

*Right Hon. Mr. Forbes.*

NATIONAL EXPENDITURE ADJUSTMENT.

ANALYSIS.

Title.	
1. Short Title.	
2. Division into Parts.	
PART I.	
PUBLIC EXPENDITURE ADJUSTMENT.	
3. "Salary" defined.	
4. Application of this Part.	
5. Exemptions.	
6. Reduction of salaries of Ministers of Crown and members of Parliament.	
7. Reduction of salaries of other persons to whom this Part applies.	
8. Reduced grants to Education Boards and to governing bodies of University colleges, and to local authorities, &c.	
9. Saving of rights of contributors to Superannuation Funds.	
10. Saving of rights of Stipendiary Magistrates to retiring-allowances.	
11. Saving of rights of certain other persons with respect to compensation for loss of office or retiring-allowances.	
12. Statutory scales, &c., of salaries to be subject to this Part.	
13. Regulations.	
14. Application of this Part to Cook Islands and Samoan Public Services.	
15. Questions in dispute to be settled by Minister of Finance.	
PART II.	
REDUCTION OF PENSIONS AND ALLOWANCES PAYABLE OUT OF CONSOLIDATED FUND.	
<i>Old-age Pensions.</i>	
16. Amendment of Pensions Act, 1926, in relation to old-age pensions.	
<i>Widows' Pensions.</i>	
17. Amendment of Pensions Act, 1926, in relation to widows' pensions.	
<i>Miners' Pensions.</i>	
18. Amendment of law relating to miners' pensions.	
19. Amendment of Pensions Act, 1926, in relation to pensions to miners' widows.	
<i>South African War Pensions.</i>	
20. Amendment of Pensions Act, 1926, in relation to South African War pensions.	
<i>General Amendments of Pension Act, 1926.</i>	
21. Definition of "income" amended for purposes of Pensions Act, 1926.	
22. Restriction of right to receive two or more pensions.	
<i>National Provident Fund.</i>	
23. Consequential amendments of National Provident Fund Act, 1926. Repeals.	

*War Pensions.*

24. Reducing rate of certain war pensions.

*Family Allowances.*

25. Section 3 of Family Allowances Act, 1926, amended. Consequential repeal.

## PART III.

## REDUCTION OF INTEREST AND RENTS.

26. Purpose of this Part.  
 27. This Part to bind the Crown.  
 28. Interpretation.  
 29. Reduction of rates of interest and of rents.  
 30. Standard rate of reduction of interest and rent.  
 31. Basis on which prescribed reduction to be calculated.  
 32. Penal rates and net rates of interest and rent reduced in accordance with this Part.  
 33. Reduced rates of interest and rent to come into force on 1st April, 1932.  
 34. Special provisions where rate of interest not specified in contract.  
 35. Limitations of foregoing provisions in respect of interest.  
 36. Limitation of foregoing provisions in respect of rent.  
 37. Right of appeal.  
 38. Powers of Court under Mortgage Relief Acts not affected by this Part.  
 39. Regulations.

## PART IV.

## STAMP DUTY ON RECEIPTS OF INTEREST FROM GOVERNMENT AND LOCAL BODIES SECURITIES AND FROM DEBENTURES ISSUED BY COMPANIES OR OTHER CORPORATIONS.

40. This Part to be read with Stamp Duties Act, 1923.

41. Application of this Part.

42. Stamp duty in respect of interest derived from securities to which this Part applies.

43. Local authorities and companies to receive net duty on interest from their securities after deduction of administrative expenses.

44. Duration of this Part.

45. Regulations.

## PART V.

## RATES OF INTEREST ON DEPOSITS PAYABLE BY SAVINGS-BANKS AND BUILDING OR INVESTMENT SOCIETIES.

46. Governor-General may fix maximum rates of interest payable on deposits with savings-banks.  
 47. As to rates of interest payable by building or investment societies.  
 48. Section 44 of Building Societies Act, 1908, amended.

## PART VI.

## TRADING COMPANIES DEPOSITS.

49. Interpretation.  
 50. Governor-General may fix maximum rates of interest payable by trading companies on deposits held by them.  
 51. Trading companies accepting deposits to prepare quarterly statements thereof. First statement.  
 52. Form and verification of statements.  
 53. Copy of statement to be supplied to Minister of Finance.  
 54. Offences and legal proceedings.  
 55. Restricted application of this Part.

## A BILL INTITULED

AN ACT to make Provision, firstly, for the Further Title.  
Adjustment of Public Expenditure by the Reduc-  
tion of Rates of Salaries, Wages, Pensions and  
5 Allowances; secondly, for the Making of Commensurate Reductions in Rates of Interest and Rents; thirdly, for the Imposition of a Special Stamp Duty on Receipts of Income derived from Securities issued by the Government of New Zealand or by Local or  
10 Public Authorities or by Companies or other Corporations; fourthly, for determining the Rates of Interest that may be paid on Deposits by any Savings-bank or Building Society; and lastly, for determining the Conditions on which Trading  
15 Companies may accept Moneys on Deposit.

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

1. This Act may be cited as the National Expenditure Short Title.  
Adjustment Act, 1932.

2. This Act is divided into Parts, as follows:—

PART I.—Public Expenditure Adjustment.

PART II.—Reduction of Pensions and Allowances payable out of Consolidated Fund.

25 PART III.—Reduction of Interest and Rents.

PART IV.—Stamp Duty on Receipts of Interest from Government and Local Bodies Securities and from Debentures issued by Companies or other Corporations.

30 PART V.—Rates of Interest on Deposits payable by Savings-banks and Building or Investment Societies.

PART VI.—Trading Companies Deposits.

## PART I.

35 PUBLIC EXPENDITURE ADJUSTMENT.

3. (1) Save as provided by the *next succeeding* sub- "Salary"  
section, the term "salary" means, for the purposes of defined.  
this Part of this Act, the salary, wages, allowances, fees, commission, and every other emolument, whether in one  
40 sum or several sums, received by any person to whom this Part of this Act applies.

Application of  
this Part.

- (2) The term "salary" does not include—
- (a) Travelling-expenses, or any allowance in respect of board or lodging, or the use of quarters, or any fee, commission, or other emolument which the Minister of Finance declares not to be salary; or 5
  - (b) Any superannuation or other retiring-allowance.
4. (1) Save as provided in the *next succeeding* section, this Part of this Act shall apply to—
- (a) All Ministers of the Crown: 10
  - (b) The Speaker and Chairman of Committees of the Legislative Council, and the Speaker and Chairman of Committees of the House of Representatives: 10
  - (c) Members of the General Assembly: 15
  - (d) The Clerk and Clerk-Assistant of the Legislative Council, and the Clerk and Clerk-Assistant of the House of Representatives: 15
  - (e) The High Commissioner for New Zealand: 20
  - (f) The Controller and Auditor-General: 20
  - (g) The Public Service Commissioner and the Assistant Commissioners, or any Acting Assistant Commissioner: 20
  - (h) All persons employed in the Public Service within the meaning of Part I of the Public Service Superannuation Act, 1927 (whether permanently so employed or not): 25
  - (i) All persons employed in the Education Service within the meaning of Part IV of the Public Service Superannuation Act, 1927 (whether permanently so employed or not): 30
  - (j) Members of the Government Railways Board and all employees of the Government Railways Department: 30
  - (k) Any other person in receipt of remuneration from public moneys within the meaning of the Public Revenues Act, 1926, or who is or may be remunerated from grants made from public moneys, to whom this Act may be applied by the Minister of Finance, not being a person exempted from the operation of this Part of this Act by the *next succeeding* section. 40
- (2) If the Minister of Finance is satisfied that the terms of any agreement or arrangement hereafter entered into between the Government Railways Board and any society or association of employees of the Second Division

of the Government Railways Department would effect a reduction of expenditure in respect of the salaries of those employees not less than the reduction that would be effected therein by this Part of this Act, he may, by  
 5 order in writing, exclude the members of such society or association from the operation of the said Part. Any such order may at any time be revoked or cancelled, and thereupon the members of the society or association shall again become subject to this Part of this Act,  
 10 save that in any such case, in computing the reduction to be made from the rate of remuneration of any such member, all reductions effected pursuant to the terms of any agreement or arrangement as aforesaid shall be taken into account.

15 5. (1) Nothing in this Part of this Act shall apply to— Exemptions.

(a) The Governor-General :

(b) Any person employed by the Government or by any other authority for a specific limited term  
 20 of office pursuant to a contract made out of New Zealand.

(2) The exemption prescribed by paragraph (b) of the last preceding subsection shall not apply with respect to officers or seamen of the King's Naval Forces transferred  
 25 to the New Zealand Naval Forces pursuant to section twenty of the Naval Defence Act, 1913 :

Provided that no reduction made in the rate of pay of any person to whom this subsection relates shall be proportionately greater than the reduction of pay that he  
 30 would have suffered if he had remained attached to the King's Naval Forces.

6. The rates of salaries and honoraria payable to Ministers of the Crown and to members of Parliament prescribed by the Civil List Act, 1920, as reduced by  
 35 section four of the Public Expenditure Adjustment Act, 1921-22, and by section five of the Finance Act, 1931, shall, as from the first day of April, nineteen hundred and thirty-two, be further reduced in manner following :—

40 (a) In the case of Ministers of the Crown, by an amount equal to *fifteen* per centum of the rates theretofore payable :

(b) In the case of the Speaker of the House of Representatives, by an amount equal to *twelve and one-half* per centum of the rate theretofore payable :

45

Reduction of salaries of Ministers of Crown and members of Parliament.

(c) In the case of the Speaker of the Legislative Council, the Chairman of Committees of the Legislative Council, and the Chairman of Committees of the House of Representatives, by an amount equal to *ten* per centum of the rates theretofore payable: 5

(d) In the case of all other members of Parliament, by an amount equal to *ten* per centum of the rates theretofore payable.

Reduction of salaries of other persons to whom this Part applies.

7. (1) The rates of salary of all other persons to whom this Part of this Act applies (whether such rates are computed on an annual, monthly, weekly, daily, hourly, or other basis) shall, as from the first day of April, nineteen hundred and thirty-two, be reduced in manner following, that is to say:— 10 15

(a) Where the rate of salary as at the thirty-first day of March, nineteen hundred and thirty-two, did not exceed two hundred and twenty-five pounds per annum, or its equivalent, the rate of reduction shall be *five* per centum thereof: 20

(b) Where the rate of salary as at the said thirty-first day of March, nineteen hundred and thirty-two, exceeded two hundred and twenty-five pounds per annum, or its equivalent, but did not exceed seven hundred and twenty pounds per annum, or its equivalent, the rate of reduction shall be *ten* per centum thereof: 25

(c) Where the rate of salary as at the said thirty-first day of March, nineteen hundred and thirty-two, exceeded seven hundred and twenty pounds per annum, or its equivalent, the rate of reduction shall be *twelve and one-half* per centum thereof: 30 40

Provided that the reductions effected pursuant to the foregoing provisions of this section shall not so operate as to reduce the rate of salary of any person below the reduced rate of salary of any other person in the same service who on the thirty-first day of March, nineteen hundred and thirty-two, was in receipt of a lower salary than such first-mentioned person. 35 40

(2) Where any person is the holder of two or more offices to which this Part of this Act applies, the rate of reduction shall be the rate appropriate to the aggregate of the salaries received by him as at the thirty-first day of March, nineteen hundred and thirty-two. 45

(3) Where the emoluments received or receivable by any person in respect of an office to which this Part of this Act applies are, in the opinion of the Minister of Finance, not calculable at an annual rate, the rate of reduction of such emoluments by the operation of this Part of this Act shall be *ten per centum* thereof.

(4) Where any salary is computed otherwise than on an annual basis, the annual equivalent of such salary shall be computed in accordance with regulations made under this Part of this Act.

(5) Where in any case rates of payment for overtime are fixed by reference to the rates of payment for time other than overtime, the last-mentioned rates shall, as from the first day of April, nineteen hundred and thirty-two, be deemed to be the rates as reduced in accordance with this Part of this Act.

8. (1) Where pursuant to any Act or other authority grants are made from the Consolidated Fund or other public moneys to any Education Board, or to the governing body of any secondary school or of any University college or other institution, and such grants are available for the payment of salaries by such Education Board or governing body, then, notwithstanding anything to the contrary in any Act or other such authority, the amount of such grants shall be reduced by an amount equivalent to the reduction to be effected pursuant to this Part of this Act in the amount of the salaries payable by such Board or governing authority. Where any such grant is only partly available for payment of salaries directly or indirectly, the Minister of Finance shall determine the portion of such grant that shall be deemed for the purposes of this section to be available for payment of salaries, and the amount of such portion shall be reduced accordingly.

Reduced grants to Education Boards and to governing bodies of University colleges, and to local authorities, &c.

(2) The rates of all grants or subsidies payable out of the Consolidated Fund or other public moneys to any local authority pursuant to section seventy-two of the Municipal Corporations Act, 1920, or to Hospital Boards under the Hospitals and Charitable Institutions Act,

1926, or to Fire Boards under the Fire Brigades Act, 1926, or to the Rotorua Borough Council pursuant to section six of the Rotorua Borough Act, 1922, as those rates were severally reduced by subsection two of section seven of the Finance Act, 1931, shall, as from the first day of April, nineteen hundred and thirty-two, be further reduced by *ten* per centum of the rates theretofore in force. 5

Saving of  
rights of  
contributors to  
Superannuation  
Funds.

9. (1) Every person whose rate of salary is reduced by this Part of this Act and who is a contributor to the Public Service Superannuation Fund, or the Teachers' Superannuation Fund, or the Government Railways Superannuation Fund, may, by notice in writing to the Secretary of the Board charged with the administration of that Superannuation Fund, given on or before the thirtieth day of September, nineteen hundred and thirty-two, elect to continue to contribute to the fund as if his salary had not been so reduced; and every person so electing and contributing shall be entitled on retirement to a retiring-allowance (if any) of the same amount as that to which he would have been entitled if his salary had not been reduced by this Part of this Act: 10 15 20

Provided that in the case of any such person who at the thirty-first day of March, nineteen hundred and thirty-two, is, pursuant to an election made by him under section eight of the Finance Act, 1931, contributing to any such fund on the basis of a higher rate of salary than that actually being received by him on that date, such person may elect, pursuant to this section, to continue to contribute to such fund on the basis of such higher rate, or to contribute on the basis of his salary as at the thirty-first day of March, nineteen hundred and thirty-two, and on retirement his retiring-allowance (if any) shall be calculated accordingly. 25 30

(2) Where a contributor does not make an election pursuant to this section, the amount of contributions deducted (whether before or after the passing of this Act) from his salary in respect of the difference between the rate of his salary as reduced by this Act and any higher rate of salary to which he may have been theretofore entitled, or on the basis of which he had theretofore been contributing to any of the aforesaid superannuation funds, shall be held by the Superannuation Board for 35 40



the credit of the contributor, and shall be payable to him on his retirement in addition to his retiring-allowance (if any).

10 **10.** (1) Every Stipendiary Magistrate to whom Part III of the Public Service Superannuation Act, 1927, applies, and whose salary is reduced by this Part of this Act, may by notice in writing to the Minister of Finance, given on or before the thirtieth day of September, nineteen hundred and thirty-two, make an election as follows:—

Saving of rights of Stipendiary Magistrates to retiring-allowances.

15 (a) In the case of a Stipendiary Magistrate who made an election under section nine of the Finance Act, 1931, he may make an election under this section to have deductions made on the basis of his salary as at the thirty-first day of March, nineteen hundred and thirty-one, or on the basis of his salary as at the thirty-first day of March, nineteen hundred and thirty-two:

20 (b) In the case of any other Stipendiary Magistrate, he may make an election under this section to have deductions made on the basis of his salary as at the thirty-first day of March, nineteen hundred and thirty-two.

25 (2) Every Stipendiary Magistrate who makes an election under this section shall be entitled on retirement to a retiring-allowance (if any) computed on the basis of his salary as at the thirty-first day of March, nineteen hundred and thirty-one, or at the thirty-first day of March, nineteen hundred and thirty-two, as the case may be.

30 **11.** Every person (not being a person to whom either of the *two last preceding* sections relates) whose rate of remuneration is reduced by this Part of this Act and who is entitled on retirement to compensation for loss of office or to a retiring-allowance computed with reference to the rate of his remuneration shall, on retirement after the passing of this Act, be entitled to the same compensation or to the same rate of retiring-allowance as if this Act had not been passed.

Saving of rights of certain other persons with respect to compensation for loss of office or retiring-allowances.

40 **12.** (1) The provisions of this Part of this Act as to rates of honoraria or salary shall apply notwithstanding anything in any Act or in any regulations or scale of salaries to the contrary; and the rates of honoraria and salaries as fixed pursuant to this Part of this Act shall continue in force until lawfully altered.

Statutory scales, &c., of salaries to be subject to this Part.

(2) All rates of salaries and wages which by any Act or by any scheme of classification are appropriate to any position or office shall be deemed to be reduced by the amount of any reduction effected by this Part of this Act in the rate of remuneration of any person holding such position or office, or, in the case of positions and offices vacant on the first day of April, nineteen hundred and thirty-two, that would have been effected if any person had been holding such position or office on that date. Notwithstanding anything to the contrary in any Act or other authority no person shall be entitled pursuant to any such scheme of classification to receive any increment which, if this section had not been passed, he would have been entitled to receive at any time during the year commencing on the first day of April, nineteen hundred and thirty-two.

Regulations.

**13.** (1) The Governor-General may from time to time make all such regulations as may be deemed necessary for the purpose of carrying this Part of this Act into effect. In particular, but without limiting the authority conferred by this section, any such regulations may provide for the adjustment of anomalies or for the relief of cases of hardship, or may fix the actual amount by which any rates of salaries shall be reduced where a reduction to the extent prescribed by this Part of this Act would result in any fraction of a penny being payable.

(2) Such regulations shall be sufficient authority for the payment of any moneys certified in manner prescribed by those regulations to be payable in accordance therewith.

Application of this Part to Cook Islands and Samoan Public Services.

**14.** (1) The Governor-General may from time to time, by Order in Council, apply this Part of this Act to all persons employed in the Cook Islands Public Service and to all persons employed in the Samoan Public Service, whether permanently so employed or not, or to such persons or classes of persons so employed as are specified in such order, or to all persons so employed other than persons or classes of persons specified in such order.

(2) Every such Order in Council shall have effect according to its tenor from a date specified therein, being not earlier than the first day of April, nineteen hundred and thirty-two, and may from time to time be amended or may at any time be revoked.

Questions in dispute to be settled by Minister of Finance.

**15.** If any question arises as to the application of this Part of this Act to any office or position, or as to the reduction pursuant to this Part of this Act of the expenditure of any public moneys, it shall be determined by the Minister of Finance.

## PART II.

REDUCTION OF PENSIONS AND ALLOWANCES PAYABLE  
OUT OF CONSOLIDATED FUND.*Old-age Pensions.*

- 5     **16.** The Pensions Act, 1926, is hereby amended in respect of old-age pensions, as follows:—
- Amendment of Pensions Act, 1926, in relation to old-age pensions.
- (a) By omitting from subsection one of section nine the words “forty-five pounds ten shillings” and substituting the words “forty pounds nineteen shillings”:
- 10     (b) By omitting from paragraph (a) of the same subsection the words “fifty-two pounds” and substituting the words “thirty-nine pounds”:
- (c) By omitting from the proviso to paragraph (b) of subsection one of section thirteen the words
- 15     “one hundred and forty-three pounds” and substituting the words “one hundred and twenty-one pounds”:
- (d) By repealing section sixteen, as set out in section
- 20     thirty-seven of the Finance Act, 1930 (No. 2).

*Widows' Pensions.*

17. The Pensions Act, 1926, is hereby amended in respect of widows' pensions, as follows:—
- Amendment of Pensions Act, 1926, in relation to widows' pensions.
- 25     (a) By omitting from subsection one of section twenty-one the word “ten” wherever it occurs and in each case substituting the word “nine”; and by omitting from the same subsection the words “four pounds” and substituting the words “three pounds twelve
- 30     shillings”:
- (b) By omitting from subsection two of section twenty-one the words “two pounds” and substituting the words “one pound fourteen
- 35     shillings”; by omitting from the same subsection the word “ten” after the words “together with”, and substituting the word “nine”; and also by omitting from the same subsection the words “five pounds ten shillings” and substituting the words “four pounds seven-
- 40     teen shillings”.

*Miners' Pensions.*

Amendment of law relating to miners' pensions.

18. (1) Subsection four of section thirty-six of the Finance Act, 1929 (relating to miners' pensions), is hereby amended as follows:—

(a) By omitting from paragraph (a) the words "twenty-five shillings" and substituting the words "twenty-two shillings and sixpence": 5

(b) By omitting from paragraph (b) the words "twenty-five shillings" and substituting the words "twenty-two shillings and sixpence"; and by omitting from the same paragraph the words "ten shillings" wherever they occur, and in each case substituting the words "nine shillings": 10

(c) By omitting from paragraph (c) the words "twenty-five shillings" and substituting the words "twenty-two shillings and sixpence"; and by omitting from the same paragraph the words "ten shillings" and substituting the words "nine shillings". 15 20

(2) Subsection five of the said section thirty-six is hereby amended by omitting the words "four pounds five shillings" and substituting the words "three pounds sixteen shillings and sixpence".

Amendment of Pensions Act, 1926, in relation to pensions to miners' widows.

19. (1) The Pensions Act, 1926, is hereby amended in respect of pensions to miners' widows by omitting from subsection one of section thirty-five the words "during widowhood" and substituting the words "for the period of two years immediately following her husband's death"; and also by omitting from the same subsection the words "seventeen shillings and sixpence" and substituting the words "fifteen shillings and ninepence". 25 30

(2) Notwithstanding anything contained in the said section thirty-five, as amended by the *last preceding* subsection, every pension granted thereunder more than eighteen months before the passing of this Act shall, unless sooner determined, continue to be payable until the expiration of six months from the date of the passing of this Act, but the rate of such pension shall be reduced in accordance with this section. 35 40

*South African War Pensions.*

Amendment of Pensions Act, 1926, in relation to South African War pensions.

20. The Pensions Act, 1926, is hereby amended in respect of South African War pensions by omitting from subsection one of section forty-five the words "ninety-seven pounds ten shillings" and substituting the words "seventy-nine pounds nineteen shillings". 45

*General Amendments of Pensions Act, 1926.*

21. Section two of the Pensions Act, 1926, is hereby amended by omitting from paragraph (b) of the definition of the term "income" the words "sick-allowance or"; and by repealing paragraphs (g) and (h) of the same definition.

Definition of "income" amended for purposes of Pensions Act, 1926.

22. (1) No person in receipt of a pension under the Pensions Act, 1926, other than an old-age pension, shall, after the passing of this Act, be eligible to be granted or to continue to receive a pension under the War Pensions Act, 1915:

Restriction of right to receive two or more pensions.

Provided that any person who at the passing of this Act is in receipt of a pension under the War Pensions Act, 1915, and any other pension as aforesaid may continue to receive the larger of such pensions and shall relinquish the other.

(2) Section eighty-four of the Pensions Act, 1926, is hereby amended by repealing the provisos thereto.

*National Provident Fund.*

23. (1) Section thirty-six of the National Provident Fund Act, 1926, is hereby amended by repealing the proviso thereto.

Consequential amendments of National Provident Fund Act, 1926.

(2) Section sixty-seven of the National Provident Fund Act, 1926, and subsection eleven of section twenty-six of the Finance Act, 1927 (No. 2), are hereby repealed.

Repeals.

*War Pensions.*

24. (1) The rate of every pension (other than an economic pension) payable under the War Pensions Act, 1915, or any Act amending the same, to any dependant within the meaning of that Act (not being the widow or a child or the widowed mother of a deceased member of the Forces), or to the guardian of any child of a deceased member of the Forces, shall, as from the first day of April, nineteen hundred and thirty-two, be reduced by an amount equal to *seventeen and one-half* per centum of the rate at which such pension was payable on the thirty-first day of March, nineteen hundred and thirty-two.

Reducing rate of certain war pensions.

(2) The War Pensions Amendment Act, 1923, is hereby amended in respect of economic pensions to disabled soldiers and their dependants as follows:—

(a) By omitting from subsection one of section three the words "thirty shillings" and substituting the words "twenty-one shillings":

(b) By omitting from paragraph (a) and from paragraph (b) of subsection one of section five the words "ten shillings", and in each case sub-

- stituting the words "eight shillings"; and by omitting from paragraph (b) of the same subsection the words "two shillings and sixpence" and substituting the words "two shillings":
- (c) By omitting from subsection two of section five the words "fifteen shillings" and substituting the words "twelve shillings": 5
- (d) By omitting from paragraph (a) of section six the words "twenty shillings" and substituting the words "sixteen shillings"; and by omitting from the same paragraph the words "two pounds ten shillings" and substituting the words "two pounds six shillings": 10
- (e) By omitting from paragraph (b) of section six the words "twenty shillings" and substituting the words "sixteen shillings; and by omitting from the same paragraph the words "thirty-five shillings" and substituting the words "thirty-one shillings". 15

*Family Allowances.*

Section 3 of  
Family  
Allowances Act,  
1926, amended.

25. (1) Section three of the Family Allowances Act, 1926, as amended by section seventeen of the Finance Act, 1931 (No. 2), is hereby further amended by omitting the words "three pounds twelve shillings" and substituting the words "three pounds five shillings". 25

Consequential  
repeal.

(2) Section seventeen of the Finance Act, 1931 (No. 2), is hereby consequentially repealed.

PART III.

REDUCTION OF INTEREST AND RENTS.

Purpose of  
this Part.

26. The purpose of this Part of this Act is to effect reductions in rates of interest payable by mortgagors and in rents, commensurate with the reductions in salaries and wages made by or pursuant to Parts I and II of the Finance Act, 1931, and by Part I of this Act. 30

This Part to  
bind the Crown.

27. This Part of this Act shall bind the Crown. 35

Interpretation.

28. (1) In this Part of this Act "mortgage" means any deed, memorandum of mortgage, instrument, or agreement whereby security for the payment of moneys or for the performance of any contract is granted over land or chattels or any interest therein respectively; and includes any instrument of security granted over or in respect of any policy for securing a life insurance, endowment, or annuity; and also includes any agreement for the sale or purchase of land, or any customary 40

hire-purchase agreement within the meaning of section fifty-seven of the Chattels Transfer Act, 1924.

(2) For the purposes of this Part of this Act an agreement for the sale and purchase of land shall be deemed to be a mortgage of such land, and a customary hire-purchase agreement in respect of any chattel shall be deemed to be a mortgage of such chattel, in each such case to secure payment of the unpaid purchase-money and interest thereon and the fulfilment of the conditions set forth in the agreement.

(3) The Governor-General may at any time, by Order in Council published in the *Gazette*, exclude from the operation of this Part of this Act any specified class or specified classes of mortgages.

29. Subject to the provisions of this Part of this Act, rates of interest payable under mortgages of property situated in New Zealand and rents payable in respect of land or of any interest in land so situated, payable under contracts in force at the passing of this Act, shall be reduced as provided in this Part of this Act, and the rates as so reduced shall not be increased, except by leave of a competent Court, at any time before the first day of April, nineteen hundred and *thirty-five*.

Reduction of rates of interest and of rents.

30. The standard reduction of rates of interest and of rent shall be *twenty* per centum thereof, calculated as hereinafter provided.

Standard rate of reduction of interest and rent.

31. Where the interest or rent reducible in accordance with this Part of this Act is payable in terms of a contract in force on the first day of January, nineteen hundred and *thirty* (whether or not such contract is in writing and whether or not it has been varied by the parties thereto since that date), the reduction prescribed by the *last preceding* section shall be a reduction of the rate in force at that date, and in all other cases shall be a reduction of the rate prescribed by the contract under which it is payable, or, if such contract has been varied by the parties thereto since its commencement, shall be a reduction of the rate originally prescribed thereby.

Basis on which prescribed reduction to be calculated.

32. Where by any contract provision is made for the payment of a penal rate of interest or of rent, or for a reduced rate of interest or rent in consideration of prompt payment or for other consideration, both such penal rate and such net rate shall be reducible and reduced in accordance with the foregoing provisions of this Part of this Act.

Penal rates and net rates of interest and rent reduced in accordance with this Part.

33. (1) All interest and rent to which this Part of this Act applies accruing due on or at any time after the first day of April, nineteen hundred and *thirty-two*, and before the first day of April, nineteen hundred and *thirty-*

Reduced rates of interest and rent to come into force on 1st April, 1932.

*five*, shall be payable at the reduced rates determined in accordance with the foregoing provisions of this Part of this Act.

(2) Where before or after the passing of this Act any interest or rent in respect of a period commencing after the thirty-first day of March, nineteen hundred and thirty-two, is paid at a rate in excess of the reduced rate fixed in accordance with this Part of this Act the amount so paid in excess shall, at his option, be credited to the person paying the same in respect of interest or rent thereafter becoming due, or may be recovered by him in any Court of competent jurisdiction.

Special provisions where rate of interest not specified in contract.

**34.** In the case of a customary hire-purchase agreement or in any other case where the rate of interest payable in terms of any contract is not specified therein, the parties to the contract shall determine, for the purposes of this Part of this Act, what part of the moneys payable in terms of the contract shall be deemed to be principal moneys and what part thereof shall be deemed to be interest, and, in default of agreement by the parties as to the said matters, any Stipendiary Magistrate, on application made by any party to the contract, shall determine what shall be deemed, for the purposes of this Part of this Act, to be the rate of interest payable under the contract.

Limitations of foregoing provisions in respect of interest.

**35.** (1) Notwithstanding anything in the foregoing provisions of this Part of this Act, the net rate of interest payable under any mortgage of chattels shall not be reduced by the operation of this Part of this Act below the rate of *six and one-half* per centum per annum, and the net rate of interest payable under any other mortgage shall not be so reduced below the rate of *five* per centum per annum.

(2) Where a mortgage comprises both chattels and land or other property, an apportionment of the moneys secured thereby shall, if necessary for the purposes of this section, be made by agreement between the parties thereto, and in default of agreement may be made by a Stipendiary Magistrate on application in that behalf by any of the parties thereto.

Limitation of foregoing provisions in respect of rent.

**36.** Notwithstanding anything in the foregoing provisions of this Part of this Act, the rent payable in respect of any premises shall not in any case be reduced so that the net annual rent, after the deduction of any rebate to which the tenant may be entitled, and of any rates, or insurance, or the cost of maintenance and repairs, paid or payable in respect of the premises by the person entitled to receive the rent, shall be less than *five* per



centum of the capital value, in the case of land used mainly or substantially for farming purposes, or less than *seven* per centum of the capital value in any other case. For the purposes of this section the capital value  
 5 of any premises shall, in case of dispute, be fixed by the Supreme Court, where the gross rent exceeds two hundred and ten pounds per annum, and by a Stipendiary Magistrate in any other case.

37. (1) If any mortgagee or landlord, or other person  
 10 entitled under any contract to receive any interest or rent, is aggrieved by the operation of this Part of this Act, he may appeal to any Court of competent jurisdiction for relief, on any of the following grounds:—

Right of appeal.

15 (a) On the ground that the rate of interest or of rent payable under the contract is fair, taking into consideration the nature of the security or the premises, as the case may be:

20 (b) On the ground that adequate concessions have already been granted to the mortgagor or tenant, either voluntarily or under the provisions of the Mortgagors Relief Act, 1931:

25 (c) On the ground that the reduction of the rates of interest or of rent in accordance with this Part of this Act would be a cause of undue hardship to the person entitled to receive such interest or rent, as the case may be.

(2) On the hearing of any appeal under this section the Court may make such order as in the circumstances it thinks just and equitable, taking into consideration the  
 30 economic position of New Zealand as well as the conditions of the parties.

(3) In any case where the total annual amount payable under the contract as interest or as rent exceeds two hundred and ten pounds, the right of appeal under  
 35 this section shall be to the Supreme Court, and in all other cases shall be to a Stipendiary Magistrate.

38. Nothing in the foregoing provisions of this Part of this Act shall be construed to limit the powers to grant relief to mortgagors and tenants conferred on the Supreme  
 40 Court or on any Magistrate by the Mortgagors Relief Act, 1931.

Powers of Court under Mortgagors Relief Acts not affected by this Part.

39. The Governor-General may from time to time, by  
 Order in Council, make all such regulations as may be deemed necessary for the purpose of giving full effect to the provisions of this Part of this Act.

Regulations.

## PART IV.

STAMP DUTY ON RECEIPTS OF INTEREST FROM GOVERNMENT AND LOCAL BODIES SECURITIES AND FROM DEBENTURES ISSUED BY COMPANIES OR OTHER CORPORATIONS.

5

This Part to be read with Stamp Duties, Act, 1923. Application of this Part.

40. This Part of this Act shall be read together with and deemed part of the Stamp Duties Act, 1923.

41. (1) Except as provided in the *next succeeding* subsection, this Part of this Act shall apply with respect to the following classes of securities, namely :— 10

(a) Debentures or other securities heretofore issued by the Government of New Zealand (including inscribed stock) :

(b) Debentures or other securities heretofore issued by the State Advances Superintendent or by the Rural Intermediate Credit Board : 15

(c) Debentures or other securities heretofore issued by any local authority in New Zealand :

(d) Debentures or debenture stock heretofore issued by any company carrying on business in New Zealand or by any incorporated society or other body corporate. 20

(2) Nothing in this Part of this Act shall apply to the following classes of securities, namely :—

(a) Treasury bills : 25

(b) Post Office Investment Certificates :

(c) Debentures or other securities issued in respect of investments of moneys belonging to any superannuation fund or the National Provident Fund :

(d) Securities held by the Treasury : 30

(e) Any other securities of a class or classes that may be exempted from the operation of this Part of this Act by the Governor-General by Order in Council.

(3) For the purposes of this Part of this Act the term "local authority" includes all local authorities and public bodies which for the time being are local authorities 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. 40

- Stamp duty in respect of interest derived from securities to which this Part applies.
42. (1) Every interest coupon or interest warrant issued in respect of any security to which this Part of this Act applies and presented for payment in New Zealand after the nineteenth day of April, nineteen hundred and thirty-two, or the date of the passing of this Act (whichever is the later) shall be chargeable with stamp duty under the Stamp Duties Act, 1923, at the rate of *sixpence* for every *five* shillings or fractional part of *five* shillings included in the amount of such coupon or warrant.
- (2) Where interest on any such security is paid in New Zealand otherwise than on presentation of an interest coupon or interest warrant, stamp duty shall be chargeable at the rate prescribed by the *last preceding* subsection on the amount of such interest. If any interest payable in New Zealand is in fact paid out of New Zealand otherwise than pursuant to an express contractual right to have such interest so paid, stamp duty at the rate prescribed by this section shall be payable on or before collection in New Zealand of the amount so paid out of New Zealand.
- (3) Where interest is paid by any local authority on moneys deposited with such local authority, stamp duty shall be chargeable at the rate prescribed by subsection *one* hereof on the amount of such interest.
- (4) All stamp duty payable in accordance with this section shall, unless the Minister of Stamp Duties otherwise agrees, be denoted by an adhesive stamp or adhesive stamps which shall be affixed and cancelled by the holder of the coupon or warrant at or before presentation of the same for payment, or, in cases where interest is paid otherwise than on presentation of a coupon or warrant, shall be affixed to the receipt for such interest. The duty of twopence prescribed for receipts by section one hundred and seventy-seven of the Stamp Duties Act, 1923, shall not be payable on any coupons, warrants, or receipts on which duty is paid under this Part of this Act.
- (5) Notwithstanding anything in the foregoing provisions of this section, where the ownership of any securities has been transferred within the period of six months ending on the fourteenth day of March, nineteen hundred and thirty-two, the Commissioner of Stamp Duties may, on application, refund the whole or any portion of the

stamp duty paid under this Part of this Act in respect of the interest payable for any period prior to the transfer of such securities, but no such refund shall be made unless the Commissioner is satisfied that the applicant is unable for any reason to recover the amount of the duty from a former owner of the securities. The amount of any refund allowed under this subsection may, by direction of the Minister of Finance, be recovered from the seller of the securities as a debt due by him to the Crown.

Local authorities and companies to receive net duty on interest from their securities after deduction of administrative expenses.

**43.** The net amount received by way of stamp duty under this Part of this Act on account of income from securities other than Government securities (including deposits with local authorities), after the deduction of an amount equal to *five* per centum thereof in respect of administrative expenses, shall, on application by the local authority, company, or other body by which such securities were issued and without further appropriation than this section, be paid to such local authority, company, or other body, as the case may be.

Duration of this Part.

**44.** This Part of this Act shall apply with respect to interest due on or at any time after the twentieth day of April, nineteen hundred and thirty-two, but not later than the thirty-first day of March, nineteen hundred and thirty-five.

Regulations.

**45.** The Governor-General may from time to time, by Order in Council, make all such regulations as may be deemed necessary for the purpose of giving full effect to the provisions of this Part of this Act.

#### PART V.

##### RATES OF INTEREST ON DEPOSITS PAYABLE BY SAVINGS-BANKS AND BUILDING OR INVESTMENT SOCIETIES.

Governor-General may fix maximum rates of interest payable on deposits with savings-banks.

**46.** (1) The Governor-General may from time to time, by Order in Council, fix the maximum rates of interest that may be paid by the trustees of any savings-bank on moneys for the time being deposited with such bank: Provided that no such Order in Council shall apply with respect to any period commencing after the thirty-first day of March, nineteen hundred and thirty-five.

(2) Any such Order may fix different rates with respect to different classes of deposits to be therein defined, or according to the amount of any deposit.

(3) Every such Order shall, according to the tenor thereof, take effect on the date of its publication in the *Gazette* or on such later date as may be specified therein.

5 (4) Any such Order may apply to future deposits only or may apply both to such deposits and to deposits existing at the date of such notice.

(5) Sections twenty-one and twenty-three of the Savings-banks Act, 1908, shall be read subject to the provisions of this section.

10 47. (1) The Governor-General may from time to time, by Order in Council, fix the maximum rates of interest that may be paid—

As to rates of interest payable by building or investment societies.

15 (a) By any building society on moneys for the time being deposited with such society pursuant to section ten of the Building Societies Act, 1908 ; or

20 (b) By any investment society, being any company, society, or association, whether incorporated or not, formed for the purpose of investing borrowed moneys, and not being a trading company within the meaning of Part VI of this Act.

25 (2) Any such Order may fix different rates with respect to different classes of deposits to be therein defined or according to the amount of any deposit.

(3) Every such Order shall, according to the tenor thereof, take effect on the date of its publication in the *Gazette* or on such later date as may be specified therein.

30 (4) Any such Order may apply to future deposits only or may apply both to such deposits and to deposits existing at the date of such notice.

48. Section forty-four of the Building Societies Act, 1908, is hereby amended by adding to subsection one the following paragraph:—

Section 44 of Building Societies Act, 1908, amended.

35 “(d) The rate or the several rates of interest payable on deposits held by the society; and the total amount in respect of which each such rate is payable.”

## PART VI.

## TRADING COMPANIES DEPOSITS.

Interpretation.

49. (1) In this Part of this Act, unless the context otherwise requires,—

“Contract of deposit” means any contract or agreement, written or verbal, express or implied, relating to the receipt of money by a borrower upon the terms that the same shall be repaid either at a fixed date, or by instalments, or at call, and bearing interest until repayment at an agreed rate, except that no contract or agreement shall be a contract of deposit for the purposes of this Part of this Act if—

(a) Such contract or agreement is expressed in a mortgage or other instrument by way of security; or

(b) Such contract or agreement is expressed in debentures issued in a series by an incorporated company; or

(c) The borrower has as part of the contract of deposit or as collateral thereto, made and delivered to the lender any negotiable bill of exchange or promissory note for further evidencing or securing the repayment of such money or any part thereof; or

(d) If the money was received in the course of a mercantile current account:

“Trading-company” means any person, firm, or company engaged in any trade or business other than the acceptance of moneys on deposit and the investment of such moneys.

(2) The Governor-General may from time to time, by Order in Council, exempt from the operation of this Part of this Act any trading company of a class specified in such Order in Council.

50. (1) The Governor-General may from time to time, by Order in Council, fix the maximum rates of interest that may be paid by any trading company on moneys for the time being deposited with it:

Governor-General may fix maximum rates of interest payable by trading companies on deposits held by them.

Provided that no such Order in Council shall apply with respect to any period commencing after the thirty-first day of March, nineteen hundred and thirty-five.

(2) Any such Order may relate to any specified trading company, or to all such companies, and may fix different rates of interest with respect to different classes of deposits to be therein defined, or according to the amount of any deposit.

(3) Every such Order shall, according to the tenor thereof, take effect on the date of its publication in the *Gazette* or on such later date as may be specified therein.

(4) Any such Order may apply to future deposits only or may apply both to such deposits and to deposits existing at the date of the notice.

51. (1) Every trading company borrowing moneys under a contract of deposit shall on the first day of each of the months of January, April, July, and October in each year prepare a statement showing—

Trading companies accepting deposits to prepare quarterly statements thereof.

(a) The total amount of money so borrowed during the three months then last past and the total amount repaid to lenders during that period;

(b) The total amount as at the end of the previous day so borrowed at any time and not then repaid;

(c) The rate or the several rates of interest payable on deposits held by the company; and the total amount in respect of which each such rate is payable; and

(d) The assets and the liabilities of the borrower, other than moneys borrowed as aforesaid, as at the end of the previous day.

(2) The first such statement as aforesaid shall be prepared on the first day of July, nineteen hundred and thirty-two.

First statement.

52. Every such statement shall be in such form as may from time to time be required by the Minister of Finance, and shall be certified by the auditors of the company or by an auditor nominated for the purpose by the Controller and Auditor-General.

Form and verification of statements.

53. Every such statement shall, within twenty-one days after the day on which it is required to be prepared, be transmitted to the Minister of Finance.

Copy of statement to be supplied to Minister of Finance.

54. (1) Every trading company that fails to prepare any such statement and to transmit the same, duly certified, to the Minister of Finance within the

Offences and legal proceedings.

time limited in that behalf, and every person who knowing any such statement to be false in any particular certifies the same, commits an offence, and is liable on summary conviction to a fine of *one hundred* pounds.

(2) Notwithstanding anything to the contrary in the Justices of the Peace Act, 1927, proceedings in respect of any such offence as aforesaid may be taken at any time within two years from the time when the offence is alleged to have been committed. 5

(3) In any proceedings under this section for failure to prepare and transmit any statement the burden of proof that such statement was duly prepared and transmitted shall be on the trading company or person charged with the offence. 10

Restricted  
application of  
this Part.

55. Nothing in this Part of this Act shall apply to— 15

(a) Any bank carrying on business under the Banking Act, 1908; or

(b) The Post Office Savings-bank; or

(c) Any savings-bank within the meaning of the Saving-banks Act, 1908; or 20

(d) Any local authority or public body.