

New Zealand.

ANALYSIS.

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1913, No. 5.—*Private.*

AN ACT to enable the Commercial Bank of Australia (Limited) to issue Notes in New Zealand. Title.
[3rd October, 1913.]

WHEREAS the Commercial Bank of Australia (Limited), a company incorporated in the State of Victoria, under an Act of that State entitled the Companies Act, 1890, has commenced to carry on business in New Zealand: And whereas it is expedient that the said company should have power to make, issue, and circulate in New Zealand bank-notes: Preamble.

BE IT THEREFORE 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 Commercial Bank of Australia (Limited) Act, 1913. Short Title.

2. It shall be lawful for the Commercial Bank of Australia (Limited), if and so long as it is lawfully carrying on the business of banking in New Zealand, to make, issue, and circulate at or from any city, town, or place in New Zealand at which they have opened or established, or hereafter may open or establish, any bank, branch bank, or agency, any bank-notes for one pound or five pounds sterling each, or for any greater sum than five pounds sterling each, but not for any fractional part of a pound, and from time to time to reissue any such notes when and so often as the said bank shall think fit; but such privilege shall cease in case of the suspension of specie payments on demand for the space of sixty days in succession, or for any number of days at intervals which shall amount altogether to Bank-notes may be issued and circulated.

sixty days within any one year, or in case the said bank shall not well and truly maintain, abide by, perform, and observe all and every the provisions and directions herein contained and set forth upon which the said bank is empowered to issue and circulate bank-notes.

Bank-notes, how dated and how payable.

3. All such notes shall bear date at the city, town, or place at and from which the same respectively shall be made and issued; and the same respectively shall in all cases be payable in gold to bearer on demand at the place of date, and also at the principal banking establishment of the said bank at Wellington; and the total amount of the bank-notes so issued in New Zealand and outstanding shall not at one time exceed the amount of the coin, bullion, and public securities which shall for the time being be held by the said bank within New Zealand, nor shall the proportion of coin be less than one-third part of the amount of the coin, bullion, and public securities so held by the said bank within New Zealand.

Total amount of note-issue.

Liability on notes.

4. The said bank shall not be entitled to limited liability in respect of its notes issued under the authority of this Act, and the members thereof shall continue liable in respect of its notes in the same manner as if it had been registered in New Zealand under the Companies Act, 1908, as an unlimited company; but in case the general assets of the said bank are, in the event of the said bank being wound up, insufficient to satisfy the claims of both the note-holders and general creditors, then the members, after satisfying the remaining demands of the note-holders, shall be liable to contribute towards payment of the debts of the general creditors a sum equal to the amount received by the note-holders out of the general assets of the said bank. For the purposes of this section the expression "the general assets of the bank" means the funds available for the payment of the general creditors, as well as the note-holders.

Assayed and unassayed gold to be deemed bullion.

5. For the purposes of this Act unassayed gold shall be deemed to be bullion, and all uncoined gold which shall not have been assayed shall be valued at the price of three pounds and five shillings for every ounce, and all uncoined gold when assayed shall be valued at the standard value of assayed gold in Great Britain—that is to say, at the rate of three pounds seventeen shillings and ninepence per ounce of the fineness of twenty-two carats; and in the accounts of the said bank, and in the statements and general abstracts of the assets and liabilities which are required by law to be made out and published, it shall be lawful for the bank to include assayed and unassayed gold at their respective values under the name of bullion.

What to be deemed public securities.

6. All debentures, bonds, Treasury bills, or other securities issued or guaranteed by the Government of New Zealand shall be deemed and taken to be public securities within the meaning of this Act.

Bank-notes to be a first charge on the bank's property.

7. All bank-notes issued in New Zealand by the said bank shall be a first charge on all the property of the bank (including the paid-up capital, uncalled capital, and reserve fund) being assets for the payment of debts or other obligations contracted or entered upon or due and payable in New Zealand.

Bank-notes not to be invalidated by any breach of this Act.

8. No bank-note issued by the said bank in New Zealand shall be invalidated by any breach or non-observance by the bank of any of the provisions of this Act.

9. If the total amount of the bank-notes issued in New Zealand by the said bank and for the time being outstanding exceeds at any time the total amount authorized by this Act, the bank shall be liable to a penalty of one hundred pounds for every day during which such excess continues to exist, and every such penalty shall constitute a debt due and payable by the bank to the Crown, and may be recovered accordingly in an action brought by the Attorney-General in the name and on behalf of His Majesty the King.

Penalty for
excessive issue of
bank-notes.
