



THE
CEYLON GOVERNMENT
GAZETTE

EXTRAORDINARY.

No. 7,766—MONDAY, MARCH 10, 1930.

Published by Authority.

PART II.—LEGAL.

(Separate paging is given to each Part in order that it may be filed separately.)

DRAFT ORDINANCE.

MINUTE.

The following Draft of a proposed Ordinance is published for general information:—

An Ordinance to make provision for a loan for the construction of certain Hydro-Electric Works and other works of Electrical Development. W 73/27

BE it enacted by the Governor of Ceylon, by and with the advice and consent of the Legislative Council thereof, as follows:—

1 This Ordinance may be cited as the Electrical Development Loan Ordinance, 1930. Short title.

Authority to Governor to borrow for certain purposes.

2 The Governor is hereby authorized to raise by a loan a total sum not exceeding seventeen million one hundred and twenty-five thousand rupees to be appropriated and applied in accordance with the provisions of sections 7 and 10 of this Ordinance and for the purposes specified in the Schedule hereto, and, in addition to such sum as aforesaid, such further sum as may be necessary to defray the expenses of the raising of the loan: Provided that no expenditure shall be incurred in respect of the item numbered (6) in the Schedule unless such expenditure shall first have been approved by resolution of the Legislative Council and by the Secretary of State.

Loan to be a charge upon general revenue and assets.

3 The principal monies and interest subscribed or payable in respect of the loan authorized by this Ordinance are hereby charged upon and shall be payable out of the general revenue and assets of the Colony.

Method of issuing loan.

4 The loan authorized by this Ordinance may be raised by such instalments, at such time or times, and by such of the following methods as the Governor may direct:—

No. 8 of 1892, II. 167.

(a) By the issue of stock under the provisions of the Ceylon Inscribed Rupee Stock Ordinance, 1892;

II. 174.

(b) By the issue of stock or debentures or both under the provisions of the General Loan and Inscribed Stock Ordinance, No. 5 of 1921;

(c) By any other method or methods approved by a resolution of the Legislative Council and by the Secretary of State.

Rate of exchange in calculation of amount of sterling loan.

5 For the purpose of calculating the total sum which may be borrowed under the authority of this Ordinance any sum borrowed in sterling currency shall be converted into rupees at the rate of one shilling and six pence to the rupee.

Transfer of sums from an item of Schedule to another purpose.

6 It shall be lawful for the Governor to direct that any sum provided under any item of the Schedule hereto which may not be required for the purpose indicated in that item may be appropriated and applied to any other purpose indicated in the said Schedule:

Provided that no such transfer of money from any one purpose to any other purpose shall be made unless such transfer shall first have been approved by a resolution of the Legislative Council and by the Secretary of State.

Refund from loan to general revenue.

7 There shall be refunded out of the proceeds of the loan raised in accordance with the provisions of section 2 to the general revenue of the Colony all sums expended therefrom after the first day of October, 1929, in respect of any of the works included in the Schedule hereto.

Enlargement of limitation of interest imposed by section 2 of Ordinance No. 8 of 1892, II. 167.

8 Notwithstanding the proviso to section 2 of the Ceylon Inscribed Rupee Stock Ordinance, 1892, any stock issued under the provisions of that Ordinance for a purpose authorized by or under this Ordinance may bear interest at a rate not exceeding six per cent. per annum.

Date of commencement of contributions to sinking fund under Ordinances Nos. 8 of 1892 and 5 of 1921, II. 167, 174.

9 If the loan or any part thereof authorized by this Ordinance shall be issued under the provisions of the Ceylon Inscribed Rupee Stock Ordinance, 1892, or under the provisions of the General Loan and Inscribed Stock Ordinance, No. 5 of 1921, the date from which contributions to the sinking fund in respect of any stock or debentures so issued shall commence shall be such date, not later than three years after the date from which interest on such stock or debentures shall be payable, as the Governor shall determine.

Power to issue Treasury Bills and to repay expenditure in respect thereof from money borrowed under this Ordinance, III. 1023, 1024.

10 (1) In anticipation of the issue of the whole or any portion of the loan authorized by this Ordinance, the Governor may, if he shall think fit, raise such instalments of such loan as he may deem to be required by the issue of Treasury Bills under the Colonial Treasury Bills Ordinance, No. 7 of 1923, or the Colonial Treasury Bills Ordinance, No. 8 of 1923.

(2) Sums raised under this section shall be applied in the manner authorized for the loan in anticipation of which they are raised, and upon the raising of such loan the Governor may—

- (a) expend from such loan such sums as may from time to time be necessary to meet the liabilities of the Colony in respect of any such Treasury Bill; and
- (b) refund from such loan to the general revenue of the Colony a sum equal to the amount which shall have been or may be expended therefrom in respect of such liabilities.

SCHEDULE.

	Rs.
(1) Completion of the Hydro-Electric Scheme B, Stage 1.	13,471,870
(2) Extensions at Stanley Steam Station (Additional 3,000 k.w. generating set)	540,000
(3) Additional Sub-station Equipment, Colombo Electricity Supply	192,000
(4) Extensions to Low Tension Distribution System and Consumers' Connections, Colombo Electricity Supply	1,290,000
(5) Extra High Tension Cables, Colombo Electricity Supply	250,000
(6) Other new Electrical Works and development, Colombo Electricity Supply	1,381,130

By His Excellency's command,

Colonial Secretary's Office,
Colombo, March 7, 1930.

B. H. BOURDILLON,
Colonial Secretary.

Objects and Reasons.

THE object of the Bill is to authorize the raising of a loan amounting to Rs. 17,125,000 for the completion of the Hydro-Electric Scheme B, Stage 1, and for the provision of the capital required for the necessary development of the Government's Electrical Undertakings.

2. The sum included in the Schedule for the completion of the Hydro-Electric Scheme B, Stage 1, is the sum of Rs. 14,663,033 shown in Sessional Paper V.—1930 as required to complete the works, less the sum of Rs. 1,191,163 already provided in the Public Works Loan Ordinance, 1929 (No. 26 of 1929) for Extensions of the Colombo Electricity Supply to adjacent areas. Of the other items, a beginning must be made not later than October, 1930, with the installation of the additional generating set at the Stanley Steam Station, Kolonnawa, and the additional sub-station equipment; and further capital for the extension of the low tension distribution system and for consumers' connections in the Colombo Electricity Supply area is urgently required. The sum included for extra high tension cables is not required for immediate expenditure, but will ultimately be required in the not distant future for the replacement of overhead mains by underground cables. In the sum of Rs. 1,381,130 reserved for other works of development are included provision for an office and store, which is urgently required and is estimated to cost Rs. 250,000; a further Rs. 20,000 for completion of testing equipment and another Rs. 75,000 for extension of the hiring branch; Rs. 350,000 for renewal of underground cables, Rs. 485,000 for overhead mains in the Colombo area, and Rs. 200,000 for extensions for industrial purposes. It will be observed, however, that no expenditure may be incurred upon works included in this general item without the prior approval of the Legislative Council and of the Secretary of State.

3. Provision is included in clause 7 for the repayment to the general revenue of the Colony of sums expended from revenue on these purposes after October 1, 1929; this provision is necessitated by the inclusion under Head 67, Loan Works, in the Estimates of the current financial year of three sums of (i) Rs. 87,500 for the maintenance of the Hydro-Electric Works pending resumption of construction, (ii) Rs. 10,000 for testing equipment and (iii) Rs. 25,000 for starting a hiring branch.

4. The Bill provides for the transfer of funds from one purpose to another, subject to the approval of the Secretary of State and the Legislative Council.

5. It is provided in clause 4 that the loan may be raised either in accordance with existing rules regulating the issue of loans in the form of stock or debentures issued in Ceylon or in England or by any other method approved by the Secretary of State and the Legislative Council. This last provision has been included to meet the possibility that it may be found desirable to issue part of the loan in the form of Bonds or Promissory Notes of a short currency.

6. Provision is also made for anticipating the issue of the whole or a part of the loan by the issue of Colonial Treasury Bills either in Ceylon or in England.

Attorney-General's Chambers,
Colombo, February 27, 1930.

E. ST. J. JACKSON,
Attorney-General.