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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,
20th October, 1904.*

Rt. Hon. R. J. Seddon.

NEW ZEALAND LOANS.

ANALYSIS.

1. Title. 2. Short Title. 3. Loans may be raised under this Act. 4. Powers of Colonial Treasurer. 5. Sources from which moneys may be raised. 6. Moneys to be paid into appropriate account as raised. 7. Total amount authorised to include expenses, &c. 8. Loan-agents for raising moneys outside of New Zealand. 9. Powers of loan-agents. 10. Delegation of powers. 11. Removal of loan-agents.	11. Delegation of powers to Agent-General. 12. Notice of such delegation. 13. How debentures, scrip, &c., to be signed. Charge on public revenues. 14. Security for persons lending moneys. 15. Prior securities not affected. 16. Payment or renewal of securities at maturity. 17. Cancellation of discharged securities. 18. Interest on securities sold to redeem outstanding securities. 19. Notice of conversion to be published. 20. Construction of Act. Schedule.
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A BILL INTITULED

AN ACT to declare the Conditions on which Public Loans may be raised in New Zealand. Title.

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 Loans Act, 1904.” Short Title.

2. Where in any Act (hereinafter called “the authorising Act”) authority is given to the Colonial Treasurer to raise any sum or sums of money on the security of and charged upon the public revenues of New Zealand, such moneys may be raised under and subject to the provisions of this Act. Loans may be raised under this Act.

3. Upon being authorised by the Governor in Council so to do, the Colonial Treasurer may from time to time, in New Zealand or elsewhere, by debentures or scrip under this Act, or by stock under “The New Zealand Consolidated Stock Act, 1877” (hereinafter called “the Consolidated Stock Act”), raise such sums of money, not exceeding in the whole the total sum authorised to be raised, as he thinks fit; and for that purpose he may from time to time exercise all or any of the following powers, that is to say,— Powers of Colonial Treasurer.

(a.) He may prescribe the mode and conditions of repayment of the sums so raised, the rates of interest thereon (not exceeding the maximum rate fixed by the authorising Act), and the times and places of the payment of principal and interest respectively.

- (b.) As security for the sums so raised he from time to time may create and issue debentures (with or without coupons) or scrip in such form and with such currency as he thinks fit, or may issue stock created under the Consolidated Stock Act. 5
- (c.) He may agree that debentures or scrip issued by him shall be converted into stock under the Consolidated Stock Act, and may either specify the terms of such conversion at the time when the aforesaid sums are raised or arrange that such terms shall be subsequently agreed upon. 10
- (d.) Such terms may be either a definite agreement to convert or an option to convert.
- (e.) The amount of additional stock to be created for the purposes of the conversion may be specified in the debentures or scrip, and may be created and issued when the conversion is effected, anything in section five of the Consolidated Stock Act to the contrary notwithstanding. 15
- (f.) For the purpose of obtaining temporary advances, pending the final disposal of the aforesaid debentures, scrip, or stock, he may from time to time hypothecate or mortgage them for such sum or sums, and on such terms as to interest or otherwise, as he thinks fit. 20

Sources from which moneys may be raised.

4. Without limiting the sources from which the aforesaid moneys may be raised, they may be raised in whole or in part from any Government fund or account; and this Act shall be sufficient authority to the Colonial Treasurer, or other the respective persons having the control of such funds and accounts, to lend money therefrom accordingly. 25

Moneys to be paid into appropriate account as raised.

5. (1.) All moneys raised under this Act for the purposes of the authorising Act shall, as and when raised, be paid to the credit of the appropriate fund or account (meaning thereby the fund or account specified in the authorising Act, or, if none is there specified, then the fund or account to which the moneys are properly applicable, having regard to the purposes for which they are raised). 30 35

(2.) The costs, charges, and expenses incurred in raising the aforesaid moneys shall, without further appropriation than this Act, be charged to and paid out of the appropriate fund or account.

(3.) Any of the moneys in the appropriate fund or account may, until required for the purposes of the authorising Act, be from time to time as the Colonial Treasurer directs temporarily invested in any Government securities or in any securities wherein for the time being any moneys in the Public Account may lawfully be invested. 40

Total amount authorised to include expenses, &c.

6. For all the purposes of this Act and of the authorising Act, the total sum authorised to be raised shall be deemed to be the sum named in the authorising Act, together with such additional sums as may be necessary in order to actually produce to the Treasury the sum authorised to be raised after providing for all costs, charges, and expenses connected with the raising of the loan or with the redemption or renewal of the securities issued in respect thereof; and securities in excess of the sum authorised to be raised may be created and issued accordingly. 45 50

Loan-agents for raising moneys outside of New Zealand.

7. In the event of it being deemed convenient that any of the moneys authorised to be raised should be raised elsewhere than in New Zealand, the Colonial Treasurer may from time to time, by war- 55

rant under his hand, appoint any two or more persons (of whom the Agent-General for New Zealand shall, where the moneys are to be raised in the United Kingdom, be one) as joint loan-agents for raising the same, and may also in like manner confer upon them all such powers as he deems necessary in order to carry into effect the purposes of this Act and the authorising Act :

Provided that in the United Kingdom the Agent-General and one other loan-agent, acting jointly, shall have all the powers of the joint loan-agents.

- 10 8. In addition to the powers conferred upon the loan-agents by the Colonial Treasurer in the warrant appointing them, or in any subsequent warrant, they shall have all the powers by this Act conferred upon him (including the powers conferred by section *three* hereof). Powers of loan-agents.
- 15 9. All or any of the powers conferred upon the loan-agents by this Act, or by the Colonial Treasurer, may by them be delegated from time to time, in all or in part, to two or more other persons, as delegated loan-agents, in such manner and subject to such conditions as the delegating loan-agents think fit. Delegation of powers.
- 20 10. The Colonial Treasurer may from time to time remove or accept the resignation of any loan-agent, whether appointed by him or by the delegating loan-agents ; and in any such case, or if any such agent dies, the Colonial Treasurer may appoint another person in his stead. Removal of loan-agents.
- 25 11. (1.) All or any of the powers by this Act conferred upon the Colonial Treasurer may be delegated by him to the Agent-General of New Zealand in London. Delegation of powers to Agent-General.
- 30 (2.) The authority of the Colonial Treasurer to himself raise the whole or any part of the moneys authorised to be raised, and generally to exercise all the powers conferred on him by this Act, shall be in no way limited or affected by the fact that he has made any appointment or delegation as aforesaid.
- 35 12. Notice of any appointment under section *seven* hereof, or of any delegation under the *last preceding* section, may be given by telegraphic message from the Colonial Treasurer, and the fact that any such powers are exercised by the loan-agents or the Agent-General shall be conclusive evidence of their or his authority so to do. Notice of such delegation.
- 40 13. (1.) Every debenture, scrip, or other security created as security for moneys raised under this Act shall be signed by the Colonial Treasurer or (as the case may be) by the Agent-General or the loan-agents raising the moneys, and shall be countersigned by the Controller and Auditor-General, or by an officer of Audit to be appointed from time to time for that purpose by the Controller and Auditor-General. How debentures, scrip, &c., to be signed.
- 45 (2.) The fact that any officer of Audit so countersigns shall be conclusive evidence of his authority so to do.
- 50 (3.) The sum of money named in any such debenture, scrip, or other security, together with all interest payable in respect thereof, is hereby declared to be a charge upon and to be payable out of the public revenues of New Zealand without further appropriation than this Act. Charge on public revenues.
14. No person who is the holder of any debenture, scrip, or other security as aforesaid shall be concerned to see or inquire Security for persons lending moneys.

whether or to what extent the powers conferred by or under this Act or the authorising Act have been previously exercised or are intended to be exercised; and all moneys raised or purporting to be raised, and all debentures, scrip, or other security created, or issued, or renewed, or purporting to be created, or issued, or renewed, under this Act shall, so far as concerns the lender or holder, be deemed to have been lawfully raised, created, or issued, or renewed within the powers by this Act conferred in that behalf. 5

Prior securities not affected.

15. Neither the authority to raise any money given by the authorising Act nor the exercise of such authority under this Act shall alter or affect or vary any security theretofore charged on the public revenues of New Zealand. 10

Payment or renewal of securities at maturity.

16. (1.) For the purpose of paying off or renewing at maturity any debentures, scrip, or other security charged upon the public revenues of New Zealand (whether created and issued under this Act or any former Act) the Colonial Treasurer, or the Agent-General, or the loan-agents, as the case may be, may from time to time and as often as the occasion arises create, issue, and dispose of new debentures, scrip, or other securities for such amount as may be necessary for the purpose aforesaid (including the costs, charges, and expenses incurred), or renew the maturing debentures by indorsement thereon, and in either case with such currency as he or they think fit: 15 20

Provided that, for the purpose of renewing debentures by indorsement, the Colonial Treasurer may appoint fit persons as special Agents to make the indorsement. 25

(2.) Such indorsement shall be in the form numbered (1) in the Schedule hereto, and the effect thereof shall be to extend the original term of the debenture for the further period specified in the indorsement, and the principal and interest shall be payable accordingly.

(3.) The Treasury shall from time to time notify the Audit Office of debentures renewed by indorsement. 30

(4.) The costs, charges, and expenses incurred in paying off or renewing securities under this section shall, without further appropriation than this Act, be charged to and paid out of the appropriate fund or account. 35

(5.) In every case where moneys are raised under this section for the purpose of paying off or renewing any securities, the moneys so raised shall be applied exclusively in paying off or renewing those securities, and defraying the costs, charges, and expenses in so doing:

Provided that nothing in this subsection shall be construed to prevent the temporary investment of such moneys pending their application to the purpose aforesaid. 40

Cancellation of discharged securities.

17. (1.) Whenever any security charged upon the public revenues of New Zealand (whether created and issued under this Act or any former Act) is discharged by payment, exchange, conversion, or otherwise it shall in due course be cancelled by the Colonial Treasurer, the Agent-General, or the loan-agents in the presence of an Audit Officer: 45

Provided that for safety in transit such security may, before transmission, be provisionally cancelled in such of the forms numbered (2) or (3) in the Schedule hereto as is applicable. 50

(2.) Such provisional cancellation shall, in the case of discharged securities, be effected by persons appointed or authorised in that behalf by the Colonial Treasurer.

18. In every case where, under this Act or any such former Act as aforesaid, securities are disposed of in order to provide funds to redeem outstanding securities, the interest payable in respect of the securities so disposed of shall be charged in the same manner as the interest payable in respect of the outstanding securities.

Interest on securities sold to redeem outstanding securities.

19. Where any debentures or other securities (whether created and issued under this Act or any former Act) are under the authority of any Act converted into stock under the Consolidated Stock Act the Agent-General may, by publication in the *London Gazette* and in such newspapers as he thinks fit, give public notice that such stock is part of the public debt charged upon the public revenues of New Zealand.

Notice of conversion to be published.

20. This Act shall be read and construed with the Consolidated Stock Act.

Construction of Act.

SCHEDULE.

Schedule.

(1.) FORM OF INDORSEMENT ON RENEWAL OF DEBENTURE OR OTHER SECURITY.

PURSUANT to "The New Zealand Loans Act, 1904," this debenture [*or as the case may be*] is hereby renewed as to both principal and interest for the term of _____ years from the due date thereof.

Dated at _____, this _____ day of _____, 19 _____.

Colonial Treasurer,
[Agent-General, *or* Loan-agents, *or* A. B., Special Agent, *as the case may be*].

(2.) FORM OF PROVISIONAL CANCELLATION OF DEBENTURE OR OTHER SECURITY IN TRANSIT FOR PURPOSE OF CONVERSION.

For the purpose of safety in transit this debenture [*or as the case may be*], which is required to be transmitted to the Bank of England, London, to be converted into _____-per-cent. Inscribed Stock, is hereby provisionally cancelled.

Dated at Wellington, New Zealand, this _____ day of _____, 19 _____.

Secretary to the Treasury.

(3.) FORM OF PROVISIONAL CANCELLATION OF DISCHARGED DEBENTURE OR OTHER SECURITY IN TRANSIT FOR FORMAL CANCELLATION.

For the purpose of safety in transit this debenture [*or as the case may be*], which has been discharged by payment [*or conversion, or exchange*], and is required to be transmitted to the Treasury in Wellington [*or to the Agent-General in London*] for formal cancellation, is hereby provisionally cancelled.

Dated at _____, this _____ day of _____, 19 _____.

A. B.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1904.