

Increase of Authorised Capital of the
Development Finance Corporation.

The Development Finance Corporation was established on 1st November, 1959, to assist in providing medium and long term finances for business enterprises in Jamaica. Its share capital of £1,000,000 was subscribed by the Government in accordance with the Development Finance Corporation Law 1959.

2. The Corporation has applied its funds mainly in lending to the industrial sector of the economy to encourage local production by manufacturing concerns with a view to replacing imports and increasing employment. Locally owned businesses have been the major recipients of the Corporation's loans and investments, 90% of total loans being so directed. The Corporation has also been of assistance in the fields of housing and tourism and is responsible for the operation of the Mortgage Insurance Scheme.

3. At the end of its financial year 1961, the Corporation had invested or committed nearly the whole of its share capital and in the current year's Budget the House provided £250,000 as a further capital contribution to the Corporation. Before this amount can be made available to the Corporation it is necessary to increase its authorised capital of £1 million by complying with Section 7(3) of the Development Finance Corporation Law 1959, which is as follows :-

" The Corporation may from time to time with the approval by Resolution of the House of Representatives vary the amount of the authorised capital of the Corporation".

4. The Development Finance Corporation is the agency charged with the responsibility for channelling Government finance to industry and as such it must play a key role in the future industrial development. The Corporation's equity capital must therefore be built up so that it will in time be able to supplement the funds made available by the Government by borrowing from international and other sources. In the circumstances, it is considered that the authorised capital of the Corporation should be increased from £1 Million to £2 Million.

5. Accordingly, the House will be invited by Resolution to approve of the following Resolution passed by the Board of the Development Finance Corporation :

" Be It Resolved that with the approval by Resolution of the House of Representatives, the authorised capital of the Development Finance Corporation be increased from one million pounds (£1,000,000) divided into one million (1,000,000) shares of £1 each to two million pounds (£2,000,000) divided into two million (2,000,000) shares of £1 each by the creation of an additional one million (1,000,000) shares of £1 each."

D. B. SANGSTER

Minister of Finance
5th November, 1962.

M.P. No. 275/09