

FOURTH SESSION

1972

ORDER PAPER

17TH SITTING OF THE NATIONAL ASSEMBLY

WEDNESDAY, 20TH DECEMBER, 1972

AT 2.00 P.M.

PRAYERS -

ANNOUNCEMENTS BY THE SPEAKER -

PRESENTATION OF PETITIONS -

By Mr. Saffee:

Petition on behalf of the Guyana and Trinidad Mutual Fire Insurance Company, Limited, of 27, 28 and 29 Robb and Hincks Streets, Georgetown, seeking to have introduced in the Assembly a Private Bill to amend the Guyana and Trinidad Mutual Fire Insurance Company Ordinance, Chapter 210.

PRESENTATION OF PAPERS AND REPORTS, ETC. -

QUESTIONS TO MINISTERS -

STATEMENTS BY MINISTERS -

PERSONAL EXPLANATIONS -

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

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

INTRODUCTION OF BILLS -

Presentation and First Reading

TAX (AMENDMENT) BILL 1972 - Bill No. 14/1972

The Minister of Finance and Trade, on behalf of the Government, to present the following Bill:

A BILL intituled AN ACT TO AMEND THE  
TAX ORDINANCE.

PUBLIC BUSINESSMOTIONS1. ESTIMATES OF EXPENDITURE FOR 1973

Assembly to resume consideration of the Estimates of Expenditure for the financial year 1973, totalling \$277,712,944, in Committee of Supply.

2. APPROVAL OF FINANCIAL PAPER NO. 6/1972

The Minister of Finance and Trade to move the following motion:

## DE IT RESOLVED:

That the Committee of Supply approve of the proposal set out in Financial Paper No. 6/1972 - Schedule of Supplementary Provision on the Capital Estimates for the period ending 15th December, 1972, totalling \$1,069,058.

(Notice was given on 18th December, 1972)

3. HOST COUNTRY GUARANTEE AGREEMENT WITH U.S.A.

The Minister of Finance and Trade to move the following motion:

WHEREAS Resolution No. XXIV passed by the National Assembly on the 17th July, 1969 authorised the Government to enter into a Host Country Guarantee Agreement with the United States of America acting through the Agency for International Development (A.I.D.) for guaranteeing payments to A.I.D. of any amounts which A.I.D. may have had to make under and by virtue of Contracts of Guarantee with the following financing companies, namely:

Bankers Life Insurance Company of Nebraska, Nationwide Life Insurance Company, Central Life Assurance Company, Farm Bureau Life Insurance Company, Indianapolis Life Insurance Company and Life and Casualty Insurance Company; for long term mortgage financing which the said companies agreed to provide Guyana Securities Limited, a company incorporated and existing under the Laws of Guyana, in an amount not exceeding in the aggregate the sum of \$4 million (US) for the establishing of housing projects in Guyana;

AND WHEREAS the said financing companies have provided to Guyana Securities Limited funds in the sum of \$424,620 (US) and will be no further involved in the Guyana housing projects;

AND WHEREAS Guyana Securities Limited desires to replace the said financing companies by the Federal Home Loan Bank of Boston, Massachusetts, United States of America which will provide mortgage financing for the continuation of the projects of an amount not exceeding \$300,000 (US) at a lesser rate of interest;

AND WHEREAS the United States of America acting through A.I.D. will issue its Guarantee of repayment of the said amount to be borrowed by Guyana Securities Limited from the said Federal Home Loan Bank of Boston in accordance with terms and conditions of a Contract of Guarantee to be entered into between the Government and the United States of America:

NOW, THEREFORE, BE IT RESOLVED:

That this National Assembly do authorise the Government to enter into a Host Country Guarantee Agreement in the following form with the United States of America acting through A.I.D. and to charge the mortgagor a guarantee fee:-

GUYANA

HOST COUNTRY GUARANTEE AGREEMENT

GUARANTEE AGREEMENT dated as of \_\_\_\_\_, 1972 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 Federal Home Loan Bank of Boston, Massachusetts, United States of America, a corporation organised and existing under the laws of the United States of America (Investor) and Borrower have entered into a Loan Agreement dated as of \_\_\_\_\_ 1972 (Loan Agreement) providing for Investor to make loans not exceeding the aggregate principal amount of \$300,000 (US) to Borrower at a rate of interest of seven and a half per cent (7½%) 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 organised and existing under the laws of Guyana (Administrator), Borrower, and A.I.D. have entered into an Administration Agreement dated as of \_\_\_\_\_, 1972 providing for the implementation or arrangements relating to the housing projects and for other purposes;

AND WHEREAS A.I.D. has issued its guarantee of the amounts to be borrowed under the Loan Agreement in accordance with the terms and conditions of a Contract of Guarantee dated as of \_\_\_\_\_ 1972, (Contract of Guarantee):

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

ARTICLE 1. Guarantee Guyana, pursuant to National Assembly Resolution No. \_\_\_\_\_, Dated \_\_\_\_\_, 1972 and all other appropriate laws, regulations, decrees and administrative acts hereby unconditionally and irrevocably:

- (1) guarantee that, if A.I.D. makes any payment to Investor pursuant to the terms of the Contract of Guarantee, Guyana shall promptly pay to A.I.D. an amount in United States Dollars equal to the amount of such payment to Investor pursuant to the Contract of Guaranty;
- (2) waives any right to any notice of non payment or nonperformance by Borrower under the Loan Agreement 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 Contract of Guarantee to the effect that payments due under the Loan Agreement have not been made, A.I.D. shall forward a copy of such notice to Guyana at the following address:

Ministry of Finance,  
Main Street,  
Kingston,  
Georgetown, Guyana.

and further provided that such forwarding or the failure to so forward shall in no way affect or impair the Guarantee 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 Contract of Guaranty, first make demand upon or seek to enforce rights or remedies against Investor, Borrower, or any other person before demanding payment under, or seeking to enforce payment under this guarantee;
- (4) covenants that this guarantee will not be discharged except by complete performance of the obligations contained in the Contract of Guarantee and this guarantee;
- (5) consents to any modification of the Loan Agreement, the Administration Agreement, the Contract of Guarantee and any other agreement, and of any attachments and annexes thereto and may be agreed to by Borrower, Investor, Administrator or A.I.D., and consents to any waiver, consent compromise, release or indulgence granted with respect to any of Borrower's or Investor's obligations under the Loan Agreement or Contract of Guarantee 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 guarantee to guarantee any amount paid by A.I.D. pursuant to the Contract of Guarantee in excess of the principal amount of (\$300,000 (US)) and interest as provided in Contract of Guarantee in excess of seven and a half per cent ( $7\frac{1}{2}\%$ ) per annum, may be made without the written consent of Guyana;
- (6) covenants that all payments by Borrower of the principal of and interest on the loan made pursuant to the Loan Agreement which loan is evidenced by the Notes marked by A.I.D. as Eligible pursuant to the Contract of Guarantee (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 guarantee.

ARTICLE 11. Agreement by A.I.D. In consideration of the foregoing Guarantee by Guyana A.I.D. Hereby covenants that it will perform its obligations under the Contracts of Guarantee in accordance with its terms.

ARTICLE 111. Assignment: When Guyana pays under this Guarantee to A.I.D. its successors or assigns, the entire unpaid principal balance of the loan made pursuant to the Loan Agreement 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 Agreement and the Eligible Notes.

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GUYANA

BILL - Second Reading

4. COUNCIL OF LEGAL EDUCATION BILL 1972 - Bill No. 13/1972  
published 8.12.72

The Minister of Foreign Affairs and Attorney General, to  
move the second reading of the following Bill:

A BILL intituled AN ACT TO ENABLE THE IMPLEMEN-  
TATION BY GUYANA OF THE AGREEMENT FOR THE  
ESTABLISHMENT OF THE COUNCIL OF LEGAL  
EDUCATION.

(Read a first time on 18th December, 1972)