

principal secured by all the existing securities issued in respect of such loan, and shall pay such sum to the Commissioner yearly and every year until the maturity date of such unconverted securities, or until the Commissioner is satisfied that the accumulations of sinking fund will suffice to redeem such securities at maturity.

(3) The first of such yearly payments shall be made not later than one year after the date on which the last annual contribution payable before the date of conversion to the existing sinking fund of such loan was payable.

(4) Subject to the provisions of this Order, the provisions of sections forty to forty-four of the Local Bodies' Loans Act, 1926, shall, so far as applicable and with all necessary modifications, apply with respect to such sinking fund:

Provided that nothing in the said sections or in this Order shall authorize the removal or suspension of the Public Trustee as Commissioner of any sinking fund.

APPLICATION OF EXISTING SINKING FUNDS.

22. The existing sinking fund of the loan referred to in the First Schedule hereto shall be applied by the Commissioner thereof in or towards making the following payments, in the following order of priority, namely:—

- (a) Firstly, in transferring to the Commissioner of the sinking fund hereinbefore required to be created for the unconverted securities issued in respect of such loan a sum which bears the same proportion to the amount of such existing sinking fund at the date of conversion as the aggregate amount of principal secured by such unconverted securities bears to the aggregate amount of principal secured by all the existing securities issued in respect of such loan; and
- (b) Secondly, in transferring the balance to the Commissioner of the consolidated sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.

CONSOLIDATED SPECIAL RATE.

23. (1) As a security for the new securities and the unconverted securities the local authority shall forthwith, by resolution gazetted (in the form numbered (4) in the Second Schedule hereto), make and levy a special rate over the whole of the district of the local authority to provide for the payment of interest and sinking fund in respect of such securities.

(2) Subject to the provisions of this Order, the provisions of the Local Bodies' Loans Act, 1926, and of any other Act shall, so far as applicable and with all necessary modifications, apply with respect to such special rate, and with respect to the interest and other charges in respect of such securities, as if such special rate were made and levied in respect of a special loan raised under Part I of the said Local Bodies' Loans Act, 1926.

(3) Upon the making of such special rate every special rate theretofore made in respect of any existing securities to which this Order applies shall be deemed to be cancelled.

SECURITIES HELD BY TRUSTEES.

24. The provisions of sections twenty-two, twenty-three, and twenty-four of the New Zealand Debt Conversion Act, 1932-33 (relating to the adjustment of premiums as between capital and income and to the powers of trustees and other persons in relation thereto), shall apply with respect to existing securities converted into new securities in accordance with this Order in the same way as they apply with respect to securities converted under that Act, save that the references in the said section twenty-two to the first day of April, one thousand nine hundred and thirty-three, shall be construed as references to the day following the date of conversion.

BROKERAGE.

25. The local authority shall not, in respect of the conversion into new securities of any existing securities to which this Order applies, enter into any contract for the payment of brokerage at a rate exceeding one-quarter per centum of the amount of such existing securities.

FIRST SCHEDULE.

LOAN TO BE CONVERTED.

Name.	Amount.	Rate of Interest.		Date of Maturity.
		Original.	Existing.	
Water-supply Loan, 1927 ..	£ 1,500	Per Cent. 6	Per Cent. 4½	1st October, 1947.

SECOND SCHEDULE.

FORMS.

(1) Notice.

[Name of local authority.]

CONVERSION under the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, and the Loan Conversion Order, 19 , of debentures issued in respect of the following loan [Particulars of loan].

Notice is hereby given to the holders of debentures issued by the [Name of local authority] in respect of the above-mentioned loan that it is intended to convert all such debentures (except those in respect of which dissent is duly signified) into new debentures having a new maturity date and bearing interest at 4½ per cent. per annum.

The conversion will take effect from [Date of conversion].

Application for conversion must be made in writing and be accompanied by the securities to which it relates.