

APPENDIX I.

A. MAJOR LEGAL ENACTMENTS ADOPTED BY THE GOVERNMENT IN 1951.

B. MAJOR ADMINISTRATIVE MEASURES ADOPTED BY THE MONETARY BOARD
IN 1951.

Ratna Pragasam

26/4/51

A—Major Legal Enactments Adopted by Government in 1951

(i) Housing Loans (Amendment) Act No. 22 of 1951

UNDER section 3 of the Amendment Act any individual who proposes to erect a house for residence can make an application for a loan to the Housing Loans Board. Before this Amendment Act was passed, applications for loans under the Act could only be made either by a company or an association or individual for the purpose of executing a housing scheme of at least three residential units or for the supply of building materials to be utilised in the execution of a housing scheme. Under section 12A any local authority may now make an application to the Board for the grant of a loan for the purpose of the execution of a middle class housing scheme in the area within the administrative limits of that authority. Every loan granted to a local authority is subject to the limits of the borrowing powers of that authority under any other Act or Ordinance regulating its powers and duties. Under section 12C, no loan can be granted to the local authority unless its repayment is secured by the primary mortgage of the proceeds of any rates or taxes which that authority is by law authorised to impose. Prior to the amendment local authorities were unable to obtain loans from the Housing Loans Board.

(ii) Exchange and Securities Control (Continuation) Act—Resolution

The Exchange and Securities Control (Continuation) Act No. 35 of 1950 provided for the continuance in force after December 9, 1950, for a period of one year, of the Defence (Finance) Regulations Defence (Finance No. 2) Regulations, Defence (Finance No. 3) Regulations and the Defence (Securities) Regulations. Under section 4 of the Continuation Act, resolutions were passed by the Senate and the House of Representatives extending the Act for a further period of three months from December 9, 1951.

(iii) Lady Lochore Loan Fund (Board of Trustees) Act No. 38 of 1951

A Board of Trustees of the Lady Lochore Loan Fund was established under section 2 of the Lady Lochore Loan Fund (Board of Trustees) Act No. 38 of 1951. The Board consists of eight members and includes seven persons appointed by the Minister of Finance, one of whom is an officer of the General Treasury who is President of the Board.

Under section 6 of the Act, the Board is a body corporate with perpetual succession and a common seal.

The Fund is utilised by the Board "for the purpose of lending to such persons in debt as the Board may consider deserving of help such sums of money for the settlement of their debts, at such rates of interest, and on such terms of repayment of the principal, as the Board may determine."

Under section 14, the Board is empowered to accept from the Government or from any person or body of persons a grant or loan of any sum of money subject to the condition that it shall be applied for the purpose of settling the debts of persons of the description or class specified by the grantor or lender and to such other conditions as may be so specified.

Section 8 provides for the transfer of existing assets and liabilities of the Fund to the Board of Trustees.

(iv) Savings Certificates (Amendment) Act No. 19 of 1951

This Act makes provision for savings certificates to be given as security to the Government of Ceylon and to local authorities.

Under section 2 of the Amendment Act, section 9 of the principal enactment is amended by the insertion of a new paragraph (b) giving the right to the purchaser of any savings certificate to assign such certificate by way of security for the payment of monies which may be or become due to the Government or to any local authority, or as security for the purposes of section 2, sub-section 1 of the Public Officers (Security) Ordinance.

B—Major Administrative Measures adopted by the Monetary Board in 1951

(i)

Circular No. 1

Revised 17th December, 1951.

CENTRAL BANK'S EXCHANGE RATES

(Reference : Section 73 of the Monetary Law Act)

1. The following exchange rates are applicable to transactions by the Central Bank with commercial banks in Ceylon :—

	Central Bank buying rates for telegraphic transfers	Central Bank selling rates for telegraphic transfers
Sterling (per Ceylon rupee)	<i>s. d.</i>	<i>s. d.</i>
Spot	1/6	1/5 ³ / ₄
	<i>s. d.*</i>	<i>s. d.*</i>
Forward (up to six months)	1/6	1/5 ³ / ₂
Forward (up to six months) against purchase of forward dollars of corresponding delivery ..	—	<i>s. d.*</i> 1/5 ³ / ₂
Indian Rupee (per 100)	<i>Rs.</i>	<i>Rs.</i>
Spot	99 15/16	100
Forward (up to six months)	1/64 of a rupee per month discount against spot †	1/64 of a rupee per month premium against spot †

* Contracts to be taken up at the option of the commercial bank.

† Contracts to be taken up at the option of the commercial bank but at the contracted exchange rate if taken up before expiry of the contract period.

2. As from December 17, 1951, the Central Bank's rates for the U.S. dollar applicable to transactions with commercial banks will be subject to frequent change within one half of one per cent. of the legal parity. Such changes will be communicated as and when they occur.

3. Provisions of this Circular may be withdrawn, added to, or amended at any time.

JOHN EXTER,
Governor, Central Bank of Ceylon.

Circular No. 1/2.

17th December, 1951.

CENTRAL BANK'S EXCHANGE RATES FOR THE U.S. DOLLAR

The following exchange rates are applicable to transactions by the Central Bank with the commercial banks with respect to the U.S. dollar until further notice :—

	Central Bank buying rates for telegraphic transfers	Central Bank selling rates for telegraphic transfers
U.S. Dollar (per 100)	<i>Rs.</i>	<i>Rs.</i>
Spot	478	478.50
Forward (up to six months)	—	—

2. Provisions of this circular may be withdrawn, added to, or amended at any time.

JOHN EXTER,
Governor, Central Bank of Ceylon.

Circular No. 1/3.
18th December, 1951.

CENTRAL BANK'S EXCHANGE RATES FOR THE U.S. DOLLAR

The following exchange rates are applicable to transactions by the Central Bank with the commercial banks with respect to the U.S. dollar until further notice :—

U.S. dollar (per 100)	Central Bank buying	Central Bank selling
	rates for telegraphic transfers	rates for telegraphic transfers
	<i>Rs.</i>	<i>Rs.</i>
Spot	476	477
Forward (up to three months)	Rs. 1·60 per month discount against spot	Rs. 1·60 per month premium against spot

2. Provisions of this circular may be withdrawn, added to, or amended at any time.

JOHN EXTER,
Governor, Central Bank of Ceylon.

Circular No. 1/4.
19th December, 1951.

CENTRAL BANK'S EXCHANGE RATES FOR THE U.S. DOLLAR

The following exchange rates are applicable to transactions by the Central Bank with the commercial banks with respect to the U.S. dollar until further notice :—

U.S. Dollar (per 100)	Central Bank buying	Central Bank selling
	rates for telegraphic transfers	rates for telegraphic transfers
	<i>Rs.</i>	<i>Rs.</i>
Spot	477·50	478·50
Forward (up to three months)	Rs. 1·25 per month discount against spot	Rs. 1·25 per month premium against spot

2. Provisions of this circular may be withdrawn, added to, or amended at any time.

JOHN EXTER,
Governor, Central Bank of Ceylon.

Circular No. 1/5.
28th December, 1951.

CENTRAL BANK'S EXCHANGE RATES FOR THE U.S. DOLLAR

The following exchange rates are applicable to transactions by the Central Bank with the commercial banks with respect to the U.S. dollar until further notice :—

U.S. dollar (per 100)	Central Bank buying rates for telegraphic transfers	Central Bank selling rates for telegraphic transfers
	<i>Rs.</i>	<i>Rs.</i>
Spot	478	478.50
Forward (up to three months)	Rs. 1.25 per month discount against spot	Rs. 1.25 per month premium against spot

2. Provisions of this circular may be withdrawn, added to, or amended at any time.

JOHN EXTER,
Governor, Central Bank of Ceylon.

(ii)

Circular No. 2.
Revised 17th December, 1951.

COMMERCIAL BANKS' EXCHANGE RATES

(Reference : Section 75 of the Monetary Law Act)

1. The following exchange rates are applicable to transactions by commercial banks :—

Sterling (per £1)	Minimum Buying Rates	Maximum Selling Rates
	Clean telegraphic transfers <i>Rs. c.</i>	Clean telegraphic transfers <i>Rs. c.</i>
(a) For amounts of £100 or below	13.28	13.38
	(Corresponding to 1/6 1/16 per rupee)	(Corresponding to 1/5 15/16 per rupee)
(b) For amounts over £100	13.31	13.36
	(Corresponding to 1/6 1/32 per rupee)	(Corresponding to 1/5 31/32 per rupee)
United States dollars (per \$1)	4.73	4.80
Indian rupees (per 100 Indian rupees)	99 29/32	100 1/32
Australian pounds (per A. £1)	—	10.73
		(Corresponding to 1/10 3/8 per rupee)
Pakistan rupees (per 100 Pakistan rupees)	143.36	144.41
	(Corresponding to 69½ Pakistan rupees per 100 Ceylon rupees)	(Corresponding to 69½ Pakistan rupees per 100 Ceylon rupees)

2. The provisions of this circular may be withdrawn, added to or amended at any time.

JOHN EXTER,
Governor, Central Bank of Ceylon.

(iii)

The Monetary Law Act

Amendment to Regulation D

(Reserve Requirements)

SECTION 1(a) of regulation D published in Ceylon Government Gazette Extraordinary No. 10,143 of August 28, 1950, is hereby amended with effect from January 5, 1951, by the substitution of the words "fourteen per centum" for the words "ten per centum."

JOHN EXTER,

Governor, Central Bank of Ceylon.

Colombo, December 14, 1950.

(iv)

The Monetary Law Act

Amendment to Regulation E

REGULATION made by the Monetary Board of the Central Bank, and approved by the Minister of Finance, under Section 56 of the Monetary Law Act, No. 58 of 1949.

JOHN EXTER,

Governor, Central Bank of Ceylon

Colombo, January 20, 1951.

Regulation

REGULATION E relating to the replacement of unfit currency published in Gazette Extraordinary No. 10,143 of August 28, 1950, is hereby amended as follows :—

(1) in paragraph 1 :—

(a) by the substitution in the definition of the term "authorised officer" for the word "Board," of the word "Governor"; and

(b) by the substitution in the definition of the term "half note" for the words "vertically through" of the words "vertically, horizontally or diagonally through";

(2) in paragraph 5, by the substitution, for the words "or, if" of the words "and, if"; and

(3) in paragraph 12, by the substitution in sub-paragraph (1), for the word "note—," of the words "note of the denomination of Rs. 50 and above—."
