

Right Hon. Sir J. G. Ward, Bart.

NEW ZEALAND NOTES.

ANALYSIS.

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A BILL INTITLED

AN ACT to make Provision for the Issue of New Zealand Notes as Title. Legal Currency in lieu of Bank-notes.

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 New Zealand Notes Act, 1911. Short Title.
- 2. In this Act, unless a contrary intention appears,— Interpretation.
  - “Bank” means any corporation or person carrying on the business of banking:
  - “Bank-note” means a promissory note payable to the bearer on demand and made by a bank:
  - “New Zealand note” means a promissory note payable to the bearer on demand and made by the Minister of Finance, for and on behalf of His Majesty the King, under the authority of this Act.

3. (1.) On and after the first day of January, nineteen hundred and thirteen, it shall not be lawful for any bank to make, issue, or reissue any bank-note, or to circulate as money any bank-note, whether made by that or any other bank, and whether made or issued in New Zealand or elsewhere. Banks to cease to issue bank-notes.

- (2.) Any bank which commits a breach of the provisions of this section shall be liable to a penalty of *five* pounds in respect of each bank-note so made, issued, reissued, or circulated; and this penalty shall be recoverable by action in any Court of competent jurisdiction at the suit of His Majesty the King. 5
- Minister of Finance may issue New Zealand notes. 4. The Minister of Finance may, for and on behalf of His Majesty the King, make and issue New Zealand notes in accordance with the provisions of this Act.
- No restriction on issue of such notes. 5. New Zealand notes may be issued and outstanding at any time to any amount. 10
- New Zealand notes to be legal tender. 6. New Zealand notes shall be legal tender, except in payment of any claim or demand against His Majesty the King.
- To be payable in gold on demand at the Treasury. 7. New Zealand notes shall be payable to the bearer on demand in gold coin at the Treasury in Wellington.
- Minister to determine values, form, &c., of notes. 8. New Zealand notes shall be of such denominational values, and shall be in such form and signed by such persons and in such manner, whether by printing or otherwise, as the Minister of Finance from time to time directs. 15
- Proceeds of notes to form part of Consolidated Fund. 9. The proceeds of all New Zealand notes issued under the authority of this Act shall form part of the Consolidated Fund. 20
- Payment of administration expenses. 10. All expenses incurred in the administration of this Act shall be paid out of moneys to be appropriated by Parliament.
- Minister to establish and hold reserve fund. 11. (1.) The Minister of Finance shall at all times hold as security for the redemption of New Zealand notes a reserve of gold coin of the following amount:— 25
- (a.) An amount not less than one-fourth of the amount of New Zealand notes for the time being issued and outstanding up to three million pounds; and
- (b.) An amount equal to the amount of New Zealand notes for the time being issued and outstanding in excess of three million pounds. 30
- (2.) The custody and administration of the said reserve shall be governed by regulations to be made by the Governor in Council.
- (3.) The said reserve shall be held exclusively for the purpose of the redemption of New Zealand notes, and shall not be used or available for any other purpose. 35
- (4.) The Minister of Finance may from time to time, without further appropriation than this Act, pay out of the Consolidated Fund into the said reserve such sums as are necessary to keep the said reserve at the amount required by this Act. 40
- (5.) The Minister of Finance may from time to time pay into the Consolidated Fund out of the said reserve any sums by which the reserve for the time being exceeds the amount required by this Act.
- Monthly statement to be gazetted. 12. (1.) On the last Wednesday of each month the Secretary of the Treasury shall prepare and sign a statement showing at that date— 45
- (a.) The number and amount of New Zealand notes issued and outstanding; and
- (b.) The amount of gold held as a reserve under this Act. 50
- (2.) Every such statement shall be countersigned by the Minister of Finance, and published in the *Gazette*.

13. (1.) A New Zealand note shall be deemed to be a bank-note within the meaning and for the purposes of the Crimes Act, 1908, and all the provisions of that Act with respect to bank-notes shall apply to New Zealand notes accordingly.

Provisions of Crimes Act as to bank-notes to apply to New Zealand notes.

5 (2.) Paper provided by the proper authority for the purpose of being used for New Zealand notes shall be deemed to be revenue-paper within the meaning and for the purposes of the Crimes Act, 1908, and all the provisions of that Act with respect to revenue-paper shall apply to such paper accordingly.

10 14. Every person shall be liable on summary conviction to a fine of *twenty* pounds who—

Offences.

(a.) Defaces or disfigures any New Zealand note by writing, printing, stamping, or drawing anything thereon ; or

15 (b.) Designs, makes, or issues any advertisement in the form of, or resembling, or apparently intended to resemble, a New Zealand note.

15. Nothing in this Act shall affect the liability of any bank to pay on demand the amount of any bank-note issued by it, according to the tenor of the bank-note.

Liability as to existing bank-notes.