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Right Hon. Sir Joseph Ward, Bart.

WAR PURPOSES LOAN.

ANALYSIS.

Title.

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| <ul style="list-style-type: none"> 1. Short Title. 2. Power to borrow £24,000,000. 3. Minister of Finance may issue war-loan certificates in respect of loan authorized by this Act. 4. Exemption from income-tax. 5. Securities in respect of £1,000,000, being part of loan herein authorized, may be used for payment of death duties. | <ul style="list-style-type: none"> 6. Validation of issue of certain debentures in exchange for Treasury bills, and authorizing issue of further debentures in exchange for such bills. 7. Validation of payment of interest and commission to banks carrying on business in New Zealand in respect of subscriptions to war loan. |
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A BILL INTITULED

AN ACT to authorize the Raising of Moneys for Purposes of or in connection with the Present War. Title.

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 War Purposes Loan Act, 1917. Short Title.
- 2. (1.) The Minister of Finance is hereby empowered to raise on the security of and charged upon the public revenues of New Zealand such sums of money, not exceeding in the whole the sum of *twenty-four* million pounds, as he thinks fit. Power to borrow £24,000,000.
- 10 (2.) This Act shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1908; and the moneys herein authorized to be raised shall be raised under and subject to the provisions of that Act accordingly, and may, if the Minister thinks fit, be raised in whole or in part in the manner and subject to the conditions prescribed by the New Zealand Loans Amendment Act, 1915.
- 15 (3.) The sums so raised shall bear interest at such rate as the Minister prescribes.
- 20 (4.) When any of the moneys authorized to be raised by this section are proposed to be borrowed from any bank carrying on business in New Zealand, the Minister of Finance may, without further appropriation than this section, pay to that bank, out of the Public Account, any commission or interest agreed to be paid in respect of those moneys, notwithstanding that such commission or
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interest may be agreed to be paid in respect of a period or periods prior to the payment of those moneys into the Public Account.

(5.) Notwithstanding anything in the foregoing provisions of this section, the amount hereby authorized to be raised, or any part thereof, may be raised by the Minister on the security of Treasury bills, or by agreement with the Imperial Government without formal security, or on such security as may be agreed on with the Imperial Government. 5

(6.) The limit fixed by section thirty-nine of the Public Revenues Act, 1910, as the total amount that may be outstanding at any time in respect of Treasury bills shall not apply to Treasury bills issued under this section. 10

(7.) All moneys raised under this section shall be paid into the War Expenses Account established under section eight of the Public Revenues Amendment Act, 1914. 15

Minister of Finance may issue war-loan certificates in respect of loan authorized by this Act.

3. (1.) Section thirty-six of the Finance Act, 1916 (authorizing the issue of war-loan certificates for the purpose of facilitating the raising in New Zealand of moneys authorized to be raised by section thirty-five of that Act) shall, *mutatis mutandis*, apply to the raising of the moneys authorized to be raised by this Act, save that for the purposes of this section the reference in subsection five of the said section thirty-six to the sum of sixteen million pounds shall be read as if it were a reference to the amount of twenty-four million pounds authorized to be raised by this Act. 20

(2.) The costs, charges, and expenses connected with the issue of war-loan certificates under this Act shall be deemed to form portion of the costs, charges, and expenses connected with the raising of the loan authorized to be raised by this Act, and the provisions of section eight of the New Zealand Loans Act, 1908, shall apply accordingly. 25

Exemption from income-tax.

4. Interest derived or received by the holder of any debenture, scrip, stock, or other security issued or created in respect of moneys which the Minister of Finance is empowered by this Act to raise shall be exempt from taxation under the Land and Income Tax Act, 1916. 30

Securities in respect of £1,000,000, being part of loan herein authorized, may be used for payment of death duties.

5. (1.) Of the moneys hereinbefore authorized to be raised, the Minister of Finance may raise such amount as he thinks fit, not exceeding the sum of one million pounds, subject to the special provisions of this section. 35

(2.) The administrator of the estate of any deceased person, or other person by whom death duties may be payable in respect of that estate, may pay the whole or any part of the death duties so payable by him in respect of that estate by means of debentures, scrip, or other security issued or created subject to the provisions of this section, and the Commissioner of Stamps shall accept such securities accordingly in satisfaction in whole or in part as the case may be, of the amount of death duties payable as aforesaid. 40 45

(3.) All securities transferred to the Commissioner of Stamps under this section shall be deemed to mature for payment on the date of their transfer, and shall, for the purposes of this section, be deemed to be of their nominal value with the addition of any interest accrued due, but remaining unpaid, at the date of transfer. 50

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6. Whereas by section eight of the Public Revenues Amendment Act, 1914, authority is given for the issue of Treasury bills as security for moneys required to be raised for war purposes: And whereas certain moneys have been borrowed from the Imperial Government on the security of Treasury bills issued under the said section, and it has been found expedient to cancel certain of the bills so issued and to issue debentures in exchange therefor: Be it therefore enacted as follows:—

Validation of issue of certain debentures in exchange for Treasury bills, and authorizing issue of further debentures in exchange for such bills.

(1.) All debentures heretofore issued to the Imperial Government in exchange for Treasury bills issued under section eight of the Public Revenues Amendment Act, 1914, shall be deemed to have been legally issued.

(2.) The Minister of Finance is hereby authorized to withdraw and cancel any Treasury bills that may have been issued to the Imperial Government before the passing of this Act, or that may hereafter be so issued, as security for moneys raised by the said Minister for war purposes, whether under the authority of the said section eight or under any other authority, and to issue debentures in exchange for such bills.

7. Whereas certain sums of money have been paid to banks carrying on business in New Zealand as commission in respect of moneys contributed by those banks to the loan raised by the Minister of Finance pursuant to section thirty-five of the Finance Act, 1916, and as interest on the moneys so contributed, in respect of a period or of periods prior to the payment of those moneys into the Public Account: And whereas doubts have been expressed as to the validity of such payments: Be it therefore enacted as follows:—

Validation of payment of interest and commission to banks carrying on business in New Zealand in respect of subscriptions to war loan.

All moneys heretofore paid out of the Public Account to any bank carrying on business in New Zealand as commission in respect of moneys contributed by that bank as part of the loan authorized to be raised by the Minister of Finance pursuant to section thirty-five of the Finance Act, 1916, or as interest on the moneys so contributed, in respect of any period or periods prior to the payment of those moneys into the Public Account, are hereby declared to have been lawfully paid.