

Defence Loan.

5 **W**HEREAS it is expedient to raise by Loan secured on the Consolidated Revenue of New Zealand, funds for the Defence of the Colony, and for paying off certain Treasury Bills, and for other purposes: And whereas it is also expedient to enable the Governor to raise moneys by short-dated Debentures, in anticipation of the Loan hereby authorized to be raised: Preamble.

BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

10 **1.** The Short Title of this Act shall be “The Defence Loan Act, 1870.” Short Title.

2. It shall be lawful for the Governor to appoint any two or more persons he may think fit to be Agents for the purpose of raising and managing the Loan authorized to be raised under this Act, and in their appointments to define the relative powers of such Agents. Appointment of Agents to manage Loan.

15 **3.** Such Agents shall have full power and authority to borrow and raise in Great Britain or elsewhere, by bonds debentures or otherwise, such sums not exceeding in the whole one million sterling, as the Governor may from time to time or at any time direct and determine, for the purpose mentioned in the First and Second Schedules hereto, and for the payment or repurchase of short-dated Debentures issued under this Act for the raising moneys for such purposes. Power to borrow.

20 **4.** Such Agents shall have full power and authority to prescribe the mode and conditions of repayment of such Loan, and the terms of such repayment and the rate of interest thereon, not exceeding Agents to prescribe mode conditions and terms of repayment. Rate of interest not exceeding per cent. Annual charge not to
25 pounds for every one hundred pounds by the year: Provided that the
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annual charge to be imposed on the Consolidated Revenue under the provisions of this Act shall not exceed for interest and sinking fund (if any) the sum of pounds for every one hundred pounds expressed to be borrowed.

5. Pending the raising of moneys hereinbefore authorized to be raised under this Act, it shall be lawful for the Governor to appoint any two or more persons he may think fit to be Agents, and in their appointments to define the relative powers of such Agents, who shall have full power and authority from time to time to borrow and raise any sums of money not exceeding the sums mentioned in the third section to this Act, as the Governor may from time to time direct and determine, and to take up the same sums of money in debentures, from time to time, by the sale hypothecation or mortgage of such debentures, hereinafter referred to as "short-dated debentures," as such Agents may deem expedient.

6. Every such short-dated debenture shall bear interest after such rate, not exceeding pounds for every one hundred pounds by the year, and be for such sum and in such form, and with or without coupons attached, and be signed on behalf of the Colony, and be transferable and negotiable in such manner, as such Agents shall prescribe.

7. The interest and principal of every such short-dated debenture shall be payable at such times and places as such Agents shall prescribe: Provided that the principal moneys secured by any such debenture shall not be made payable at a later period than seven years after the date of issue thereof.

8. The Agents authorized under the second and third sections of this Act to raise any moneys therein mentioned may accept any short-dated debentures issued under the fifth section of this Act in payment for any bonds debentures or other securities issued by them for the purpose of raising moneys under the said third section of this Act.

9. Whenever the principal moneys of any short-dated debenture shall be paid, and whenever any short-dated debenture shall be received in payment or exchange for any bond debenture or other security issued under the third section of this Act, the Governor may order that a like amount of short-dated debentures may be prepared and issued in the place of the short-dated debentures so paid off or exchanged; and thereupon the Agents for the time being appointed under the fifth section of this Act shall have full power and authority to make out and issue the said amount of short-dated debentures so ordered, and the provisions contained in the fifth, sixth, and seventh sections of this Act shall be applicable thereto: Provided that no short-dated debentures shall be made or issued at a date later than the last day of the year one thousand eight hundred and seventy-eight.

10. No bond debenture or other security issued under this Act, and bearing interest at pounds for every hundred pounds expressed therein by the year, shall be sold or otherwise disposed of at a lower rate than par; and no bond debenture or other security issued under this Act, and bearing interest at a less rate than pounds for every hundred pounds expressed therein by the year, shall be sold or otherwise disposed of at a price which will yield to the purchaser thereof a higher rate of interest by the year than pounds for every hundred pounds of the purchase money given for such bond debenture or other security.

11. All sums of money borrowed and raised under the authority of this Act, and all interest thereon, shall be a charge upon the Consolidated Fund of New Zealand, as defined by the fourth section of "The Public Revenues Act, 1867"; and all interest thereon, and the principal when due, shall be paid by the Colonial Treasurer out of such Consolidated Fund, under Warrants to be issued by the Governor.

exceed per cent.,
including sinking
fund (if any).

Pending raising Loan,
short-dated debentures
may be issued to
extent of one
million.

Rate of interest &c.
of short-dated
debentures.

Times and places of
payment of short-
dated debentures.

Short-dated
debentures may be
accepted in payment
for debentures issued
for raising the Loan.

Re-issue of short-
dated debentures.

Short-dated
debentures not to be
issued after last day
of year 1878.

Debentures not to be
sold at price to give
interest at higher
than per cent.

Moneys borrowed
and interest charged
on Consolidated
Fund.

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- 12.** All such sums raised under the authority of this Act as shall be applied towards the purposes mentioned in the Second Schedule hereto, together with the amount of all charges and discount paid or allowed on the raising of such sum or sums, shall, as between the
- 5 Colony and the Province of
be charged against the revenue of such Provinces, in the manner provided by the forty-fourth section of "The Public Revenues Act, 1867," and the section of "The Payments to Provinces Act, 1870."
- 13.** All moneys raised under the authority hereinbefore contained shall and may be applied to the purposes mentioned in this Act and in the First and Second Schedules hereto ; but as to such purposes as are mentioned in the Schedules hereto, such moneys shall be applied in sums not exceeding the amounts in the said Schedules respectively
- 15 prescribed. In the event of any moneys authorized to be raised under this Act for Colonial Defence not being required for the purposes of Colonial Defence, such moneys may be raised and applied for and towards the redemption of any Treasury Bills, as in the Schedule mentioned.
- 14.** All the powers which may be vested in any Agents appointed under this Act, may by such Agents be wholly or partly delegated to any two or more other Agents, subject to such conditions as the Agents delegating such powers shall think fit.
- 20 **15.** The Governor may at any time remove or accept the resignation of any Agent appointed by him under this Act, and appoint another person in his place.
- 25 **16.** Nothing in this Act contained shall be held to prejudice alter affect or vary any security or securities heretofore charged on the Revenues of New Zealand or any of them.

Money applied to purposes in Second Schedule to be charged Provincially.

Application of money borrowed.

Agents authorized to delegate powers.

Removal of Agents.

Previous securities not to be affected.

FIRST SCHEDULE.

For defraying such costs charges and expenses (including liabilities) for Colonial Defence as shall be authorized by the General Assembly for the year ending the 30th day of June, 1871, and for the costs of raising this part of this Loan, any sum or sums not exceeding in the whole	180,000
For defraying such costs charges and expenses (including liabilities) for Colonial Defence as shall be authorized by the General Assembly for the year ending the 30th day of June, 1872, and for the costs of raising this part of this Loan, any sum or sums not exceeding in the whole	160,000
For defraying such costs charges and expenses (including liabilities) for Colonial Defence as shall be authorized by the General Assembly, for the year ending the 30th day of June, 1873, and for the costs of raising this part of this Loan, any sum or sums not exceeding in the whole	150,000
For defraying such costs charges and expenses (including liabilities) for Colonial Defence as shall be authorized by the General Assembly for the year ending the 30th day of June, 1874, and for the costs of raising this part of this Loan, any sum or sums not exceeding in the whole	150,000
For defraying such costs charges and expenses (including liabilities) for Colonial Defence as shall be authorized by the General Assembly for the year ending the 30th day of June, 1875, and for the costs of raising this part of this Loan, any sum or sums not exceeding in the whole	150,000
For redemption of Treasury Bills heretofore issued and charged on the Consolidated Fund, and for the cost of raising this part of this Loan, any sum or sums not exceeding in the whole	...

SECOND SCHEDULE.