

Regulations relating to Advances under the Fishing Industry Promotion Act, 1919.

LIVERPOOL, Governor-General.

ORDER IN COUNCIL.

At the Government House at Wellington, this twenty-first day of June, 1920.

Present :

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL.

IN pursuance of the powers and authorities conferred on him by the Fishing Industry Promotion Act, 1919 (hereinafter called "the said Act"), His Excellency the Governor-General of the Dominion of New Zealand, acting by and with the advice and consent of the Executive Council of the said Dominion, doth hereby make the following regulations for the purposes of the said Act; and doth hereby declare that the said regulations shall come into force on the date of the publication thereof in the *New Zealand Gazette*.

REGULATIONS.

1. APPLICATIONS for advances for the purpose of erecting and equipping cool-storage plants for fish, or fish-canning or fish-preserving plants, or for any of these purposes, shall be in the form No. 1 in the First Schedule hereto.

2. Application for advances for the purpose of purchasing and equipping or altering or putting machinery in fishing-boats, or for any of these purposes, shall be in the form No. 2 in the First Schedule hereto.

3. Applications shall be made in the first instance to the Collector of Customs in the district in which the applicant resides.

4. In addition to but not in substitution for the security of a first mortgage of a freehold or leasehold interest in the site of the proposed plants, in the case of applications under clause 1 hereof, the following classes of security may be accepted by the Minister as security for an advance under the said Act:—

- (a.) A first mortgage of or instrument by way of security over the plant and machinery installed or placed on the site.
- (b.) A first mortgage of any other property owned by the applicants for an advance.
- (c.) A security over the uncalled capital of a company applying for an advance.
- (d.) A joint and several guarantee from the applicants for an advance.
- (e.) A bond with approved securities for the amount of the advance or any part thereof.

5. In addition to but not in substitution for the security of a first mortgage of or instrument by way of security over the fishing-boat and equipment, in the case of applications under clause 2 hereof, the following classes of security may be accepted by the Minister as security for an advance under the said Act:—

- (a.) A first mortgage of or bill of sale over any other property owned by the applicants for an advance.
- (b.) A security over the uncalled capital of a company applying for an advance.
- (c.) A joint and several guarantee from the applicants for an advance.
- (d.) A bond with approved securities for the amount of the advance or any part thereof.

6. Every application from a registered company shall be accompanied by a copy of the memorandum and articles of association of the company, showing that it is authorized to borrow money on the security of its assets (including its uncalled capital), and also by a copy of a special resolution duly passed by the company authorizing the directors to borrow under the said Act the sum applied for, or such less sum as the Minister may consent to lend.

7. Before any advance is made under the said Act, the site of any building to be erected, and the plans and specifications of the work to be undertaken, or the plant, machinery, and equipment to be installed, must be approved by the Minister.

8. On receipt of an application for an advance the Minister shall obtain expert reports, in order to satisfy himself that the supply of fish in the district is or is likely to be adequate and that there are reasonable prospects of cool-storage or fish-preserving plants of the kind proposed to be established being profitably operated.

9. The Minister may also require from the applicant for an advance any particulars deemed necessary to determine the adequacy of the security offered for the advance.

10. Before any payment is made on account of an advance under the said Act a first mortgage over the site of the proposed works, or a first mortgage or instrument by way of security over the plant and machinery or the boat and equipment, shall be executed by the applicant, and such other security shall be provided as is agreed upon with the Minister pursuant to these regulations.

11. (1.) All mortgages or other security shall be executed in favour of His Majesty the King.

(2.) The mortgage or instrument by way of security shall be in such form, and shall contain such covenants, stipulations, and conditions, not inconsistent with the said Act or these regulations, as the Minister thinks fit.

12. No advance under clause 1 hereof shall exceed an amount equal to two-thirds of the value of the land, buildings, and machinery in respect of which such advance is made.

13. (1.) Where an advance is to be applied to the erection of a building and machinery, payment may be made to the applicant by progress-payments from time to time as the work of erecting the building advances.

(2.) During the erection and equipment of a building for which an advance is being made facilities shall at all times be afforded for an inspection to be carried out by any person appointed in that behalf by the Secretary for Marine. The person so appointed shall ascertain whether the plans and specifications approved are being adhered to. Payment of progress-payments will be dependent on a satisfactory report being obtained from the inspecting officer.

14. No advance under clause 2 hereof shall exceed the sum of £1,000 except in the case of the purchase and equipment of new boats, nor shall an advance in any case exceed an amount equal to three-quarters of the value of the boat and equipment in respect of which such advance is made.

15. (1.) Repayment of advances made under the said Act shall be made by half-yearly instalments extending over a period of ten years. Every instalment shall consist partly of principal and partly of interest, and shall be calculated at the rate of £12 16s. 8d. per centum per annum on the amount of the advance, and shall be applied towards the payment of interest and principal in the proportions set out respecting the appropriate payment in the Second Schedule hereto.

(2.) The term of the loan shall commence on the date of the payment thereof to the borrower, or on the date of the first progress-payment in respect thereof.

16. Any person to whom an advance under the said Act is made may, if he thinks fit, at the date of any half-yearly payment, pay off, in addition to the instalment of principal and interest then payable, the whole or any part of the principal then outstanding.

17. The Minister may in any case of extreme hardship postpone the payment of any instalments of principal and interest for a period not exceeding one year.

18. All documents to be drawn up, or any action that requires to be taken in connection with the making of an advance under the said Act, or the repayment of any such advance, shall be drawn up or taken at the charge in all things of the borrower.

19. The mortgagor shall keep fully insured, with an insurance company to be approved by the Minister, all buildings, boats, gear, or plant over which a mortgage has been given as security for any advance. The policy shall be in the name of His Majesty during the currency of the mortgage.

20. All fish-preserving works, and all boats and gear in respect of which any advance has been made under the said Act, shall, during the currency of the mortgage, be maintained in good order and repair, and shall at all times be open to inspection by any officer of the Marine Department appointed in that behalf by the Secretary.

FIRST SCHEDULE.

APPLICATION FOR AN ADVANCE UNDER THE FISHING INDUSTRY PROMOTION ACT, 1919.

Form No. 1.

Full name or title of applicant :

Address :

Amount of advance required :

Term for which advance required :

Purpose to which advance to be applied :

Nature of security offered :

Property over which mortgage is offered—

Area : . . . . . Situation :

Description of land :

Description of improvements :

Title to land :

Where title to be obtained :

Particulars of encumbrances (if any) on property :

Present value—Land : . . . . . Improvements :

If uncalled capital of a company is offered as security, state—

Capital of company :

Amount paid up :

Statement of assets of company other than uncalled capital :

Statement of total liabilities of company, other than in respect of capital :

If a joint and several guarantee is offered, state the names, addresses, and occupations of guarantors :

If a bond is offered as security, state names, addresses, and occupations of sureties, and amount of bond :