

Hon. Mr. Nash

FINANCE (No. 2)

ANALYSIS

- | Title.
1. Short Title. | 11. Contributions from accounts under Marketing Act, 1936, towards certain capital expenditure.
12. Salaries of Public Service Commissioner and Assistant Commissioners. Repeals.
13. Illegitimate relationship for succession duty purposes.
14. Discharge of debt not exempt from gift duty. |
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| PART I
PUBLIC REVENUES AND LOANS | |
| 2. Increasing borrowing-powers in respect of war expenses. Repeal.
3. Amending section 4 of New Zealand Loans Act, 1932, as to authority for issue of securities.
4. Repealing limit on issue of Death Duty stock.
5. Corporation advancing money may be registered as holder of stock.
6. Validating excess unauthorized expenditure.
7. Varying appropriation to Public Debt Repayment Account.
8. Transfers from State Coal-mines Account to Loans Redemption Account.
9. Abolition of Electric Supply Sinking Fund Account. Repeals.
10. Authorizing Minister of Industries and Commerce to develop the New Zealand flax industry. | PART II
MISCELLANEOUS
15. Extending powers of Reserve Bank.
16. Cost-of-living bonus to superannuitants of local authorities.
17. Superannuation rights of teachers serving in Tonga.
18. Validating expenditure of balance of Esk Valley Flood Relief Fund for relief of persons suffering in recent floods.
19. Validating payments by trustees of Auckland Savings-bank.
20. Validating payment by trustees of Invercargill Savings-bank to Royal New Zealand Society for the Health of Women and Children. |

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 of the same, as follows:—

Short Title. 1. This Act may be cited as the Finance Act (No. 2), 1944.

PART I

PUBLIC REVENUES AND LOANS

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| Increasing borrowing-powers in respect of war expenses.
1939, No. 29
1943, No. 9 | 15 |
| Repeal. | |
| Amending section 4 of New Zealand Loans Act, 1932, as to authority for issue of securities.
1932, No. 23 | 20 |
| Repealing limit on issue of Death Duty stock. | |
| Corporation advancing money may be registered as holder of stock. | 30 |
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2. (1) Section three of the War Expenses Act, 1939, as amended by section two of the Finance Act (No. 2), 1943, is hereby further amended by omitting from subsection one the words "three hundred million pounds", and substituting the words "three hundred and fifty million pounds".
- (2) Section two of the Finance Act (No. 2), 1943, is hereby repealed.
3. Section four of the New Zealand Loans Act, 1932, is hereby amended by omitting the words "Upon being authorized by the Governor-General in Council so to do".
4. Section forty of the New Zealand Loans Act, 1932, is hereby amended by repealing the proviso to subsection one.
5. (1) Section forty-one of the New Zealand Loans Act, 1932, is hereby amended as follows:—
- (a) By omitting from subsection one the words "bank carrying on business in New Zealand", and substituting the words "corporation carrying on business or incorporated in New Zealand":
- (b) By omitting the words "the bank" wherever they occur in the section, and substituting in each place the words "the corporation".
- (2) All acts done before the passing of this Act that by virtue of this section would have been valid and lawful if this section had been in force when they were done shall be deemed to have been validly and lawfully done under the authority of this section.

6. All sums issued under section fifty-eight of the Public Revenues Act, 1926, during the financial year that ended on the thirty-first day of March, nineteen hundred and forty-four, in excess of the limits prescribed by subsection three of that section are hereby declared to have been lawfully issued and paid.

Validating excess unauthorized expenditure. See Reprint of Statutes, Vol. VII, p. 32

7. Section eleven of the Repayment of the Public Debt Act, 1925, is hereby amended by omitting from paragraph (b) the words "together with an amount computed at the rate of three and a half per centum per annum of the amount so repaid or redeemed during the current financial year for the period elapsing between the date of repayment or redemption and the end of the current financial year".

Varying appropriation to Public Debt Repayment Account. Ibid., Vol. VI, p. 1046

8. (1) Section three of the Finance Act (No. 2), 1939, is hereby amended as follows:—

Transfers from State Coal-mines Account to Loans Redemption Account. 1939, No. 38

(a) By omitting from paragraph (b) of subsection one the word "end" in each place where it occurs, and substituting in both places the word "beginning":

(b) By omitting from paragraph (c) of subsection one the words "together with an amount computed at the rate of four per centum per annum of the amount transferred under those paragraphs during the financial year for the period between the date of the transfer thereof and the end of that year".

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

9. (1) So long as the Electric Supply Account has a capital liability to the Consolidated Fund under section six of the National Development Loans Act, 1941, there shall be set aside at the end of each financial year for the reduction of the capital liability the following sums in respect of each scheme established under the State Supply of Electrical Energy Act, 1917 (in this section referred to as the principal Act), namely:—

Abolition of Electric Supply Sinking Fund Account. 1941, No. 7

(a) A sum equal to one per centum of the capital cost of the scheme:

See Reprint of Statutes, Vol. III, p. 89

(b) A sum equal to four per centum of all the amounts repaid before the end of the previous financial year in reduction of the capital cost of the scheme.

(2) No amount shall be set aside under the *last preceding* subsection in respect of any scheme if the capital liability in respect of that scheme has already been repaid.

(3) If the surplus profits derived from any scheme 5
in any financial year are insufficient to provide the amounts required to be set aside under subsection *one* hereof at the end of that year the deficiency shall be made good from, and shall be a first charge against, the Reserve Fund referred to in section thirteen of the 10
principal Act, or if the Reserve Fund is insufficient shall be a first charge against the surplus profits derived from the scheme in future years.

(4) In this section the term "surplus profits" with respect to any scheme means the net profits after 15
making provision for the payment of income-tax and of any other statutory charges and for the appropriation for the Depreciation Reserve in accordance with the provisions of the principal Act.

(5) All sums set aside pursuant to subsection *one* 20
hereof shall, without further appropriation than this section, be transferred to the Loans Redemption Account from the Electric Supply Account in the financial year following the year in which they are so set aside, and the provisions of section seven of the 25
National Development Loans Act, 1941, shall apply as if the sums so transferred had been transferred pursuant to that section.

1941, No. 7

(6) The account to be kept in connection with each scheme under section five of the principal Act shall 30
show, with respect to the scheme, the amounts which have from time to time, whether before or after the commencement of this section, been applied in redemption of securities or applied or set aside for the reduction of capital liability. 35

(7) The principal Act is hereby amended as follows:—

(a) By omitting from paragraph (c) of subsection two of section five the words "the Sinking Fund": 40

(b) By repealing paragraph (b) of section ten:

(c) By repealing section twelve:

(d) By omitting from section fourteen, as amended by section fifteen of the Finance Act, 1925, the words "and the moneys for the time being standing to the credit of the Sinking Fund established in connection with such scheme shall be so invested".

(8) Section four of the Finance Act (No. 2), 1943, 1943, No. 9 is hereby amended as follows:—

(a) By omitting from subsection three all words after the words "Public Works Fund", and substituting the words "shall hereafter be kept as a separate account within the Public Account."

(b) By omitting from subsection six the words "or the Electric Supply Sinking Fund Account".

(9) Paragraph (b) of subsection two of section fifteen of the Finance Act, 1925, section twenty-three of the Finance Act, 1928, and section nineteen of the Finance Act (No. 4), 1940, are hereby repealed.

(10) This section shall be deemed to have come into force on the *thirty-first* day of *March*, nineteen hundred and forty-four.

10. (1) For the purpose of developing to the fullest extent the New Zealand flax (*Phormium tenax*) industry in New Zealand the Minister of Industries and Commerce may from time to time do all such things as he deems to be necessary, and, in particular, may enter into contracts, undertake works, erect, purchase, lease, or otherwise provide buildings, land, machinery, and equipment, operate factories, and acquire, treat, manufacture, and dispose of materials and products.

(2) Every contract under this section shall be entered into in the name of His Majesty, and may be executed on his behalf by the Minister or by any person authorized by the Minister in that behalf, either generally or in respect of any specified contract or of any specified class or classes of contracts. Any such contract may be varied or discharged in the same manner.

(3) All acts done before the passing of this Act that by virtue of this section would have been valid and lawful if this section had been in force when they were done shall be deemed to have been validly and lawfully done under the authority of this section.

Repeals.
See Reprint
of Statutes,
Vol. III, p. 94
1940, No. 30

Authorizing
Minister of
Industries and
Commerce to
develop the
New Zealand
flax industry.

Contributions from accounts under Marketing Act, 1936, towards certain capital expenditure. 1936, No. 5

11. (1) There may from time to time, without further appropriation than this section, be paid out of any account established under the Marketing Act, 1936, such sums as the Minister of Marketing may approve as contributions towards any capital expenditure incurred or required to be incurred for the purpose of meeting wartime requirements, or meeting conditions arising after and as a result of the present war, in connection with the industry or the part of the industry in relation to which the account has been established.

(2) All payments made before the passing of this Act that by virtue of this section would have been valid and lawful if this section had been in force when they were made shall be deemed to have been validly and lawfully made under the authority of this section.

Salaries of Public Service Commissioner and Assistant Commissioners. See Reprint of Statutes, Vol. VII, p. 522

12. (1) The Public Service Commissioner and each Assistant Commissioner appointed under the Public Service Act, 1912, shall be paid out of the Consolidated Fund, without further appropriation than this section, remuneration at the rates following, namely:—

(a) The Public Service Commissioner, at the rate of fifteen hundred pounds a year:

(b) Each Assistant Commissioner, at the rate of twelve hundred pounds a year.

Repeals. Ibid., pp. 525, 547

(2) Section eight of the Public Service Act, 1912, section sixteen of the Appropriation Act, 1920, and section twenty of the Appropriation Act, 1925, are hereby repealed.

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

Illegitimate relationship for succession duty purposes. Ibid., p. 368

13. Section nineteen of the Death Duties Act, 1921, is hereby amended by omitting all words after the words "in all cases", and substituting the words "in which proof is given to the satisfaction of the Commissioner of the illegitimate relationship of the successor to the deceased".

Discharge of debt not exempt from gift duty. Ibid., p. 396

14. (1) Section two of the Death Duties Amendment Act, 1923, is hereby amended by repealing paragraph (d) of subsection one.

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

PART II

MISCELLANEOUS

15 (1) Section thirteen of the Reserve Bank of New Zealand Act, 1933, is hereby amended by inserting, after paragraph (j) of subsection one, the following new paragraph:—

Extending powers of Reserve Bank. 1933, No. 11

10 “(j) Borrow moneys outside New Zealand for any purpose connected with the issue, repayment, or conversion of any New Zealand Government securities:”

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

15 16. (1) Notwithstanding anything to the contrary in the National Provident Fund Act, 1926 (in this section referred to as the principal Act), or in any other Act, any local authority which is a contributor to the National Provident Fund for superannuation on behalf of its employees under the principal Act may

20 agree with the National Provident Fund Board to increase its contributions to the Fund for the purpose of providing, subject to the provisions of this section, for an increase by way of cost-of-living bonus in the pensions payable to persons formerly in the employment

25 of the contributor.

Cost-of-living bonus to superannuitants of local authorities. See Reprint of Statutes, Vol. VI, p. 32

(2) Any local authority which has established a superannuation fund under the Local Authorities Superannuation Act, 1908, may out of its current revenue provide, subject to the provisions of this section, for

30 the payment to annuitants of a cost-of-living bonus.

Ibid., Vol. V, p. 433

(3) The cost-of-living bonus payable pursuant to this section shall not exceed the amount of the cost-of-living bonus from time to time payable by the Government to persons who are in receipt of superannuation

35 under the provisions of Part I of the Public Service Superannuation Act, 1927, and shall be subject to the same restrictions and limitations as that bonus, and shall be liable to review to the same extent as that bonus.

Ibid., Vol. VII, p. 559

40 (4) Notwithstanding the provisions of section twenty-two of the principal Act, a pension payable under the principal Act may exceed three hundred pounds a year by the amount of the cost-of-living bonus added thereto pursuant to this section.

(5) The amount of any increase of contributions made under this section for the purpose of cost-of-living bonus shall not be taken into account in ascertaining the amount of the State subsidy under section seventy-four of the principal Act. 5

Superannuation rights of teachers serving in Tonga.

17. Whereas the Government of Tonga has appointed and desires to appoint from time to time persons in the Education service in New Zealand to be teachers in Tonga: And whereas it is not considered desirable that any such person should lose his superannuation rights by reason of such appointment: And whereas the Government of Tonga has agreed to the conditions hereinafter specified: Be it therefore enacted as follows:— 10

(1) Service as a teacher in the employment of the Government of Tonga (whether before or after the passing of this Act) shall for the purposes of the Teachers' Superannuation Fund be deemed to be employment in the Education service in the case of every person who immediately prior to the date of his appointment as such teacher was a contributor to the Fund, if his appointment and the conditions thereof are approved for the purposes of this section by the Minister of Education. 15 20

(2) The conditions to which the Government of Tonga has agreed as aforesaid are as follows:— 25

- (a) That the Government of Tonga will deduct from the salary paid by it to the contributor the contributions payable by him to the Fund:
- (b) That a further contribution equal to eighty per centum of the contributor's contributions shall be payable by the Government of Tonga: 30
- (c) That the whole of the contributions under paragraphs (a) and (b) hereof shall be transmitted quarterly by the Government of Tonga to New Zealand and shall be credited to the Teachers' Superannuation Fund. 35

Validating expenditure of balance of Esk Valley Flood Relief Fund for relief of persons suffering in recent floods.

18. The expenditure for the relief of persons in Hawke's Bay who had suffered losses as a result of floods of the sum of two hundred and forty-two pounds fourteen shillings and eightpence, being the balance of the moneys held by the Esk Valley Flood Relief Committee, is hereby validated and declared to have been lawfully incurred. 40

19. (1) The payments made during the financial year that ended on the thirty-first day of March, nineteen hundred and forty-four, by the trustees of the Auckland Savings-bank of a sum of one thousand 5 pounds to the Auckland Returned Services Association (Incorporated) for the purpose of assisting the building fund, and of a sum of two hundred and fifty pounds to the Council of the Auckland Sailors' Home to assist in providing for the welfare of seamen, are hereby 10 validated and declared to have been lawfully made.

Validating
payments by
trustees of
Auckland
Savings-bank.

(2) The payment made during the financial year ending on the thirty-first day of March, nineteen hundred and forty-five, by the trustees of the Auckland Savings-bank of a sum of five hundred pounds to the 15 Methodist Central Mission Fund for general purposes is hereby validated and declared to have been lawfully made.

20 20. The payment made during the financial year ending on the thirty-first day of March, nineteen hundred and forty-five, by the trustees of the Invercargill Savings-bank of a sum of two hundred and seventy-five pounds to the Royal New Zealand Society for the Health of Women and Children, Invercargill Branch (Incorporated), for general purposes is hereby 25 validated and declared to have been lawfully made.

Validating
payment by
trustees of
Invercargill
Savings-bank to
Royal New
Zealand Society
for the Health
of Women and
Children.