

Guarantee of loan of £50,000 from the Bank of
Nova Scotia to the Jamaica Civil Service Mutual
Thrift Society Ltd.

The House of Representatives is asked to approve, in accordance with section 2 of the Approved Organisations and Authorities Loans (Government Guarantee) Law, Cap. 18, the guarantee of the repayment of principal and the payment of interest in connection with a loan of £50,000 to be made by the Bank of Nova Scotia to the Jamaica Civil Service Mutual Thrift Society Ltd.

Section 2 of Cap. 18 reads as follows :-

" 2 - (1) Subject to the provisions of subsection (2) of this section, the Minister may, with the prior approval of the House of Representatives, guarantee the repayment of the principal monies and interest upon any loan raised by any organisation or authority approved by the Minister.

(2) No loan shall be guaranteed under subsection (1) of this section -

- (a) except for such time and upon such terms and subject to such conditions as the House of Representatives may approve; and
- (b) unless the proposal for the guarantee, when brought before the House of Representatives, is accompanied by a statement setting out the total amount of all principal monies then remaining unpaid in respect of all other loans previously so guaranteed."

Appendix I

2. An instrument of guarantee is at Appendix I, the salient provisions being :-

- (i) The guarantee to be for a maximum period of 9 years.
- (ii) Repayment of principal is to commence 12 months after the first advance on account of principal money is drawn from the Bank. Instalments will be paid in 96 equal monthly amounts of £520.16.8d each.
- (iii) The interest payable is to be at the prime borrowing rate from time to time prevailing in Jamaica; at present the rate is 7½% per annum.

(iv).../

JAMAICA S.S.

BE IT REMEMBERED that on the _____ day of _____
One thousand nine hundred and sixty-two before me the undersigned
one of Her Majesty's Justices of the Peace in and for this Island
personally came and appeared _____ of _____
in the parish of _____ the attesting witness
to the due execution of the foregoing written Indenture by RODGER
MAXWELL TAYLOR Supervisor of the Bank of Nova Scotia on behalf of
the said Bank and who being by me duly sworn made oath and said
that he was present and did see Rodger Maxwell Taylor therein named
sign seal and as and for the proper act and deed of the Bank of
Nova Scotia execute and deliver the said Indenture for the purposes
therein mentioned.

Justice of the Peace
for

JAMAICA S.S.

BE IT REMEMBERED that on the _____ day of _____
One thousand nine hundred and sixty-two before me the undersigned
one of Her Majesty's Justices of the Peace in and for this Island
personally came and appeared _____ of _____
in the parish of _____ the attesting witness to
the due execution of the foregoing written Indenture by the within-
named JAMAICA CIVIL SERVICE MUTUAL THRIFT SOCIETY LIMITED and who
being by me duly sworn made oath and said that he was present and
did see the Common Seal of the said Society put and affixed to the
said Indenture in the presence of HECTOR MCDONALD WHITE Chairman
of the said Society and did further see the said Indenture signed
by the said Chairman and countersigned by RUDOLPH VICTOR IRVINE
Member of the Committee and JOHN MCINTOSH Secretary of the said
Society and duly executed and delivered as and for the proper act
and deed of the said Society for the purposes therein mentioned.

Justice of the Peace
for

LOANS GUARANTEED UNDER CAP. 18

Statement of outstanding balances of principal
as at 31st March, 1962

<u>Borrower</u>	<u>Principal for which Guarantee approved</u> £	<u>Amount repaid</u> £	<u>Balance outstanding</u> £
Jamaica Schools Commission	28,000	14,000	14,000
Jamaica Civil Service Mutual Thrift Society Ltd.	60,000	50,584	9,416
Board of Trustees, Wolmers School	30,000	12,000	18,000
Jamaica Civil Service Mutual Thrift Society Ltd.	25,000	14,355	10,645
Baptist Missionary Society for Calabar High School	40,000	14,000	26,000
Trustees of Knox College	30,000	7,500	22,500
Trustees of Mannings School	15,000	4,400	10,600
Trustees of Manchester School	30,000	8,000	22,000
Jamaica Civil Service Mutual Thrift Society Ltd.	75,000	33,179	41,821
Railway Employees Co-op. Thrift Society Ltd.	6,000	300	5,700
Board of Governors, Clarendon College	20,000	3,750	16,250
Board of Trustees, Munro and Hampton Colleges	30,000	-	30,000
Jamaica Association of Local Government Officers	30,000	-	30,000
Turks Island Salt Co. Ltd.	10,000	732	9,268
Century Mortgage Co. Ltd. for Pembroke Hall Housing Scheme	434,000	1,895	432,105
			<u>£698,305</u>
		Say -	<u>£700,000</u>

(iv) The conditions of the guarantee are as follows :-

- (a) The loan to be used for reloan for educational and medical purposes only.
- (b) The repayment period for sums made available to borrowers from the guaranteed loan should not exceed its redemption date.
- (c) Irrevocable orders should be given by the borrowers for monthly deductions from their salaries to cover the agreed instalments by which they are to repay loans made to them.
- (d) The loans made by the Society from the guaranteed loan should be fully secured by way of liens on property or life insurance policies duly assigned to the Society, and supported by one or more personal guarantor.
- (e) The borrower to agree that in the event of retirement from the Public Service, any balance in his account be recovered from his commuted pension within the terms of the Pension Law. The borrower to be required in any loan agreement with the Society to give an irrevocable undertaking that he will commute his pension should any loan balance remain outstanding at the date of his retirement.
- (f) The Government reserves the right to inspect the books, accounts and securities of the Society.
- (g) In the event that Government is called upon to make good the guarantee, any security held by the Bank will be turned over to the Government together with the relative promissory notes and other securities given to the Society.
- (h) The entire revenue and assets of the Society to be charged as security in accordance with section 5 of the Law.

3. In accordance with subsection (2)(b) of Section 2 of Cap. 18 (quoted above), a statement of outstanding balances of principal in respect of loans previously guaranteed is attached at Appendix II. At 31st March, 1962, the amount outstanding was approximately £700,000 of which £62,000 is for the Society.

4. The Jamaica Civil Service Mutual Thrift Society, on whose behalf the guarantee is sought, has limited liability status. It is registered under the Industrial and Provident Societies Law, Cap. 159. The present membership of the Society (which is confined to Civil Servants alone) is approximately 3,000. Paid-up capital as at 30th November, 1961 was £201,476. During the year December 1960 to November 1961, the Society made loans to Civil Servants

totalling../

totalling £181,434, of which approximately 10% represented loans for educational and medical purposes. The Society has found that within the past few years there has been a growing demand for loans for these purposes. The affairs of the Society are conducted efficiently; the incidence of bad debts has so far been negligible.

5. The House is accordingly asked to agree to the guarantee of repayment of principal and payment of interest in connection with the loan of £50,000 from the Bank of Nova Scotia to the Society, as set out in the Instrument of Guarantee at Appendix I.

I will move a Resolution accordingly in due course.

D. B. SANGSTER
Minister of Finance
5th November, 1962.

M.P. No. 160/019

THIS INDENTURE is made the _____ day of
One thousand nine hundred and sixty-two B E T W E E N THE
FINANCIAL SECRETARY OF THE GOVERNMENT OF JAMAICA acting for and
on behalf of the Government of Jamaica (hereinafter called "the
Government") of the FIRST PART THE BANK OF NOVA SCOTIA a body
corporate incorporated under the Laws of the Dominion of Canada
and having its Head Office in Jamaica at King Street in the city
and parish of Kingston (hereinafter called "the Bank") of the
SECOND PART A N D THE JAMAICA CIVIL SERVICE MUTUAL THRIFT
SOCIETY LIMITED a Company duly incorporated under the Laws of
Jamaica and having its registered office at Number 10 Caledonia
Avenue in the parish of Saint Andrew (hereinafter called "the
Society") of the THIRD PART

W H E R E A S : -

1. the Society has requested the Bank to lend to it
the sum of £50,000 (hereinafter referred to as
"the principal money") and has offered to repay
the same together with interest thereon as
hereinafter provided at the times and in the
manner hereinafter appearing;
2. the Bank has agreed to make the said loan to the
Society upon the repayment thereof and the payment
of the interest thereon as aforesaid being
guaranteed by the Government pursuant to the
Approved Organisations and Authorities (Government
Guarantee) Law Chapter 18 of the Revised Edition
(1953) of the Laws of Jamaica (hereinafter referred
to as "the Law");
3. the Government has agreed with the Bank and the
Society to give the said guarantee upon the con-
ditions hereinafter contained and subject also to
the conditions set out in the Cabinet Decision made
on the 5th day of March, 1962;

4. the Minister acting after consultation with and in accordance with the advice of the Cabinet has approved the Society as an approved organisation under the Law and with the prior approval of the House of Representatives and in exercise of the powers conferred on the Minister by section 2 of the Law has agreed to guarantee the repayment to the Bank of the principal money and interest upon the aforesaid loan raised by the Society from the Bank upon the terms and conditions aforesaid and pursuant to the provisions of section 3 of the said Law has specified that the repayment of the principal money and interest represented by the loan so guaranteed shall during the continuance of this guarantee be a first charge upon all the revenues and assets of the Society and has authorised the Financial Secretary of the Government of Jamaica to enter in and execute these presents for the purpose of giving the said guarantee to the Bank

NOW THIS INDENTURE WITNESSETH:-

1. In consideration of the Bank lending to the Society the principal money of £50,000 and in consideration of the premises the Society hereby agrees with the Bank :-

(a) to repay the same by ninety-six equal monthly instalments of £520.16.8 each to be paid on the last working day in each and every calendar month of which the first instalment will be payable on the last working day of the twelfth calendar month after the calendar month in which the principal money or the first advance on account thereof, as the case may be, shall have been drawn from the Bank by the Society, and

(b) so long as the principal money or any part thereof shall remain unpaid from the Society to the Bank to pay to the Bank interest thereon or on so much thereof as shall remain outstanding for the time being at the prime borrowing rate from time to time prevailing in Jamaica (which rate now stands at $7\frac{1}{2}$ per centum per annum) by monthly instalments payable on the last working day in each and every calendar month of which the first instalment shall be payable on such last working day as shall next succeed the date on which the first advance in respect of the principal money shall have been drawn from the Bank by the Society.

(c) to pay to the Bank on demand all costs and expenses incurred by the Bank in relation to this Agreement.

2. For the consideration aforesaid and in accordance with the provisions of the Law the Government hereby guarantees to the Bank the payment to the Bank by the several instalments hereinbefore provided of the principal money and interest thereon at the prime borrowing rate available in Jamaica from time to time and which rate now stands at $7\frac{1}{2}\%$ per annum.

3. The Bank shall be at liberty without thereby affecting its rights hereunder and without discharging or in any way whatsoever affecting the liability of the Government hereunder at any time and from time to time to give time for payment or grant indulgence to the Society or to accept compositions from or make any other arrangements with the Society in respect of the principal money or interest as the Bank may think expedient without obtaining the consent of or giving any notice to the Government it being the intention of the Government that this guarantee shall be a continuing guarantee and shall remain in full force and effect until all the principal money and interest shall have been fully paid and satisfied.

4. This Guarantee shall be in addition to and without prejudice to any other securities of any kind whatsoever which the Bank may now or hereafter hold or possess in respect of the principal money and interest hereby guaranteed or intended so to be or of any other indebtedness of the Society to the Bank and the Bank shall be under no obligation whatsoever to marshal in favour of the Government any such securities or any of the funds or assets which the Bank may be entitled to receive or have a claim upon and the Bank may give up modify exchange or abstain from taking advantage of or enforcing all or any of such securities as the Bank may think fit without thereby in any way affecting the rights of the Bank or the liability of the Government hereunder.

5. Upon default being made in the due and punctual payment of any instalment of principal or interest by the Society to the Bank (as to which time shall be of the essence of the contract) the Bank may thereupon treat the whole of the then outstanding principal money as having become immediately due owing and payable and in that event the Society shall be deemed to have made default in the payment of the principal money and interest then outstanding and the Government shall pay to the Bank on demand the amount of such principal money together with interest as aforesaid computed to the date of actual payment.

6. No change or changes in the name objects capital or constitution of the Society nor the winding up (whether voluntary or compulsory) of the Society shall in any way affect the liability of the Government hereunder and the Bank shall not be concerned for any purpose to see or enquire into the powers of the Society or of the Secretary Directors Committee-men or any agents acting or purporting to act on behalf of the Society.

7. The Society hereby COVENANTS with the Government to observe and fulfil all and singular the conditions specified in the decision of the Cabinet hereinbefore recited and IT IS HEREBY AGREED that if the Society shall make default in the observance and fulfilment of any of the said conditions or commit any breach thereof or should commit any breach of the covenants on their part to be observed in this Deed or any breach of their agreement with the Bank the Government shall be at liberty by notice in writing to the Bank to revoke this Guarantee as to all future borrowings by the Society from the Bank after the date of such notice but without prejudice to the Government's liability to the Bank hereunder in respect of dealings prior to the date of such notice.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and affixed their seals the day and year first hereinbefore written.

SIGNED SEALED AND DELIVERED by)
)
 the said FINANCIAL SECRETARY in)
)
 the presence of:-)

SIGNED SEALED AND DELIVERED by)
)
 the said Bank of Nova Scotia by)
)
 RODGER MAXWELL TAYLOR Supervisor)
)
 acting under Power of Attorney)
)
 dated the day of)
)
 One thousand nine hundred and)
)
 sixty- and recorded in)
)
 the Island Record Office on the)
)
 day of One)
)
 thousand nine hundred and sixty-)
)
 at Liber New Series)
)
 Folio in the)
)
 presence of:-)

THE COMMON SEAL ~~of~~ THE JAMAICA)
)
 CIVIL SERVICE MUTUAL THRIFT)
)
 SOCIETY LIMITED was hereunto)
)
 affixed and this Indenture signed)
)
 by HECTOR MCDONALD WHITE Chairman)
)
 of the said Society RUDOLPH VICTOR)
)
 IRVINE Member of the Committee and)
)
 JOHN MCINTOSH Secretary of the)
)
 said Society in the presence of:-)

JAMAICA S.S.

BE IT REMEMBERED that on the _____ day of _____
 One thousand nine hundred and sixty-two before me the undersigned
 one of Her Majesty's Justices of the Peace in and for this Island
 personally came and appeared _____ of _____
 in the parish of _____ the attesting witness
 to the due execution of the foregoing written Indenture by The
 Financial Secretary and who being by me duly sworn made oath and
 said that he was present and did see The Financial Secretary
 therein named sign seal and as and for his proper act and deed
 execute and deliver the said Indenture for the purposes therein
 mentioned.

Justice of the Peace
 for