

FIRST PARLIAMENT OF GUYANA

SECOND SESSION

1967 - 1968

ORDER PAPER

53RD SITTING OF THE NATIONAL ASSEMBLY

THURSDAY, 4TH JULY, 1968

AT 2.00 P.M.

PRAYERS -

ANNOUNCEMENTS BY THE SPEAKER -

PRESENTATION OF PETITIONS -

PRESENTATION OF PAPERS AND REPORTS, ETC. -

By the Minister of Finance:

Financial Paper No. 5/1968 - Schedule of Additional Provision on the Current and Capital Estimates for the period ending 30th June, 1968, totalling \$8,107,855.

QUESTIONS TO MINISTERS -

STATEMENTS BY MINISTERS -

PERSONAL EXPLANATIONS -

REQUESTS FOR LEAVE TO MOVE THE ADJOURNMENT OF THE ASSEMBLY ON MATTERS OF URGENT PUBLIC IMPORTANCE -

MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE ASSEMBLY AND MOVED BY A MINISTER -

INTRODUCTION OF BILLS -

By the Minister of Finance:

- (1) SUPPLEMENTARY APPROPRIATION (1962) BILL, 1968.  
(Bill No. 11/1968 published 29. 6. 68)
- (2) SUPPLEMENTARY APPROPRIATION (1963) BILL, 1968.  
(Bill No. 12/1968 published 29. 6. 68)
- (3) SUPPLEMENTARY APPROPRIATION (1964) BILL, 1968.  
(Bill No. 13/1968 published 29. 6. 68)
- (4) SUPPLEMENTARY APPROPRIATION (1965) BILL, 1968.  
(Bill No. 14/1968 published 29. 6. 68).

PUBLIC BUSINESSBILLS - Second Reading

1. The Minister of Finance to move the second reading of the following Bill:

A BILL intituled AN ACT TO SANCTION CERTAIN  
ADDITIONAL EXPENDITURE INCURRED IN THE  
YEAR ENDED THE THIRTY-FIRST DAY OF DECEMBER,  
1962.

(Bill No. 11/1968 published 29. 6. 68).

2. The Minister of Finance to move the second reading of the following Bill:

A BILL intituled AN ACT TO SANCTION CERTAIN  
ADDITIONAL EXPENDITURE INCURRED IN THE  
YEAR ENDED THE THIRTY-FIRST DAY OF DECEMBER,  
1963.

(Bill No. 12/1968 published 29. 6. 68).

3. The Minister of Finance to move the second reading of the following Bill:

A BILL intituled AN ACT TO SANCTION CERTAIN  
ADDITIONAL EXPENDITURE INCURRED IN THE  
YEAR ENDED THE THIRTY-FIRST DAY OF DECEMBER,  
1964.

(Bill No. 13/1968 published 29. 6. 68).

4. The Minister of Finance to move the second reading of the following Bill:

A BILL intituled AN ACT TO SANCTION CERTAIN  
ADDITIONAL EXPENDITURE INCURRED IN THE  
YEAR ENDED THE THIRTY-FIRST DAY OF DECEMBER,  
1965.

(Bill No. 14/1968 published 29. 6. 68).

MOTIONS

5. The Minister of Finance to move the following motion:

WHEREAS there is urgent need for additional housing  
in Guyana;

AND WHEREAS, the Guyana Securities Ltd., a company  
to be incorporated in Guyana intends to build a number  
of houses at Mackenzie, Buxton, New Amsterdam and Rosehall;

AND WHEREAS Bankers' Life Company, and Fidelity  
Mutual Life Insurance Company, both incorporated in the United  
States of America, have agreed to lend U.S. \$4.0 Mn. at a rate  
of interest of  $6\frac{1}{2}\%$  per annum, to finance the purchase of the  
houses, provided the United States Government guarantees the  
repayment of the principal and interest;

/...



AND WHEREAS the United States Government has agreed to guarantee the repayment of the Loan and interest, provided the Government of Guyana in turn guarantees to reimburse the Government of the United States of America any amounts paid under its contract of guaranty:

BE IT RESOLVED:

That this Assembly do authorise the Government to enter into the following Draft Host Country Guaranty Agreement, with the United States of America acting through the U.S.A.I.D., and to charge the Mortgagors a guaranty fee:-

GUYANA

HOST COUNTRY GUARANTY AGREEMENT

GUARANTY AGREEMENT dated as of \_\_\_\_\_, 1967 between Guyana and the United States of America acting through the Agency for International Development, ("A.I.D.").

WHEREAS \_\_\_\_\_, a company duly registered and existing under the laws of Guyana ("Borrower") wishes to build housing projects in Buxton, Rosehall, New Amsterdam, and Mackenzie, Guyana; and

WHEREAS, Bankers Life Company, a corporation organized and existing under the laws of the State of Iowa, United States of America and The Fidelity Mutual Life Insurance Company, a corporation organized and existing under the laws of the State of Pennsylvania, United States of America ("Investors") and Borrower have entered into substantially identical Loan Agreements dated as of \_\_\_\_\_, 1967 ("Loan Agreements") providing for Investors to make loans not exceeding the aggregate principal amount of Four Million United States Dollars (US \$4,000,000) to Borrower at a rate of interest of six and one half per cent ( $6\frac{1}{2}\%$ ) per annum on the unpaid principal balance in order to provide the long-term mortgage financing for the housing projects; and

WHEREAS, The New Building Society Ltd., a society organized and existing under the laws of Guyana ("Administrator"), Borrower, and A.I.D. have entered into an Administration Agreement dated as of \_\_\_\_\_, 1967 providing for the implementation of arrangements relating to the housing projects and for other purposes; and

WHEREAS, A.I.D. has issued its guaranty of the amounts to be borrowed under the Loan Agreements in accordance with the terms and conditions of substantially identical Contracts of Guaranty dated as of \_\_\_\_\_, 1967 ("Contracts of Guaranty"):

NOW THEREFORE, Guyana and A.I.D. hereby agree as follows:

ARTICLE I. Guaranty Guyana, pursuant to National Assembly Resolution No. \_\_\_\_\_, dated \_\_\_\_\_, 1967 and all other appropriate laws, regulations, decrees and administrative acts hereby unconditionally and irrevocably:

(1) guarantees that, if A.I.D. makes any payment to Investors pursuant to the terms of the Contracts of Guaranty, Guyana shall promptly pay to A.I.D. an amount in United States Dollars equal to the amount of such payment to Investors pursuant to the Contracts of Guaranty;



(2) waives any right to any notice of nonpayment or non-performance by Borrower under the Loan Agreements and under any other agreement to which Borrower is a party, and waives any notice, presentment, demand, diligence or protest to which Guyana, as guarantor, may otherwise be entitled under the law of Guyana;

Provided, however, that without limiting the generality of the foregoing, if A.I.D. receives notice from Investor pursuant to Section 7.01 (B) of the Contracts of Guaranty to the effect that payments due under the Loan Agreements have not been made, A.I.D. shall forward a copy of such notice to Guyana at the following address:

Ministry of Finance,  
Public Buildings,  
Georgetown, Guyana

and further provided that such forwarding or the failure to so forward shall in no way affect or impair the Guaranty expressed herein.

(3) waives any requirement that A.I.D. its successors and assigns, in the event of any payment by A.I.D. pursuant to the Contracts of Guaranty, first make demand upon or seek to enforce rights or remedies against Investors, Borrower, or any other person before demanding payment under, or seeking to enforce payment under, this guaranty;

(4) covenants that this guaranty will not be discharged except by complete performance of the obligations contained in the Contracts of Guaranty and this guaranty;

(5) consents to any modification of the Loan Agreements, the Administration Agreement, the Contracts of Guaranty, and any other agreement, and of any attachments and annexes thereto, as may be agreed to by Borrower, Investors, Administrator, or A.I.D., and consents to any waiver, consent, compromise, release, or indulgence granted with respect to any of Borrower's or Investors' obligations under the Loan Agreements or Contracts of Guaranty, provided that, notwithstanding anything herein to the contrary, no such modification, waiver, consent, compromise, release, or indulgence which would have the effect of increasing the obligation of Guyana under this guaranty to guaranty any amount paid by A.I.D. pursuant to the Contracts of Guaranty in excess of the principal amount of Four Million United States Dollars (US\$4,000,000) and interest, as provided in the Contracts of Guaranty, in excess of six and one-half per cent (6½%) per annum, may be made without the written consent of Guyana;

(6) covenants that all payments by Borrower of the principal<sup>of</sup> and interest on the loans made pursuant to the Loan Agreements which loans are evidenced by the Notes marked by A.I.D. as Eligible pursuant to the Contracts of Guaranty ("Eligible Notes"), are and will be exempt from, and without deduction for, any and all taxes, levies, imposts, deductions, and withholding whatsoever imposed, levied, collected or assessed with respect thereto by the Government of Guyana or by any political subdivision or taxing authority thereof; and

(7) covenants that the full faith and credit of Guyana has been pledged for the due and punctual payment and performance of this guaranty.



ARTICLE II. Agreement by A.I.D. In consideration of the foregoing Guaranty by Guyana, A.I.D. hereby covenants that it will perform its obligations under the Contracts of Guaranty in accordance with its terms.

ARTICLE III. Assignment. When Guyana pays under this Guaranty to A.I.D., its successors or assigns, the entire unpaid principal balance of the loans made pursuant to the Loan Agreements and evidenced by the Eligible Notes, and all unpaid interest thereon, A.I.D., its successors or assigns, will assign to Guyana all of its right, title and interest in and to the Loan Agreements and the Eligible Notes.

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GUYANA

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THE UNITED STATES OF AMERICA

(Notice was published on 29th June, 1968).

# 6. The Minister of Finance to move the following motion:

WHEREAS the General Electric Company Limited and Telephone Cables Limited have agreed to enter into a contract with the Guyana Telecommunication Corporation for the supply and installation of equipment and telephone cable networks estimated to cost \$17,227,200.00;

AND WHEREAS the Midland Bank has agreed to enter into a financial agreement with the Corporation to assist the financing of the contract to the extent of 80% of the value of United Kingdom goods and services, estimated at \$12,585,600.00 by purchasing promissory notes, bearing interest at 5 $\frac{1}{2}$ % effected by the Corporation;

AND WHEREAS it is required that all payments due under the abovementioned contract and the abovementioned agreement should be guaranteed by the Cabinet, in accordance with section 20(1) of the Public Corporations Ordinance, 1962 (No. 23) which guarantee requires the approval of the National Assembly:

NOW THEREFORE, BE IT RESOLVED:

That the National Assembly approve that the Cabinet guarantee payments to be made by the Corporation under the abovementioned contract and the abovementioned financial agreement.

(Notice was published on 10th November, 1967).

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# Not to be proceeded with at this sitting.