

LEGISLATIVE COUNCIL.

No. S. 76.—The following Bills were read a first time at a meeting of the Council held on the 18th March, 1926 :—

C.S.O. 2568/22.

[No. 3 :—12.3.26.—2.]

A BILL

INTITLED

An Ordinance to regulate the issue of Hongkong Treasury bills in Hongkong.

WHEREAS it may be expedient from time to time that the Governor should borrow money by the issue of Hongkong Treasury bills in Hongkong :

AND WHEREAS it is expedient to provide in one Ordinance the terms and conditions applicable to the borrowing of money by the issue of such bills :

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

- | | |
|---|--|
| Short title. | 1. This Ordinance may be cited as The Hongkong Treasury Bills (Local) Ordinance, 1926. |
| Power to borrow by the issue of Treasury bills. | 2. The Governor whenever authorised thereto by a resolution of the Legislative Council may borrow by the issue in Hongkong of Hongkong Government Treasury bills sums not exceeding the amount specified in such resolution ; and may also borrow from time to time by the issue of such Treasury bills such sums as may be required to pay off at maturity bills already lawfully issued and outstanding. |
| Principal of bills. | 3. The principal moneys represented by the Treasury bills issued under the provisions of this Ordinance are hereby charged upon and shall be payable out of the general revenues and assets of the Colony. |
| Proceeds of bills. | 4. The proceeds of the issue of the Treasury bills shall be paid into the general revenues of the Colony. |
| Amounts and period of currency of bills. | 5. Every Treasury bill issued under this Ordinance shall be for the sum of \$10,000 or a multiple of \$10,000 and shall be payable at par at such time or times as the Governor shall before the issue of such Treasury bill fix and determine, but not later than one year from the date of issue. |
| Repayment of bills. | 6. The Governor shall appropriate out of the general revenues of the Colony the necessary sum to pay the principal represented by the Treasury bills. |
| Cancellation of repaid bills. | 7. Upon repayment of the principal moneys represented by the Treasury bills, the bills shall be delivered up to the Government of Hongkong to be cancelled. |

Objects and Reasons.

1. An experiment which was recently made of issuing Treasury bills in London on behalf of a Colonial Government proved very successful, and the Crown Agents have represented that it is desirable for several reasons that Colonial Governments generally should have power to issue such bills. Treasury bills often prove a convenient method of obtaining a temporary loan.

2. The Crown Agents point out that as a loan is usually required to pay for works of construction, the execution of which is expected to take some years to complete, it is far more economical, instead of issuing a loan at once for the whole amount, to borrow the money in instalments as required, at a comparatively low rate of interest, either by obtaining advances through the Crown Agents from other Colonies, or, failing funds for such advances, by the issue of bills, and only to issue the loan when the works are well under way and when a more exact estimate of their cost can be framed.

3. This bill is therefore introduced in order to enable the Government to borrow money by the issue of Treasury bills in Hongkong should occasion arise. It is complementary to another bill which is being introduced to give the Government the power to borrow money by the issue of Treasury bills in London. Both the bills are introduced on the suggestion of the Secretary of State. They have been adapted from a draft prepared by the Crown Agents in consultation with the legal advisers of the Secretary of State.

J. H. KEMP,
Attorney General.

9th March, 1926.

C.S.O. 2568/22.

[No. 4 :—12.3.26.—1.]

A BILL

INTITULED

An Ordinance to regulate the issue of Hongkong Treasury bills in London.

WHEREAS it may be expedient from time to time that the Crown Agents for the Colonies on behalf of the Governor should borrow money by the issue of Hongkong Treasury bills in London :

AND WHEREAS it is expedient to provide in one Ordinance the terms and conditions applicable to the borrowing of money by the issue of such bills :

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

1. This Ordinance may be cited as the Hongkong Short title.
Treasury Bills (London) Ordinance, 1926.

2. The Governor whenever authorised thereto by a resolution of the Legislative Council may request the Crown Agents for the Colonies to borrow by the issue in London of Hongkong Government Treasury bills sums not exceeding the amount specified in such resolution ; and the Crown Agents may also, with the approval of the Governor, borrow from time to time by the issue of such Treasury bills such sums as may be required to pay off at maturity bills already lawfully issued by them and outstanding.

3. The principal moneys represented by the Treasury bills issued under the provisions of this Ordinance are hereby charged upon and shall be payable out of the general revenues and assets of the Colony.

- Proceeds of bills.** 4. The proceeds of the issue of the Treasury bills shall be paid into the general account of the Colony with the Crown Agents for the Colonies.
- Amounts and period of currency of bills.** 5. Every Treasury bill issued under this Ordinance shall be for the sum of £1,000 or a multiple of £1,000 and shall be payable at par at such time or times as the Governor or the Crown Agents for the Colonies on his behalf shall before the issue of such Treasury bill fix and determine, but not later than one year from the date of issue.
- Repayment of bills.** 6. The Governor shall appropriate out of the general revenues of the Colony the necessary sum to pay the principal represented by the Treasury bills and shall remit that sum to the Crown Agents for the Colonies in London at such time as will enable them to pay the principal at their office in London when the Treasury bills fall due.
- Cancellation of repaid bills.** 7. Upon repayment of the principal moneys represented by the Treasury bills, the bills shall be delivered up to the Crown Agents, to be by them cancelled and forwarded to the Government of Hongkong.

Objects and Reasons.

1. An experiment which was recently made of issuing Treasury bills in London on behalf of a Colonial Government proved very successful, and the Crown Agents have represented that it is desirable for several reasons that Colonial Governments generally should have power to issue such bills. Treasury bills often prove a convenient method of obtaining a temporary loan.

2. The Crown Agents point out that as a loan is usually required to pay for works of construction, the execution of which is expected to take some years to complete, it is far more economical, instead of issuing a loan at once for the whole amount, to borrow the money in instalments as required, at a comparatively low rate of interest, either by obtaining advances through the Crown Agents from other Colonies, or failing funds for such advances, by the issue of bills, and only to issue the loan when the works are well under way and when a more exact estimate of their cost can be framed.

3. This bill is therefore introduced in order to enable the Government to borrow money by the issue of Treasury bills in London should occasion arise. It is complementary to another bill which is being introduced to give the Government power to borrow money by the issue of Treasury bills in Hongkong. Both the bills are introduced on the suggestion of the Secretary of State. They have been adapted from a draft prepared by the Crown Agents in consultation with the legal advisers of the Secretary of State.

J. H. KEMP,
Attorney General.

9th March, 1926.