

14th January, 1930.

FINANCE COMMITTEE.

A meeting of the Finance Committee was held in the Council Chamber, the Colonial Secretary (Hon. Mr. W. T. Southorn, C.M.G.), presiding.

Votes totalling \$11,417 (Estimates, 1929) and \$20,111 (Estimates, 1930), contained in Message No. 1 from H.E. The Governor, were considered.

Item No. 140: Crown Solicitor, Legal expenses, \$9,027.

HON. SIR HENRY POLLOCK.—With regard to item 140, relating to proceedings instituted by the Government against the Hong Kong and Shanghai Banking Corporation for the re-crediting of certain sums paid out by the Bank on forged cheques, I notice that judgment was obtained for such re-crediting and taxed costs. Taxed costs amounting to \$16,371.37 were received by the Treasury, this sum being made up of \$11,474.50 Counsels' fees and Court fees and \$4,896.87 Solicitor's profit costs, paid into the General Revenue of the Colony. The Government's actual disbursements exceeded the sum of \$11,474.50 by \$9,643, which sum, it is stated, is not recoverable. I should like to know what is included in these disbursements?

THE CHAIRMAN.—They are Counsels' fees, etc. What it means is that the actual disbursements were \$21,000.

HON. SIR HENRY POLLOCK.—The Government won the action?

THE CHAIRMAN.—Yes, and we recovered \$11,474 which was set off against disbursements, and also a further sum of \$4,896 which appears in the General Revenue as Solicitor's fees.

HON. SIR HENRY POLLOCK.—Why was the sum of \$9,027 not recoverable?

THE CHAIRMAN.—They are disbursements over and above the taxed costs.

HON. MR. W. E. L. SHENTON.—In regard to the two items referred to, it looks as if one ought to be deducted from the other and not added to it?

THE CHAIRMAN.—The amounts we recovered from the bank were \$11,474.50 and \$4,896, a total of \$16,300.

HON. MR. W. E. L. SHENTON.—The total disbursements were \$21,000 and the difference should therefore be between \$16,000 and \$21,000?

THE CHAIRMAN.—No, it should be between \$11,000 and \$21,000; the other \$4,000 cannot be set off against expenditure because it has to go to revenue.

HON. MR. W. E. L. SHENTON.—It makes it complicated.

THE CHAIRMAN.—The money collected has to go to revenue if it was not an actual expenditure. It is only a matter of how the sum is to be credited. The actual loss to the Government is the difference between \$16,000 and \$21,000. Out of the amount recovered, part has to go to revenue and be revoted as expenditure.

HON. SIR HENRY POLLOCK.—The sum of \$9,027 represents the balance not allowed on taxation?

THE CHAIRMAN.—Yes.

All the votes were approved.
