

FIRST SESSION

1969

SUPPLEMENTARY ORDER PAPER

31ST SITTING OF THE NATIONAL ASSEMBLY

THURSDAY, 17TH JULY, 1969

AT 2.00 P.M.

PUBLIC BUSINESS

MOTION

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

WHEREAS the General Electric Company Limited has 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 G\$16,128,000;

AND WHEREAS the Midland Bank Limited has agreed to enter into a financial agreement with the Corporation to finance the contract to the value of United Kingdom goods and services, estimated at G\$14,632,800 and to assist the financing of the local works to the extent of G\$648,000 by purchasing promissory notes issued by the Corporation bearing interest at $5\frac{1}{2}\%$ per annum;

AND WHEREAS the General Electric Company has also agreed to enter into an agreement with the Corporation to assist in financing the local works to the extent of G\$360,000 to be secured by the issue of the Corporation's promissory notes at an interest rate of $7\frac{1}{2}\%$ per annum;

AND WHEREAS it is required that all payments due in respect of the foregoing 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 agreements.

(Notice was published on 15th July, 1969).

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

WHEREAS the Guyana Telecommunication Corporation requires overdraft facilities for use in financing its current operations;

AND WHEREAS the Royal Bank of Canada has agreed to provide overdraft facilities to the Guyana Telecommunication Corporation for an amount not exceeding \$1,500,000 provided that the Government gives a guarantee of repayment:

BE IT RESOLVED:

That this National Assembly authorise the Government to guarantee repayment of all amounts advanced to the Corporation by the Bank on current overdraft not exceeding \$1,500,000.

(Notice was published on 15th July, 1969).

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

WHEREAS Resolution No. XXXIX passed by the National Assembly on 4th July, 1968 authorised the Government to enter into a Host Country Guaranty Agreement with the United States of America acting through U.S. A.I.D.;

AND WHEREAS the Agreement not yet having being effected, the financing companies viz. the Bankers' Life Company and Fidelity Mutual Life Insurance Company, have been replaced by other financing companies;

AND WHEREAS the rate of interest at which the money is to be borrowed has, because of increases in world interest rates, been altered to 8% per annum:

BE IT RESOLVED:

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

GUYANA

HOST COUNTRY GUARANTY AGREEMENT

GUARANTY AGREEMENT dated as of _____, 1969, 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 Insurance Company of Nebraska, a corporation organized and existing under the laws of the State of Nebraska, United States of America, and Nationwide Life Insurance Company, a corporation organized and existing under the laws of the State of Ohio, United States of America, and Central Life Assurance Company, a corporation organized and existing under the laws of the State of Iowa, United States of America and Farm Bureau Life Insurance Company, a corporation organized and existing under the laws of the State of Iowa, United States of America, and Indianapolis Life Insurance Company, a corporation organized and existing under the laws of the State of Indiana, United States of America, and Life and Casualty Insurance Company, a corporation organized and existing under the laws of the State of Tennessee, United States of America ("Investors") and Borrower have entered into substantially indetical Loan Agreements dated as of _____, 1969 ("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 eight per cent (8%) 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 _____, 1969 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 indetical Contracts of Guaranty dated as of _____, 1969 ("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 _____, 1969 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 nonperformance 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 effect 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 Contracts of Guaranty, in excess of eight per cent (8%) 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 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.

GUYANA

THE UNITED STATES OF AMERICA