

Hon. Major Atkinson.

NEW ZEALAND LOAN.

ANALYSIS.

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A BILL INTITULED

AN ACT to authorise the Borrowing and Raising of Money for Immigration and for Construction of Public Works and other Purposes. Title.

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

1. The Short Title of this Act is "The New Zealand Loan Act, 1887." Short Title.

10 2. It shall be lawful for the Governor in Council to appoint any two or more persons he may think fit to be Agents for the purpose of raising and managing the loan authorised to be raised under this Act, with all such powers as may be necessary to carry into effect the purposes of this Act, and in their appointments to define the relative powers of such Agents. Appointment of Agents.

15 3. Such Agents shall have full power and authority to borrow and raise in Great Britain and elsewhere, by bonds, debentures, scrip, or by the issue of inscribed stock under "The New Zealand Consolidated Stock Act, 1877," or otherwise, such sum or sums not exceeding Loan of £1,000,000 authorized to be raised for certain purposes.

20 may from time to time or at any time direct and determine, for all and any of the purposes expressed in the Schedule hereto, or the payment or repurchase of short-dated debentures issued under this Act, or any other purposes authorised by this Act. Schedule.

Power of Agents to prescribe mode, conditions, and terms of repayment.

4. Such Agents shall have full power and authority to prescribe the mode and conditions of repayment of such loan, and the time of such repayment, and the rate of interest thereon, and the time and place or places when and where such principal and interest shall be made payable.

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Special powers to Agents.

5. In addition to the general powers by this Act conferred upon such Agents, they shall have and may exercise the following special powers as often as occasion may require:—

They may agree that debentures issued by them shall be converted into stock created or issued under "The New Zealand Consolidated Stock Act, 1877," and any Act amending the same, and may either specify the terms of such conversion, or arrange that such terms shall be subsequently agreed upon.

Pending raising loan, short-dated debentures may be issued.

6. Pending the raising of moneys hereinbefore authorised to be raised under this Act, it shall be lawful for the Governor in Council to appoint any two or more persons he may think fit to be Agents, and in their appointments to define the relative powers of such Agents, who shall have full power and authority to borrow and raise, or to obtain as an advance, such sum or sums of money as the Governor in Council may from time to time direct and determine, and to take up the same sum or sums of money from time to time by the sale, hypothecation, or mortgage of debentures (hereinafter referred to as "short-dated debentures") as such Agents may deem expedient.

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Terms on which short-dated debentures may be issued.

7. Every such short-dated debenture shall bear interest after such rate, and be for such sums and in such form and with or without coupons attached, and subject to this Act shall be signed on behalf of the colony, and be transferable and negotiable in such manner as such last-mentioned Agents shall prescribe.

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Times and places of payment of short-dated debentures.

8. The interest and principal of every such short-dated debenture shall be payable at such times and places as such last-mentioned Agents shall prescribe: Provided that the principal moneys secured by any such debenture shall not be made payable at a later period than seven years after the date of issue thereof.

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Short-dated debentures may be accepted in payment for debentures issued for raising loan.

9. The Agents authorised under the third section of this Act to raise any moneys therein mentioned may accept any short-dated debentures issued under the sixth section of this Act in payment for any bonds, debentures, or other securities issued by them for the purpose of raising moneys under the said third section of this Act.

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Re-issue of short-dated debentures.

10. In order to provide for the payment of the principal moneys of any short-dated debenture, and whenever any short-dated debenture shall be received in payment or exchange for any bond, debenture, or other security issued under the third section of this Act, the Governor may order that a like amount of short-dated debentures may be prepared and issued in the place of the short-dated debentures to be or which shall have been paid off or exchanged, and thereupon the Agents for the time being appointed under the sixth section of this Act shall have full power and authority to make out and issue the said amount of short-dated debentures so ordered, and the provisions contained in the sixth, seventh, and eighth sections of this Act shall be applicable thereto.

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11. The amount of all short-dated debentures issued under this Act, together with all debentures or other securities issued under the third section of this Act, outstanding at any one time, shall never exceed the sum of *one million* pounds sterling.

The amount outstanding at one time on ordinary and short-dated debentures not to exceed £1,000,000. Debentures not to be sold at price to give interest at higher rate than 5 per cent.

5 12. No bond, debenture, or other security issued under this Act shall be sold at a price which will yield to the purchaser thereof a higher rate of interest by the year than five pounds for every hundred pounds of the purchase-money given for such bond, debenture, or other security; but such bonds, debentures, or other securities may
10 be hypothecated or mortgaged upon such terms as to interest as the said Agents may deem expedient.

13. Every bond, debenture, scrip, or other security issued under the authority of this Act shall be countersigned by the Controller and Auditor-General, or by an officer of Audit, to be appointed by the
15 Controller and Auditor-General from time to time for that purpose.

How securities to be signed.

14. The sum of money named in any bond, debenture, scrip, or other security issued under the authority of this Act, and all interest thereon, shall be a charge upon and paid out of the Consolidated Fund of New Zealand.

Money borrowed and interest charged on Consolidated Fund.

20 15. Of the whole sum of one million pounds hereby authorised to be raised one-half shall be carried to the credit of the account described as Part I. in the First Schedule to "The Public Works Appropriation Act, 1886," and one-half to the credit of the account described as Part III. in the same Schedule, and shall from time to
25 time be applied to the construction of the works and purposes mentioned in the Schedule to this Act in such amounts and within such periods only as shall be provided by any Act or Acts to be passed by the General Assembly appropriating the said moneys:

Application of money borrowed.

30 Provided that any of the said moneys may be applied to the repayment of any short-dated debentures hereby authorised to be raised in the proportion in which the proceeds of the same have been carried to the credit of either of the above-mentioned accounts.

35 16. All the powers which may be vested in any Agents appointed under this Act may by such Agents be wholly or partly delegated to any two or more other Agents, subject to such conditions as the Agents delegating such powers shall think fit.

Agents authorised to delegate powers.

04 17. The Governor may at any time remove or accept the resignation of any Agent appointed by him under this Act, and in any such case, or if any such Agent shall die, the Governor may appoint another person in his place. Any such appointment may be made by telegraphic message.

Removal of Agents.

18. Nothing in this Act contained shall be held to prejudice, alter, affect, or vary any security or securities heretofore charged on the revenues of New Zealand or any of them.

Previous securities not to be affected.



Schedule.

SCHEDULE.

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In aid of Part I., Public Works Fund:—			
Immigration	70,000	
Roads	225,000	
Purchase of Native lands (North Island)	15,000	
Telegraph extension	40,000	
Harbour defences	130,000	
Costs and charges of the loan, and contingencies	20,000	
		<hr/>	£500,000
In aid of Part III., Public Works Fund:—			
Railways (exclusive of permanent-way, sleepers, and rolling-stock):—			
Helensville, northwards	£25,000	
Putaruru-Rotorua	9,000	
Woodville-Palmerston	98,000	
Blenheim-Awatere	9,000	
Mount Somers	5,000	
Livingston	1,000	
Otago Central	85,000	
Seaward Bush	5,000	
Additions to opened lines	57,000	
Surveys new lines of railway	6,000	
		<hr/>	300,000
Permanent-way, sleepers, and rolling-stock for above railways	125,000	
Engineering and supervision, &c.	45,000	
Costs and charges of the loan and contingencies	30,000	
		<hr/>	500,000
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			£1,000,000