

## LEGISLATIVE COUNCIL.

*Thursday, 7th March, 1940.*

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, Mr. G. D. Owen, C.M.G.

The Hon. the Attorney-General, Mr. E. O. Pretheroe, M.C.

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

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

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

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. W. A. D'Andrade, Comptroller of Customs.

The Hon. N. M. MacLennan, Director of Medical Services.

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

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

The Hon. L. G. Crease, Director of Education.

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

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

The Hon. J. Eleazar (Berbice River).

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

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

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

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

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

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

The Hon. F. A. Mackey (Nominated Unofficial Member).

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

## MINUTES.

The minutes of the meeting of the Council held on the 6th of March, 1940, as printed and circulated, were confirmed.

## ANNOUNCEMENT.

## ADDITIONAL JUNIOR MAGISTRATE.

THE COLONIAL SECRETARY (Mr. G. D. Owen) communicated the following Message :—

## MESSAGE No. 13.

Honourable Members of the Legislative Council,

Honourable Members will recollect that in the course of the debate on 24th November, 1939, when the 1940 estimates of the Magistrates Department were being considered, Unofficial Members urged that their views on the need for an additional magistrate, provision for which had been made in the Estimates for the year 1939 but was disallowed, should be specially represented to the Secretary of State. This was done and the Secretary of State has now approved of the appointment of an additional Junior Magistrate as recommended. Honourable Members are therefore invited to approve of the necessary provision being made on supplementary estimate for an appointment on the salary scale \$2,400 x \$120—\$3,120 per annum.

W. E. JACKSON,  
Governor.

6th March, 1940.

## GOVERNMENT NOTICE.

## ADDITIONAL JUNIOR MAGISTRATE.

THE COLONIAL SECRETARY gave notice of the following motion:—

THAT, with reference to Governor's Message No. 13 of the 6th of March, 1940, this Council approves of the appointment of an additional Junior Magistrate on the salary scale, \$2,400 x \$120—\$3,120 per annum, and of the necessary provision being made on supplementary estimate.

## PETITION.

Mr. ELEAZAR laid on the table a petition from Marion Campbell, widow of the late Benjamin Campbell who served as Seaman, Mate and Captain on the punts of the Public Works Department of this Colony during the years 1899 to 1938, praying for a compassionate gratuity.

## ORDER OF THE DAY.

## NEW BUILDING SOCIETY BILL.

The Council resolved itself into Committee and resumed consideration of the following Bill:—

A Bill intituled an Ordinance to incorporate The New Building Society, Limited, and to transfer to that Society the assets of the British Guiana Building Society, Limited.

## Clause 37—Bond Certificates.

THE ATTORNEY-GENERAL (Mr. Pretheroe): Before the adjournment yesterday afternoon the hon. Member for Central Demerara (Mr. DE AGUIAR) asked the meaning of sub-clause 2 of this particular clause, and I admitted it was not clear what was intended. Since then I have been informed and I now move as an amendment, firstly that sub-clause 2 be deleted therefrom and the following sub-clause be substituted therefor:—

(2) The rate of interest payable on Bond Certificates issued as part of the consideration for the transfer of the assets from the old Society shall not be less than four *per centum per annum* and such interest shall start to accrue as from the appointed date.

(3) Subject to the provisions of the preceding sub-section, Bond Certificates shall bear interest at such rate not exceeding five *per centum per annum* as the Board may determine at the date of issue of the said Certificates.

Secondly, that sub-clauses (3) and (4) be renumbered as sub-clauses (4) and (5) respectively; and

Thirdly, that the words "but in multiples of not less than a" be deleted from sub-clause (5) and the following words substituted therefor "in multiples of one."

Mr. JACOB: This is a new Society, and tying it down to a rate of not less than four per cent. may put the Directors in an unfavourable position. I think it should be left to the discretion of the Board to fix the rate of interest, which may be more or a little less than four per cent. I do not think it is best to fix it at this stage.

THE ATTORNEY-GENERAL: With regard to what the hon. Member has just said, the position is this. It would be a breach of faith to alter the conditions in regard to those particular bondholders who had agreed to come in under those conditions. Subject to the fact that they receive four per cent. interest on their bonds they have foregone a number of their rights. This is the particular one they insisted on as a condition for coming into the reconstitution of the Society, and as one of the conditions on which this Bill has come forward. To alter it would be a breach of faith with a group of people who have made it a condition of their participation in the new Society.

THE CHAIRMAN: There is no tying down with regard to the others.

Mr. JACOB: While it may be considered a breach of faith by some people, if they reconsider the matter they ought to agree that it should be left to the discretion of the Board, and the Board should bear in mind the promise that not less than four per cent. would be paid.

THE ATTORNEY-GENERAL: Should the unfortunate position arise—and I very much hope that it will not—that the new Society has no funds to pay, it is quite open to the Society to make arrangements for the payment of less to the bondholders. If the Society agrees and the bondholders agree there is nothing to prevent the Society from paying less in that case.

THE CHAIRMAN: Question "That clause 37 embodying the amendments that

have been moved stand part of the Bill " will now be put.

Question put, and agreed to.

Clause 37 passed as amended.

Clause 39—Deferred Shares.

THE ATTORNEY-GENERAL: I beg to move as an amendment the substitution of a small "c" for the capital "C" in the word "Capital" in the third line of sub-clause (3), and the deletion of the word "equally" from the fifth line of sub-clause (4) and substitution of the words "*pari passu*" therefor. That was what was intended.

Mr. PERCY C. WIGHT: I would like it to be noted that sub-clause (1) reads:

Deferred Shares issued under this part of the Ordinance shall rank after all other shares of the Society and the holders thereof shall have no rights in respect thereof except as set out in this Ordinance.

I now have the opportunity I asked for yesterday and was refused me by the Council. It was opposed on several grounds, but I have been lucky enough to get all the information I desired, and I am not going to be an obstructionist very much longer. I desire that a copy of this document which I have got should be placed in Your Excellency's hands, if you so desire because in it you would see exactly what prompted the movers to come to the Legislative Council for permission to form a new Society. It is not really a new Society. After having seen the names of the parties who signed the document I would have thought that they could have easily created a new concern by purchasing all the assets of the old Society. In the statement—I would call it a *pro forma* balance sheet, though I understand no great value is put on it—the old Society's property at lot 1, High Street is put down at \$7,500, which I describe as a ridiculous valuation. The land alone is worth \$5,000.

With regard to this clause the deferred shares would come in, as I gather from this document, when a surplus is realised on that particular property and, from my way of looking at it, it would be a very regrettable feature of the new Society to dispose of that property. Where on earth would these poor deferred shareholders benefit

from that realisation which would never take place? If the place is put up and sold for what it is worth these deferred shares would have a real chance. I would like very much to draw attention to the fact that the estimated value of immovable property is given as \$126,498.93 and the excess of the estimated value over proposed consideration as \$56,629.73. This proves very clearly what I said yesterday and tried to indicate. Those properties are worth today—I would say without fear of valid contradiction—\$120,000 easily, especially if the terms are given for the purchase. There is a proposed deficit on that sum of money. There is also a deficiency of \$9,461 under advanced shares under mortgage which, to my mind, is fictitious. Under the ruling of the Court it is definite what they are worth if the shares mature before the date of insolvency. The Official Receiver was good enough to allow me to get the information that I wanted. You will find that the estimated value of property under the instalment-purchase system at February 28 is \$15,645.17 and the excess of estimated value over proposed consideration is \$3,911.29 leaving, as the signatories have put it down, \$12,733.88—a mistake in subtraction of \$1,000, and a rather serious mistake as it has passed through so many very clever hands. There is no question about misprint as it is not due to the "Printer's Devil" at all. It is a very serious error and, I gather this morning, the people who were appointed to go into this matter sent in a bill for £100 but were paid \$200. Apart from that you will find that all other assets are estimated at \$100. This document is dated 1st June, 1938.

Mr. WALCOTT: Your Excellency, may I ask if it is correct for any hon. Member to read a paper with respect to this Bill, a copy of which we are not provided with?

THE CHAIRMAN: I do not quite follow.

Mr. WALCOTT: The hon. Member for Georgetown Central (Mr. Percy C. Wight) is reading from some report which I cannot follow. I have not got the report before me. I think, if I understand the Rules of the Council, we should be provided with the material we are asked by the hon. Member to follow.

THE CHAIRMAN: I think the hon. Member is entitled to read to any reasonable extent in order to refresh his memory as to figures.

Mr. PERCY C. WIGHT: I am reading from a document, which was passed at a meeting of members of the Society and through the Supreme Court and on which, I believe, the judgment had been delivered. I have here even a copy of the judgment. If the hon. Member desires, I can pass it on to him. I am not prepared to oppose the Bill to any extent today, as I have got all the information that I desire, but what I do want is to make it clear that though I had wanted and did ask for an extension of a day or two to facilitate the matter, I would be the last Member in this Chamber to have any desire to prolong the sitting. It is irony of fate, to my mind, that this document is signed by a firm of Solicitors who were unfortunate enough to have been connected with the putting of the old Society into liquidation. My remarks are not personal, but it is very unfortunate that this very firm should be reaping the benefit of all the fees that are a-going. Further than that, the hon. Attorney-General clearly states this is a private Bill, and I desire to get from him whether the cost of printing etc., is coming out of the Society. The last occasion on which a private Bill passed through this Council a fee of \$100 was paid while the contracting Company had to spend on advertising in the *Official Gazette* and daily newspaper something like \$400. I have diverted from my comments which are intended to point out that the information supplied this morning is very interesting to me. The first cost of the proceedings—

THE CHAIRMAN: Are you dealing with the value of the deferred shares?

Mr. PERCY C. WIGHT: I am saying that the deferred shares will never benefit. I am not trying in any way to prevent the formation of the new Society. From the names of the promoters I see—there are about ten or twelve—they are all men of substance, and certainly they can put their hands into their pockets and assist these poor people who will get nothing. If they want to be generous they may attach some rate of interest to these deferred shares particularly in view of the fact that the assets are there and if not realised

promptly it would be on the heads of the Directors for not having done so. Give them something out of the debris, but not keep all for the purpose of making the new Society a financial success.

I was accused yesterday of having had this matter before me for so many months and not having done anything. I would like to point out to the hon. Member, who said so, that the old Society had been in the hands of the Official Receiver, who had been carrying it on while these negotiations were being privately concluded with Government. We are told that the Directors asked for assistance but could not get it. The cost of the negotiations was \$3,528 including \$200 for this special Committee. A salaries' bill of \$360 per month was also being paid to the staff, not including the rent of the expensive premises which are being occupied by the staff to do absolutely nothing, due to the fact that the petition was before the Court and the negotiations with Government had started. \$12,960 of the money of those poor shareholders has been passed on to a staff which is not required. For a period of about three years in liquidation the amount that has been passing through their hands is about \$100,000, and Government will get six per cent. What I would like to bring to the attention of this Council is that the deficiency placed on this document is \$122,000. I would stake my last dollar on the fact that there is not a deficiency of anything like that sum. I therefore contend that special consideration should be given to those poor people in this particular clause. I am not going to move an amendment. I am a good sport, but I detest losing every time. The deferred shares should, in my opinion, have a fixed moderate rate of interest attached to them. The deferred shares belong to the old shareholders. They are holding the old assets. The promoters reduce the value of everything in order to make the new Society secure.

THE CHAIRMAN: They would not be called deferred shares with a fixed rate of interest.

Mr. PERCY C. WIGHT: It is only deferring the time of repayment. They are bearing the brunt of it. That is my view, however, if I cannot convince anyone.

THE CHAIRMAN: I am not arguing. It is only a general proposition.

Mr. SEAFORD: I regret very much that the hon. Member, who has just taken his seat, should refer to the firm of Solicitors which drew up the proposed scheme and prepared this Bill. I think the remarks are rather uncalled for. We all know that firm is one of very high repute, and any aspersions cast upon that firm for what it has done, I think, comes with very bad grace in this Council. The hon. Member is supposed to be the leading light in finance in this Colony. The hon. Member has carefully studied this Bill, and yet the hon. Member tells us that these poor people are going to lose their money because of the value of the assets put down in this proposal. The hon. Member's attention was drawn yesterday to Clause 35 of this Bill, which provides for an agreement between this Society and the old Society as to the value of the assets and the distribution of the consideration among the members of the old Society but that no such agreement shall have effect unless and until it has been confirmed by the Court with or without modification. The hon. Member must know that this is not going to be based on the assets put down in this proposal. Why the assets were put down so very low was that the bondholders and shareholders should get the very lowest valuation put on what was considered at the time. It was because they did not want to paint too roseate a case for them. Those most concerned are prepared to accept the scheme on those very low assets.

The whole basis of the hon. Member's argument falls to the ground as regards litigation on the assets. These assets are going to be confirmed by agreement, and that agreement has got to go before the Court and the Court will either confirm it with or without modification. I do not think, therefore, I need waste any more time in replying to the hon. Member. As regards having a fixed rate of interest on deferred shares, I need not reply as the hon. Member knows very well what that means.

Mr. PERCY C. WIGHT: I ignore the first part of the last speaker's remarks, as he knows quite well that the whole thing came about from personal pique. I am going to refrain from personalities in that direction. I feel justified in pointing out

what benefits would be achieved. As regards finance I take second place to the last speaker. This document has passed through the Court and is the recognised document on which the basis of working has been set out, and so I cannot see how he can tell you we are going to make new valuations to be settled between parties we do not know anything about. The Board of Directors has to be formed and that has not been done yet.

Amendment put, and agreed to.

Clause 39 passed as amended.

Clause 40—Advance Shares.

Mr. DE AGUIAR: It seems to me that an attempt is being made to vary the conditions under which the members of the old Society, who took advance shares in that Society, will now be transferred to the new Society. The clause reads:—

Advance shares issued under this part of the Ordinance shall be held on such terms and conditions as the Board may determine, and the holders of such advance shares shall be subject to every obligation and liability imposed by their respective contracts with the old Society as if the contracts had originally been made with the Society, but the Board may modify any of the terms of the said contracts.

This Ordinance is an attempt to change the position of those members of the old Society. The directors of the new Society will be able to vary the contract in any way as they desire, but the holders of these deferred shares will still be liable for their part of the contract. I would have preferred to see this clause read:

Advance shares issued under this part of the Ordinance shall be held on such terms and conditions and shall be subject to every obligation and liability imposed by their respective contracts.

It would appear that members of the old Society on entry into the new Society would not be on the same footing as when they were in the old Society. I do not know if the hon. mover of the motion is going to give us any assistance in that respect. I was hoping there would have been some explanation. I cannot visualize it is intended to bring members of the old Society into the new Society on different terms than had been agreed to in the first instance. It seems that is wrong. At least they should be expected to enter into the new Society on the same terms as agreed to in the first instance.

THE ATTORNEY-GENERAL: May I point out that the members concerned have already agreed to the Bill as drafted. They have already looked after their own interest. I do not know why the wording is as it is. I see nothing illegal or improper in the words, however, and know no reason why they should not remain as they are.

Mr. DE AGUIAR: I am putting forward the reasonable suggestion that those members who agreed to this clause, as the hon. Attorney-General has stated, did not understand it. I think I know what was an advance share in the old Society, and also what it is intended in the new Society it should be. If they are going to bring in the old members under different terms, I think that is wrong.

Mr. SEAFORD: Apparently a good many of these advance shareholders are in arrears, and, although they are bound by these conditions, the last sentence of the clause will give the Board the means of trying to help them if it possibly can. It does not actually tie them down rigidly.

Clause 40 passed.

Clause 41 Dissolution of old Society.

THE ATTORNEY-GENERAL: I move that a comma be inserted after the word "shall" in the first line of the clause, and at the end of the clause the "full stop" be deleted and the following words added: and the Official Receiver of British Guiana shall file in the Registry of the Supreme Court a certificate stating the date of such dissolution.

The object of the amendment is that the old Ordinance would then become superfluous and Government would know from what date that Ordinance may be repealed.

Amendment put, and agreed to.

Clause 41 passed as amended.

Clause 42—Exemption from Stamp Duty.

THE ATTORNEY-GENERAL: I beg to move that the Heading "Part III" be inserted above this clause.

Mr. PERCY C. WIGHT: Must I understand that Government is waiving the

Registry fees in connection with the transfer?

THE ATTORNEY-GENERAL: That is the effect of the clause from the appointed day.

Mr. PERCY C. WIGHT: Thank you.

Mr. ELEAZAR: Is it intended that stamp duty now liable to be paid on documents passing from this Society is to be exempted from going to Government? The Stamp is public property, and under the Tax Ordinance certain documents must have certain stamps. Is it intended that this new Society must be excluded from such stamp duty?

THE ATTORNEY-GENERAL: The position is this: When the transfer of assets takes place there will have to be a documentary transfer. In the ordinary course the document will be liable to stamp duty under the 1939 Tax Ordinance, as the hon. Member has said. The object of this clause is that the particular stamp duty shall not be charged in order that the deferred shareholders shall get the benefit of the money which otherwise would have been spent in the payment of the stamp duty.

Mr. ELEAZAR: The draftsmen must get their fees, but what is to come to the general taxpayer must not be given. If you are going to do something why not let them pay for it. You are to pay everybody except what is to go to public revenue. The little bit of money that is to be paid in stamps is so much that they cannot pay it, but everybody else is to be paid. It seems that this new Society has a lot of special advocates in this Council. I cannot see why this small amount must not be paid to general revenue. I move that the clause be deleted.

Question "That clause 42 stand part of the Bill" put, and agreed to.

Clause 42 passed.

Clause 43—Costs of Ordinance.

THE ATTORNEY-GENERAL: I move that the words and figures "Part III" above the clause be deleted.

Question put, and agreed to.

Mr. PERCY C. WIGHT: The hon. Member for Georgetown North (Mr. Seaford) thought I was perhaps too personal I desire to say that I have no grievance against any member of that firm as it exists today, only against one member who was in the firm before. The question of the self-appointed solicitors of this new Society is something that beats me. The old Building Society had a Solicitor who took no part in the proceedings but I see this clause reads:

All costs charges and expenses preliminary to and of and incidental to the preparing for obtaining and passing of this Ordinance and carrying the same into effect or otherwise in relation thereto shall be paid by the Society.

This thing is far-reaching. Is this prospectus, which is worth nothing to my mind, to be paid for also by the Society? It was something done voluntarily and, one thought, it was being done gratuitously to help the poor people.

Mr. SEAFORD: To a point of order! Is the hon. Member suggesting that was not done gratuitously?

Mr. PERCY C. WIGHT: My reading of it makes my mind revolt as to whether it is not included. The clause says: "Preliminary to and of and incidental to the preparing..." and therefore includes this document. The old Society's solicitor had nothing to do with it, and the old Directors of that Society have not been asked anything about it. Even the petition which had been sent in, I can assure this Council, has been signed by several persons who were never members of the old Society. One particular individual, when he saw that things were coming to a head, surrendered, and ran and got his money back. Some have acquired shares since. That document has ten or twelve names of persons, most of whom are familiar to me.

THE ATTORNEY-GENERAL: The cost of reconstruction has to be paid by somebody. The question is whether it should be paid by the old Society or by the new Society. The effect of this clause is to assume that it shall be paid by the new Society.

Mr. DIAS: I beg to say that this clause is the usual one incorporated in all Articles of Association.

Schedule—Rules of the New Building Society, Limited.

Mr. DE AGUIAR: Is it proposed to deal with the Schedule as a whole?

THE CHAIRMAN: It is usual to do so, but if hon. Members wish it to be taken rule by rule it can be done.

Mr. DE AGUIAR: I think that is the better course to take, especially when it is remembered that the Schedule in this case is not a mere formality but rather represents the Articles of Association of the new Society.

THE ATTORNEY-GENERAL: It is really in the nature of a waste of time to take the Schedule rule by rule as the moment the Society is formed it can sit down and alter these rules subject to the approval of the Governor in Council. The Society may revert to the original wording of the Rules as amended by this Council and we cannot stop it. It is not necessary to take the Schedule rule by rule, but if the hon. Member has any amendment to propose he may pick out the particular rule and propose his amendment.

Mr. DE AGUIAR: I cannot agree with the hon. Attorney General. There are several points which I intend to deal with when the particular rule is reached. If you refer to Rule 17 you will see that in the case of a notice to withdraw investing shares, the new Society will pay interest at a rate not exceeding two per cent. after notice of withdrawal has been given. If you refer to Rule 7 you will further find that the rate of interest on investing shares is there given as not exceeding four per cent. I want to enquire if because a man gives notice of withdrawal and the Society has not sufficient funds to pay him his money, that in such a case his shares will then only earn two per cent., whereas under the ordinary contract they will earn four per cent. I do not agree that it will be a waste of time to take the Schedule rule by rule.

THE ATTORNEY-GENERAL: Rule 17, which has been mentioned by the hon. Member, follows the English practice and refers particularly to the members of the old Society, who will get no interest at all from the time they give notice of withdrawal.

Mr. DE AGUIAR: That was one of the errors made by the old Society which I referred to yesterday. I thought this was an attempt to correct those errors. I would like to ask the promoters of this Society, if a man has investing shares on which they agreed to pay him interest at the rate of four per cent. and that man gave notice of withdrawal, and the Society for one reason or another was unable to honour that request, would it be reasonable to tell that man that from the date of the receipt of his notice the rate of interest on his shares would not be more than two per cent? I am hoping to be able to invest in this new Society and, therefore, want to take care from the beginning.

Mr. JACOB: I had made a note on that point myself. I do not think it is fair to penalize the man who wishes to withdraw his shares.

Mr. PERCY C. WIGHT: I offer no objection to taking the Schedule *en bloc*. There is only one thing about these Rules, I have never heard of any solicitor attending the inspection of the securities of any company.

THE CHAIRMAN: The hon. Member may wait until we are dealing with Rule 17. Has any Member any comment to offer on Rules 7 and 17?

Mr. DE AGUIAR: If you are going to deal with the Schedule as a whole, permit me to make some further observations. Most of the faults of the old Society were due to the operation of defective rules—rules which, I think, were made in 1885. It is all very well to say that rules can be amended overnight, but we know that in practice that is not very easy to do. I always try to make rules as water-tight as possible from the very beginning. I see here in one case that the payment of fines is obligatory, and a little later on the Board may reduce or remit such fines. I am not sure what is meant. It should be either obligatory or discretionary right away. On this question of fines I see also that it is proposed that if a female member marries she must within one month give the name of her husband otherwise she shall be fined eight cents per share for every month which shall elapse before such notice is given. In other words she is

allowed one month to send in her new name to the Society.

THE CHAIRMAN: I see no reason why she should not.

Mr. DE AGUIAR: It is such a short period. Then there is also notice in the case of death. If the person representing a deceased member fails to notify the Society of the death within a month a fine of one shilling per share per month is imposed. It must be remembered that the people who are going to take shares in the Society are very poor people and they are not likely to be aware of the existence of such a rule. While it is true that the first Board of Directors may take one view of the matter, subsequent Boards may take a different view altogether. I think it is hard to penalize these unfortunate people for failure to send in a notice of death. One shilling per share per month is a lot of money. Further, if you lose your pass book you must pay a fine of twenty-four cents over and above the cost of the book. The book may cost four cents one day and one dollar the next. I agree that in such a case there should be a fine attached, but let it be an agreed-upon figure and not use such phrase as "twenty-four cents over and above the cost of the book."

THE CHAIRMAN: You are in effect moving a motion that the Schedule be taken rule by rule.

Mr. DE AGUIAR: Yes, sir.

Mr. C. V. WIGHT: While I find myself in agreement with the desire that the Schedule as a whole be taken, at the same time I find myself in an awkward position. It may be that the comment I have to make may seem contradictory. While I know that there is a feeling that lawyers should receive very little remuneration, and in some cases none, for their work with which I cannot agree, I think the feeling here is that under Rule 42 the Governor in Council has the right to nominate one-third of the directors, and the corollary to that is that such directors need not have any qualification, yet we see under another rule that although such directors have no monetary interest in the Society they are to be paid remuneration for their services. I would suggest that a provision be made in Rule 42 that any person so appointed



by the Governor in Council should come under the same status as the ordinary Director who has qualification under Rule 44, because as I have stated he would be drawing remuneration under Rule 45.

Question "That the Schedule be considered rule by rule" put, and the Committee divided, the voting being—

*For*:—Messrs. De Aguiar, Eleazar, and Percy C. Wight, and the Colonial Secretary—4.

*Against*:—Messrs. C. V. Wight, Mackey Jackson, Jacob, Humphrys, Walcott, Wood, Crease, Case, Laing, D'Andrade, Austin, Seaford, McDavid, Luckhoo and Dias, Dr. Singh, Dr. Macleunan, Professor Dash, and the Attorney General—20.

Motion lost.

Mr. ELEAZAR: With Your Excellency's permission, I may mention that this way of taking all these rules *en bloc* is a most iniquitous procedure. The Magistrate's Court rules were done in the same way, and not a single Magistrate in the country, except the one who made them, is enamoured with them. They can give several reasons why they ought not to have been. I had asked that those rules be taken one by one but was refused.

Mr. C. V. WIGHT: The hon. Member is labouring under a mistake about the persons who made those rules. It is not fair to say that every signator to the Rules in question did not make them.

Mr. ELEAZAR: Novices, but with one exception, made them.

Rule 3—Register of Members.

Mr. ELEAZAR: By the Law of this Colony whatever belongs to the woman is her property and her husband has no right to it at all, and *vice versa*. What does it matter if a woman who has shares marries and does not tell the whole world about it? Must she be taxed for that reason? There is hardly a rule in this Schedule which does not carry a fine with it. Is it of any advantage to the woman in sending and telling the Society what is her husband's name and business? She must do so within a month, when she has hardly returned from her honeymoon trip. This is

only a means of getting money from people who are unable to pay. If there had been anything the people complained bitterly about in the old Society, it was the imposition of fines for every kind of thing. These rules show that fines are to be exacted for next to nothing at all. I think that the words after "husband" should be deleted in Rule 3 (2). I cannot see that any fine should be imposed because a married woman fails within a month of her marriage to tell the Society her husband's name and business.

Mr. DE AGUIAR: I am supporting the amendment moved by the hon. Member on my left.

Mr. SEAFORD: I would like to point out that the majority of hon. Members know that in this Colony we are frightfully lax in doing things, and unless a small fine is attached, I am afraid, the Society will never be able to keep its books up-to-date. I think that something should be done.

Mr. JACOB: I am afraid I cannot agree with the hon. Member who has just spoken. By penalizing a person you are not going to get him to reform. I think that other methods should be adopted, either coercion or persuasion but not penalty.

Mr. DIAS: This is a recognised rule. While it is very desirable to have the correct names of people recorded in the register of the Society, this Society should refrain from adopting all the rules governing societies in England, as local conditions are quite different. The community is so small that when people are married it is known to everybody. I do not suggest coercion, as the hon. Member for North Western District has done, but I think the Rule of Registration should be made conspicuous in the pass book of members notifying that any person on becoming married must notify the Society not within one month but within three months. Several things may happen during the first month to make observance of the Rule impracticable. Imagine a poor person with twenty shares in the Society who fails to observe that Rule having to pay on the day after the first month of marriage \$1.60 in fines, which seems much too high especially as it is now being

introduced here! I would like to support the hon. Member for Berbice River (Mr. Eleazar) in his statement that the complaint against the old Society was in respect of its system of fines, although that Society had not as many fines as are suggested in this Bill.

THE CHAIRMAN: There is nothing to prevent the directors changing it, if they find the Rule does not work.

Mr. DIAS: They may change the Rule but, I suggest, it will be a bad beginning.

Mr. SEAFORD: The penalising clause of the Rules is inserted only to make people realize their responsibility. The amount is immaterial.

Mr. ELEAZAR: I cannot follow the philosophy of the hon. Members who have spoken. You may fine a person if that person is given a benefit and enjoying something. What benefit or enjoyment is it to a woman if she does not state who her husband is? The property is hers and, if she wants to parade to the world her marriage title, she can take her pass book to the Society and make the proper representation for the thing to be done. Are you going to fine her for not doing that? Eight cents per share may look very small, but there will be very few people in the Society with only one share. Most of the Public Hospital nurses, who lost money in the old Society, may return to this new one. One may get married and hide it from the knowledge of Government for a year or two before it is discovered by the world in general when she is forthwith dismissed from her job, and further this Society must penalize her for failure to register her marriage. All her money would be taken out in fines because she had hidden her marriage from Government and the world. That is the logical conclusion to be drawn from this Rule, though it sounds so absurd. The hon. Director of Medical Services can verify what I am saying now. These Hospital nurses and young women employed at the various other public institutions know that if they get married they are going to be dismissed at once. They, however, get married and conceal the fact until some one surreptitiously gives them away or something happens. Then is this Society going to tax them further? They should be asked to give their new name,

but take away the penalising part of the Rule.

Mr. SEAFORD: May I move a further amendment to Rule 3? In Sub-Rule (2) change the word "eight" to "two". That would meet the views of this Council, I believe.

Mr. C. V. WIGHT: The general question of these penalties may be revised. I have heard it said by one hon. Member that the object of this Society is for the benefit of the poor people and, I take it, the persons who will become members will be poor people, yet on the other hand we see throughout the Schedule the imposition of penalties which the poor people can ill-afford to pay. Some of these fines may in time entirely devastate the capital of such persons. I conceive that several things which happened in the old Society would happen in the new Society. Surely there are other ways of compelling members to conform to the Society's Rules than imposing these fines and penalties.

Mr. SEAFORD: The hon. Member referred to the old Society. I was surprised that the Rules of that Society were so bad and hon. Members who were directors of that Society did not see fit to have them changed instead of allowing them to continue year after year. As I pointed out there is no idea of taking money from the people by imposing penalties under the Rules, but it is proposed as a means of compelling people to observe the Rules so as to get the records of the Society up-to-date.

Mr. Eleazar's first amendment "the deletion of the words 'or shall forfeit the sum of eight cents per share per month in each case of default' in the fifth and sixth lines of Sub-Rule (1)" put, and agreed to.

Amendment carried.

Mr. JACOB: That amendment being carried there will be no penalty.

**SUB-RULE(2) OF RULE 3— FEMALE MEMBER TO GIVE NOTICE ON MARRIAGE.**

Mr. ELEAZAR: I move that Sub-Rule (2) of Rule 3 be amended by the deletion of the words "or shall pay a fine of eight cents per share for every month which

shall elapse before such notice is given" in the third, fourth and fifth lines thereof.

Mr. DE AGUIAR seconded.

Amendment put, and the Committee divided, the voting being—

*For*:—Messrs. C. V. Wight, Jackson, De Aguiar, Eleazar, Percy C. Wight, Case, Laing, McDavid, Woolford, Luckhoo, and Dias, Dr. MacLennan and the Colonial Secretary—13.

*Against*:—Messrs. Mackey, Jacob, Humphrys, Walcott, Wood, Crease, D'Andrade, Austin and Seaford and Dr. Singh—10.

*Did not vote*:—Professor Dash and the Attorney-General—2.

Amendment carried.

Sub-Rule passed as amended.

Mr. WOOLFORD: I rise to a point of order to call attention to the order in which the amendments have been put. I seem to think that the last amendment should have been put first.

THE CHAIRMAN: I find it very difficult to follow that.

Mr. WOOLFORD: The Rule says "Inverse order".

THE CHAIRMAN: I think the hon. Member is perfectly right.

Mr. SEAFORD: I take it, I can move an amendment.

THE CHAIRMAN: I think so. The hon. Member can move that a fine of two cents be inserted. Hon. Members must realize that we are not discussing the Rules in detail. As the hon. Attorney General has pointed out, while it would be a convenient vehicle for expression of opinion it had practically no effect as the Rules might be amended afterwards.

Mr. SEAFORD: I beg to move that the Rule be further amended by the insertion of the words "or shall pay a fine of two cents per share..."

Mr. ELEAZAR: To a point of order. I would like to know under what rule that

amendment is being made. An amendment of the Rule has been moved and carried, and because it does not suit the hon. Member must he get up and move an amendment of an amendment? It is out of order.

Mr. JACOB: I beg to move that the Rule be re-committed.

Mr. ELEAZAR: I am going to ask not to prolong the farce. What are we going to make of ourselves?

THE CHAIRMAN: I think the amendment is out of order. My own personal opinion is that if the Council is going to deal with the Schedule Rule by Rule it will do so against the expressed wish of the Council that the Schedule be taken as a whole.

Mr. SEAFORD: If you are going to jump about in dealing with the Schedule, there is nothing to prevent any Member going back to a Rule already passed.

THE ATTORNEY-GENERAL: The directors can sit down next week and deliberately undo anything this Council has done to the Rules, especially where the members themselves have already expressed their opinion on the Schedule now before us.

Mr. DE AGUIAR: I do not agree with the expression of opinion by the hon. and learned Attorney General. Before amended Rules can be adopted, under the Ordinance—Section 13 (2)—the Society has first to pass a special resolution, and it was pointed out yesterday during the debate on that section, that a special resolution is one passed by a majority of not less than three fourths of the members entitled to vote. It means, therefore, that before a Rule can be amended it will have to be approved by a body of members of the Society. These members can either reject or adopt the amendment, and their decision would go to the Governor in Council for approval. That is as it should be. The members are the persons who will be interested in the Society and must have a voice in its affairs. It is, however, not as simple as all that. We are now passing new Rules under which the new Society is to operate, and it is competent for us to suggest amendments which are found to be practicable and in the interest of the Society.

THE CHAIRMAN: If it is the wish of the Council to proceed Rule by Rule, I am quite willing to do it. Judging from what has happened, I think, it would be the more convenient way.

Mr. ELEAZAR: From the inception of this debate on the Rules as to whether hon. Members will have the Schedule taken Rule by Rule or *en bloc*, all agreed, especially the hon. Member for Georgetown North (Mr. Seaford) to the latter course, but that Members can attack any Rule they think fit. Following the first defeat the hon. Member has suffered in effecting amendment to the Rules; he wants the whole thing reverted.

Mr. SEAFORD: The hon. Member for Berbice River is entirely wrong. I would like to see the Schedule taken as a whole so that we could get through it in a reasonable manner.

Mr. ELEAZAR: If the hon. Member accepts the ruling that he is out of order, we may proceed to the next amendment with Your Excellency's permission. I am drawing attention to Sub-Rule (3).

Mr. JACOB: To a point of order. This Rule has been passed. We have a perfect right to move that an item be re-committed, and I have so moved in respect of Sub-Rule (2).

THE CHAIRMAN: I am not quite sure that the Council has the right to reverse its own decision within ten minutes.

SUB-RULE (3) OF RULE 3—NOTICE TO BE GIVEN ON DEATH OF MEMBER.

Mr. ELEAZAR: With respect to sub-rule (3), it is well known to every legal Member of this Council, with the exception of the hon. and learned Attorney-General, who may not have had time enough to address his mind to all details of legal practice in the Colony, that there may be needed the services of an executor whom the law gives three months and sometimes six months to look after the deceased person's estate. Under this Rule, while he is busy doing that he will be incurring a penalty on the dead man's estate of one shilling per share per month in respect of the shares held. Take the other way about. A person having shares

in the Society dies intestate. It takes some time before some one is entitled to obtain letters of administration, and until such time no one has the right to administer the estate. There may be creditors, who may apply to the Official Receiver, and some time will elapse before a person is appointed to take charge of the estate. What is to happen during all that time?

While we are making these Rules we are making law as well, and we have to take cognizance of existing Statutes for the different purposes. We must see that no law we now make is conflicting with or does violence to the law that already exists. This Sub-Rule calls for a fine of one shilling per share per month unless the legal representative of the deceased member registers the death. That representative may obtain letters of administration one or two years after the death of the member, and under this Rule that person can do nothing more than pay the penalty. Your Excellency, I think all these fines under Rule 3 should be deleted because of the views expressed. I move the deletion of the words "or in default thereof shall pay a fine of one shilling per share per month" in the sixth and seventh lines of sub-rule 3.

Mr. LUCKHOO: I think the arguments advanced by the hon. Member for Berbice River seem quite sound and logical, and there is a great deal of merit in his contention. Sometimes it is very difficult to get probate granted within a month, especially if the parties are living some distance from the Registry, and a great deal of time elapses in getting the information required for Estate Duty purpose. It seems impossible to escape the penalty under the Rule because one is unable to say within a month who is the legal representative or person to act. This Government has been very generous to this Society in exempting it from Stamp Duty, and to put in its Rules, this penalty seems a very bad beginning on the part of the Society.

Mr. SEAFORD: May I point out that the hon. Member seems to forget the fact in talking about Government being generous to the Society, that such generosity is to the poor people who have lost all their money in the old Society and who, I feel sure, the hon. Member for Eastern Berbice (Mr. Luckhoo) thinks

kindly of and is willing to help. It is not the amount, as I do not mind if it is reduced to two cents, but hon. Members must realize that no company or society can keep the records of its members up-to-date if the people do not send in the desired information and there is no penalty for their lapse. With nothing to compel the members to carry out their obligation how is the Society going to carry on? Unless you have a small penalty you will have no registration and few fees coming in. Unless it is desired that matters should become a fiasco the fines included in the rules should be allowed to remain. Hon. Members do not seem to appreciate that fact. I am going to propose later on to re-commit the previous sub-rules.

Mr. ELEAZAR: I am inclined to the belief that an old fool is bad, but a young fool is worse, because he has so much longer to continue. I do not know that because a living person, who should do something and could do it himself, is penalised for not doing so, that it is good enough reason for a dead person, who cannot do it for himself, to be similarly treated. The legal representative is for a period in the same position as the dead person, and even when the law gives him the right to carry on he may not obtain probate to carry on as legal representative until after a longer period than set out in the sub-rule. The hon. Member does not know what he is talking about.

Mr. SEAFORD: I object to that.

Mr. ELEAZAR: If that is not so, then I am mistaken.

Mr. DIAS: I want to correct what may be a mistake. Hon. Members have directed attention to sub-rule (3) on the assumption that the only person dealt with there is the legal representative of the deceased member. You can punish the legal representative or the estate itself, because he is that person who has to perform all the acts in applying for probate, obtaining it and then giving notice to the Society of the change. The person mentioned in the Rule who is blameless, but on whom the fine may be inflicted, is the one referred to as "or other person entitled." He may be a beneficiary and has no control over the acts of getting probate and giving notice

to the Society, yet it is proposed to punish him. He has not the handling of the estate so as to get things in such a state as to comply with the Rule. He will only know legally that he is a beneficiary after probate has been obtained and he has seen the will. It would be a distinct hardship to impose a penalty on him because he did not do something within a month which he could not have legally done. I suggest that the words "or other person entitled" be taken out of the Rule.

Mr. PERCY C. WIGHT: I would like to point out what has actually happened in this Colony. The poor executor did not know that the deceased held a number of shares; probably he did not have the certificate until years after. In that period of time the whole of the capital would be wiped off by the imposition of the fines under this sub-rule. It is making a mountain out of a mole hill by having this penalty, and I think it should be deleted.

Mr. SEAFORD: May I ask the hon. Attorney General if this Rule was taken from the English Ordinance as it stands?

Mr. ELEAZAR: There are no penalties at all in the English Ordinance. In this country we borrow laws and put the worst phase on what we borrow.

THE ATTORNEY-GENERAL: As regards the question I am asked, I am unable to guarantee that no verbal change has been made. It is quite easy in copying for shillings to appear in the manuscript instead of dollars.

THE CHAIRMAN: Is it in the law?

THE ATTORNEY-GENERAL: No sir, the Building Society Rules.

The amendment put, and the Committee divided, the voting being:—

*For*:—Messrs. C. V. Wight, Jackson, Jacob, Walcott, De Aguiar, Eleazar, Percy C. Wight, Wood, Crease, Case, Laing, D'Andrade, Austin, McDavid, Woolford, Luckhoo and Dias, Dr. Singh, Dr. MacLennan and the Colonial Secretary.  
—20.

*Against*:—Messrs. Mackey, Humphrys and Seaford.—3.

*Did not Vote*:—Professor Dash and the Attorney-General.—2.

Amendment carried.

Rule 3 passed as amended.

Rule 6—Pass Books.

Sub-Rule (2)—Loss of Pass Book.

Mr. DE AGUIAR: I move that the words "over and above the cost of the book" in the last line of Sub-Rule (2) be deleted.

Question "That Rule 6 stand as printed in the Schedule to the Bill" put, and the Committee divided, the voting being:—

*For*:—Messrs. Mackey, Humphrys, Walcott and Seaford.—4.

*Against*:—Messrs. C. V. Wight, Jackson, Jacob, De Aguiar, Eleazar, Percy C. Wight, Austin, McDavid, Woolford, Luckhoo, and Dias, Dr. Singh, and the Colonial Secretary.—13.

*Did not Vote*:—Messrs. Wood, Crease, Case, Laing and D'Andrade, Dr. Maclennan, Professor Dash and the Attorney General.—8.

Motion lost.

Question "That Sub-Rule (2) of Rule 6 be amended by the deletion of the words "over and above the cost of the book" put, and agreed to.

Amendment carried.

Rule 6 passed as amended.

Rule 51—Alternate Directors.

Mr. PERCY C. WIGHT: I am moving that we delete Rule 51. I do not see why "an alternate director shall be exempt from the necessity of holding any qualification shares." I think an alternate director should be a member of the Society, and every right-minded person agrees with that. I move that an alternate director must be a member of the Society.

Mr. C. V. WIGHT: Would not that give the power to a director appointed under Rule 42 (2) by the Governor in Council to appoint an alternate director in accordance with Rule 51? Perhaps the

Governor in Council never intended to appoint the person, who would eventually be appointed an alternate director.

THE ATTORNEY-GENERAL: Rule 42 says the Governor in Council has the right to nominate one-third of the directors. Thus Rule 51 means in effect that subject to the approval of the Governor in Council, any such director may appoint an alternate director to act for him.

Mr. ELEAZAR: I do not think those directors should have any power to take somebody else who is not a member of the Society to act for them. Government is given the power to nominate persons as directors for the benefit of the public, but that does not give those persons the right to nominate other persons as alternate directors. If a director is going on leave let it be left to the others to nominate some other person in the Society to fill his place. The proposal is unheard of, unless there is some sinister motive in it. It is out of all propriety when one starts to think about it. Why seek to get power to put somebody not in the Society when there are so many in the Society qualified to take his place. I think an alternate director should be a member of the Society.

Mr. SEAFORD: May I suggest to the hon. Member that he withdraw his amendment and move instead that the words "An alternate director shall be exempt from the necessity of holding any qualification shares and" be deleted.

Amendment put, and agreed to.

Rule 51 passed as amended.

Rule 55—Solicitor.

Mr. PERCY C. WIGHT: I do not know if Rule 55 (3) has been copied from any English Statute. It appears to be a reflection upon the Board of Directors that they are not allowed to check the securities. It is usual for two directors to be present at the inspection of the securities, as the directors are the persons responsible for the securities. The directors having purchased the securities are entitled to see them. In all companies the directors attend and check the securities every year or half-year, and it should not be varied in this particular Society. I

suggest that the words "two directors" be inserted in the sub-rule.

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

2 p.m.—

THE CHAIRMAN: What is the amendment suggested by the hon. Member for Georgetown Central (Mr. Percy C. Wight)?

Mr. WIGHT: That Rule 55 (3) should read:—

"Previous to each Annual Meeting two directors with the solicitor and the auditor shall attend ..." to inspect the securities of the Society ..."

Mr. AUSTIN: I do not think that would carry out what the hon. Member has in view. Suppose those securities are held abroad, would the solicitor and the directors go wherever they may be, perhaps in England, to see that they are in order? I think what might be done, as is done in other companies, is to get an affidavit from the bankers that such securities are held on behalf of the Society. Suppose the Society purchased Victory Bonds and they were lodged with bankers in England, would the two directors, the solicitor and the auditor go to England to see that those bonds were there?

Mr. WIGHT: No, in other companies a certificate is obtained from the bankers on the other side. That is always done by local companies, for instance with respect to war loan. A covering certificate is all that is required.

Mr. C. V. WIGHT: Rule 55 (2) states that "The solicitor shall be entitled to attend all meetings of the Board..." It seems to me to be rather giving the solicitor a privilege. Is he to attend whether he is wanted or not?

THE ATTORNEY-GENERAL: I agree with the hon. Member for Georgetown Central (Mr. Percy C. Wight) that an amendment of sub-rule (3) is necessary. There is nothing in the rules that permits a banker to submit a certificate. On the contrary it says that the solicitor and the auditors shall inspect the securities. I think a wider amendment will be needed.

Mr. C. V. WIGHT: Sub-rule (1) says that "the solicitor shall transact all the

necessary legal business of the Society ..."

Why should the solicitor transact all the necessary legal business? Surely the Board of Directors are not going to appoint a solicitor and get some other solicitor to do the legal business? I think we should simply give them the power to appoint a solicitor with all the incidental rights of a solicitor.

Mr. SEAFORD: I think these Rules are taken from the English Rules.

Mr. PERCY C. WIGHT: I am grateful to the Attorney General for suggesting this amendment to me:—

"Previous to each Annual Meeting the solicitor shall attend with two directors and the auditor to inspect the securities of the Society held in the Colony."

With regard to the point raised in respect of sub-rule (1), the idea is that all necessary legal business of the Society shall be attended to by the Society's solicitor. If I hold a mortgage on someone's property and that person paid me the money he would ask me for the mortgage deed and get his own solicitor to have it cancelled. I take it that under this sub-rule all such transactions should be attended to by the Society's solicitor. I am not in agreement with that. It is an innovation which is not fair. When a mortgage debt has been paid it is customary for the company to send the deed to its solicitor with instructions to cancel it, and the party concerned has to pay the expenses, but other legal luminaries in this City claim that their clients are entitled to go to them in order to have their mortgage deeds cancelled. I am in agreement with that view. After the debt has been paid the mortgagee has no right to dictate who is to cancel the deed. I think this sub-rule should be modified.

Rule 55 (3) as amended agreed to.

Rule 55 (2)—

Mr. ELEAZAR: This sub-rule says "The solicitor shall be entitled to attend all meetings of the Board..." I think it should be that the solicitor may attend the meetings. The last sentence makes it compulsory for him to attend when his presence is required.

THE CHAIRMAN: It does not say

that he shall attend but that he "shall be entitled to attend."

THE ATTORNEY-GENERAL: It is up to the promoters of the Society to say so, and they have said so.

Mr. ELEAZAR: What is the good of bringing the Bill before us? We are here to approve of it. I am saying that the first portion of the sub-rule should be amended so as to give the solicitor the right to go or not to go, but if he is required the last portion of the rule will apply.

THE CHAIRMAN: I see the hon. Member's point, but I cannot see the difference between "shall be entitled" and "may be entitled."

Mr. ELEAZAR: I move that the word "may" be substituted for the words "shall be entitled to."

Mr. SEAFORD: I cannot see the difference between the two words.

Mr. WOOLFORD: I think I know some solicitors who would be too anxious to attend all meetings, and I suppose those who are responsible for this Bill know the cost of including a provision like that. If a solicitor makes up his mind to attend every meeting there is nothing to prevent him doing so. The usual way is to provide that the solicitor shall attend when required. In my humble view the words "may be entitled to attend" have no meaning, grammatical or otherwise.

THE CHAIRMAN: I do not think there is any real difference of opinion on the matter.

Mr. ELEAZAR: If one word can be used instead of four I prefer to use one.

THE CHAIRMAN: As a purist in style you are quite entitled to move an amendment of that kind.

Amendment agreed to.

Rule 17—Interest on withdrawn shares.

Mr. DE AGUIAR: I move that the word "two" in the fourth line be deleted and the word "four" be substituted. I do not think there will be any objection to that amendment because under Rule 7 the

rate of interest payable to this class of investor is a sum not exceeding 4 per cent per annum. It is sought in this Rule to reduce that rate of interest to a sum not exceeding 2 per cent. when the person concerned sends in an application to withdraw his shares and the Society is unable to meet that request, even although the application is in accordance with the rule, that is to say that sufficient notice was given. I consider that it would be inflicting a penalty on such an individual and should not be allowed.

Mr. LIAS: I am sorry I cannot support the amendment. I think the hon. Member has missed a very important point in connection with the matter, and that is that an ordinary member is in the position that in the case of liquidation he stands in the same position as a contributor to the Society. That is to say that he becomes the last person to share in any of the assets of the Society. When a member gives notice of withdrawal of his shares the mere receipt of that notice of withdrawal changes his status. He then becomes a creditor and is secured on the assets of the Society, and therefore he gets a smaller rate of interest as a matter of course. He naturally incurs no risk of losing his money. That was recently decided by the Court in connection with an application to settle the rates of interest of the Society. In the old Society members withdrawing their shares got no interest at all. Provision is made for suspending payment to a member wishing to withdraw his shares because of the possibility of a rush on the Society. One of the objects of the Society is to lend out every penny it receives, therefore the law makes provision for reasonable notice of withdrawal of shares.

Mr. DE AGUIAR: I would agree with the hon. Nominated Member if what he has stated was the case, but the position now is entirely different from that he referred to in the old Society. In this case the shares are referred to as fully paid up investing shares. The only interest in the Society of the holders of such shares is to take up fully paid up investing shares for which they pay \$50 each, on which they will receive interest at a rate not exceeding 4 per cent., and there are certain conditions under Rule 7 with which they have to comply. They are not in the same



category as ordinary members at all. In the case of the old bond-holders they could air their views. If the Society is unable to meet a member's request to withdraw his share it seems to me unreasonable to penalise the investor by reducing his rate of interest to two per cent. I think the amendment I suggest would serve a very useful purpose to the new Society. It might rather encourage people to take up shares, whereas the present provision might act the other way around. Personally, I would not care to invest in a society which when unable to meet my request to withdraw my shares, and although I comply with the rule which requires notice of such withdrawal, reduces my rate of interest.

THE ATTORNEY-GENERAL: May I point out the futility of the amendment in view of the last nine words of the Rule?

Mr. PERCY C. WIGHT: A man who breaks his contract and gets away with a penalty of only 2 per cent. is a lucky man. I take it that it is as a result of the decision of the Court that this has been put into the Bill to give a person an opportunity to take 2 per cent. and withdraw his money.

THE CHAIRMAN: In the old Society he got nothing.

Mr. WIGHT: That is what got the old Society into a mess. The members rushed the Society.

Mr. ELEAZAR: A member of the Society gives three months' notice that he intends to withdraw his money which he might want to invest elsewhere at a higher rate of interest. The Society cannot pay him, and because it cannot give him his money it reduces his rate of interest to 2 per cent. That cannot be fair; it should be the other way about. Not being able to give him his money the Society should increase his rate of interest by 2 per cent. The Society's position is indefensible.

Mr. DE AGUIAR: I would further suggest that there might be a slight amendment of Rule 7 by extending the period of notice to six months. That would be reasonable notice, but I submit that the lowering of the rate of interest would certainly act against the new Society.

Mr. SEAFORD: I think six months' notice would be arguing against the point made by the hon. Member for Berbice River (Mr. Eleazar).

Mr. WOOLFORD: In a way I am sorry I have come back. (laughter) I realize that I am going to be told by the mover of the amendment that I am not a business man. Well, I am neither a business man nor an investor. I have usually been a borrower and I know a great deal about borrowing, and I suppose I shall not cease until I die, but I do know that if you invest money with a bank and you anticipate withdrawal of that investment you lose your interest. The investor in this case, who is given a bond or certificate at the time he does so, invests his money with the Society with the full knowledge that the Society will re-invest it. In other words the Society is the medium through which a certain investment is made. The Society lends that money on the security of property on mortgages which are usually redeemed after five or seven years.

I am appealing to the business mind of the hon. Member whether he thinks it would be fair to the Society for that investor who has invested his money with the Society at 4 per cent. with the knowledge that it would be re-invested on mortgage for five years, to give the Society three months' notice of his intention to withdraw that money? Could such a person complain that the Society is unfair to him if, instead of forfeiting his interest, it gave him back his money with 2 per cent. interest instead of 4 per cent.? The argument is unsound, and so far as the investing shares are concerned, as distinct from subscription shares, although circumstances may compel the investor to ask for his money back he must bear in mind that he ceases to be an investor the moment he withdraws his shares. If every investor took up that position the investments of any building society would become impossible, and I am sure no society could exist under those conditions. By parity of reasoning it must be assumed that when a man places money on investment in a building society especially he must realize that that money will be required for a very considerable time, and if he wants to exercise the right to anticipate the return of his money, which the

Rule gives him, he must lose something. He cannot expect to get his money back at the full rate of interest.

Mr. DE AGUIAR: I can well appreciate the views of the hon. Member. They are very logical views of a borrower, but certainly not the views of an investor. He overlooked a very important point when he tried to give an illustration as to the difference between the position of a depositor at a bank and an investor in this Society. What I would ask the hon. Member to direct his attention to is this point: Would the Society lose any money by holding up payment to the investor? After all it is to be assumed that the investor's money has been re-invested at a higher rate of interest than 4 per cent, and if after giving due notice of withdrawal he is unable to get his money back surely it would be illogical to penalise that man by offering him a lower rate of interest. Depositing at a bank is a different thing altogether. If you give notice of withdrawal at a bank the interest you lose is a part of the month in which you receive payment, but in the case of this Society you do not get any money at all. The Society is unable to pay you, but henceforth your money must remain with the Society at 2 per cent.

Mr. WOOLFORD: The hon. Member's argument is influenced by the same logic that persuaded him to make his amendment. If a man goes to a bank and makes what is called a deposit investment and gets a deposit receipt, he might do so for six months or a year. There is included in that arrangement an agreement whereby he gets a specific rate of interest. If he anticipates the period of the investment he suffers disability; he does not get the full rate of interest. I know of no bank which provides such a liberal return on an investment. The investor who withdraws his investment before the period expires suffers disability either by forfeiture of interest for the entire term or for a limited term. The avenues of investment in a building society are extremely limited. They are either in scrip or mortgages on property, and the ruling rate of interest is 3 or perhaps 4 per cent. The investor who gives notice of withdrawal of his money is offered 2 per cent. interest, but is asked to wait for it. He dislocates the investment of the Society because it may

not have the money to return it to him at the time. If he suffers a loss of 2 per cent. interest I cannot see where the inequity comes in.

Mr. ELEAZAR: I like the hon. Member's language, if not his logic. He will have to satisfy this Council that when a man demands his money and the Society cannot return it to him he must be penalised. At a bank (I am a borrower like him) a depositor waits until interest is calculated and then withdraws. He does not get interest for the unexpired period, but up to the date of withdrawal. I do not know what amount of logic can justify the Society in giving less interest.

Mr. PERCY C. WIGHT: I think the last speaker might have heard of pegging stock. This is what the Society is trying to prevent. I would like to correct the statement made by the hon. Member for New Amsterdam (Mr. Woolford) that he does not buy stock. I would like him to pay me a dollar for every occasion on which he bought stock from me. (laughter).

THE CHAIRMAN put the amendment.

The Committee divided and there voted:—

*For*—Messrs. De Aguiar and Eleazar—2.

*Against*—Messrs. C. V. Wight, Jackson, Jacob, Humphrys, Walcott, Crease, Case, Laing, D'Andrade, Austin, Seaford, McDavid, Woolford, Dias, Dr. MacLennan, Professor Dash, the Attorney General and the Colonial Secretary—18.

*Did not vote*—Messrs. Percy C. Wight and Wood—2.

Rule 28—Fines.

Mr. DE AGUIAR: It seems to me to be wrong to penalize a subscribing member as you would an advance shareholder who wishes to borrow money and has to take a certain number of shares. An ordinary subscribing member uses the Society as a bank. He might have paid 12 months' subscription and suddenly found that he was unable to continue. Under this Rule he would be penalized. I move that the words "investing or" in the second line of the Rule be deleted. This Rule should apply to an advance shareholder alone.

Mr. JACOB: I am afraid I do not quite understand the last speaker. I take it that a subscribing member subscribes a certain amount, and at the end of a certain period he gets that amount plus interest. Therefore he is in a little better position than a borrower. In one case a person receives interest while in the other case he pays interest. I do not know whether the hon. Member intends that the Society should not have subscription shares.

Mr. DE AGUIAR: I would invite the hon. Member's attention to Rule 7 which will give him the information.

Mr. ELEAZAR: My objection to the rule is this: I quite agree that a person who is in arrears should be fined something, but to fine him 1 per cent. per share if he is in arrears for 16 days, and an extra 2 per cent. per share for every month or part thereof during which his subscription remains unpaid is very hard. There are too many fines. The new Society should bear in mind that the greatest complaint against the old Society was in respect of fines. If a member fails to pay his subscription for a considerable time the whole of his contribution might be forfeited in fines.

Mr. JACOB: I would like to refer the hon. Member for Central Demerara (Mr. De Aguiar) to Rule 7 (b), and to point out that when he spoke about Rule 28 he did not seem to quite understand the meaning of Rule 7 (b). If a subscribing member fails to pay his monthly subscription he ought to be penalized in some form, but the extent of the fine I am not prepared to suggest.

Mr. DE AGUIAR: I sympathize with the hon. Member and I suggest that he read books on building societies. Perhaps he will then be more conversant with their principles. I understand Rule 7 (b) perfectly well, and I know what I am taking about. I have made a suggestion which I think would assist the new Society. A man subscribes \$12 per month for 12 months and for some reason he fails to continue his subscription. He is penalized. He is compared with another man who borrows \$500 and takes out \$100 worth of shares. The term "advance shareholder" is a misnomer. He is nothing short of a

borrower. The subscribing member is really the backbone of the Society; he supplies the Society with funds to carry out its objects. To penalize him in the way proposed will certainly act against the interests of the Society. I have no desire to prolong the debate, and I am asking that my amendment be put.

Mr. JACOB: I cannot sit here and listen to arguments like that without saying something. Does the hon. Member suggest that a man who puts \$100 into the Society can borrow \$500? If a man wants to borrow \$500 he has to give security. I am afraid the hon. Member does not quite understand the position. If you want to take out an investing share amounting to \$100 and you pay \$72 you cannot receive \$100 until two years.

Mr. DE AGUIAR: I again suggest to the hon. Member to study the principles of a building society. Obviously the Society will not lend money to anybody without security. It will only lend to a member, so that a person who wants to borrow will have to become an advance shareholder. The form of security is all provided in the Rules.

Mr. WOOLFORD: I do hope it will be possible to adopt in principle the suggestion made by the hon. Member, but I do not think it can be met in the way he has submitted his amendment. In order to make the position quite clear to the hon. Member for North Western District (Mr. Jacob) and those who think like him, I wish to point out that if a person has advanced shares to the extent of \$100 and wishes to borrow \$500 he has to provide security and enter into a mortgage deed. It means that he has borrowed \$400, and if he makes default of payment I agree that he should be penalized, but there is a vast distinction between a borrower and a subscribing member, who should not be penalised to the same extent as a borrower in case of default of payment of his subscription. I do hope that those responsible for the Bill will see a way of differentiating between the two classes of persons. I agree that some penalty should be put on the subscribing member who defaults, because it is on the strength of his subscriptions that the Society makes investments.

Mr. ELEAZAR: I am going to move

an amendment in order to bring the discussion to a close. I move the deletion of the words "an extra fine of 2 per cent. per share" in the fourth line of the Rule.

Mr. WOOLFORD: I move that in the fourth line of the Rule the words "shall pay" be deleted and the words "in the case of an advanced share" be inserted. That is an attempt to differentiate between the penalties sought to be imposed in the case of both classes of subscribers.

Mr. DE AGUIAR: I would have liked to accept the amendment suggested by the hon. Member, but I think it would rather complicate the position. I am sure the fine that is sought to be imposed on a subscribing member would be sufficient to cover the difference in interest which he would probably earn on his shares. That is why I said that a subscribing member should be removed altogether from this penalty. The penalty on a subscribing member would be the loss of interest, therefore there is no need to penalise him any further.

Mr. JACOB: I have tried to follow those two hon. Members, and while I would like to agree in part with what the hon. Member for New Amsterdam (Mr. Woolford) has suggested, I am afraid I cannot. The investing member and the advance shareholder are practically on the same basis. It is not fair that a person who contributes monthly should not be penalized if he neglects to pay for a period of a month or a year.

Mr. DE AGUIAR: I cannot understand the logic of the hon. Member at all. I have tried my very best to make him see the wisdom in the point I put before the Council, but I am afraid I have failed. I do not think there is very much more I can tell him. All I would like to add is that I would be very sorry to have to deal with a board of directors who receive a lump sum payment at the end of 4 years and 9 months and pay interest on it for five years. I admit that sometimes a little bit of simple multiplication is difficult to follow.

Mr. WALCOTT: I sincerely hope that Government will leave this Rule as it is. To anyone who understands anything about a building society it is obvious that if a

society has to pay out interest at a certain time it has to receive interest at certain times. Therefore in each case where an investing member fails to pay up his instalments or an advance shareholder fails to pay they must both be penalized otherwise the society could never carry on properly. I cannot see any difficulty at all.

THE CHAIRMAN: The first question to be put is that Rule 28 remain as it is.

The Committee divided and there voted:—

*For*—Messrs. Jackson, Jacob, Humphrys, Walcott, Crease, Case, Laing, Seaford, McDavid and Dr. MacLennan—10.

*Against*:—Messrs. De Aguiar, Eleazar, Austin and Woolford—4.

*Did not Vote*:—Messrs. C. V. Wight and Wood, Professor Dash, the Attorney-General and the Colonial Secretary—5.

Motion carried.

Rule 28 passed as printed.

Rule 31—Forfeiture.

Mr. DE AGUIAR: I move the deletion of Rule 31.

Mr. ELEAZAR: There is no necessity to support or second a motion of that nature. I am astounded at the draughtsman of the Bill bringing such a Rule before this Council. This Rule provides that when the amount of the fines due and unpaid by a member is equal to all the subscriptions he has paid his shares will be forfeited and he will cease to be a member. That means that if a man has contributed \$10 and his fines for default of payment amount to \$10 he gets nothing. Is that how people are going to be helped by the Society? It is only another way of taking people's money and doing what the ordinary moneylender is doing to-day, and he is called Shylock and other names. If the moneylender is Shylock because he is a Jew, what are the Christians doing?

Mr. SEAFORD: This also is taken from the English Rules, I think, but I would like to know what hon. Members suggest should be done if a man pays two months' subscription and does not pay anything more? Do they suggest that his

name should be left on the books forever? If the fines imposed on him amount to more than the sum he has deposited, what happens? What happens in the case of life insurance when "A" pays one premium and pays no more? Doesn't he forfeit his policy?

Mr. C. V. WIGHT: I am rather amazed to hear the hon. Member say that this Rule was taken from the English Rules, because there is an accepted tendency in England to abolish this forfeiture clause. The recent hire-purchase law which has been enacted in England provides against forfeitures of this kind, and is analogous to this argument, without going into the question of penalties under the Equitable Jurisdiction of the Courts.

Mr. SEAFORD: Is the hon. Member suggesting that this Rule was not taken from the English Rules?

Mr. WIGHT: I said I was amazed to hear the hon. Member say that it had been, because it came as a surprise to me, knowing that the tendency of all modern legislation in England is to get away from the forfeiture clause.

Mr. DE AGUIAR: The position of a subscribing member of the Society and that of a person who pays a premium for life insurance is so different that I hardly wish to say anything. On the one hand an insurance company collects a premium and carries a risk on the life of a person for a sum of money, perhaps 20 or 30 times greater than the premium that is paid. On the other hand a subscribing member of a building society deposits his hard-earned \$10, and three months after he finds that he is unable to pay any more. Under this Rule, after nine months he finds that the sum he has paid has been eaten up by fines. Is that justice? That is one of the things that is partly responsible for the state of affairs in the old Society. A number of poor people's shares were forfeited as a result of having been eaten up by fines, and we are attempting to perpetrate the same evil.

Mr. SEAFORD: It sounds remarkably tragic to a business man who knows that when he lends money on mortgage and the agreement is not fulfilled and the interest is not paid off, the poor unfortunate

individual who is unable to pay the interest on the loan eventually loses his property. I almost weep when I think of that.

Mr. JACOB: I think the hon. Member for Central Demerara (Mr. De Aguiar) has been over-stating his case all the afternoon. He has agreed to certain fines under these Rules, and if the Society is not to be allowed to write off those sums then what is the use of agreeing to those fines? If the fines amount to more than the value of a person's shares I think the Society should have the right to write the shares off. I think persons investing money in the Society will have the right to withdraw whatever sums they have invested. If I subscribed \$10 per month for six months and I find I cannot pay any more I could ask for my \$60 back after paying the fines. I do not think it is fair to move the deletion of this Rule. I am beginning to think that there is something at work with the object that this new Society should not start off as it should.

Rule 31 passed as printed.

Mr. DE AGUIAR: I had intended to make a suggestion as regards Rule 32, but in view of the atmosphere which has developed in the course of the debate I propose to leave the profiteers to look after themselves, and I prefer to deal with the losers. I will therefore pass on to Rule 34 in order to ask a question. The Rule reads:—

34. If during any year the Society sustain any loss exceeding the amount of its reserve fund the excess shall be debited to the account of the members in respect of their shares in proportion to the amounts outstanding to the credit of each at the beginning of such year.

What would be the position of those shareholders who might have at their credit at the beginning of a year a certain sum of money, but during the year they gave notice of withdrawal and received their money before the end of the year, and at the end of the year it was discovered that loss has occurred on the working of the Society? I would like to know how it is proposed to collect the amount from such members.

Mr. WALCOTT: They would have ceased to be members before the end of the year.

Mr. JACOB: Is this something new? I do not think it was in the old Building Society Ordinance.

Rule 34 passed as printed.

Rule 26—Right of anticipating payments.

Mr. C. V. WIGHT: I sincerely trust that in this instance I shall not be told that this Rule has been taken from the English Rules, because the question of mortgagor and mortgagee in this Colony is entirely different from the position in England. It is difficult to understand why a person who is able to pay off the amount of his mortgage before it is due should not do so without having to pay a redemption fee.

THE ATTORNEY-GENERAL: It is taken from the English law. The redemption fee in England is  $\frac{1}{2}$  per cent.

Mr. WIGHT: Under English law there is such a thing as inequity of redemption. We have no such thing here. This Rule has been taken from the English Rules in which certain principles are binding on the mortgagee. Those principles do not apply here.

Mr. HUMPHRYS: Surely the hon. Member realizes that money is lent on a mortgage for a number of years, five or seven years. After a year has passed the mortgagor might pay off the whole of the mortgage and free his property. But the mortgagee has the right to say that he has invested his money for a certain period of time, and if the mortgagor wished to redeem the loan he must pay something for the exercise of that right. It has been done over and over again in this City. The mortgagee must get something to compensate him.

Mr. ELEAZAR: Would that argument be good enough to induce investment in the Society? It would not be a self-help society but a society of moneylenders. This new Society threatens to become something like that.

Mr. PERCY C. WIGHT: I have heard it said that some Members seem to be objecting to the formation of the new Society. No one welcomes the new Society more than I do, but I would like it to be run

decently. I have heard it said also that it is the custom to impose a redemption penalty. I deny that emphatically. No respectable lending company insists upon a penalty for redemption of a mortgage. It is done by private persons. In the interest of the Society I would suggest that this Rule be deleted. It is only going to interfere with its getting good business.

Mr. JACOB: I think the redemption fee should be deleted.

Mr. C. V. WIGHT: I move the deletion of the words "and on payment of such redemption fee as the Board may determine" in the third and fourth lines of Rule 26.

Mr. SEAFORD: Does that mean that if I want to pay off my mortgage before it is due the Society must receive my money immediately? I think at least a certain period should be allowed.

THE CHAIRMAN: The Rule provides for notice in the prescribed form.

Mr. SEAFORD: I move the insertion of the words "three months" between the words "giving" and "notice."

Amendments put, and agreed to.

Rule 38 (2)—Mode of voting.

Mr. DE AGUIAR: I move that the deletion of sub-rule (2) and the substitution of the following:—

(2) Every member shall have one vote provided that an investing member with less than \$100 to credit shall not be qualified to vote.

I think it is sought to prevent certain members from exercising their votes at general meetings. My view is that it is desirable.

Rule 38 passed as amended.

Rule 48—Period of office.

Mr. DE AGUIAR: I move the deletion of the words "in every second year" at the end of sub-rule (1). The purpose of the amendment is to follow the usual practice adopted in this country in all companies and societies of electing their directors at the annual general meeting. I understand it is the practice in England to elect directors every three years, and it

is also the practice in some companies to re-elect directors in rotation, but the general practice in this Colony is that directors retire annually. It will be observed that I have not interfered with the provision that the first directors should hold office for three years, but I think that after that period the directors should be elected every year.

THE ATTORNEY-GENERAL: I shall oppose this. I think the whole thing is a complete waste of time. The people concerned are satisfied with this Rule, and any amendment moved here will be in the nature of interference. There is nothing inherently wrong in a company electing its directors every two years. Whose interests is the hon. Member studying? I take it that they are not his own. If the promoters of the Society wish two years why should we put in somebody else's wishes? The members of the Society have a perfect right to elect their directors every year if they so desire. I again invite hon. Members to show by their voting that these people have a perfect right to say when their own directors should be elected, and not to be dictated to.

Mr. DE AGUIAR: I have the highest regard for whatever falls from the lips of the Attorney-General, but I am rather surprised at what he has said. This is a public company, and as a Member of this Council I represent the public. Surely I am entitled to put up suggestions to the Council in respect of legislation of this kind which, in my opinion, would protect the interest of the public. I am not concerned with a body of men who among themselves decided to form a company. If they were going to run it by themselves there would have been no need for them to bring this Bill here. This is going to be a public company. The public is being invited to subscribe their money. I represent the public and I consider it my duty to put forward suggestions which, in my opinion, would improve this Bill, and unless the hon. Attorney-General challenges my sincerity of purpose—I can hardly conceive that he does—I have a perfect right to do so.

I was at pains to point out that my experience was that the practice in all public companies in this Colony was that the directors retire every year and are re-elected. I am not concerned whether

companies in England elect their directors every two years. It must be remembered that ordinary companies have to frame their Articles of Association in accordance with the Companies Ordinance. In this case special legislation is being sought in order to carry on this Society, and it is the duty of every Member in this Council to protect the public. I have moved the deletion of this Rule, and it is for the Council to accept it or not. I have done my duty. If hon. Members think that the directors of the Society should hold office for two years I am prepared to sink my own opinion, but I shall certainly welcome an expression of their views.

Mr. PERCY C. WIGHT: I regret having to rise on this particular occasion but I must resent the remarks made by the hon. Attorney-General. This Bill has been brought before this Council by private persons who are not interested in the old Society at all, and have not up to now put any money into this new Society. There is no doubt that Government is encouraging the formation of the new Society, which is undoubtedly a very brilliant idea. In view of the fact that the Bill provides that "the first directors shall be appointed by the Governor in Council and shall include at least two of the persons named as such in the petition to the Governor praying for the incorporation of the Society" Government is taking part in this transaction. The members of the old Society are appealing to Government to give a guarantee to the Bank in order to carry on the concern. I personally had to pledge my credit for \$17,000 at the Bank in order that the Society might carry on. Government has come in now because it has been requisitioned by a certain number of persons. I do not know what right they had to come here, except through courtesy to Your Excellency, and ask for approval of this Bill. All they need have done was to subscribe the money themselves and form the Society, and then the members of the old Society would have had nothing to say.

Mr. SEAFORD: I am wondering whether the hon. Member is addressing the directorate?

Mr. WIGHT: I have spoken in plain language. I do not see why this Society

should not be dealt with in the ordinary way of a local Company. It is true that in some companies the directors retire *en bloc*, and in some instances one or two of the directors retire for a period of years, but in this case we want the Society to fall in line with other companies. We have been told that this is a private Bill, but there is no private money in the Society. It involves \$200,000 of poor people's money which the new Society is taking over. The hon. Member for Georgetown North (Mr. Seaford) is a member of the old Society and has expressed some candid opinions about it. I do not think we should play for time in order to carry on this debate for a few days more, but don't let us get perky about it. Why should the Governor in Council appoint two men and allow them to sit as directors for a period of three years when they need have no qualifications as directors and have no interest at all in the Society? It is our privilege to discuss the matter calmly and come to right decisions.

Mr. SEAFORD : I understood the hon. Member for Central Demerara (Mr. De Aguiar) to say it was the custom for directors of local companies to retire annually.

Mr. DE AGUIAR : I did not stop there; I went on to say that in some cases the directors retire in rotation. I do not know of any public company in which the directors retain their seats for a longer period than one year.

Mr. SEAFORD : If they retire in rotation and there are ten directors it means that they keep their seats for three or four years.

Mr. DE AGUIAR : In this Bill it is provided that the directors shall not retire until every two years.

Mr. SEAFORD : In every company of which I am a member the directors hold office for four or six years because they retire in rotation and two go out every year. I cannot understand the hon. Member's objection to that.

Mr. JACOB : I observe that Rule 44 provides that every director other than a director appointed by the Governor in Council under Rule 42 shall possess a qualification. I do not think it is right that some directors should not have any

qualification at all. If the directors have an interest in the Society they would probably take a greater interest in it.

Mr. DE AGUIAR : I am afraid I could not follow the argument of the hon. Member for Georgetown North (Mr. Seaford) who rather lost sight of the principle I was trying to introduce by giving the members of the Society an opportunity to elect the directors every year. A very important principle is involved. The hon. Member referred to companies in which the directors hold office for four years. I think I know one of the companies he has in mind. There is a company with a board of 12 directors, three of whom retire each year, and in that case one director holds office for four years, but the members have the right to elect three new directors each year. I would have nothing to say about this Rule if there was a similar provision for some of the directors to retire each year. What I object to is that none of the directors retire until every second year.

Mr. AUSTIN : Didn't we recently pass legislation under which directors elected themselves?

Mr. PERCY C. WIGHT : I am not objecting to this Rule because there is Rule 48 which covers it, but why not make it two years?

THE CHAIRMAN put the amendment

The Committee divided and there voted:—

*For*—Messrs. C. V. Wight, Jackson, De Aguiar, Eleazar, and the Colonial Secretary—5.

*Against*—Messrs. Humphrys, Austin, Seaford, McDavid, Woolford, Dias, Percy C. Wight, Professor Dash and the Attorney-General—9.

*Did not vote*—Messrs. Jacob, Walcott, Wood, Crease, Case, Laing, Mr. D'Andrade and Dr. MacLennan—8.

Amendment lost.

Rule 47 passed as printed.

THE CHAIRMAN : If no other Member wishes to make any observation I will put the question that the Schedule be adopted.



Mr. ELEAZAR: I wish to say something about Rule 49 which lends itself too easily to a combination of members of the Board, who are in the majority, conspiring against one or more of their colleagues with whom they do not agree.

Mr. SEAFORD: Yesterday the hon. Member took particular care to point out

that the clock had already struck. May I remind him of the same thing?

THE CHAIRMAN: Does the hon. member wish to go on with this to-morrow?

Mr. ELEAZAR: I expect so, sir.

THE CHAIRMAN: The Council is adjourned until 10.30 a.m. to-morrow.