

(2) The local authority shall pay in cash the amount (if any) required to reduce to the nearest multiple of one hundred pounds the aggregate amount of all such premiums to which any person is entitled, and may, if it thinks fit, pay in cash the whole or any part of the balance of any such aggregate amount.

(3) All payments of cash in accordance with the last preceding subclause that are not made out of any sinking fund pursuant to the provisions of this Order (if any) in that behalf shall be made by the local authority out of the local fund, and charged to the appropriate account.

(4) The power of the local authority to issue new securities in accordance with this Order shall be deemed to include the power to issue any additional new securities required for the purposes of this clause.

PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

19. The principal and interest in respect of new securities shall be payable in New Zealand.

CONSOLIDATED SINKING FUND FOR NEW SECURITIES.

20. (1) In order to provide funds for the repayment of the new securities the local authority shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a consolidated sinking fund, of which such persons as the local authority appoints shall be the Commissioners.

(2) For such purpose and for the payment of interest on all principal moneys owing from time to time on new securities issued pursuant to this Order the local authority shall annually set apart the sum of £88,700, and shall annually pay to the Commissioners as a contribution such sum reduced as hereinafter provided.

(3) Each annual sum referred to in the last preceding subclause shall be reduced—

(a) By a sum equal to the amount of interest payable in respect of all new securities and unconverted securities during the year ending on the maturity date to which the contribution relates; and

(b) By the amount of the annual sums appropriated pursuant to the next succeeding clause as sinking fund contributions for unconverted securities.

(4) The provisions of sections forty to forty-four of the Local Bodies' Loans Act, 1926, shall apply with respect to such sinking fund.

SINKING FUND FOR UNCONVERTED SECURITIES.

21. (1) If dissent is signified in accordance with the provisions of this Order from the conversion of any existing securities issued in respect of any loan referred to in the First Schedule hereto, the local authority, in order to provide funds for the repayment of the unconverted securities issued in respect of such loan, shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a sinking fund, of which the persons who at the date of conversion were Sinking Fund Commissioners in respect of such loan shall be the first Commissioners.

(2) For such purpose the local authority shall permanently appropriate a sum which bears the same proportion to the annual contribution payable, before the date of conversion, to the existing sinking fund of such loan 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 shall pay such sum to the Commissioners yearly and every year until the maturity date of such unconverted securities, or until the Commissioners are 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 each of the loans for which the Public Trustee is sinking fund Commissioner 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 Commissioners 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;

(b) Secondly, in payment to the Commissioners of the aforesaid consolidated sinking fund on the first day of February in each year following the date of conversion of all interest accrued up to such date of payment, to be held as part of such consolidated sinking fund; and

(c) Thirdly, in transferring on the first day of February, one thousand nine hundred and forty, the balance of the sinking fund to the aforesaid Commissioners of the consolidated sinking fund to be held as part of such sinking fund.

23. The existing sinking fund of every loan referred to in the First Schedule (other than the loans referred to in the last preceding clause) shall be applied by the Commissioners thereof as follows:—

(a) In transferring to the Commissioners 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;

(b) In payment in accordance with the directions of the local authority of any cash payments required or authorized by this Order to be made in respect of premiums;

(c) In repayment at or before the date of conversion and in accordance with the directions of the local authority, and with the approval of the holder thereof, of any existing securities to which this Order applies: Provided that the aggregate amount so paid out of all the sinking funds to which this clause applies shall in no case exceed £90,450.

(d) In transferring the balance to the Commissioners of the consolidated sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.