

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,
30th October, 1947.*

Right Hon. Mr. Nash

NEW ZEALAND LOANS AMENDMENT

ANALYSIS

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A BILL INTITULED

AN ACT to amend the New Zealand Loans Act, 1932. Title.

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

No. 56—2

Short Title.
1932, No. 23

1. This Act may be cited as the New Zealand Loans Amendment Act, 1947, and shall be read together with and deemed part of the New Zealand Loans Act, 1932 (hereinafter referred to as the principal Act).

PART I

5

REPAYMENT OF THE PUBLIC DEBT

Commencement
of this Part.

2. This Part of this Act shall be deemed to have come into force on the *first* day of *April*, nineteen hundred and forty-seven.

Interpretation.

3. For the purposes of this Act and of the principal Act, unless the context otherwise requires,—

“ Commission ” means the Public Debt Commission constituted under this Act:

“ Moneys ” includes securities in which any moneys are for the time being invested: 15

“ Public debt ” means all moneys borrowed by or on behalf of the Government of New Zealand and charged upon the public revenues:

“ Defined portion of the public debt ” means the whole of the public debt except— 20

(a) Moneys borrowed on the security of Treasury bills issued under section forty-one of the Public Revenues Act, 1926:

(b) Moneys borrowed in respect of the Electric-supply Account, or the State Advances Account, and moneys transferred to either of those accounts from the National Development Loans Account: 25

(c) Loans funded by agreement with His Majesty's Government in the United Kingdom under the authority of section eight of the Finance Act, 1922. 30

See Reprint
of Statutes,
Vol. VII, p. 23

Ibid., Vol. VI,
p. 1041

Constitution
of Public
Debt
Commission.

4. (1) For the purposes of this Act there shall be a Commission to be called the Public Debt Commission. 35

(2) The Commission shall consist of—

(a) The Minister of Finance: 35

(b) The Speaker of the House of Representatives:

(c) The Paymaster-General:

(d) The Solicitor-General:

(e) The Public Trustee: 40

(f) One other person to be appointed in that behalf by the Governor-General, and to hold office during his pleasure.

5 **5.** (1) The Minister shall be the Chairman of the Commission. Chairman of Commission.

(2) In the absence of the Chairman from any meeting of the Commission the members present shall appoint one of their number to be the Chairman of that meeting.

10 **6.** (1) Three members shall form a quorum at any meeting of the Commission. Meetings.

(2) At all meetings of the Commission, the Chairman shall have a deliberative vote, and, in the case of an equality of votes, shall also have a casting vote.

15 **7.** (1) In the absence of the Minister from any meeting of the Commission any other Minister may attend the meeting in his stead, and while so attending shall be deemed to be a member of the Commission and to be the Chairman thereof. Representation of absent members.

20 (2) In the absence from any meeting of the Commission of any member, being an officer of the Government service, any officer of his Department having authority to act in his place during his absence from office may attend the meeting in his stead, and while
25 so attending shall be deemed to be a member of the Commission.

(3) The fact that any such officer so attends and acts shall be sufficient evidence of his authority to do so.

30 **8.** Subject to the provisions of this Act, the Commission may regulate its procedure in such manner as it thinks fit. Procedure.

9. Within *ninety* days after the end of each financial year the Controller and Auditor-General shall furnish to the Commission a certificate showing:— Audit office to furnish annual certificate.

35 (a) The total amount of the public debt outstanding at the end of that financial year:

(b) The total amount outstanding at the end of that financial year in respect of the defined portion of the public debt:

40 (c) The amount of the public debt repaid or redeemed under paragraph (b) of section *twelve* of this Act within that financial year, and the aggregate amount that has been repaid or redeemed under that paragraph and

See Reprint
of Statutes,
Vol. VI, p. 1043

under the Repayment of the Public Debt Act, 1925, since the first day of April, nineteen hundred and twenty-five.

Loans
Redemption
Account.

10. (1) There is hereby established within the Public Account a separate account to be called the Loans Redemption Account, which shall for all purposes be deemed to be the same account as the Loans Redemption Account established under section one hundred and thirty-five of the Public Revenues Act, 1926. 5

Ibid.,
Vol. VII, p. 63

(2) As at the commencement of this Part of this Act, the Public Debt Repayment Account established under section eleven of the Repayment of the Public Debt Act, 1925, shall be deemed to have been abolished, and all moneys standing to the credit of that account shall be deemed to have been transferred to the Loans Redemption Account. 10 15

Ibid., Vol. VI,
p. 1046

Moneys payable
into Loans
Redemption
Account.

11. There shall be payable into the Loans Redemption Account from time to time the amounts following:— 20

(a) All moneys raised for the purpose of repaying any loan heretofore or hereafter raised and charged upon the public revenues of New Zealand:

(b) The annual contribution from the Consolidated Fund under section *fourteen* of this Act: 25

(c) All other moneys available for the purpose of repaying any loan charged upon the public revenues of New Zealand.

Application
of moneys
standing to
credit of Loans
Redemption
Account.

12. The moneys standing to the credit of the Loans Redemption Account shall from time to time, without further authority than this section, be applied as follows:— 30

(a) In respect of moneys raised for the purpose of repaying any loan, in or towards repayment of that loan, and in payment of all costs, charges, and expenses incurred in connection with the raising of the moneys and the repayment of the loan: 35

(b) In respect of the annual contribution from the Consolidated Fund under section *fourteen* of this Act, in the purchase and redemption, at or before maturity, of such securities charged upon the public revenues of New Zealand and included in the defined portion of the public debt as the Commission from time to time determines: 40 45

(c) In respect of all other moneys, in the repayment of such securities charged upon the public revenues of New Zealand as the Minister from time to time determines.

5 **13.** For the purposes of sections *eleven* and *twelve* of this Act the renewal of a loan shall be treated as the raising of money for repaying that loan: Renewal of loan.

10 Provided that, where one class of securities is issued in exchange for the same or another class of securities but the term and rate of interest remain the same, or where a loan is renewed, whether by endorsement or otherwise, and the only variation is an extension of the term by not more than two years, it shall not be necessary to record the transaction in the Loans Redemption Annual contribution from Consolidated Fund for Loans Redemption Account.
15 Account.

14. There shall in each financial year be paid out of the Consolidated Fund to the credit of the Loans Redemption Account, without further appropriation than this Act, the amounts following:—

20 (a) A sum equal to one-half per centum of the total amount of the defined portion of the public debt outstanding at the end of the preceding financial year:

25 (b) A sum equal to four per centum of the total amount of the defined portion of the public debt repaid or redeemed before the end of the preceding financial year under the Repayment of the Public Debt Act, 1925, and under paragraph (b) of section *twelve* of this Act. See Reprint of Statutes, Vol. VI, p. 1043

30 **15.** (1) There shall be a fund, to be called the Public Debt Redemption Fund, which shall for all purposes be deemed to be the same fund as the Public Debt Redemption Fund established under section eight of the Repayment of the Public Debt Act, 1925. Public Debt Redemption Fund. Ibid., p. 1045

35 (2) The following are declared to be the capital moneys of the Public Debt Redemption Fund:—

40 (a) An amount of three million two hundred and fifty thousand pounds, being the balance now remaining of the stock referred to in section eight of the Finance Act, 1937: 1937, No. 17

(b) The sum of eight million and thirty-seven thousand nine hundred and eighty-seven pounds sixteen shillings and two pence held by the Public Trustee at the commencement of this Act as part of the Public Debt Redemption Fund. 5

Minister may
sell stock.

16. The Minister may from time to time, as he thinks fit, sell the whole or any portion of the stock referred to in paragraph (a) of subsection *two* of the *preceding section* in order to make the proceeds of sale available for the purposes of section *nineteen* of this Act. 10

Administration
of moneys
held by
Public Trustee.

17. The moneys referred to in paragraph (b) of subsection *two* of section *fifteen* of this Act shall continue to be administered by the Public Trustee until they are applied in the manner provided in section *nineteen* of this Act, and shall be invested by him in such securities charged upon the public revenues of New Zealand as the Minister from time to time directs, or, in the absence of any such direction, shall be administered as if they were moneys in the Common Fund of the Public Trust Office. 15 20

Income from
Public Debt
Redemption
Fund to be
paid into
Consolidated
Fund.

18. All moneys derived from the investment of any capital moneys in the Public Debt Redemption Fund shall, without further authority than this section, be paid into the Consolidated Fund. 25

Capital moneys
of Public
Debt
Redemption
Fund may be
used for
repayment of
public debt.

19. The capital moneys of the Public Debt Redemption Fund may, without further appropriation than this Act, be applied in the purchase and redemption, at or before maturity, of such securities charged upon the public revenues of New Zealand as the Commission from time to time determines. 30

Accounts.

20. (1) The Commission shall cause to be kept full and accurate accounts showing the amount of public debt from time to time repaid under paragraph (b) of section *twelve* of this Act, and such other information as it may consider necessary. 35

(2) A statement of accounts shall be made up to the last day of each financial year, and shall, together with a report of the proceedings of the Commission, and the Controller and Auditor-General's certificate, 40

be laid before Parliament not later than the thirty-first day of July following, if Parliament is then in session, and, if not, shall be laid before Parliament within twenty-eight days after the commencement of the next
5 ensuing session.

21. The enactments specified in the Schedule hereto Repeals.
are hereby repealed.

PART II

BRITISH INVESTORS' RIGHTS

- 10 **22.** Whereas, in order to ensure that New Zealand Government securities registered in the United Kingdom under the Colonial Stock Acts, 1877 to 1934, shall be recognized as trustee securities in the United Kingdom, His Majesty's Government in New Zealand has
15 undertaken that legislation which appears to His Majesty's Government in the United Kingdom to alter any of the provisions affecting any such registered securities to the injury of the holders thereof, or to involve a departure from the original contract in regard
20 to the securities, shall not be submitted for the Royal Assent except after agreement with His Majesty's Government in the United Kingdom, and that, if attention is drawn to any such legislation after the passing thereof by the Parliament of New Zealand,
25 His Majesty's Government in New Zealand will take the necessary steps to ensure such amendment as may be requested by His Majesty's Government in the United Kingdom: Be it therefore enacted as follows:—
(1) The said undertaking is hereby confirmed.
30 (2) This section is in substitution for section thirty-two of the principal Act, and that section is hereby
Repeal.
accordingly repealed.
- Confirming undertaking given to ensure recognition as trustee securities of New Zealand Government securities registered in United Kingdom.

Schedule.

SCHEDULE

ENACTMENTS REPEALED

Enactments repealed.	References to Reprint of Statutes.
1925, No. 16— The Repayment of the Public Debt Act, 1925	Vol. VI, p. 1043.
1926, No. 13— The Public Revenues Act, 1926: section 135 ..	Vol. VII, p. 63.
1926, No. 46— The Finance Act, 1926: section 22 (4) ..	Vol. VI, p. 1051.
1927, No. 5— The Finance Act, 1927: section 4	Vol. VI, p. 1052.
1927, No. 74— The Finance Act, 1927 (No. 2): section 21 ..	Vol. VI, p. 1054.
1929, No. 29— The Finance Act, 1929: sections 10 and 11 ..	Vol. VII, p. 507.
1931, No. 5— The Finance Act, 1931 (No. 2): section 3 ..	Vol. VII, pp. 64 and 513.
1937, No. 17— The Finance Act, 1937: sections 7 and 8, and so much of the First Schedule as relates to the Repayment of the Public Debt Act, 1925.	
1941, No. 7— The National Development Loans Act, 1941: section 3 (5).	
1944, No. 7— The Finance Act (No. 2), 1944: section 7.	