

Mr. Payne.

STATE-NOTE ISSUE AND WORKERS-HOUSING.

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A BILL INTITULED

AN ACT for securing to the Workers of the Dominion Sanitary and Hygienic Home Surroundings with the Power of purchasing Homes at the Least Possible Cost in the Way of Interest-charges so that the Worker on the Smallest Wage may have the same Opportunity of acquiring his Home as his More Fortunate Fellow-worker, which he will have the Power to do under this Act, as for Less Weekly Payment than he now pays by Way of Weekly Rental he may be securing the Freehold of his Home so that it becomes his Absolute Property in Thirty-five or Thirty-six Years.

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 State-note Issue and Workers-housing Act, 1912. Short Title.

£2,000,000 worth of State-guaranteed notes to be issued.

2. The State shall issue *two* million pounds in State-guaranteed notes at the passing of this Act into law, and shall require the banks to call in any notes in circulation by the process of gradually replacing notes issued by such banks with the State notes.

Issue of private notes illegal.

3. No bank shall issue private notes of any description after the passing into law of this Act. 5

State notes to be issued.

4. The State notes shall be payable in New Zealand, and shall be legal currency in any amount.

Penalty for refusal to accept State notes.

5. No bank shall pay out gold so long as it has State notes to circulate, and no person resident within the Dominion shall refuse to accept State notes as legal currency under a minimum penalty of *ten* pounds for each offence. 10

State notes equal to gold reserve.

6. State notes, which are hereby guaranteed by the State, shall be equivalent to, and shall be, as far as regards banks taking them in the ordinary course of circulation is concerned, deemed to be, equal to an equal amount of gold reserve, in the ordinary sense that gold reserve is looked upon as security in a bank's operations. 15

Full value of notes.

7. No person shall offer or receive any State note or notes at a price less than the face value of such State note or notes, under a minimum penalty of *six* months' imprisonment with hard labour. 20

Provision for banks to take out licenses where State incurs loss of revenue.

8. Any loss of revenue accruing to the State through the withdrawal of private banks' notes in circulation shall be made up by making all banks take out a license from the State and paying therefor an annual license fee so proportioned amongst the different banks in proportion to the amount of business done by them that the revenue now received by the State as the result of allowing private banks to issue notes shall be made up in full, such license fee being chargeable to the banks as a charge for the privilege of conducting the business of banking within the Dominion. 25

Licenses to be issued.

9. Licenses to be granted under section *eight* hereof to terminate immediately the State decides to make banking a State monopoly. 30

Compulsory licenses.

10. All banks trading within the Dominion shall take out the licenses under the provisions of section *eight* hereof immediately the State notes are issued under the provisions of section *two* hereof.

Five thousand workers' homes to be erected.

11. The State-note issue of *two* million pounds is hereby authorized to be used for the purpose of building five thousand workers' homes costing *four* hundred pounds each. 35

Sections to be selected by workers.

12. The sections on which the five thousand workers' homes are to be erected shall be selected by the workers taking up workers' homes under the provisions of this Act, and shall not exceed in value for each section *two* hundred pounds. 40

Issue of one million £10 debentures.

13. The Minister in charge of the Department dealing with workmen's homes is hereby empowered to issue, in any sum up to *one* million pounds, ten-pound debentures, payable within the Dominion of New Zealand, redeemable at thirty-six years, and bearing interest at the rate of four per centum per annum, payable in half-yearly payments on the thirty-first day of March and the thirtieth day of September in each year, for the purpose of paying the owners of sections taken for the purposes of this Act. 45

Power to acquire money from Post Office Savings-bank.

14. The Minister in charge of the Department dealing with workmen's homes is hereby empowered to obtain the one million pounds in amounts as available, and as amounts are needed for the 50

purpose of acquiring sections for workers' homes under the provisions of this Act from the Postmaster-General as an investment for Post Office Savings-bank's funds at rates of interest not exceeding four per centum per annum, and the Workers' Homes Department shall have priority of right to Post Office Savings-bank's funds for investment over any other Department of the State.

15. The Minister in charge of the Department dealing with workers' homes shall raise all the money needed for acquiring the sections for workers' homes under the provisions of this Act under the provisions of section *fourteen* hereof so far as it is possible so to do, but he may fall back upon the debenture-issue principle set forth in section *thirteen* hereof if money is not available to the extent required under the provisions of section *fourteen* hereof.

Acquirement of money in case Post Office Savings-bank not prepared to issue the whole amount.

16. The term "worker" shall include all who depend upon earnings for providing the comforts of luxuries of life.

Interpretation.

17. On the coming into operation of this Act a prospectus shall be issued by the Minister in charge of the Department dealing with workers' homes in the form of the *First* Schedule hereto.

Prospectus regarding workers' homes.

18. Every worker, male and female, being of the mature age of twenty-one years shall be eligible for the benefits of this Act.

Benefit of Act.

19. Married workers whose annual earnings do not exceed one hundred and *thirty* pounds shall have the first opportunity of receiving the benefits of this Act.

Certain married people to have first claim.

20. Married workers whose annual earnings do not exceed two hundred and *ten* pounds and being more than one hundred and *thirty* pounds shall have the next opportunity of receiving the benefits of this Act.

Second claim.

21. Unmarried workers whose intention it is to marry within twelve months from the date of receiving the benefits of this Act and whose annual earnings are less than one hundred and *thirty* pounds shall have the next and third opportunity of receiving the benefits of this Act.

Third Claim.

22. Unmarried workers whose intention it is to marry within twelve months from the date of receiving the benefits of this Act and whose annual earnings are more than one hundred and *thirty* pounds and less than two hundred and *ten* pounds shall have the next and fourth opportunity of receiving the benefits of this Act.

Fourth claim.

23. Unmarried workers receiving the benefits of this Act under sections *twenty-one* and *twenty-two* hereof must marry within the twelve months stipulated in those sections or, otherwise, must give up their homes to the Minister in charge of the Department in order that he may give the next entitled to it the benefits of such home.

Unmarried people not entitled to a home.

24. On the Minister taking over a home under the provisions of section *twenty-three* hereof, he shall refund to the worker so giving up his home the proportion of the weekly payment made by such worker as is part repayment of the capital value of the home, and amount of repayment shall be added to the weekly payment made by the new worker-owner of such home to the extent of not more than *two* shillings weekly, until such time as the previous worker-owner's payments as part-purchase payments have been recovered.

Refund of weekly payments where Minister takes over a home.

- Fifth claim. 25. Widows of workers with children left without incomes shall have the next and fifth opportunity of receiving the benefits of this Act.
- Sixth claim. 26. Widows of workers with children having incomes shall receive the next and sixth opportunity of receiving the benefits of this Act. 5
- Seventh claim. 27. All workers other than those coming within the provisions of section *eighteen* to *twenty-six* hereof shall have the next and seventh opportunity of receiving the benefits of this Act.
- Balloting for sections. 28. Priority of workers' rights, in their several sections, to the benefits of this Act shall be decided by a process of balloting similar to that ruling in the land-ballots in vogue at the date of this Act. 10
- Further explanation as to balloting. 29. By way of further explaining section *twenty-eight* hereof, those workers coming within the scope of section *nineteen* hereof shall ballot amongst themselves for the right to receive the benefits of this Act; next those coming within the scope of the provisions of section *twenty* shall ballot amongst themselves for the priority of right to the provisions of this Act; and so on, so long as there is any portion of the five thousand houses provided in this Act which shall not have been allotted. 15 20
- Perpetual workers-housing scheme. 30. When all the five thousand homes have been allotted the portion of the weekly payments provided for herein which is purchase-money shall be used as available for the purpose of providing a perpetual workers-housing scheme so long as there is any demand for workers' homes; and when at any time the demand for workers' homes is fully satisfied, the amount of the weekly payments which is purchase-money shall be used in reducing the note-issue liability, and each thousand pounds of accumulated cash received as purchase-money, and not being required for the purpose of building further workers' homes, shall be utilized in reducing the amount borrowed from the Postmaster-General or in reducing the amount raised by the issue of debentures. 25 30
- Proceedings where debentures satisfied. 31. When the amount raised by the issue of debentures or borrowed from the Postmaster-General, or both, has been satisfied, then whatever portion of the weekly payments is purchase-money shall be utilized in reducing the State-note issue; and this shall be done in one-thousand-pound lots—that is to say, that each time one thousand pounds has accumulated in cash or in State notes, or both, the amount shall be made up to one thousand pounds in State notes, and that one thousand pounds destroyed by being burnt in the presence of the Minister in charge of the Department. 35 40
- Choice of sections for workers. 32. The manner in which sections shall be chosen by workers entitled to receive the benefits of the Act shall be as follows: A worker so entitled may choose a section in any part of the Dominion, either in town or country. The Minister in charge of the Department shall then proceed to take that section under the powers of the Public Works Act, and arbitration shall decide the value of such section, the arbitration to be conducted in such manner as is, in the discretion of the Minister in charge, equitable. If the value assessed is in excess of two hundred pounds, the worker 45 50

shall have the option of paying the difference in cash, and if he is able so to do he shall be allotted the section chosen by him :

Provided that that section is not one which is being held by a *bona fide* worker for the purpose of erecting a home upon it, and all such sections shall be exempt from the operation of this Act.

33. Immediately a worker has secured a section the Minister in charge shall cause the erection of a house upon such section forthwith.

Minister to erect house.

34. The house to be erected under the provisions of section *thirty-three* hereof shall be according to plans and specifications supplied by the Department, and the Department shall prepare plans according to the requirements of the worker taking up the worker's home.

Department to prepare plans and specifications.

35. The cost of preparing plans and the interest payable on the amount paid for the section from the time such section is purchased until the the time the house is ready for occupation shall be added to the total cost of the worker's home, and the worker shall continue his weekly payments until such time as the whole total cost is recovered.

Cost of same.

36. If the house according to the requirements of the worker be estimated to cost more than the four hundred pounds allotted as the cost of the house as herein contained, the worker shall have the right to pay down the excess in cash ; but if unable so to do, the worker must modify his plans so that the house can be built for the four hundred pounds allotted.

Proceedings when house likely to cost over £400.

37. Workers may sell their home when the exigencies of employment render it necessary for the seller to move from one part of the country to another, or if he desires to sell for any other reason he may do so ; but it is provided that no worker shall receive any sum greater than that which is equal to that portion of the weekly payments which is purchase-money.

Worker may sell home.

38. When a worker desires to sell his home he must apply to the Minister in charge so to do, who shall see that the worker purchasing the home is a *bona fide* worker, as described in section *sixteen* hereof, and eligible for same under sections *eighteen* to *twenty-seven* hereof, and such purchasers must be eligible under the same section hereof as was the original worker.

Worker must apply to Minister.

39. The penalty for a worker receiving any consideration over and above the amount stipulated in section *thirty-seven* hereof, and the penalty of the buyer for giving any consideration over and above that which is provided in the section named, shall be in each case *six* months' imprisonment with hard labour.

Penalty for worker receiving sum in excess of cost of building.

40. The section costing two hundred pounds (or less) and the house costing a maximum sum of four hundred pounds under the provisions herein contained, the maximum total value of a worker's home is therefore six hundred pounds, and the weekly payment which shall be made by workers taking advantage of the benefits of the provisions of this Act shall be *ten* shillings. This weekly payment of ten shillings shall be apportioned as follows : First, payment of interest of section at the rate of four per centum per annum, which will amount to eight pounds per annum, or three shillings and one penny weekly ; fivepence per week per house is to be allowed

Weekly payments to satisfy cost of section and building.

for administration expenses; and the remaining six shillings and sixpence per week shall be the weekly payment as purchase-money; and the annual repayment would therefore amount to sixteen pounds eighteen shillings, the total repayment being made in just over thirty-five years and a half.

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Insurance.

41. Each worker taking up a worker's home under the provisions of this Act shall keep the house fully insured, in the State Fire Insurance Office, in the name of the Government.

Mortgage to be executed.

42. Each worker taking up a worker's home under the provisions of this Act shall execute a mortgage deed in favour of the Government as mortgagees. The cost of preparing this deed shall be a charge on the administration expenses, provision for which is made in section *forty* hereof.

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Release of mortgage.

43. On completion of the total-cost payment of the worker's home the worker shall have the mortgage deed returned to him as the final token that the home has become his own property, but the worker for all time shall be subject to the conditions of selling provided for in sections *thirty-seven* to *thirty-nine*, and his agreement to the conditions of these sections is deemed to be a condition precedent to such worker being eligible for the benefits of this Act.

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No interest to be charged.

44. No provision is made herein for an interest-charge being made to the worker for the two million pounds to be issued as State bank-notes, for the purpose of erecting the five thousand workers' homes costing four hundred pounds each, for the reason that the issue of the notes will cost the State nothing beyond what is provided for by the provision for administration expenses in section *forty* hereof, and therefore it is made known that no interest-charge being incurred by the State in connection with the State-note issue, it is the intention of this Act that no interest-charge shall be made to the worker, the State operating in this connection as "backing the bills" of the worker until such time as he has the opportunity to redeem the whole of the indebtedness of the State-note issue and the indebtedness incurred in connection with the acquirement of sections in the manner herein provided.

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Inspectors of buildings to be appointed.

45. The Minister in charge is hereby empowered to appoint, wherever desirable, inspectors to watch the erection of workers' homes, utilizing, as far as practicable, the services of suitable State officials in the various districts. The cost of such inspection to be included in the administration charges herein provided, or such inspection cost may be made payable as part of the total first cost of the workers' home which is payable by the weekly payment of ten shillings as provided herein, whichever course is deemed desirable in the discretion of the Minister.

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SCHEDULE.

Schedule.

PROSPECTUS TO BE ISSUED AND PUBLISHED IN SUITABLE PLACES IN THE DOMINION WHEN THE STATE-NOTE ISSUE AND WORKERS-HOUSING ACT SHALL HAVE BECOME LAW.

Workers' Homes.

HIS Majesty's Government now makes known to the workers of this Dominion that provision has been made for providing sanitary and hygienic homes for workers in such a manner as will enable the most poorly paid worker in the Dominion to acquire his home as his own property in 35½ years at a weekly payment rate of 10s.

Of this weekly payment of 10s., 3s. 1d. covers the interest-charges, and 5d. is provided for administration expenses.

The remaining 6s. 6d. is what the worker will be paying off his home each week, thus paying off a home to cost up to £600 in 35½ years.

The conditions on which these homes may be taken up are as follows:—

Workers eligible under sections 17 to 28 of the State-note Issue and Workers-housing Act can select a section in any part of the Dominion, to cost not more than £200. On this section the State will build a house to cost not more than £400. The plans for the houses will be drawn up by the Department according to the requirements of the worker, and the cost of drawing up plans and specifications will be added on to the total cost of the homes, and will be repayable by continuing the weekly payments until such time as the whole total cost is repaid.

It will be noted by the provisions of the Act that the section may cost more than £200, or the house may cost more than £400, provided that the worker can pay in cash the amount of the excess in either case.

Copies of the Act may be seen at all post-offices in the Dominion, and workers should lose no time in inquiring into the particulars concerning this scheme for providing homes at a weekly payment of 10s.

Communication should be made to the Minister in charge of Workers' Homes, Wellington, by ordinary letter, when the applicant will receive the proper forms to fill in, which constitute the forms of application, with full instructions and information concerning the benefits of the Act.