the money is going to be used for the purpose of farming? I question whether it is going to be used for farming. I am not so sure from sub-clause (d) of clause 3 whether the loans will be limited to the purpose particularly of farming because that clause seems rather wide. That sub-clause reads:

“(2) Where a loan made by a bank to one of its members does not exceed four hundred and eighty dollars, it may be applied to any purpose approved by the committee.”

Therefore the Committee, which is the authority for lending money, can lend for any purpose which in its opinion it feels it should. There is no limitation to the loan as to the specific purpose of assisting the kind of people that the hon. Member for Essequibo River is so desirous of assisting. I may go and say I want \$60 to borrow to do farming, and as soon as I get the money something crops up between night and morning and the money is used otherwise. The Bank holds no security, nothing is done by me, and it is Government's money that has been advanced. Assuming that there is a crowd of people requesting loans and twenty of them get, what would the position be? If you are going to adopt that view of lending without security you would be placing that Committee in a peculiar position by having to discriminate. The moment the Committee by law is put in a position to discriminate, it must cause trouble not only to the Committee but to everybody who should have the use of the Bank. I would appeal to the hon. Member to see that his suggestion is far too wide and not to insist on that being done. In view of what I have heard mentioned here this afternoon, I am

wondering whether the amendment proposed in paragraph (a) (1) of sub-clause (1) of clause 5 is ample. The paragraph reads:

“(a) in the case of a loan the amount whereof does not exceed two hundred and forty dollars,

(1) by a promissory note for the amount of the loan made by the borrower in favour of the bank, if the borrower is the owner of immovable property acceptable to the committee; or”

I was going to suggest the insertion of the words “unencumbered and” between the words “property” and “acceptable”. Whether the expression in the paragraph means the property is acceptable to the Committee or the security is acceptable to the Committee is not quite clear. On the question of unencumbered property, I do see that sub-clauses (2) to (5) refer to that. If the hon. the Attorney-General thinks that they cover that point, then the only point is whether the words “acceptable to the committee” govern property or security. It seems to me that taken as a whole the amendments should be considered as being reasonable in the circumstances.

Mr. EDUN: I have been very much concerned about this question of ownership of land and, I think, I remember very well indeed I raised the question when the original Bill, which is an Ordinance now, came up for consideration in this Council. I am thankful to the hon. the Colonial Treasurer in bringing that point to the attention of the Council. I consider the Co-operative Credit Bank as a kind of institution to ensure a prosperous peasantry. It is not a charitable institution and, I think, the sooner we realize that fact it will be better for the peasants themselves. Sir, no matter how watertight a law might be made man's ingenuity to defeat it will always be there, but I see in this endeavour to bring up these amendments the will to make the peasantry honest in their transaction. I think, with the leadership coming from this Legislature it ought to be accepted by the peasants themselves. Here is an opportunity for them to go to the Banks, obtain loans and acquire lands in order to

progress. I see eye to eye with the hon. Member for Essequibo River, but if he would look up carefully the indigenous machinery of finance as being now analysed by the rice producers it would be found that in the case of a \$5 or \$10 loan a rice grower goes to the miller and obtains that money. In practically 90 out of 100 cases that is the procedure, and I have not found any rice producer going to anybody else to borrow \$5 or \$10 to-day. The rice producer when he goes to the miller gets his loan within a few minutes. I have seen that and know that very well indeed.

The whole idea is easy facility to the borrower. When one borrows, the tendency is to pay back and, I think, we have a responsibility here to discharge when we spend Government funds. I think the best thing to do is to teach our own people, the peasants, to be independent and to go to the Banks but little, to save their earnings and, like the East Indian, make gold jewellery and pawn it for three months so as to carry on their business. But what I am perturbed about in this Bill is this: You are giving facility to traders to borrow \$240 and, perhaps, when those traders borrow such a large amount of money they would then lend same to the peasants at a higher rate of interest than they are charged by the Banks. I think care should be taken not to lend such people who would take Government money to lend to peasants. For that reason I say this is a wide provision to ensure borrowers easy facility to get money to carry out their functions. I support it wholeheartedly, and I plead with the hon. Member for Essequibo River not to press the point he raised, because we do not want to pauperize our peasants. When the time comes for them to receive charity from the Government the old age pension is there and the Poor Law institution is there, but when it comes to borrowing they should borrow and pay back every penny. These large loans will help small industries, and reading through these amendments I think the rigidity which was in the original Ordinance has gone. I support the Bill.

The ATTORNEY-GENERAL: There is not very much on which I would like to

comment. One thing I should like to say is that the debate has been to me one of constructive criticism. All the Members who have spoken have brought to bear good sense and keen analysis of the position, and I am sure that we welcome that. I think the first point made by the hon. Member for Western Berbice (Mr. Peer Bacchus) was that there should be a limit to the small loans, and that they should not be extended up to \$240. The comment I wish to make on that is that we are endeavouring to give the fullest opportunity to the small farmers to go to the Credit Banks and obtain their loans within that range at a reasonable rate of interest, because the statistics indicate that the emphasis is on the loans within the \$50 and \$60 range. Yet I do not think it is desirable to limit the lending capacity to the small farmer to that amount, but that it should go right up to \$240.

The hon. Member also made the point that, as the Bill is drafted, a farmer may borrow money and use it without his creditors having any opportunity of knowing anything about it. I suggest that when we are in Committee I will probably have an amendment ready to meet that point. For instance, a list might be published of loans granted from \$30 upwards.

There is an aspect that we have enlarged by this Bill, as the Colonial Treasurer has pointed out, the purposes for which the Banks may grant loans, and those purposes are very important. I think it was the hon. Member for Western Berbice who raised that point when the Bill was before this Council in 1944. Government has considered the position and the Bill now comes before Council with that provision—the payment of the whole or part of the purchase price of land bought by the applicant, the erection, renovation or repair of any dwelling house on the applicant's land. Having regard to the debate which took place on that occasion, I think that will meet with the approval of hon. Members.

The point raised by the hon. Member for Essequibo River (Mr. Lee) has been answered by the hon. Nominated Member, Mr. Thompson. There must be a limit to the generosity even of Government, and although we appreciate the hon. Member's

solicitude on behalf of those who may not have anything at all, except their goodwill and industry, some security is necessary to ensure that there is repayment of money advanced by Government. I am sure the hon. Member appreciates that.

The hon. the Fifth Nominated Member (Mr. Edun) said he was endeavouring, and the Council should endeavour, to give a lead to the peasantry to develop independence. I suppose it is very desirable that Members of this Council should give a lead, and I take it that they are fully in accord with the Bill in principle, and that there are only one or two minor points which will require amendment in the Committee stage. I now formally move that the Bill be read a second time.

The COLONIAL TREASURER seconded.

The PRESIDENT: I take it that the Attorney-General does not wish to move into Committee today.

The ATTORNEY-GENERAL: I would suggest that we go into Committee because the amendments which have been placed before hon. Members seem to meet with their approval, and if they pass them today I could have the Bill finally reprinted next week.

The PRESIDENT: I was going to suggest that it would be better to move on to the second reading of the next Bill and then deal with the Committee stage of both Bills tomorrow.

The ATTORNEY-GENERAL: If the main principles of the Bill are agreed to I can introduce the amendments which are not incorporated in the Bill, so as to know exactly what Members have agreed to, and I can come back with a re-printed Bill on the next occasion.

Mr. PEER BACCHUS: I take it that the Bill will remain in Committee until next week.

Question put, and agreed to.

Bill read a second time.

COUNCIL IN COMMITTEE

The Council resolved itself into

Committee to consider the Bill clause by clause.

Clause 3 (d) —

Mr. de AGUIAR: I am inclined to the view that the amount of \$480 is a bit on the high side. I would suggest \$240. It seems to me that section 23 of the Principal Ordinance prescribes the purpose for which money granted by way of loan should be applied. This amendment now proposes that the Committee of a Bank may grant loans up to \$480 for any purpose whatever that may be approved by that Committee. I am a little bit disturbed in mind because that is a very wide power. Section 23 of the Principal Ordinance prescribes the purposes for which loans may be used, and I am inclined to the view that whilst it is desirable that we should enlarge the powers of the Committee, or the purposes for which loans may be used, we should at the same time restrict the amount in respect of which such wide powers are to be given so as not to defeat the object of the Principal Ordinance. I have a recollection that \$240 was the figure mentioned, and I think I also know how this proposal of \$480 came about. On reflection I think it would be wise to limit the amount to \$240, because I fear that we might be destroying the objects to which section 23 of the Ordinance applies. I wish to give these Committees as much power as we can to lend as freely as they can, but I think \$240 should be the limit.

The COLONIAL TREASURER: I am a little surprised at my friend's remarks because he was a member of the Committee which signed the report advising Government to introduce this particular amendment, and of course it is quite consistent with what is in the Principal Ordinance. Under section 25 of the Principal Ordinance application should be made to the Committee for a loan not exceeding \$480. That application was considered by the Committee and, if approved, the loan is made, but as the law stands now such a loan must fall within the four walls of Section 23 in which are set out a series of different purposes to which a loan may be applied. The Committee, of which the hon. Member was a member, carefully considered this particu-

lar point and arrived at the conclusion that it would seem quite unnecessary to tie the Loan Bank Committee's hands in giving its approval of a \$480 loan. After all, the Committee is composed of people of intelligence and people who know the people of the district in which the applicant resides, and the Chairman is usually a public officer, but it is a fact that although these purposes are comprehensive, an applicant may find some purpose which does not quite fit into the four walls of the purposes set out in the section, and it is just because we do not wish to tie the Committee's hands too much, and because we were so advised by the administrators of the Ordinance—I refer to the Department of Agriculture, the Registrar, and their experts,—we made this particular reservation.

I submit that in discharging its functions the Committee would, of course, be guided by the kind of purpose or the character of the parties, but we do not wish to tie them down completely, hand and foot, within those four walls with respect to a loan of the relatively small sum of \$480. I do not see any merit in making the sum \$240. Let us stick to \$480 which is the limit of the Committee's power to grant a loan without reference to the Board itself.

Mr. de AGUIAR: The Treasurer is quite right. I said I knew where the idea of \$480 came from. I also said that on reflection I had come to the conclusion that the amount of \$480 is too high, and I would give my reason. If my suggestion of \$240 under this clause is adopted by the Council it would not restrict the power of the Committee to grant a loan of \$480. The Committee still retains the power under section 26 (I) to grant loans up to \$480, but what I say is this: that in respect of loans up to \$240, to which this sub-section applies, the Committee may grant such loans for any purpose whatever, but in respect of loans from \$240 to \$480, which is the restricted power of the Committee, I say that section 23 should apply. The Committee would in such cases only be permitted to grant a loan if the applicant is in a position to comply with the requirements of section 23. What is worrying me about it is this: the Committee only has

power to grant loans up to \$480, and if this power is given it to grant loans up to \$480 for any purpose whatsoever, we would be destroying section 23 entirely so far as the Committee is concerned. The primary objects are set out very clearly, but we want to widen those powers. Therefore, it seems to me that we should limit the Committee in granting these loans up to \$240 for any purpose, and over that figure up to \$480 section 23 should apply.

The ATTORNEY-GENERAL: I understand the hon. Member to say that the real point of his objection to that limit of \$480 is due to the fact that the purpose for which the money may be used has no restrictions whatsoever, having regard to the purpose of the section. That is perfectly clear.

The CHAIRMAN: Does the hon. Member wish to move an amendment?

Mr. de AGUIAR: I will put myself in order by suggesting the deletion of the words "four hundred and eighty dollars" in paragraph (d) (2), and the substitution of the words "two hundred and forty dollars."

The CHAIRMAN: The issue is quite clear and I will put it to the Committee.

The Committee divided and voted:—

For—Messrs. Roth, Humphrys, Gonçalves, Luckhoo and de Aguiar—5.

Against—Messrs. Raatgever, Thompson, Edun, Lee, Jackson, Peer Bacchus, Critchlow and C. V. Wight—8.

Did not vote—The Colonial Treasurer, the Attorney-General and the Colonial Secretary—3.

Amendment lost.

Clause 3, as amended, agreed to.

Clause 5.—*Nature and amount of security for loans.*

The ATTORNEY-GENERAL: I move that clause 5 (I) be amended by the deletion of paragraphs (a) to (d) and the substitution of the following:

"(a) in the case of a loan the amount whereof does not exceed two hundred and forty dollars,
(i) by a promissory note for

the amount of the loan made by the borrower in favour of the bank, if the borrower is the owner of immovable property acceptable to the committee; or

- (ii) by a promissory note for the amount of the loan made by the borrower in favour of the bank with one or more other persons owning immovable property acceptable to the committee as sureties, if the borrower is not the owner of immovable property approved by the committee; or
- (iii) by a charge created in favour of the bank in accordance with the provisions of this Ordinance on such movable property as the committee granting the loan may approve; or
- (b) in the case of a loan of any amount, by a first mortgage on such movable property, being a dwelling house, farm building, mill or other machinery, as the committee or the Board may approve, or on such immovable property as may be acceptable to the committee, or on both such movable and immovable property."

Mr. de AGUIAR: I do not know whether I should support this amendment or oppose it. I want to invite the attention of those of my colleagues who voted against my amendment to where the \$240 appears. It seems to me that I cannot support this amendment. If the Committee has power to grant a loan of \$240, why shouldn't it appear in this clause as well? We are blowing hot and cold.

I have really risen to speak on paragraph (b) of the Attorney-General's amendment, and to ask him whether in the case of a loan of any amount we should not insert the words "not exceeding two hundred and forty dollars?" It does seem to me that in order to clarify the position those words should appear.

Mr. LEE: I still stick to the argument I have put forward. It will be observed from the clause that no person can borrow from the Loan Bank unless he owns immovable property, or produces a surety. What was the use of Government introducing the Rice Tenancy Ordinance giving security to rice tenants?

The CHAIRMAN: Have you got an amendment to move?

Mr. LEE: Yes, I have an amendment, and I desire to draw Government's attention to it. In (i) it is stated "if the borrower is the owner of immovable property" and in (ii) "if the borrower is not the owner of immovable property." It means that the borrower must either be the owner of immovable property or get someone who has to be surety with him. Was that the object of these Co-operative Credit Banks when they were introduced by those who know about them? Was it not to grant facilities to those who did not own immovable property and so could not get the security of immovable property? Perhaps in my objection to the Bill in the second reading I did not say the borrowers should provide securities for loans. I do insist that should be. Let us take this example—and the hon. Nominated Member, Mr. Edun, should know these facts: There are rice growers whose holdings on a plantation are sometimes 5 to 10 acres and who have two or three pairs of oxen—

Mr. GONSALVES: The hon. Member has not read sub-paragraph (iii).

The CHAIRMAN: It would help if the hon. Member gives the amendment he has promised to move.

Mr. LEE: I have introduced in the amendment that misappropriation of the loan creates an offence and renders the person guilty and liable to a fine not exceeding \$50 or two months imprisonment. I ask you to read it out in order that I may be able to try and convince hon. Members of this Council.

The CHAIRMAN: Does the hon. Member for Essequibo River want (a) deleted and the following substituted?

Mr. LEE: As asked by the hon. the Attorney-General—(a) should be (b).

The CHAIRMAN: I am afraid that in the form handed to me I cannot follow it. Perhaps if the hon. Member reads it himself it may be better.

Mr. LEE: Certainly, Sir. The amend-

ment I am moving is this: That the following be substituted for (a) and (a) and (b) of the Attorney-General's amendment be (b) and (c):—

“(a) In the case of a loan the amount whereof does not exceed fifty dollars by a promissory note for the amount of the loan made by the borrower in favour of the bank with or without sureties on the recommendation of the Legislative Council Food Committee. Any misappropriation of the money so borrowed other than declared by the borrower shall be an offence. Anyone who misappropriates any money so borrowed other than that declared in the declaration for the loan shall be guilty of an offence, and shall be liable to a fine not exceeding fifty dollars or two months imprisonment.”

Mr. C. V. WIGHT: The hon. Member has not given the definition of what is an owner of movable property. Who is an owner?

The CHAIRMAN: I do not think the Council is with you. Do you wish to press your amendment?

Mr. LEE: I do wish to press it, and I do wish that hon. Members would try and follow me—perhaps I am a bit ambiguous—and see whether what I am saying is correct or not. On the rice estates of this Colony, especially on the Essequibo Coast, there are tenants who rent lands and possess movable property, perhaps one or two pairs of oxen. Should such a man want to borrow money, according to the amendment of the hon. the Attorney-General, he would have to get persons owning immovable property to be sureties for him before he could obtain a loan from the Bank. Under sub-clause (1) he cannot borrow from the Bank because he is not the owner of immovable property.

Mr. C. V. WIGHT: Has the hon. Member read any of the other clauses? I do not quite understand it. Has the hon. Member read paragraphs (a) (ii) and (iii)?

The CHAIRMAN: I would suggest with the greatest tolerance that the hon. Member leave his amendment. I think hon. Members have made up their minds against the hon. Member.

Mr. LEE: I do not mind if Members are against me. Unless you tell me to take my seat I shall pursue my amendment.

The CHAIRMAN: I am going to give you full liberty to do so, but I think you are wasting time.

Mr. LEE: I am going to try and put my point. If hon. Members cannot understand it, I am sorry. What I am trying to point out is that no tenant on a rice estate, unless he possesses immovable property in some other place or has a friend who owns immovable property, can borrow on any movable property he may have. I want to have that amended so that tenants on rice farms who possess cattle can get a loan from the Bank on their mere signature, provided the Bank is satisfied with the security of their cattle, or on the signatures of themselves and others who also own cattle. When the Rice Tenancy Ordinance became law the rice tenants understood at the time that if they got that agreement which the Ordinance afforded them as protection they could take it to a Loan Bank and obtain a loan on the strength of it. In this Bill it is so framed that they will not be able to borrow from a Loan Bank unless they own immovable property in another place or they have friends who own immovable property and are willing to be their sureties. That is what I am trying to point out to Members of this Council. There should be introduced a clause such as the amendment I propose, so that a Loan Bank can give a loan for \$50 on a promissory note made in favour of the Bank with or without sureties on the recommendation of the Legislative Council Food Committee. The reason for that, as Your Excellency will realize, is that any recommendation from the Legislative Council Food Committee to a Loan Bank for the grant of a loan to a farmer has been guaranteed by funds from the Legislative Council Food Committee. That is provided from public revenue and any farmer can make an application to the Legislative Council Food Committee and that Committee will be responsible to the Loan Bank for any loan made on its recommendation. In that case the Co-operative Credit Bank will not be in any way jeopardized in making such a loan.

The COLONIAL TREASURER: Would the hon. Member explain the difference between public funds in the hands of the Food Committee and the funds in the hands of the Loan Bank?

Mr. LEE: It is co-operative money, contributed by those people who have taken out shares in the Co-operative Credit Bank, along with public funds. If hon. Members do not realize the distinction between public funds of the Committee and the co-operative funds of the Loan Banks, I am afraid I cannot enlighten them any further. I am pointing out that it is absolutely necessary that loans up to \$50 should be granted to borrowers on their own security if the Committee is satisfied. I feel, Sir, that those Members of this Council, who are representatives of districts where rice estates are, will find themselves confronted with this argument: "You have secured for us the Rice Tenancy Ordinance which gives us protection of our tenancy and right of agreement with the proprietor in respect of the tenancy of the land, and yet that agreement is a scrap of paper worth nothing for the purpose of security at the Loan Bank." The owner of immovable property, as the hon. Member for Western Essequibo should know, means the owner of land by transport. That is the only distinction, as the hon. Member knows, that can be applied in respect of the owner of immovable property and the owner of movable property. I respectfully move this amendment and ask hon. Members to consider it carefully.

Mr. de AGUIAR: I would like to assist my hon. friend but I find it exceedingly difficult to do so. I just want to make this point. I want to suggest to him that he should not continue with it. He introduces in his amendment "recommendation of the Legislative Council Food Committee". Who are they, a statutory body? I will ask him seriously to consider this: Supposing that Committee goes out of existence tomorrow, what is the purpose of his amendment? I mention that simply to show the weakness of his amendment. Let me invite him again to read sub-clause (1) paragraph (a) (iii), as another Member has done. If he reads that carefully he would not take up the time of this Council with his amendment.

Mr. LEE: I cannot understand the charge mentioned here.

Mr. de AGUIAR: I invite the hon. Member to read the Third Schedule in the draft Bill. He will see there what the charge is.

The CHAIRMAN: I would like to put the question.

Mr. PEER BACCHUS: I move that the question be now put.

Question put, and the Committee divided, the voting being as follows:—

Against—Messrs. Raatgever, Thompson, Roth, Edun, Jackson, Humphrys, Peer Bacchus, Gonsalves, Luckhoo, Critchlow, de Aguiar, Woolford, the Colonial Treasurer, the Attorney-General, the Colonial Secretary—15.

For—Mr. Lee.

Amendment negatived.

The CHAIRMAN: The question is whether clause 5 with the Attorney-General's amendment before us be substituted subject to two verbal amendments. In paragraph (a) are you going to change the wording so as to satisfy the hon. Member for Georgetown South?

The ATTORNEY-GENERAL: That is already dealt with in another part of the Bill.

Mr. GONSALVES: I suggested that the word "encumbered" might be put in. I notice that it is used in sub-clause (2) of clause 5 and I invite the hon. the Attorney-General to say whether he thinks it is covered by that. If he says it is, then the amendment is not necessary.

The CHAIRMAN: The hon. Member for Central Demerara wanted the words "not exceeding two hundred and forty dollars" inserted after the words "in the case of a loan of any amount." Have you any objection?

Mr. de AGUIAR: It is only to clarify the position.

The ATTORNEY-GENERAL: No, Sir. I will put them in.

The CHAIRMAN: The question is whether clause 5 with the amendment before you inserted should stand part of the Bill.

Question put, and agreed to.

Clause 7—Third Schedule to the Principal Ordinance.

The ATTORNEY-GENERAL: There are one or two consequential verbal amendments.—

Heading—deletion of the words “paragraphs (b) and (c)” and substitution therefor of the words “Sub-paragraph (iii) of paragraph (a)”

Provision 1—deletion of the word “by” in the fourth line of paragraph (b) and substitution therefor of the word “at.”

Provision 12—deletion of the word “duties” at the end of the fifth line and substitution of the word “duty” therefor, and the deletion of the word “those” in the sixth line and substitution therefor of the word “that”.

Question put, and agreed to.

Clause passed as amended.

Clause 8—Fourth Schedule to Principal Ordinance.

The ATTORNEY-GENERAL: I move that in paragraph 3 the figure “4” be inserted before the word “Interest” to indicate paragraph 4 of the Instrument.

Question put, and agreed to.

Clause passed as amended.

Clause 9—Fifth Schedule to the Principal Ordinance

The ATTORNEY-GENERAL: I move that the figure “25” be inserted in line with the second line of paragraph 2 of Part I, and the sub-paragraphs (a), (b) and (2) be deleted.

Question put, and agreed to.

Clause passed as amended.

The ATTORNEY-GENERAL: In view of the fact that these amendments were put before you this afternoon and you have followed them, I am very glad to say that I think it is desirable that I should have this Bill reprinted with these amendments and put in the best possible form so that it can be seen where the amendments come in.

The CHAIRMAN: The Council agrees to leave the Bill in Committee

Council resumed.

The PRESIDENT: It is now close on 5 o'clock. I adjourn the Council until 2 o'clock tomorrow.