

# Bill No. 10 of 1960

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No. 303

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## GENERAL LOANS (INTERNATIONAL BANK) BILL, 1960.

### ARRANGEMENT OF SECTIONS

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### A BILL

Intituled

AN ORDINANCE TO PROVIDE FOR THE RAISING OF LOANS FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT BY THE GOVERNOR FOR THE REQUIREMENTS OF THE COLONY AND OF CERTAIN STATUTORY CORPORATIONS, AND FOR PURPOSES CONNECTED WITH THE MATTERS AFORESAID.

Enacted by the Legislature of British Guiana :—

1. This Ordinance may be cited as the General Loans (International Bank) Ordinance, 1960.

Short title.

2. In this Ordinance, unless the context otherwise requires—

“Development Fund” means the Fund established by section 2 of the Development Fund Ordinance, 1954;

“International Bank” means the International Bank for Reconstruction and Development;

“loan allocation” means that amount of a loan which has been borrowed under the powers conferred by subsection (1) of section 3 of this Ordinance for the requirements of a statutory corporation;

“statutory corporation” means a body incorporated by Ordinance.

Interpretation.

No. 44 of 1954.

3. (1) Subject to the provisions of this Ordinance, the Governor may, in such manner and on such terms and subject to such conditions as he thinks fit, and in the name of the Government of British Guiana, borrow from the International Bank such sums as may be required by the Colony, the Colony and a statutory corporation, or a statutory corporation.

Borrowing from International Bank.

(2) Any sums borrowed in the name of the Government of British Guiana under the powers conferred by subsection (1) of this section for the requirements of the Colony are hereby appropriated to and shall be applied for the purposes for which they were borrowed as specified in any agreement concluded with the International Bank in respect of the sums so borrowed :

Provided that where any part of such sums cannot be applied to the purposes aforesaid, such part may be applied to such other purposes as may be approved by the Governor, by the Secretary of State with the concurrence of Her Majesty’s Treasury in the United Kingdom and by the International Bank.

(3) The loan allocation of a statutory corporation shall be paid by the Accountant General to the statutory corporation out of the Development Fund, which is hereby appropriated to the purpose.

(4) The power to borrow conferred by subsection (1) of this section shall be in addition to the power to borrow conferred by any other Ordinance.

(5) A copy of any agreement concluded with the International Bank in respect of any sums borrowed under the provisions of subsection (1) of this section shall be laid before the Legislative Council

within fourteen days of the conclusion thereof or, if the Legislative Council is not then sitting, within fourteen days after the commencement of the next ensuing session.

Payments by a statutory corporation.

4. A statutory corporation shall pay to the Accountant General in respect of its loan allocation its share of interest and the other charges payable thereon, and, if and when required to do so by the Governor its share of amortization charges in respect of the loan allocation. Such share shall be calculated on the proportion which such loan allocation bears to the loan.

Sums borrowed and interest and other charges charged on and payable out of general revenues and assets.

5. (1) All sums borrowed under the powers conferred by subsection (1) of section 3 of this Ordinance, and all interest and all other charges payable thereon respectively, are hereby charged on and shall be payable out of the general revenues and assets of the Colony, which are hereby appropriated to the purpose.

(2) The Accountant General shall —

- (a) repay out of the general revenues and assets of the Colony, which are hereby appropriated to the purpose, such sum or sums as may be necessary for securing repayment of any sum so borrowed in accordance with the amortization charges thereon; and
- (b) pay out of the general revenues and assets of the Colony, which are hereby appropriated to the purpose, such sum or sums as may be necessary for securing payment of interest on any sum so borrowed and of all other charges payable in respect thereof.

Payment to be made by statutory corporation to be charged on general revenues and assets of corporation.

6. (1) All interest and all other charges payable in respect of any loan allocation which has been paid to a statutory corporation together with any amortization charges in respect of such loan allocations that may be required to be paid in pursuance of the provisions of section 4 of this Ordinance are hereby charged on and shall be paid out of the general revenues and assets of the statutory corporation and any other revenues or assets which may be made available for the purpose.

(2) Without derogation from the provisions of subsection (1) of this section and notwithstanding anything contained in the Ordinance by which a statutory corporation is established, a statutory corporation may mortgage any of its property, whether movable or immovable, to secure any sums owing to the International Bank in respect of sums borrowed for its requirements under this Ordinance.

Repayment of sums paid under guarantee.

7. (1) Any sum paid out of the Consolidated Fund of the United Kingdom on account of any guarantee given in respect of any sum borrowed under the powers conferred by subsection (1) of section 3 of this Ordinance, with interest thereon at such rates as Her Majesty's Treasury in the United Kingdom may fix in consultation with the Governor, shall be charged on the general revenues and assets of the Colony and shall be repaid by the Accountant General to Her Majesty's Treasury in the United Kingdom out of the said general revenues and assets, which are hereby appropriated to the purpose.

(2) Any sum repaid to Her Majesty's Treasury out of the general revenues and assets of the Colony in terms of subsection (1) of this section in respect of any loan allotted to a statutory corporation in accordance with subsection (3) of section 3 of this Ordinance is hereby charged on and shall be repaid to the Accountant General out of the general revenues and assets of the statutory corporation and any other revenues or assets which may be made available for the purpose.

Power to issue instruments, including bonds.

8. Notwithstanding anything contained in any Ordinance, the Governor may issue such instruments, including bonds, as may be necessary for the purposes of any agreement which may be entered into with the International Bank in respect of the borrowing authorised by subsection (1) of section 3 of this Ordinance.

Implementation of obligations under agreements.

9. (1) Notwithstanding anything contained in any Ordinance, the Governor may exercise all such powers and authorities and do or cause to be done all such things as appear to him to be necessary for giving full and complete effect to any agreement which may be entered into with the International Bank in respect of any borrowing authorised by subsection (1) of section 3 of this Ordinance.

(2) A statutory corporation shall not, without the consent of the Governor, create any lien on any of its assets as security for any loan raised outside the Colony unless it is expressly provided that the lien will *ipso facto* equally and rateably secure the payment of the

principal of and interest and other charges on any loan made by the International Bank and raised under the authority of this Ordinance.

(3) In this section "lien" includes mortgages, pledges, charges, privileges, and priorities of any kind.

#### OBJECTS AND REASONS

The financing of certain projects of the 1960-1964 Development Programme envisages loans from the International Bank for Reconstruction and Development. Before such loans may be obtained it is necessary for legislation to be enacted to cover borrowing from the Bank. Clauses 3 to 8 of this Bill seek to make provision for borrowing from, and repaying, the Bank.

2. Clause 9 of the Bill seeks to make provision for the Governor to exercise all the powers necessary for the implementation of the obligations under any agreement with the International Bank.

W. P. D'ANDRADE,  
Financial Secretary (Ag.)

(M.P. G. 1911/1953).  
(Leg. Bill 10/1960).