

*This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.*

*House of Representatives,*

*14th August, 1941.*

*Hon. Mr. Nash*

## FINANCE

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## A BILL INTITULED

**Title.** AN ACT to make Provision with respect to Public Finance and other Matters.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority 5 of the same, as follows:—

**Short Title.** 1. This Act may be cited as the Finance Act, 1941.

## PART I.

## PUBLIC REVENUES AND LOANS.

2. (1) Section three of the War Expenses Act, 1939, as amended by section two of the Finance Act, 1940, is hereby further amended by omitting from subsection one the words "forty million pounds", and substituting the words "eighty million pounds".

Increasing borrowing-powers in respect of war expenses.  
1939, No. 29  
1940, No. 6  
Repeal.

(2) Section two of the Finance Act, 1940, is hereby repealed.

3. (1) In addition to all moneys which the Minister of Finance has heretofore been authorized to borrow for the purposes of the State Supply of Electrical Energy Act, 1917, the said Minister may for those purposes borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as he thinks fit, not exceeding in the aggregate the sum of one million pounds.

Empowering Minister of Finance to borrow £1,000,000 for electric-power works.  
See Reprint of Statutes, Vol. III, p. 89

(2) The sums so borrowed shall bear interest at such rate as the Minister of Finance prescribes.

(3) All moneys borrowed under the authority of this section shall, as and when borrowed, be paid into the Public Account to the credit of the Electric Supply Account established under section eight of the State Supply of Electrical Energy Act, 1917.

(4) This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys hereby authorized to be borrowed shall be borrowed under and subject to the provisions of that Act accordingly.

1932, No. 23

4. (1) Section one hundred and seventy-nine of the Coal-mines Act, 1925, as amended by section six of the Finance Act, 1938, is hereby further amended by omitting the words "three hundred and eighty thousand pounds", and substituting the words "five hundred and ten thousand pounds".

Increase of borrowing-powers in respect of State coal-mines.  
See Reprint of Statutes, Vol. V, p. 927  
1938, No. 13  
Repeal.

(2) Section six of the Finance Act, 1938, is hereby repealed.

Authorizing  
issue of  
stock  
certificates  
for multiples  
of £5.  
1932, No. 23

Additional  
revenue to be  
paid into War  
Expenses  
Account.  
1939, No. 29

Authorizing  
payment of  
additional  
subsidies from  
Consolidated  
Fund into  
several  
superannuation  
funds.

Repeal.  
1940, No. 6

Marketing  
Department  
may make  
advances by  
way of loan  
on account of  
goods of a  
kind that the  
Department is  
authorized to  
purchase.  
1936, No. 5

5. Section forty-five of the New Zealand Loans Act, 1932, is hereby amended, as from the first day of April, nineteen hundred and forty-one, by omitting from subsection one the word "ten", and substituting the word "five".

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6. In addition to all other moneys payable into the War Expenses Account established under section two of the War Expenses Act, 1939, there shall, without further authority than this section, be credited to that account three twenty-thirds of the revenue received from income-tax at any time during the financial year ending on the thirty-first day of March, nineteen hundred and forty-two, whether before or after the passing of this Act.

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7. (1) During the financial year ending on the thirty-first day of March, nineteen hundred and forty-two, there shall, without further appropriation than this section, be paid out of the Consolidated Fund into the Public Service Superannuation Fund, the Teachers' Superannuation Fund, and the Government Railways Superannuation Fund respectively such amounts, not exceeding in the aggregate the sum of two hundred thousand pounds, as the Minister of Finance may from time to time direct.

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(2) The amounts payable under this section are in addition to any other moneys payable out of the Consolidated Fund into any of the said funds.

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(3) Section ten of the Finance Act, 1940, is hereby repealed.

8. (1) The Governor-General may, by Order in Council, authorize the Marketing Department to make advances by way of loan in respect of any goods of a kind or class that the Department is for the time being authorized to purchase under the Marketing Act, 1936, or any of its amendments.

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(2) Where any moneys are advanced pursuant to this section in respect of any goods that are afterwards purchased by the Department, the moneys so advanced shall be deemed to be part of the purchase-price

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(3) All moneys advanced pursuant to this section in respect of any goods shall be paid out of the account from which the purchase-moneys would be payable if the goods were then purchased by the Department.

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(4) All advances heretofore made by the Department by way of loan in respect of any goods of a kind or class that the Department is authorized to purchase are hereby validated, and any Order in Council purporting to authorize the making of any such advances shall be as valid as if this section had been in force when the Order in Council was made.

9. (1) Notwithstanding anything to the contrary in section seventy-eight of the Harbours Act, 1923, or section eleven of the Housing Amendment Act, 1940, or any other enactment, any harbour dues may be paid out of the Housing Account that would be payable by any person other than the Crown.

(2) This section shall be deemed to have come into force on the thirtieth day of August, nineteen hundred and forty, being the date of the passing of the Housing Amendment Act, 1940.

10. Notwithstanding anything to the contrary in section ninety-two of the Public Works Act, 1928, the payment by the Crown direct to the Napier Harbour Board of the sum of one thousand nine hundred and thirty-nine pounds seven shillings and ninepence, being interest due and payable in respect of the compensation awarded for the taking by the Crown of the land described in section thirty-four of the Local Legislation Act, 1939, is hereby validated.

11. (1) Section one hundred and eighty-one of the Stamp Duties Act, 1923, is hereby amended by inserting after paragraph (f), the following paragraph :—

30 “(g) A receipt given in respect of any travelling-allowance or refund of travelling-expenses :”.

(2) The said section one hundred and eighty-one is hereby consequentially amended by omitting from paragraph (h) the words “or travelling-allowance, or refund of travelling-expenses”, and also by inserting the word “or” before the words “house allowance” in that paragraph.

12. (1) Section one hundred and eighty-nine of the Stamp Duties Act, 1923, is hereby amended as follows :—

40 (a) By omitting from subsection two the words “two hundred pounds”, and substituting the words “three hundred pounds” :

Authorizing payment of harbour dues out of Housing Account.

See Reprint of Statutes, Vol. III, p. 596 1940, No. 14

Validating a certain payment to Napier Harbour Board in connection with Napier housing scheme.

See Reprint of Statutes, Vol. VII, p. 661 1939, No. 25

Exemption from stamp duty of receipts for travelling-allowances.

See Reprint of Statutes, Vol. VII, p. 453

Increasing annual license duty payable by agents of foreign insurers.

Ibid., p. 457

(b) By adding to subsection two the words "The agent of two or more foreign insurers shall be subject to a separate annual license duty in respect of each agency":

(c) By omitting from subsection three the words "and two duties shall not be charged under this Part of this Act". 5

(2) This section shall come into force on the first day of January, nineteen hundred and forty-two.

Amending definition of "foreign insurance company". See Reprint of Statutes, Vol. VII, p. 455

13. Section one hundred and eighty-three of the Stamp Duties Act, 1923, is hereby amended by adding to the definition of the term "foreign insurance company" the words "whether or not the company has a capital divided into shares or stock". 10

Elections by contributors to superannuation funds to accept reduced pensions in order to make provision for dependants not to be taken into account for purposes of gift duty or stamp duty.

14. (1) In this section,— 15

"Contributor," in relation to any superannuation fund, includes a former contributor who has made an election to which this section relates, and, in relation to the National Provident Fund, means a person on whose behalf any local authority or other employer is, or immediately prior to his retirement was, a contributor to that Fund: 20

"Superannuation fund" includes the Public Service Superannuation Fund, the Teachers' Superannuation Fund, the Government Railways Superannuation Fund, any superannuation fund established under the Local Authorities Superannuation Act, 1908, the National Provident Fund, and any superannuation fund that is for the time being approved by the Minister of Finance for the purposes of this section. 30

(2) Where a contributor to any superannuation fund to which this section applies has, whether before or after the passing of this Act, made an election to accept from the fund a reduced retiring-allowance or pension in consideration of the payment after his death of an annuity from the fund to his widow or other dependant, his election shall not be taken into account for the purposes of gift duty under the Death Duties Act, 1921, and no stamp duty shall be payable on the instrument of election. 40

Ibid., Vol. V, p. 433

See Reprint of Statutes, Vol. VII, p. 354

15. (1) The Governor-General may from time to time, by Order in Council, declare that any allowance or class of allowances specified in the Order shall be deemed to be pay within the meaning of section ninety-one of the Government Railways Act, 1926, or salary within the meaning of section two or section sixty-five of the Public Service Superannuation Act, 1927.

Allowances may be declared to be pay or salary for superannuation purposes.

See Reprint of Statutes, Vol. VII, pp. 859, 559, 587

(2) Every Order in Council under this section shall take effect or be deemed to have taken effect on such date as may be specified in that behalf in the Order. The date so specified may be before or after the date of the Order.

(3) Except as otherwise provided by an Order in Council under this section, no allowance shall be deemed to be or to have at any time been pay or salary as aforesaid.

(4) If any question arises as to whether any payment is an allowance for the purposes of this section it shall be determined by the Minister of Finance, and his decision shall be final.

(5) Nothing in this section or in any Order in Council under this section shall apply with respect to the pay or salary of any contributor to the Government Railways Superannuation Fund, the Public Service Superannuation Fund, or the Teachers' Superannuation Fund who has retired before the passing of this Act from the service in respect of which he was a contributor.

(6) Nothing in this section or in any Order in Council under this section shall have any force or effect with respect to any payments which by any Act are expressly declared to be or not to be pay or salary as aforesaid.

(7) This section is in substitution for section thirteen of the Finance Act, 1931 (No. 2), and that section is hereby accordingly repealed.

Repeal.

Ibid., p. 617

16. Any regulations under the Education Act, 1914, that may be made after the passing of this Act but before the thirty-first day of December, nineteen hundred and forty-one, may, in so far as they prescribe rates of remuneration for married training-college students, probationary assistants, relieving teachers, or supernumerary teachers, be made to come into force before the date of the making thereof but not earlier than the first day of October, nineteen hundred and forty.

Regulations prescribing rates of remuneration for married training-college students and for certain classes of married teachers may operate from 1st October, 1940.

Increasing rate  
of allowances  
under War  
Veterans'  
Allowances  
Act, 1935.  
1938, No. 13

**17.** (1) Section twenty-five of the Finance Act, 1938, is hereby amended as follows:—

(a) By omitting from subparagraph (iii) of paragraph (b) of subsection one the word "Thirteen", and substituting the word "Twenty-six": 5

(b) By omitting from the proviso to the same paragraph (b) the words "one hundred and fifty-six", and substituting the words "two hundred and eight":

(c) By omitting from subsection two the words "one hundred and eighty-two", and substituting the words "two hundred and thirty-four": 10

(2) This section shall come into force on the first day of September, nineteen hundred and forty-one.

## PART II.

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### SOCIAL SECURITY.

This Part to  
be read with  
Social Security  
Act, 1938.  
1938, No. 7  
Commencement  
of next four  
sections.

**18.** This Part of this Act shall be read together with and deemed part of the Social Security Act, 1938 (hereinafter in this Part referred to as the principal Act).

**19.** The next *four* succeeding sections shall come into force on the first day of September, nineteen hundred and forty-one. 20

**20.** (1) Section seventeen of the principal Act is hereby amended as follows:—

(a) By omitting from the proviso to paragraph (b) of subsection two the word "thirteen", and substituting the word "twenty-six": 25

(b) By omitting from the same proviso the words "one hundred and fifty-six", and substituting the words "one hundred and eighty-two". 30

(2) Section eighteen of the principal Act is hereby amended as follows:—

(a) By omitting from subsection one and also from subsection two the word "thirteen", and substituting in each case the word "twenty-six": 35

(b) By adding to subsection one the words "but not so as to exceed in any case the rate of two hundred and thirty-four pounds a year".

Increasing  
rates of  
age-benefits  
in respect of  
wife and  
children.

21. (1) Section twenty-eight of the principal Act, as amended by section six of the Social Security Amendment Act, 1940, is hereby further amended as follows:—
- 5 (a) By omitting from subsection one the words “two or more children”, and substituting the words “any child or children”:
- (b) By omitting from the same subsection the words “such children”, and substituting the words “such child or children”.
- 10 (2) Section thirty of the principal Act, as amended by section six of the Social Security Amendment Act, 1940, is hereby further amended by omitting from subsection one and also from the proviso to that subsection the words “in excess of one”.
- 15 (3) Section six of the Social Security Amendment Act, 1940, is hereby repealed.
22. Section thirty-four of the principal Act is hereby amended by omitting from subsection four the words “two hundred and eight”, and substituting the words
- 20 “two hundred and thirty-four”.
23. Section forty-six of the principal Act is hereby amended by omitting from paragraph (b) of subsection two the word “five”, and substituting the word “ten”.
- 25 24. Section one hundred and twenty-four of the principal Act is hereby amended by adding the following subsections:—
- “ (4) If and so far as the income derived by any trustee is also income derived by a beneficiary entitled
- 30 in possession to the receipt thereof under the trust during the same income year, the trustee shall in respect thereof be deemed to be the agent of that beneficiary, and shall be required to make a declaration or declarations in respect of that income in accordance with the requirements of
- 35 the *last preceding* section, and except as provided in subsection *six* of this section shall be liable for the payment of the charge thereon accordingly, and all the provisions of the Land and Income Tax Act, 1923, as to agents shall, so far as applicable, apply accordingly.
- 40 “ (5) For the purposes of the *last preceding* subsection income derived by a beneficiary from an annuity or other payment under any trust shall be deemed to be

Family benefits to be payable in respect of first child.

1940, No. 5

1940, No. 5

Repeal.

1940, No. 5

Increasing maximum rate of invalids' benefits.

Increasing rate of sickness benefits in respect of children.

Collection of social security charge and national security tax from trustees.

1938, No. 7

See Reprint of Statutes, Vol. VII, p. 271

also income derived by the trustee during the same income year, notwithstanding that the annuity or other payment may be payable in whole or in part out of moneys held by the trustee as capital.

“(6) Notwithstanding anything in subsection *four* of this section, no charge shall be payable by a trustee in accordance with that subsection on any income if the Commissioner is satisfied that the beneficiary is not personally liable for the charge on that income.” 5

Valuation of  
farmers’  
live-stock  
at beginning  
of year ended  
31st March,  
1940.

25. In calculating for the purposes of section one hundred and twenty-seven of the principal Act the income derived by any person during the year ended on the thirty-first day of March, nineteen hundred and forty, from the use or occupation of land, the value of the live-stock of that person at the beginning of that income year shall be deemed to be the sum accepted by the Commissioner of Taxes for the purpose of calculating that person’s income for the purposes of the said section one hundred and twenty-seven for the income year ended on the thirty-first day of March, nineteen hundred and thirty-nine, as being the value thereof at the end of that income year, whether or not that value is the same as the value thereof determined in accordance with subsection four of section sixteen of the Land and Income Tax Amendment Act, 1939. 10  
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1939, No. 34

### PART III.

#### LOCAL AUTHORITIES AND PUBLIC BODIES.

Liability for  
rates on  
properties  
acquired by  
Crown.  
See Reprint  
of Statutes,  
Vol. VII, p. 977

26. (1) Where any rateable property within the meaning of the Rating Act, 1925, is taken, purchased, or otherwise acquired by the Crown, whether at law or in equity, between the commencement of any rating year and the due date of any general rates which but for the acquisition by the Crown would be payable to any local authority for that year in respect of the property acquired, the person who but for the acquisition by the Crown would have been the occupier of the property within the meaning of the Rating Act, 1925, on the due date of those rates shall be liable to 30  
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the local authority for all general, special, and other rates in respect of the property for that year as if the acquisition had not taken place:

5 Provided that if actual or constructive possession  
 of the property is given to or taken by the Crown  
 before the end of the rating year, that person shall be  
 liable for so much of the rates as relates to the period  
 before the date of possession and the Crown shall be  
 liable for so much thereof as relates to the remainder  
 10 of the rating year, and for the purposes of this  
 proviso the local authority shall apportion the rates  
 as if they accrued from day to day, and shall make  
 separate demands on that person and the Crown  
 accordingly. Where in any such case a demand has  
 15 been made on that person for the whole of the rates  
 it shall, unless an amended demand is made in its  
 place, be deemed to be a demand for his proportion of  
 the rates under this proviso.

(2) Nothing in this section shall be construed to  
 20 limit the liability of the Crown for the payment of any  
 rates for any other year in accordance with the  
 provisions of any other enactment.

(3) This section shall be deemed to have come into  
 force on the first day of April, nineteen hundred and  
 25 forty-one.

27. (1) Where, whether before or after the commence-  
 ment of this section, any improvements have been made  
 on any land for defence purposes or for purposes  
 connected directly or indirectly with any war in which  
 30 His Majesty may now or at any time hereafter be  
 engaged, whether arising during or after the war, the  
 liability of the Crown for payment of any rates in  
 respect of that land shall be determined as if those  
 improvements had not been made.

Crown not  
 liable for  
 rates in  
 respect of  
 improvements  
 made for war  
 purposes.

(2) This section shall be deemed to have come into  
 force on the first day of April, nineteen hundred and  
 35 forty-one.

28. (1) The Governor-General may from time to time,  
 by Order in Council, authorize any local authority to  
 40 invest any moneys at credit of any loan account in such  
 Government securities as may be specified in the Order.

Governor-  
 General may  
 authorize  
 investment of  
 loan-moneys  
 in Government  
 securities.

(2) The interest received in respect of moneys invested pursuant to an Order in Council under this section shall be applied by the local authority towards the payment of the interest and sinking fund of the loan.

(3) For the purposes of this section the term "local authority" means any local authority or public body that for the time being is a local authority within the meaning of the Local Government Loans Board Act, 1926, whether by virtue of section two of that Act or of any Order in Council thereunder, or by virtue of the provisions of any other Act.

See Reprint  
of Statutes,  
Vol. V, p. 415

Extension  
of existing  
sinking funds  
to repayment  
loans.  
1938, No. 13

**29.** (1) Section thirty-two of the Finance Act, 1938, is hereby amended by adding to subsection one the words "or for the purpose of providing for the repayment of the repayment loan or any part thereof without establishing a separate sinking fund therefor".

(2) The said section thirty-two is hereby further amended by adding to subsection three the following proviso:—

"Provided that in any case where no separate sinking fund is established in respect of the repayment loan, and subject to the terms and conditions of the Board's sanction, the sinking fund established in connection with the matured loan shall be deemed to have been provided for the repayment of the repayment loan as well as the matured loan, and for the purposes of any enactments relating to sinking funds, including this section, the repayment loan shall be deemed to be part of the matured loan."

Local  
authorities may  
act as one  
another's  
agents in  
collection of  
moneys.

**30.** (1) It shall be lawful for any local authority or public body to be employed by any other local authority or public body as its agent to collect any moneys.

(2) All moneys so collected by any local authority or public body shall be held by it as trustee for the local authority or public body for whom they are collected and shall be handed over to that local authority or public body from time to time as arranged, subject to the deduction or payment of such amount by way of remuneration for the collection as may be mutually agreed upon.

(3) Pending the handing over as aforesaid of any moneys so collected by any local authority or public body they shall be lodged to the credit of the general account of that local authority or public body as if they  
5 were its own moneys.

31. It shall be deemed to have been lawful for any Hospital Board to have borrowed by way of bank overdraft during the year ended on the thirty-first day of  
10 March, nineteen hundred and forty-one, an amount approved by the Minister of Health in that year in excess of that authorized by section sixty of the Hospitals and Charitable Institutions Act, 1926, to the extent of one-fourth of the estimated contributions payable to the Board by contributing local authorities during that year  
15 together with one-fourth of the estimated amount receivable by way of subsidy on such contributions.

Extending authority of Hospital Boards to borrow during financial year ended 31st March, 1941. See Reprint of Statutes, Vol. III, p. 748

32. (1) It shall be deemed to have been lawful for any Fire Board during the year ended on the thirty-first day of March, nineteen hundred and forty-one, to  
20 incur expenditure beyond the amount of estimated expenditure approved for that year pursuant to section twelve of the Fire Brigades Amendment Act, 1932, if that expenditure was incurred for the purpose of meeting the cost of emergency fire equipment or by reason of the  
25 payment of increased wages.

Validating certain expenditure by Fire Boards.

1932, No. 26

(2) It shall be deemed to have been lawful for any Fire Board that incurred expenditure during that year for any such purpose to owe at the end of that year moneys in excess of the limit prescribed by paragraph (c)  
30 of subsection two of section three of the Local Bodies' Finance Act, 1921-22, to the extent of that expenditure.

See Reprint of Statutes, Vol. V, p. 354

33. (1) Any payment by a local authority under section forty-one of the Finance Act (No. 2), 1939, on account of the salary or wages of any of its employees,  
35 whether made before or after the passing of this Act, shall not be deemed to be unlawful by reason of the death of the employee if it was made before notice of his death was received by the local authority.

As to payment of employees of local authorities on naval, military, or air service. 1939, No. 38

(2) For the purposes of this section, in addition to any other form of notice, where any employee of a local authority has been reported in any casualty list published in New Zealand to be missing and has continued to be so missing for a period of three months from the date of the first publication of that casualty list, the local authority shall be deemed to have received notice of his death at the expiration of that period of three months. 5

Validating Government subsidies for centennial memorials in anticipation of grants from local authorities. 1938, No. 21

**34.** (1) For the purposes of subsection two of section nineteen of the New Zealand Centennial Act, 1938, all moneys that any local authority resolved before the thirty-first day of March, nineteen hundred and forty-one, to grant to any provincial organization or controlling committee shall be deemed to have been raised by that organization or committee at the time of the resolution, notwithstanding that they may not have been paid by the local authority. 10 15

(2) All moneys that any local authority so resolved to grant shall be paid by it to the provincial organization or controlling committee not later than the thirty-first day of March, nineteen hundred and forty-two. 20

Validating expenditure by local authorities in farewelling Their Excellencies Viscount Galway and Lady Galway, and welcoming Their Excellencies Sir Cyril and Lady Newall.

**35.** (1) It shall be lawful and deemed to have been lawful for any local authority to expend out of its General Fund any sum or sums of money in connection with public functions of farewell to Their Excellencies the Right Honourable Viscount Galway and Lady Galway, and public functions of welcome to Their Excellencies Sir Cyril Newall and Lady Newall. 25 30

(2) For the purposes of this section the term "local authority" means any City or Borough Council, County Council, Road Board, Town Board, Harbour Board, Education Board, Tramway Board, Transport Board, or Hospital Board. 35

Validating certain payments by Wellington Education Board.

**36.** All payments made by the Wellington Education Board out of moneys received in connection with the billeting of children visiting Wellington to attend the New Zealand Centennial Exhibition are hereby validated.

## PART IV.

## MISCELLANEOUS.

37. The provisions of the Electoral Act, 1927, or any other Act, as to the disqualification of members of the General Assembly or of candidates for election as members of Parliament shall not apply with respect to any payment which, under the authority of any appropriation heretofore or hereafter made by Parliament, has been or may hereafter be received by the Honourable Sir Apirana Turupa Ngata by way of remuneration, travelling-allowance, or reimbursement of travelling-expenses in respect of his services as a member of the Committee appointed to inquire into matters relating to the East Coast Native Trust lands.
38. All payments made under section nineteen of the Civil List Act, 1920, to members of the General Assembly in respect of their travelling to the meeting of the General Assembly in the year nineteen hundred and forty are hereby validated, notwithstanding that they may have been made more than six months after they became payable.
39. (1) Notwithstanding anything to the contrary in any Act or rule of law, any buildings hired by the Crown to any dairy company for the provision of accommodation for workers employed by the company shall remain the property of the Crown, and any such building may at any time be removed by the Crown after the termination of the hiring, or otherwise pursuant to the terms of the hiring, without liability for payment of compensation to the owner of the land whereon the building is situated or to any other person, notwithstanding that the building may have been so attached to the land as to form part thereof.
- (2) Nothing in the Hire-purchase Agreements Act, 1939, shall apply with respect to any such hiring.
40. Notwithstanding anything to the contrary in section thirty-three of the Public Service Superannuation Act, 1927, it shall be deemed to have been lawful to pay out of the Public Service Superannuation Fund to Mr. Henry Williams the full amount of his retiring-allowance under that Act in respect of the period during the financial year ended on the thirty-first day of March, nineteen hundred and forty-one, for which he received payment from Government funds for special services rendered to the Government as Chief Officer of the ship "Matai".

Disqualification provisions as to members of General Assembly not to apply to certain payments.  
See Reprint of Statutes, Vol. VI, p. 469

Validating payment of members' travelling-expenses for 1940 session.  
Ibid., Vol. I, p. 1026

Buildings hired by Crown to dairy companies for accommodation of workers to remain property of Crown.

1939, No. 14

Payments from Government funds to a certain superannuated public servant not to affect rights of superannuation.  
See Reprint of Statutes, Vol. VII, p. 574

Validating  
a certain  
payment by  
Dunedin  
Savings-bank.

**41.** The payment of five hundred pounds made during the present financial year by the trustees of the Dunedin Savings-bank to the Otago Branch of the New Zealand Trained Nurses' Association, Incorporated, partly for general purposes and partly for the assistance of nurses returning to New Zealand from overseas, is hereby validated. 5

Validating a  
certain payment  
by Hokitika  
Savings-bank.

**42.** The payment of two hundred and twenty-five pounds made during the present financial year by the trustees of the Hokitika Savings-bank to the Westland Hospital Board for the purpose of assisting in the purchase of an inductive electric diathermy machine is hereby validated. 10

Special  
provisions  
as to  
reconstruction  
of certain  
companies  
that issued  
debentures in  
substitution  
for shares.  
1940, No. 19

**43.** (1) Notwithstanding anything to the contrary in any Act, rules, or regulations, or in any memorandum of association, articles of association, order of Court, deed, or document to which the company may be a party, every company that has issued debentures to which section eleven of the Finance Act (No. 2), 1940, applies, may at any time before the first day of August, nineteen hundred and forty-two, and without further authority than this section, exercise the powers set forth in any one of the following paragraphs (a), (b), and (c), namely:— 15 20

(a) Reduce as on and from the first day of April, nineteen hundred and forty-one, the rate of interest payable under those debentures to the rate of three and one-half per centum per annum: 25

(b) Cancel those debentures and issue to the holders thereof in substitution therefor and in full satisfaction thereof fully paid up shares in the company having a nominal value equal to the amount of the debentures so cancelled: 30

(c) With the consent of a Judge of the Supreme Court, cancel any one or more of those debentures and issue to the holders of the debenture or debentures so cancelled in substitution therefor and in full satisfaction thereof fully paid up shares in the company having a nominal value equal to the amount of the debenture or debentures so cancelled, and reduce the rate of interest payable under every debenture not so cancelled to the rate of three and one-half per centum per annum: 35 40 45

Provided that where the company has issued two or more classes of shares or two or more classes of debentures to which section eleven aforesaid applies, any shares issued in substitution for debentures pursuant to the provisions of paragraph (b) or paragraph (c) hereof shall be issued in such classes and subject to such terms and conditions and with such rights and priorities as between different classes of shares as shall be approved by a Judge of the Supreme Court:

10 Provided also that where the holder of any debenture or debentures to which section eleven applies is also the holder of partly paid up shares in the company the company may, with the consent of a Judge of the Supreme Court, call up any moneys unpaid on those  
15 shares and cancel the debenture or debentures by applying the amount thereof in or towards satisfaction of the amount of the call:

Provided also that if the company exercises any of the powers aforesaid the holder of any such debenture  
20 that had been transferred for a consideration in money or money's worth (otherwise than by way of dividend) at any time before the thirtieth day of August, nineteen hundred and forty, may by notice in writing to be given within three months after the  
25 exercise of the powers require the company to redeem that debenture within six months after the giving of the notice by paying to him in full satisfaction thereof an amount equal to the purchase-price for which the debenture was last transferred before the first day of  
30 August, nineteen hundred and forty-one, together with all interest accruing under the debenture to the date of redemption.

(2) Every application made under subsection *one* hereof for the consent or approval of a Judge of the  
35 Supreme Court shall be made by the company by petition and served upon such persons as the Court directs.

(3) Nothing in this section shall be deemed to require the company to exercise any of the powers set  
40 forth in subsection *one* hereof.