

LEGISLATURE.
Public Buildings,
Georgetown, Demerara,
28th October, 1953.

The following Bill which was passed by the House of Assembly on the 8th of October, 1953, is published for general information.

I. CRUM EWING,
Clerk of the Legislature.

—
A BILL
INTITULED

AN ORDINANCE FURTHER TO AMEND THE CO-OPERATIVE CREDIT BANKS ORDINANCE, 1944, WITH RESPECT TO POWERS OF CREDIT BANKS FOR THE PURPOSE OF THE INCREASE OF FOOD PRODUCTION AND THE DEVELOPMENT OF THE FISHING INDUSTRY.

ENACTED by the Legislature of British Guiana: A.D. 1953.

1. This Ordinance may be cited as the Credit Banks (Amendment) Ordinance, 1953, and shall be construed and read as one with the Co-operative Credit Banks Ordinance, 1944, hereinafter referred to as the Principal Ordinance, and any Ordinance amending the same. Short Title.
No. 16 of 1944.

2. Section two of the Principal Ordinance is hereby amended by the insertion therein of the following definition —
“food production loan” means a loan for the specific purpose of increasing or encouraging the production of food or of developing the fishing industry of the Colony. Amendment of section 2 of the Principal Ordinance.

3. Section twenty-three of the Principal Ordinance as amended by section three of the Co-operative Credit Banks (Amendment) Ordinance, 1946, is hereby further amended —
(a) by the substitution of a semicolon for a full stop at the end of paragraph (j), and by the addition of the following paragraph in subsection (1) —
“ (k) the development of the fishing industry”, Amendment of section 23 of the Principal Ordinance. No. 16 of 1946.
and
(b) by the insertion in the first line of subsection (2) between the word “loan” and the word “made” of the words “other than a food production loan”.

Amendment of section 27 of the Principal Ordinance.

4. Section twenty-seven of the Principal Ordinance is hereby amended —
 (a) by the substitution of a colon for the full stop at the end of subsection (1); and

(b) by the addition thereafter of the following proviso—
 “Provided that the rate of interest payable on food production loans shall be six per centum per annum until repayment”.

Amendment of section 28 of the Principal Ordinance. No. 16 of 1946.

5. Section twenty-eight of the Principal Ordinance as substituted by section five of the Co-operative Credit Banks (Amendment) Ordinance, 1946, is hereby amended by the addition of the following as subsection (7)—

“(7) This section shall not apply to food production loans.”

Insertion of new section 28A in the Principal Ordinance.

6. The Principal Ordinance is hereby amended by the insertion therein after section twenty-eight of the following new section —

“Nature and amount of security for food production loans. 28A. No food production loan shall be granted under this Ordinance unless the repayment of the sum of money lent be secured —

(a) by a promissory note made payable on demand for the amount of the loan and the interest thereon and executed by the borrower in favour of the bank; and

(b) by such other security as the bank may require.”

Insertion of new section 48A in the Principal Ordinance.

7. The Principal Ordinance is hereby amended by the insertion therein after section forty-eight of the following new section —

“Offences in connection with food production loans. 48A. Any person to whom a food production loan is made, who —

(a) applies the loan or any part thereof to any purpose other than that for which it was granted; or

(b) disposes of any produce in respect of which the loan was granted by the bank in any manner other than by transporting it to a place of storage appointed by the said bank,

shall be guilty of an offence, and shall be liable on summary conviction to a penalty not exceeding two hundred and fifty dollars or to imprisonment for six months.”

Food production loans made under Ordinance No. 22 of 1948. No. 22 of 1948.

8. All food production loans purporting to have been made under the provisions of the Co-operative Credit Banks (Special Provisions) Ordinance, 1948, shall, if given upon security, be deemed to have been given upon security authorised by that Ordinance.

Application of this Ordinance to existing loans made under Ordinance No. 22 of 1948. No. 22 of 1948.

9. The provisions of this Ordinance shall, in so far as they are not inconsistent with the provisions of the Co-operative Credit Banks (Special Provisions) Ordinance, 1948, apply to all existing loans made under the provisions of the latter Ordinance.

Miscellaneous amendments to the Principal Ordinance. Ordinance No. 16 of 1946.

10. (1) The Principal Ordinance is hereby amended by the deletion of the word “Co-operative” wherever it occurs therein except in section fifty-three thereof.

(2) The Co-operative Credit Banks (Amendment) Ordinance, 1946, is hereby amended by the deletion of the word “Co-operative” wherever the same occurs therein.

Rules No. 2 of 1948 and Order in Council No. 10 of 1948.

(3) The Co-operative Credit Banks Rules, 1948, made under the provisions of section fifty-two of the Principal Ordinance is hereby amended by the deletion of the words “Co-operative” and “CO-OPERATIVE” wherever they occur therein.

(4) The Order in Council made under the provisions of subsection (1) of section twenty-seven of the Principal Ordinance is hereby amended by the deletion of the word "Co-operative" appearing therein.

11. (1) The Principal Ordinance shall hereafter be cited as the Credit Banks Ordinance, 1944.

Principal Ordinance to be cited as the Credit Banks Ordinance, 1944.

(2) The Co-operative Credit Banks (Amendment) Ordinance, 1946, shall hereafter be cited as the Credit Banks (Amendment) Ordinance, 1946.

Ordinance No. 16 of 1946 to be cited as the Credit Banks (Amendment) Ordinance, 1946.

12. The Co-operative Credit Banks (Special Provisions) Ordinance, 1948, is hereby repealed, without prejudice, however, to the right of any bank to recover all sums due to it and to take action in a court of competent jurisdiction for the recovery of such sums.

Repeal of Ordinance No. 22 of 1948.

Passed by the House of Assembly this eighth day of October, nineteen hundred and fifty-three.

I. CRUM EWING,
Clerk of the Legislature.

OBJECTS AND REASONS.

This Bill seeks to amend the Co-operative Credit Banks Ordinance, 1944 (No. 16 of 1944), to make provision for the grant of food production loans (including loans for the development of the fishing industry of the Colony).

2. At present such loans (other than those for the development of the fishing industry of the Colony) are made under the provisions of the Co-operative Credit Banks (Special Provisions) Ordinance, 1948, (No. 22 of 1948), which has, by Resolution LIII of the Fourth Session, 1951, of the Fourth Legislative Council, been continued in force until the 31st December, 1953.

3. Clause 6 of this Bill seeks to make provision for the nature and amount of security to be taken when a food production loan is made.

4. Clause 7 of this Bill seeks to make it an offence punishable on summary conviction for anyone to whom a food production loan is made —

- (a) to apply the loan or any part thereof to any purpose other than that for which it was granted; and
- (b) to dispose of any produce in respect of which the loan was granted by the bank in any manner other than by transporting it to a place of storage appointed by the said bank.

5. Clause 8 seeks to make provision that all food production loans made under the provisions of the Co-operative Credit Banks (Special Provisions) Ordinance, 1948, shall, if given upon security, be deemed to be given upon security authorised by that Ordinance as several of such loans were made on security not authorised by that Ordinance.

6. The object of clause 9 is to make applicable to existing loans the provisions now sought to be enacted as provision has been made in clause 12 for the repeal of the Ordinance under which they were granted.

7. Clause 10 seeks to effect minor amendments to the Principal Ordinance, the Co-operative Credit Banks (Amendment) Ordinance, 1946, and the Rules and Order in Council made under the provisions of the Principal Ordinance, occasioned by the deletion of any reference to the term "Co-operative" in these provisions. It is felt that the term "Co-operative" is not applicable to banks of this nature.

8. Clauses 11 and 12 are self-explanatory.