



THE  
CEYLON GOVERNMENT  
GAZETTE

EXTRAORDINARY.

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PART II.—LEGAL.

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

DRAFT ORDINANCES.

MINUTE.

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

52/4/5 (BK)

**An Ordinance to amend the Local Loans and Development Ordinance.**

Chapter 281,  
Vol. VI.,  
page 252.

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

1. This Ordinance may be cited as the Local Loans and Development (Amendment) Ordinance, No. of 1941. Short title.

2. Section 5A of the Local Loans and Development Ordinance, (hereinafter referred to as "the principal Ordinance") is hereby amended as follows — Amendment of section 5A of Chapter 281. (See page 197 of Volume I. of the Supplement to the Legislative Enactments.)

- (1) by the substitution for the words "The Governor may from time to time," of the words "Subject as hereinafter provided, the Governor may from time to time,";
- (2) by the substitution, for the words "the Financial Secretary may determine," of the words "the Financial Secretary may, subject to the approval of the Governor, determine";

(3) by the addition, at the end of that section, of the following :—

“ Provided that—

- (a) the aggregate amount of the sums outstanding on loan to the Commissioners at any time shall not exceed two million rupees ,
- (b) the aggregate amount of the sums which may be so lent to the Commissioners in any financial year shall not exceed one million rupees , and
- (c) the time allowed for the repayment of any sum so lent to the Commissioners shall not, in any case, exceed a period of two years

In this section, “ financial year ” means the period of twelve months commencing on the first day of October in any year and ending on the thirtieth day of September in the succeeding year

Amendment of section 8 of the principal Ordinance. (Page 254 of Vol. VI. of the Legislative Enactments.)

3. Section 8 of the principal Ordinance is hereby amended as follows :—

- (1) by the re-numbering of sub-section (2) as sub-section (3) ;
- (2) in the re-numbered sub-section (3), by the substitution, for the words “ Notwithstanding anything contained in this section, ”, of the words “ Notwithstanding anything in the preceding provisions of this section, ” ; and
- (3) by the insertion, immediately before the re-numbered sub-section (3), of the following new sub-section .—

“ (2) Notwithstanding anything in sub-section (1), the Commissioners shall not make any loan to the Colombo Municipal Council under this Ordinance except with the prior approval of the Financial Secretary ; and such approval shall not be granted unless the Financial Secretary is satisfied, upon report made to him by the Commissioners, that the amount of the moneys available in the fund for other loans under this Ordinance will not be unduly diminished by reason of the grant of the loan proposed to be made to that Council.”

Repeal of section 32 of the principal Ordinance. (Page 261 of Vol VI of the Legislative Enactments )

4. Section 32 of the principal Ordinance is hereby repealed.

#### *Objects and Reasons.*

The Local Loans and Development (Amendment) Ordinance, No. 43 of 1938, inserted in the principal Ordinance (Chapter 281) a new section 5A which authorises loans to be granted out of public revenue to the Local Loans and Development Commissioners upon such terms as to the mode and time of repayment and to the rate of interest as may be determined by the Financial Secretary.

2. It is proposed to amend section 5A so as to prescribe the limits of the loans which may be granted and of the time which may be allowed for repayment of such loans. The object of Clause 2 is to amend section 5A so as to secure that the maximum amount outstanding on loan to the Commissioners at any time shall not exceed two million rupees ; that the aggregate amount lent in any financial year shall not exceed one million rupees , and that the time allowed for the repayment of any loan shall not, in any case, exceed two years

3 Section 8 of the principal Ordinance enables the Commissioners to grant loans to local authorities , but the Municipality of Colombo is expressly excluded by the provisions of section 32. It is proposed that the law should be amended so as to enable the Commissioners to grant loans to the Municipality of Colombo subject to the approval of the Financial Secretary who will have to be satisfied, before granting such approval that the proposed loan will not prejudice the grant of loans for other purposes specified in section 8. Clause 4 accordingly repeals section 32 of the principal Ordinance and Clause 3 makes the necessary amendments in section 8

Colombo, November 4, 1941.

H J HUXHAM,  
Financial Secretary