

*Mr. McCombs.*

LYTTELTON HARBOUR BOARD LOAN ENABLING.

[LOCAL BILL.]

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A BILL INTITULED

AN ACT to enable the Lyttelton Harbour Board to borrow Moneys Title.  
for the Repayment of Loans.

WHEREAS by the Lyttelton Harbour Board Act, 1876, as amended Preamble.  
5 by the Lyttelton Harbour Board Amendment Act, 1878 (hereinafter called the 1876 and 1878 Acts) the Lyttelton Harbour Board (hereinafter called "the Board") was empowered to borrow the sum of two hundred thousand pounds for the purpose of reconstructing harbour-works within the Port of Lyttelton and for dredging and deepening the  
10 harbour : And whereas the said sum was borrowed and has been expended in and for the purpose aforesaid : And whereas, in exercise of the authorities contained in the 1878 Act, the Board borrowed the sum of two hundred thousand pounds and issued debentures to the extent of the amount so borrowed bearing interest at the rate of six pounds per  
15 centum per annum, and secured as therein appearing and by the said Act authorized, which debentures are repayable on the thirtieth day of June, nineteen hundred and twenty-nine : And whereas by the Lyttelton Harbour Board Loan Act, 1897, the Board was empowered to borrow the further sum of sixty thousand pounds for the purpose of further  
20 dredging and deepening the Harbour of Lyttelton : And whereas, in exercise of the authorities contained in the 1878 Act, the Board borrowed the said sum of sixty thousand pounds and issued debentures to the extent of the amount so borrowed bearing interest at the rate of four pounds per centum per annum, which debentures are repayable  
25 on the said thirtieth day of June, nineteen hundred and twenty-nine, and the said sum has been expended in and for the purposes aforesaid : And whereas by the Lyttelton Harbour Board Loan Act, 1920, the

Board was empowered to borrow the further sum of one hundred and fifty thousand pounds for the purpose of constructing harbour-works and deepening the harbour: And whereas the Board borrowed the said sum of one hundred and fifty thousand pounds and issued debentures to the extent of the amount so borrowed, ninety-nine thousand eight hundred pounds bearing interest at the rate of five pounds ten shillings per centum per annum, and fifty thousand two hundred pounds bearing interest at the rate of five pounds fifteen shillings per centum per annum, and secured as therein appearing and by the said Act authorized, which debentures are repayable on the first day of January nineteen hundred and thirty-three: And whereas the said sum of one hundred and fifty thousand pounds has been expended in and for the purposes aforesaid: And whereas by the Lyttelton Harbour Board Loan Act, 1926, the Board was empowered to borrow the further sum of three hundred thousand pounds for the purpose of the works in the Schedule to the said Act mentioned: And whereas the Board has made application to the Local Government Loans Board for leave to borrow the sum of eighty-five thousand nine hundred pounds part of the said last-mentioned loan: And whereas in the case of the before-recited loans of two hundred thousand pounds and sixty thousand pounds respectively the sinking funds established in accordance with the requirements of the Acts authorizing the said loans to which such respective sinking funds respectively pertain amount in the aggregate to the sum of one hundred and eighty-one thousand and twenty-four pounds ten shillings: And whereas the said sinking funds in respect of the said respective last-mentioned loans will not be sufficient to repay the whole of the loans to which they respectively pertain when those loans fall due: And whereas it is expedient that provision should be made to enable the Board to reborrow sufficient moneys so as to enable it to repay such portion of each such loan raised under the authority of the said 1878 and 1897 Acts as the sinking funds established and maintained in respect of each such loan may be insufficient to repay each such loan when it falls due, and to vest in the Board the other powers and authorities herein contained:

BE IT THEREFORE 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 Lyttelton Harbour Board Loan Enabling Act, 1928.

Special Act.

2. This Act shall be deemed to be a special Act within the meaning of the Harbours Act, 1923.

Interpretation.

3. "The Board" means the Lyttelton Harbour Board.

Power to reborrow moneys.

4. The Board may, subject to the provisions of the Harbours Act, 1923, and this Act, reborrow and take up at interest such a sum of money as shall be required, at the time when the principal of the said loans of two hundred thousand pounds and sixty thousand pounds respectively raised under the authority of the said Acts of 1878 and 1897 become payable, to repay so much of each of the loans raised under the authority of each of the said Acts of 1878 and 1897 as is not provided for by the accumulated sinking funds held by the Sinking Fund Commissioners for the payment of each such loan, and it shall not be necessary for the Board to take such preliminary steps or conditions precedent to the reborrowing of the moneys hereby authorized to be reborrowed or any other preliminary step whatsoever.

5. In respect of the loan hereby authorized to be raised the Board shall make provision for the repayment thereof by creating a sinking fund of not less than *one* per centum per annum, to be dealt with as provided in the Harbours Act, 1923.

Sinking fund.

6. No money shall be borrowed under the authority of this Act which shall produce to the lender a higher rate of interest than *five and a half* per centum per annum, nor shall any debenture be sold at a less price than par, anything in the last-mentioned Acts notwithstanding.

Rate of maximum interest.

7. All moneys borrowed under the authority of this Act shall be applied exclusively for the purposes hereinbefore mentioned.

Expenditure of moneys borrowed.

8. The power given to the Board to borrow the said sum shall be exercised in the manner and subject to the conditions prescribed by the Harbours Act, 1923, and the provisions of that Act, save redemption of loans, and the remedies of debenture-holders, and such further and other provisions of that Act for the protection of such debenture-holders as shall be applicable, shall be and be deemed to be incorporated herein.

Conditions of borrowing.

9. (1) The certificate under the seal of the Board that the amount therein mentioned is the principal amount which in terms of this Act the Board is authorized to reborrow in respect of any loan to which this Act applies shall be conclusive evidence to persons lending moneys to the Board and to all other persons that the Board is authorized to reborrow the amount so mentioned.

Protection of lenders.

(2) No person lending moneys to the Board under the authority of this Act shall be bound or concerned to see or inquire as to the application of such moneys, or be responsible for the misapplication thereof.

(3) The securities for any moneys reborrowed by the Board under the authority of this Act in respect of each loan shall be entitled and subject to the same priorities as regards the securities for any other loan or loans to the Board (whether original or by way of reborrowing) as the securities for the original loan with respect to which such moneys whether so reborrowed were entitled and subject to, with the exception that to the extent (if at all) the rate of interest on moneys reborrowed under the authority of this Act with respect to the said loans under the said 1878 and 1897 Acts shall be in excess of the rate of interest authorized by those Acts ; such increased rate of interest, to the extent of the increase thereof, shall not have priority over but shall be subject to any other then-existing loans of the Board raised under any other Act or Acts, or the moneys reborrowed under the authority of this Act with respect to any such other existing loans.

10. The Sinking Fund Commissioners for any special loan heretofore raised under the authority of any special Act heretofore passed, or of the Harbours Act, 1923, including loans raised by way of reborrowing under the authority of this Act, are hereby empowered, by the direction or with the consent of the Board (which direction or consent the Board is hereby empowered to make or give or withhold), to invest any portion of the sinking fund held by them in the purchase of any debenture securing repayment of any part of the loan for which such sinking fund was created ; and any investment made as aforesaid shall be a legal and proper investment, anything in the Trustee Act or any other Act to the contrary notwithstanding.

Purchase by Sinking Fund Commissioners of their own debentures.

Consent of Minister  
of Finance and  
sanction of Local  
Government Loans  
Board not to apply  
to this Act.

11. The Board is hereby empowered to reborrow the said sum without the precedent consent of the Minister of Finance or the obtaining of an Order of the Governor-General in Council to the raising of the said loans, both of which shall be assumed to have been duly obtained ; and the Board may also proceed to raise the said loans without taking any steps to obtain the approval of the Local Government Loans Board in respect of the same, as provided by the Local Government Loans Board Act, 1926, and as if that Act had not been passed. 5

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By Authority : W. A. G. SKINNER, Government Printer, Wellington.—1928.