

(2) Interest up to the date of conversion on any existing securities so repaid in accordance with paragraph (b) of the last preceding subclause shall be paid by the local authority out of the local fund.

23. (1) 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, so far as it will extend, in or towards making the following payments, in the following order of priority, namely:—

(a) First, 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 in respect of which the sinking fund is held; 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.

(2) Where the sinking fund of any loan is at the date of conversion held as security not only for those existing securities issued in respect of the loan to which this Order applies but also for other securities to which this Order does not apply, such sinking fund shall be equitably apportioned between those securities to which this Order does so apply and those securities to which this Order does not so apply, and the last preceding subclause shall in relation to any such sinking fund be construed as applying only to the part thereof so apportioned to the existing securities to which this Order applies.

CONSOLIDATED SPECIAL RATE.

24. (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, sinking fund, and other charges 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 cease to be a security for such existing securities.

SECURITIES HELD BY TRUSTEES.

25. 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.

26. 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.

LOANS TO BE CONVERTED.

Name.	Amount.	Rate of Interest.		Date of Maturity.
		Original.	Existing.	
Frankton Borough Council Electric Lighting Loan, 1914	£ 2,000	5	4½	1st July, 1950.
The Town Board of the Frankton District Electric Light Loan	7,500	4½	4½	1st August, 1948.
The Frankton Borough Council Supplementary Lighting Loan of £750 (1913)	750	5	4½	1st March, 1950.
1919 Electricity Loan of £2,500	2,500	5½	4½	1st September, 1955.
Electricity 10-per-cent. Loan of £2,600	2,600	6½	5½	1st January, 1955.
Electricity and Waterworks £33,000 Loan (part)	25,000	5½	4½	1st January, 1955.
Electricity and Waterworks £33,000 Loan (part)	8,000	6½	5½	1st January, 1955.
Electricity Loan £12,000 ..	12,000	5½	4½	1st September, 1947.
Antecedent Liability Loan £22,113 16s. 5d. (part) (a)	10,000	5½	4½	1st October, 1938.
Streets, Bridge, and Gasworks Loan, £37,472 (part) (b)	12,000	4½	4½	1st February, 1947.
Gasworks Loan of £38,000 ..	38,000	4½	4½	1st January, 1941.
Gasworks Loan of £7,000 ..	7,000	4½	4½	1st July, 1947.