

New Zealand.



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1938, No. 13.

AN ACT to make Provision with respect to Public Finance and other Matters. [14th September, 1938.] Title.

BE IT 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 Finance Act, 1938. Short Title.

PART I.

PUBLIC REVENUES AND LOANS.

2. (1) The Minister of Finance is hereby empowered to borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as he thinks fit, not exceeding in the aggregate the sum of eight million pounds. Empowering
Minister of
Finance to
borrow
£8,000,000
for certain
public works

(2) The sums so borrowed shall bear interest at such rate as the Minister of Finance prescribes.

(3) All moneys borrowed under the authority of this section shall, as and when borrowed, be paid into the Public Account to the credit of the General Purposes Account of the Public Works Fund, and shall from time to time be applied, in such amounts as may from time to time be appropriated by Parliament, for the following purposes, namely:—

(a) The construction of railways and additions to open lines:

(b) Additional rolling-stock for open lines, and such other works and purposes in connection therewith as may be authorized:

(c) Telegraph extension:

(d) The construction and improvement of roads, tracks, and bridges for the purpose of providing and improving means of access to any lands, developing goldfields, and such other works and purposes in connection therewith as may be authorized:

(e) The construction of irrigation works:

(f) The erection of public buildings, including schools:

(g) Other public works, including administrative charges in respect of any public works of the classes referred to in this section.

1932, No. 23

Empowering
Minister of
Finance to
borrow
£1,500,000 for
construction
of main
highways.

REP. 19
No. 3.

See Reprint
of Statutes,
Vol. III, p. 698

1932, No. 23

Empowering
Minister of
Finance to
borrow
£4,000,000 for
purposes of
Housing Act,
1919.

See Reprint
of Statutes,
Vol. III, p. 798

1936, No. 12

1932, No. 23

(4) This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys herein authorized to be borrowed shall be borrowed under and subject to the provisions of that Act accordingly.

3. (1) In addition to all moneys which the Minister of Finance has heretofore been authorized to borrow for the purposes of the construction or reconstruction of main highways, the said Minister may for those purposes borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as he thinks fit, not exceeding in the aggregate the sum of one million five hundred thousand pounds.

(2) The sums so borrowed shall bear interest at such rate as the Minister of Finance prescribes.

(3) All moneys borrowed under the authority of this section shall, as and when borrowed, be paid into the Public Account to the credit of the Main Highways Account established under section thirteen of the Main Highways Act, 1922.

(4) This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys herein authorized to be borrowed shall be borrowed under and subject to the provisions of that Act accordingly.

4. (1) In addition to all moneys which the Minister of Finance is authorized to borrow under the Housing Act, 1919, for any of the purposes of that Act, the said Minister may for those purposes borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as he thinks fit, not exceeding in the aggregate the sum of four million pounds.

(2) The sums so borrowed shall bear interest at such rate as the Minister of Finance prescribes.

(3) All moneys borrowed under the authority of this section shall, as and when borrowed, be paid into the Housing Account established under section seventeen of the State Advances Corporation Act, 1936.

(4) This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys herein authorized to be borrowed shall be borrowed under and subject to the provisions of that Act accordingly.

5. (1) In addition to all moneys which the Minister of Finance has heretofore been authorized to borrow for the purposes of the Forests Act, 1921-22, the said Minister may for those purposes borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as he thinks fit, not exceeding in the aggregate the sum of one million pounds.

(2) The sums so borrowed shall bear interest at such rate as the Minister of Finance prescribes.

(3) All moneys borrowed under the authority of this section shall, as and when borrowed, be paid into the State Forests Account established under section thirty-six of the Forests Act, 1921-22.

(4) This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys herein authorized to be borrowed shall be borrowed under and subject to the provisions of that Act accordingly.

6. (1) Section one hundred and seventy-nine of the Coal-mines Act, 1925, as amended by section thirty of the Coal-mines Amendment Act, 1937, is hereby further amended by omitting the words "three hundred and thirty thousand pounds", and substituting the words "three hundred and eighty thousand pounds".

(2) Section thirty of the Coal-mines Amendment Act, 1937, is hereby repealed.

7. Without limiting the purposes for which moneys may be paid out of the Housing Account under section twenty-nine of the Housing Act, 1919, it is hereby declared that it shall be lawful and be deemed to have been lawful to pay out of that account under that section a sum or sums not exceeding in the aggregate the sum of one thousand pounds for the formation and construction of roading to complete portions of Dart Street and Leith Street, in the Township of Casanova, Extension No. 3, being part Section 11, Block I, Oamaru Survey District.

8. (1) The Iron and Steel Industry Account established under section nine of the Iron and Steel Industry Act, 1937, shall be operated on only by cheque signed by one of the Commissioners appointed for the purposes of that Act, or by an officer of the Public Service authorized in that behalf under this section.

Empowering Minister of Finance to borrow additional £1,000,000 for purposes of Forests Act, 1921-22.

See Reprint of Statutes, Vol. III, p. 425

1932, No. 23

Increase of borrowing powers in respect of State coal-mines. **No. 19**

See Reprint of Statutes, Vol. V, p. 927 1937, No. 16

Repeal.

Authorizing payment of £1,000 from Housing Account for roading in Dart Street and Leith Street, Oamaru.

See Reprint of Statutes, Vol. III, p. 805

Operations on Iron and Steel Industry Account.

1937, No. 33

and countersigned by the Audit Office. For the purposes of this section the Minister of Finance may from time to time authorize any officer of the Public Service to sign cheques on the said account.

Repeal.
1937, No. 33

(2) This section is in substitution for subsection three of section nine of the Iron and Steel Industry Act, 1937, and that subsection is hereby accordingly repealed.

(3) This section shall be deemed to have come into force on the passing of the Iron and Steel Industry Act, 1937.

Authorizing
payment of
additional
subsidies
from
Consolidated
Fund into
several
Superannuation
Funds.

9. (1) During the financial year ending on the thirty-first day of March, nineteen hundred and thirty-nine, there shall, without further appropriation than this section, be paid out of the Consolidated Fund into the Public Service Superannuation Fund, the Teachers' Superannuation Fund, and the Government Railways Superannuation Fund respectively such amounts, not exceeding in the aggregate the sum of two hundred thousand pounds, as the Minister of Finance may from time to time direct.

REP. 19
No. s.

(2) The amounts payable under this section are in addition to any other moneys payable out of the Consolidated Fund into any of the said Funds.

(3) Section nine of the Finance Act (No. 2), 1937, is hereby repealed.

Repeal.
1937, No. 36

Minimum
remuneration
for adult
officers and
married
officers in the
Government
service.

10. (1) The Governor-General may from time to time, by Order in Council, prescribe minimum rates of remuneration for adult officers and married officers employed in the Public Service administered under the provisions of the Public Service Act, 1912, or in the Government Railways Department, or in the Post and Telegraph Department.

See Reprint
of Statutes,
Vol. VII, p. 522

(2) Every Order in Council made under this section shall come into force or be deemed to have come into force on the date of its making or on such earlier or later date as may be specified therein in that behalf. Any Order in Council made under this section may be at any time in like manner amended or revoked.

(3) Where the minimum remuneration prescribed for any officer under this section exceeds the salary to which he is entitled under any scale he shall be entitled to receive in addition to his salary an allowance of an amount equal to the difference between the minimum remuneration and his salary.

(4) The payment of all allowances paid before the passing of this Act for the purpose of providing a minimum remuneration for adult officers or married officers employed as aforesaid is hereby validated and declared to have been lawfully made.

11. The following Order in Council and regulations made on the eighth day of December, nineteen hundred and thirty-seven, shall be deemed, in accordance with their tenor, to have come into force on the first day of April, nineteen hundred and thirty-seven, namely:—

Validating retrospective amendment of scales of salaries for officers in the Government service.

(a) The Order in Council made pursuant to section nineteen of the Appropriation Act, 1920, substituting a new scale of salaries for officers of the Professional and Clerical Divisions of the Public Service administered under the provisions of the Public Service Act, 1912:

See Reprint of Statutes, Vol. VII. p. 545

(b) The Post and Telegraph (Staff) Regulations 1925, Amendment No. 12 (Serial Number 288/1937).

Ibid., p. 522

12. (1) The maximum sum payable under section forty-one of the Crown Grants Act, 1908, in respect of custody fees on any one grant shall not exceed one pound. Nothing in this subsection shall be construed to authorize the refund of any custody fees paid before the passing of this Act.

Custody fees on Crown grants not to exceed £1.

Ibid., p. 1074

(2) The said section forty-one of the Crown Grants Act, 1908, is hereby consequentially amended by repealing subsection two and the proviso to subsection one.

Repeal.

13. (1) Notwithstanding anything to the contrary in section twenty-four of the Motor-vehicles Act, 1924, or in section twenty-four of the Finance Act, 1927 (No. 2), regulations made for the purposes specified in paragraph (a) of section nine of the Motor-vehicles Amendment Act, 1936, may prescribe the persons to whom any fees payable thereunder are to be paid, and, in particular, without limiting the generality of the foregoing provision, may provide that specified fees shall be payable to persons other than the Crown, and that specified fees payable to the Crown shall be payable otherwise than into the Main Highways Account.

As to fees for certificates of fitness for motor-vehicles, &c.

Ibid., Vol. VIII, p. 811; Vol. III, p. 714 1936, No. 18

AMV. 19
No. 8.

Commencement.

(2) This section shall be deemed to have come into force on the thirty-first day of July, nineteen hundred and thirty-six (being the date of the passing of the Motor-vehicles Amendment Act, 1936).

1936, No. 18

Interest on Reserve Fund securities may be retained in Reserve Fund.

See Reprint of Statutes, Vol. VII, p. 54

14. (1) Notwithstanding anything to the contrary in subsection five of section one hundred and fourteen of the Public Revenues Act, 1926, any interest received from any securities purchased under the authority of Part XII of that Act shall, if the Minister of Finance so directs, be credited to the Reserve Fund Account instead of to the Consolidated Fund.

(2) Any direction given by the Minister under this section may relate generally to all interest on such securities or to any specified interest, and may be at any time in like manner varied or revoked.

Amount of rates recoverable in respect of Rangitaiki Land Drainage District to be reduced for period.

1937, No. 36

15. (1) Notwithstanding anything to the contrary in section eleven of the Finance Act (No. 2), 1937, the amount to be recovered by way of rates pursuant to that section for each of the two years ending on the thirty-first day of March, nineteen hundred and thirty-eight and nineteen hundred and thirty-nine, respectively, shall be the sum of four thousand five hundred pounds.

(2) The interest for the said two years at the rate determined under the said section eleven on the capital sum of two hundred and five thousand pounds referred to in that section is hereby reduced to the amount to which the rates for the said two years are reduced by this section. The rate referred to in the said section eleven shall from the thirty-first day of March, nineteen hundred and thirty-nine, be deemed to be an annually recurring rate extending over a period of fifty years from that date.

1937, No. 36

(3) The said section eleven of the Finance Act (No. 2), 1937, is hereby consequentially amended by omitting from subsection one the words "Such rate shall be an annually recurring rate extending over a period of fifty years as from the said thirty-first day of March, nineteen hundred and thirty-seven".

(4) Nothing in this section shall be construed to affect the legality of the rates made and levied under the said section eleven for the said two years ending on the thirty-first day of March, nineteen hundred and thirty-nine, but all such rates shall be deemed to be

proportionately reduced in order to give effect to subsection one of this section. If any rates are paid in excess of the amount payable in accordance with this subsection, the amount of the excess may, without further appropriation than this section, be refunded.

(5) The provisions of the Rating Act, 1925, shall, so far as they are applicable and with the necessary modifications, extend and apply and be deemed to have always extended and applied to all rates made and levied under the Rangitaiki Land Drainage Act, 1910, as if the Minister of Lands were a local authority and the district constituted under that Act were a district within the meaning of the Rating Act, 1925.

See Reprint
of Statutes,
Vol. VII, p. 977

Ibid., Vol. IV,
p. 574

PART II.

INCOME-TAX.

16. This Part of this Act shall be read together with and deemed part of the Land and Income Tax Act, 1923 (hereinafter in this Part referred to as the principal Act).

This Part to
form part of
Land and
Income Tax
Act, 1923.

17. (1) Section three of the Finance Act (No. 2), 1937, is hereby amended as follows:—

Ibid.,
Vol. VII,
p. 271

(a) By omitting from subsection four the words “prospecting or mining in New Zealand for petroleum or for purposes necessarily incidental thereto”, and substituting the words “development work in New Zealand in relation to prospecting or mining for petroleum”:

Section 3 of
Finance Act
(No. 2),
1937 (as to
income-tax of
petroleum-
mining
companies),
amended.

(b) By adding to subsection four the words “If any difference arises between the Commissioner and any company as to whether any amount expended by the company was expended in development work in New Zealand as aforesaid the difference shall be determined by the Commissioner, subject to the company’s right of objection to the Commissioner’s assessment in accordance with the provisions of Part III of the principal Act”:

1937, No. 36

(c) By repealing subsection five, and substituting the following subsection:—

“(5) The taxable income deemed under subsection two of this section to have been derived by any company in any year shall not exceed the amount by which at the end of that year the aggregate amount of the dividends theretofore paid to shareholders of the company exceeds the sum of the aggregate amount theretofore expended by the company and deemed to be irrecoverable as aforesaid and the aggregate taxable income of the company in former years.”

(2) Notwithstanding anything to the contrary in subsection three of the said section three, the dividends paid to the shareholders of a company shall for the purposes of the said section three be deemed not to include any returns of share capital made by the company in any year except to the extent by which the said returns of share capital exceed the amount (if any) by which the aggregate amount of the company's share capital paid up in cash before the end of that year exceeds the sum of the aggregate returns of share capital made by the company before the beginning of that year and the aggregate amount expended by the company before the end of that year and deemed by the Commissioner for the purposes of the said section three to be irrecoverable. For the purposes of this subsection the expression “returns of share capital” means any sums distributed, any credits given, and the value of any other property distributed, by a company to any of its shareholders by way of return of share capital paid up in cash.

(3) For the purposes of subsection six of the said section three the following activities when carried on by any company shall be deemed to be incidental to its business of mining in New Zealand for petroleum and not to be part of the business of the refining, distribution, or transportation of petroleum, namely:—

(a) The recovery of casinghead spirit from natural gas:

(b) The transportation of crude petroleum or casinghead spirit from the point of production to gathering-tanks or field-storage tanks:

- (c) The transportation of natural gas on the land comprised in any petroleum mining license or petroleum prospecting license held by the company or from any such land to any other such land:
- (d) The treatment of crude petroleum, casinghead spirit, or natural gas for the purpose of rendering it suitable for transportation in accordance with paragraph (b) or paragraph (c) of this subsection:
- (e) The storage of crude petroleum, casinghead spirit, or natural gas:
- (f) The sale of crude petroleum, casinghead spirit, or natural gas to any person carrying on business as a refiner or distributor thereof.

AMD. 19
No. 8.

18. (1) In computing the taxable income for any year of any company to which this section applies, the Commissioner shall allow as expenses any amounts set aside or paid by the company during that year as or to a fund to provide for or recoup losses incurred or to be incurred by the company as a result of any action taken by the company before the end of that year to promote or give effect to an approved plan for the rationalization of the dairy industry by the elimination of unnecessary dairy factories, or by the limitation of the area from which milk or cream is permitted to be supplied to any dairy factory. This section does not apply with respect to any losses incurred or to be incurred by the company in respect of the elimination of any dairy factory belonging to the company, or in respect of the limitation of the area of supply of any dairy factory belonging to the company.

Deductions in respect of payments by certain dairy companies to rationalization reserves.

(2) For the purposes of this section an approved plan means a plan approved by the Minister of Finance as being in his opinion in the public interest and in the interests of the dairy industry as a whole, and the term "losses" means the actual cost to the company of the action taken, reduced (in any case where the company has purchased any dairy factory so eliminated) by the proceeds of the sale of such land and tangible assets relating to that factory as may have been sold by the company, and by the selling

value as determined by the Commissioner of any such land and tangible assets that may be retained by the company.

1935, No. 32

(3) This section applies to every company which is not a co-operative company to which the provisions of paragraph (*ee*) of section seventy-eight of the principal Act (as enacted in section six of the Land and Income Tax Amendment Act, 1935) are applicable, but which—

(*a*) Is a company having for its object or one of its objects the manufacture of cheese, casein, dried milk, or butter, or two or more of such products from milk or cream supplied to the company, if the Commissioner is satisfied that the whole or substantially the whole of its income for the year in question is distributed solely amongst the suppliers in proportion to the quantity of milk or butterfat supplied by them to the company; or

(*b*) Is a company having for its object or one of its objects the sale of milk supplied to the company, if the Commissioner is satisfied that the whole or substantially the whole of its income for the year in question is distributed solely amongst the suppliers in proportion to the quantity of milk supplied by them to the company; or

(*c*) Is a company having for its object or included in its objects both the objects specified in paragraph (*a*) and paragraph (*b*) hereof, if the Commissioner is satisfied that the whole or substantially the whole of its income for the year in question is distributed solely amongst the suppliers in proportion to the quantity of milk or butterfat supplied by them to the company.

(4) This section shall be deemed to have come into force on the first day of April, nineteen hundred and thirty-six. If the Commissioner is satisfied that any company has been assessed for tax in excess of the amount properly assessable in accordance with this section he shall credit the company with the amount

of the excess, and if that amount or any part thereof has been paid he shall, without further appropriation than this section, refund the same to the company.

19. Section five of the Finance Act (No. 2), 1937, is hereby amended, as from the passing thereof, as follows:—

Section 5 of Finance Act (No. 2), 1937 (as to changes in date of annual return of income), amended. 1937, No. 36

(a) By inserting in the definition of the expression “the return date” in subsection one, after the words “a return”, the words “of income”:

(b) By omitting from subsection one the definitions of the expressions “the original return date” and “the new return date”, and substituting the following definitions:—

“The expression ‘the original return date’ means, in the case of a taxpayer who has changed his return date, whether before or after the passing of this Act, the return date immediately prior to the new return date:

“The expression ‘the new return date’ means, in the case of a taxpayer who has changed his return date, whether before or after the passing of this Act, the date to which the change was made or, if he has made more than one change, means the date to which the last change was made”:

(c) By omitting from subsection two the words “to which the last preceding section applies”:

(d) By omitting from subsection two all words after the words “financial year”:

(e) By omitting from subsection six the words “on the taxable income”:

(f) By inserting in subsection six, after the word “taxable” where it secondly occurs, the words “and non-assessable”:

(g) By adding to subsection six the words “and where that period is less than a year that daily rate shall be deemed to have continued for a year”:

(h) By adding the following subsection:—

“(9) For the purpose of giving effect to the provisions of this section and of the last preceding section, the Commissioner may, for any year or years of assessment, make all such assessments or additional assessments as he may deem necessary, notwithstanding anything to the contrary in the principal Act.”

Provisions for relief of certain taxpayers having return dates between 31st March and 1st October.

20. (1) This section applies to every taxpayer who, in respect of income derived by him during any number of successive accounting periods ending respectively on a day between the thirty-first day of March and the first day of October in each year up to and including the year nineteen hundred and thirty-six, has made returns of income and been assessed for income-tax upon the basis that the income derived by him during each such accounting period was derived during the year ending on the thirty-first day of March next succeeding the end of that accounting period.

(2) Upon application in that behalf by any taxpayer to whom this section applies, and upon his furnishing all additional information that the Commissioner may require for the purpose, the Commissioner shall compute the total tax that would have been payable by the taxpayer if he had made returns of income and been assessed for income-tax on the basis that the income derived by him during each such accounting period was derived during the year ending on the thirty-first day of March next before the end of that accounting period.

(3) If the Commissioner is satisfied that the total tax actually assessed in respect of income derived by the taxpayer during all such accounting periods exceeds the total tax computed in the manner set forth in subsection two of this section, he shall credit the taxpayer with the amount of the excess, and if that amount or any part thereof has been paid he shall, without further appropriation than this section, refund the same to the taxpayer.

(4) Where any taxpayer to whom this section applies is liable for any tax payable in terms of an assessment made in order to give effect to the provisions of section four of the Finance Act (No. 2), 1937, the Commissioner may fix a new date for the payment of that tax, notwithstanding that an earlier date for the payment thereof has already been fixed.

PART III.

WAR PENSIONS.

REP. 19
No. s.
Substitutn.

21. (1) This Part of this Act shall be read together with and deemed part of the War Pensions Act, 1915 (hereinafter in this Part referred to as the principal Act).

This Part to form part of War Pensions Act, 1915.
See Reprint of Statutes, Vol. VI, p. 796

(2) This Part of this Act shall come into force on the first day of April, nineteen hundred and thirty-nine.

22. For the purposes of the principal Act the terms "dependant" and "child", in relation to a member of the Forces, shall be deemed to include any child who became a step-child of the member by virtue of a marriage that took place before the first day of August, nineteen hundred and thirty-six, and any child adopted by the member before that date.

Extending principal Act to step-children and adopted children.

REP. 19
No. s.

23. (1) The Board may in its discretion grant to any member of the Forces who is in receipt of a pension under the principal Act in respect of his total or partial disablement an economic pension not exceeding thirty shillings a week.

Increasing maximum rate of economic pensions to disabled members of Forces. REFER 19 No. s.

(2) This section is in substitution for section three of the War Pensions Amendment Act, 1936, and that section is hereby accordingly repealed.

Repeal.
1936, No. 27

War Veterans' Allowances.

24. Section two of the War Veterans' Allowances Act, 1935, is hereby amended by inserting in the definition of the term "veteran", after the words "that war" in paragraph (c), the words "or as a member of any of His Majesty's Forces other than the New Zealand Forces".

Extending application of War Veterans' Allowances Act in respect of South African War.
1935, No. 4

25. (1) Subject to subsection two of this section, allowances payable under the War Veterans' Allowances Act, 1935, shall be computed as follows:—

Increasing rates of allowances under War Veterans' Allowances Act.
1935, No. 4

(a) In the case of a veteran who has no wife or dependent children, the allowance shall be at the rate of sixty-five pounds a year, diminished by one pound for every complete pound of his annual income (exclusive of any allowance under the said Act) in excess of fifty-two pounds:

(b) In every other case, the allowance shall be at the rate of the sum of the following amounts, namely:—

(i) Sixty-five pounds a year in respect of the veteran's personal claim;

(ii) Thirty-nine pounds a year in respect of his wife (if any); and

(iii) Thirteen pounds a year in respect of each dependent child,—

diminished in every case by one pound for every complete pound of the total annual income (exclusive of any allowance under the said Act) of the veteran, his wife, and his dependent children in excess of fifty-two pounds:

Provided that the total allowance payable under the said Act to or in respect of the veteran, his wife, and his dependent children shall in no case exceed one hundred and fifty-six pounds a year.

(2) The Board may in any case, in its discretion, after taking into consideration the ability of the veteran to obtain and retain suitable employment, the personal earnings and other income and the property (if any) of the veteran, his wife, and his dependent children, the cost of living, and such other factors of economic significance as the Board considers relevant, increase the rate specified in paragraph (a) or the rates specified in subparagraph (i) and subparagraph (ii) of paragraph (b) of the last preceding subsection by such amount as it thinks fit, not exceeding in the case of any rate thirteen pounds a year, but so that the total allowance payable under the said Act to or in respect of the veteran, his wife, and his dependent children shall in no case exceed one hundred and eighty-two pounds a year.

(3) This section is in substitution for section five of the War Veterans' Allowances Act, 1935, and that section is hereby accordingly repealed.

26. Where the provisions of paragraph (a) or paragraph (b) of section nine of the War Veterans' Allowances Act, 1935, apply to any veteran there may, in the discretion of the Board, be paid to or on behalf of his wife or his dependent children (if any) the whole or such part as the Board thinks fit of the portion of the veteran's allowance that is forfeited

REFER 19
No. s.

AMD. 1^a
No. s.

Repeal.

1935, No. 4

Authority to
pay forfeited
allowance to
dependants
when veteran
in prison
or public
institution.

1935, No. 4

pursuant to the said section nine as affected by subsection two of section six of the War Pensions Amendment Act, 1936.

27. (1) Where an allowance is payable under the War Veterans' Allowances Act, 1935, in respect of any child under sixteen years of age, the Board may in its discretion, for the purpose of assisting in the further education of the child, continue the allowance for such period as it thinks fit, not exceeding two years after the child has attained the age of sixteen years.

(2) This section is in addition to and not in substitution for subsection two of section six of the War Veterans' Allowances Act, 1935.

AMD. 19
No. 8.

1936, No. 27

Allowances in respect of children may be continued for educational purposes.

1935, No. 4

PART IV.

NATIONAL PROVIDENT FUND.

28. This Part of this Act shall be read together with and deemed part of the National Provident Fund Act, 1926 (hereinafter in this Part referred to as the principal Act).

29. (1) Where any contributions have been paid in advance in respect of a period of incapacity for which, in accordance with the provisions of subsection three of section seventeen of the principal Act, no contributions are payable, the amount of the prescribed contributions for that period shall either be refunded to the contributor or be applied by the Board towards the payment of his future contributions, as the Board may in any such case determine.

(2) The provisions of the last preceding subsection shall apply in respect of any contributions paid in advance before the passing of this Act, notwithstanding that the period of the contributor's incapacity may have ended before the passing of this Act.

(3) Any refund or allocation made before the passing of this Act in respect of contributions paid in advance shall be deemed to have been as lawfully made as if this section had been in force when such refund or allocation was made.

This Part to form part of National Provident Fund Act, 1926.

See Reprint of Statutes, Vol. VI, p. 32

Contributions paid in advance in respect of a period of incapacity may be refunded or applied for benefit of contributor.

Minister of Finance may become contributor in respect of certain classes of persons employed in public services in New Zealand or in Samoa or Cook Islands.

REF. 19
No. 2.

See Reprint of Statutes. Vol. VII, p. 566

30. (1) Subject to the provisions of this section and to such conditions as may be agreed upon by the Minister and the Board, the Minister of Finance may, in accordance with the provisions of section thirty-eight of the principal Act, become a contributor to the Fund in respect of any person employed in nursing duties of any kind in any Department of the Government service, or of the Samoan Public Service or the Cook Islands Public Service, as if such person were employed by the Minister.

(2) Section twenty-seven of the principal Act, in its application to any person in respect of whom the Minister of Finance is a contributor pursuant to this section, shall be construed as if the percentages specified in section nineteen of the Public Service Superannuation Act, 1927, were substituted for the percentages specified in paragraphs (a) to (f) of subsection one of the said section twenty-seven.

(3) No person in respect of whom the said Minister is a contributor pursuant to this section shall be required or be competent to become a contributor to any Government Superannuation Fund.

(4) Any person who, being a contributor to any Government Superannuation Fund, is employed in nursing duties in any Department before the Minister of Finance becomes a contributor pursuant to this section in respect of any person employed in nursing duties in that Department may elect in writing to accept the benefits provided for by this section at any time within six months after he has received official notice that the Minister of Finance has decided, subject to his election, to become a contributor to the Fund on his behalf, and if his election is accepted by the Board he shall cease to be a contributor to the said Superannuation Fund, and all moneys standing to his credit therein shall, without further authority than this section, be transferred to the National Provident Fund.

(5) Where, at any time after the Minister of Finance has become a contributor to the Fund pursuant to this section in respect of any person employed in nursing duties in any Department, any other person becomes employed in nursing duties in that Department and by reason thereof is required by the provisions of

any other Act to become a contributor to any Government Superannuation Fund, then, instead of those provisions being complied with, the Minister of Finance shall become a contributor to the National Provident Fund pursuant to this section in respect of that person.

(6) Subject to the last two preceding subsections, the Minister of Finance may become a contributor to the Fund pursuant to this section in respect of any person employed in nursing duties in any Department without the consent or authority and notwithstanding the objection of that person.

(7) The provisions of this section shall, with the necessary modifications, apply with respect to persons employed in any Department in any duties or class of duties other than nursing duties.

AMD. 19
No. 11

(8) If any person to whom this section applies was, at the time of his appointment or within eighteen months prior to his appointment to any Department, a contributor to a pension-scheme established by a local authority in accordance with the principal Act, the provisions of section twenty-eight of the principal Act shall apply in all respects as if the employee had on his appointment to that Department entered the service of another local authority.

(9) All moneys payable by the Minister of Finance as contributions to the National Provident Fund in accordance with this section shall be paid out of moneys appropriated by Parliament for the purpose.

(10) For the purposes of this section the expression "Government Superannuation Fund" includes the Public Service Superannuation Fund, the Teachers' Superannuation Fund, and the Government Railways Superannuation Fund; and the expression "nursing duties" includes administrative duties carried out by nurses.

(11) The date from which the Minister of Finance shall be deemed to become a contributor to the Fund pursuant to this section in respect of any person shall be such date as may be agreed upon in that behalf by the Minister and the Board. The date so agreed upon may be any date either before or after the date of the agreement and either before or after the passing of this Act, but not earlier than the first day of April, nineteen hundred and thirty-six.

(12) All acts done before the passing of this Act that, by virtue of this section, would have been valid and lawful if they had been done after the passing of this Act shall be deemed to have been validly and lawfully done.

Altering
period of
actuarial
examination
of Fund.

REF. 19
No. s.

31. (1) The first actuarial examination of the Fund to be made under section seventy-three of the principal Act shall be for the period ending on the thirty-first day of December, nineteen hundred and thirty-seven.

(2) The said section seventy-three is hereby consequentially amended by omitting from subsection one the words "nineteen hundred and twenty-eight", and substituting the words "nineteen hundred and thirty-seven".

PART V.

LOCAL AUTHORITIES.

Retention for
repayment
loans of
sinking funds
that cannot
be realized.

See Reprint
of Statutes,
Vol. V, p. 381

32. (1) Where a local authority raises a special loan (hereinafter referred to as the repayment loan) for the purpose of repaying the whole or any part of any other special loan (hereinafter referred to as the matured loan) and it is impossible or impracticable to realize the whole of the sinking fund established in connection with the matured loan, then, notwithstanding anything to the contrary in section forty-three of the Local Bodies' Loans Act, 1926, or the corresponding provisions of any other Act, the Commissioners of that sinking fund may, subject to the precedent sanction of the Local Government Loans Board, retain the whole or any part of the accumulated sinking fund held by the Commissioners at the maturity of the matured loan for the purpose of augmenting the sinking fund of the repayment loan or any part thereof.

(2) In giving its sanction under the provisions of the last preceding subsection, the Local Government Loans Board may prescribe such terms and conditions as it thinks fit, and the terms and conditions so prescribed may form part of the Board's sanction to the repayment loan.

(3) Where the Board's sanction is given as aforesaid, and subject to the terms and conditions

AMD. 13
No. 4

thereof, the Sinking Fund Commissioners in respect of the matured loan shall, on the appointment of Sinking Fund Commissioners in respect of the repayment loan, forthwith transfer to them all moneys and investments that are held in respect of the matured loan.

(4) Where under the powers contained in this section authority is given for the retention of the accumulated sinking fund or any part thereof the local authority may, notwithstanding anything to the contrary in paragraph (b) of section forty-five of the Local Bodies' Loans Act, 1926, or section four of the Local Bodies' Finance Act, 1921-22, or the corresponding provisions of any other Act, borrow such amount as is sanctioned by the Local Government Loans Board for the purpose of meeting the liability under the matured loan. The amount so sanctioned may include a sum for the purpose of meeting the costs of raising the repayment loan.

See Reprint
of Statutes,
Vol. V, p. 382
Ibid., p. 355

(5) If at any time the total sinking fund held in respect of the repayment loan, with probable accumulations of interest, is, in the opinion of the local authority, sufficient to repay the repayment loan at maturity, the local authority may, with the consent in writing of the Audit Office, cease to make any further payments in respect of that sinking fund.

(6) For the purposes of this section the term "local authority" means any local authority or public body that for the time being is a local authority within the meaning of the Local Government Loans Board Act, 1926, whether by virtue of section two of that Act or of any Order in Council thereunder, or by virtue of the provisions of any other Act.

Ibid., p. 415

33. (1) For the purposes of this section the term "local authority" means a Borough Council, a County Council, a Town Board, a Road Board, a River Board, or a Drainage Board, and the term "Minister" means the Minister of Public Works.

REFER 13
Local **No.** a
authorities
may contribute
towards cost
of Government
works.

(2) In respect of any irrigation, water-supply, drainage, river-control, reclamation, or other works that the Minister is authorized by the Public Works Act, 1928, or any other Act, to construct, undertake, or maintain, the Minister and any local authority or local

REFER 19
No. s.

Ibid., Vol. VII,
p. 622

authorities may from time to time enter into agreements providing for the payment by the local authority or local authorities of part of the cost of the works or of part of the cost of the maintenance thereof.

(3) Notwithstanding anything to the contrary in any Act or rule of law, but subject to the next succeeding subsection, any agreement entered into by any local authority under this section may provide—

- (a) For the payment of any amount by the local authority either in one sum or by instalments spread over any period :
- (b) For the payment by the local authority of a specified amount or amounts each year in perpetuity or for a specified number of years :
- (c) For the payment by the local authority in respect of any moneys payable by it under the agreement of interest at such rate as the Minister of Finance approves :
- (d) For the giving by the local authority of security for the payment of any moneys payable by it under the agreement :
- (e) For such other terms and conditions as may be mutually agreed upon by the parties to the agreement.

(4) Where the moneys to be paid by any local authority under any agreement proposed to be entered into under this section are not all to be payable within one financial year the provisions of the Local Government Loans Board Act, 1926, shall, with the necessary modifications, apply with respect to the agreement as if it provided for the borrowing by the local authority of the moneys payable by it thereunder or of so much thereof as consists of principal or the capital value of any instalments.

(5) Where any local authority enters into an agreement under this section in respect of any irrigation or water-supply work the Minister may agree with the local authority that it shall collect and retain any rates or charges that the Minister is authorized to collect for water supplied from the work, and for that purpose the Minister may delegate to the local authority any of the powers conferred upon him by the Public Works Act, 1928, or any other Act.

REP. 19
No. 8.
Substitutn.

See Reprint
of Statutes,
Vol. V, p. 415

Ibid., Vol. VII.
p. 622

(6) Where any local authority enters into an agreement under this section in respect of any water-supply work the provisions of Part I of the Water-supply Act, 1908, shall, if the Minister so directs in writing, apply with the necessary modifications as if the local authority were a County Council, as if the work or so much thereof as is within the district of the local authority were to be constructed or had been constructed by the local authority under the said Act, and as if subsection two of section thirty-eight of the said Act were extended to include the moneys payable by the local authority under the agreement in respect of the work and also any expenses incurred by the local authority in connection with the agreement.

See Reprint
of Statutes,
Vol. VIII.
p. 1093

(7) For the purpose of providing the moneys to be paid by any local authority under any agreement entered into under this section in respect of any river-control works, the local authority may from time to time borrow moneys by way of special loan under the Local Bodies' Loans Act, 1926, by special order, and without taking the steps prescribed by sections nine to thirteen of that Act.

Ibid., Vol. V,
p. 360

(8) If default is made by a local authority for more than fourteen days in the full and punctual payment of any amount due by it under an agreement entered into under this section, the amount in respect of which default has been made, together with interest at the rate of five per centum per annum, or at such other rate as may be provided by the agreement, shall be recoverable as a debt due by the local authority to the Crown.

(9) A certificate under the hand of the Controller and Auditor-General shall be sufficient evidence of the sum in respect of which default has been made as aforesaid and of the date on which it was payable.

(10) In addition to the above-mentioned remedy the Minister, for the purpose of recovering any amount due and payable by any local authority under the foregoing provisions of this section, may appoint a Receiver with power to make and levy an annually recurring rate on all or any specified part of the rateable property in the district of the local authority, and for that purpose the Receiver shall have all the powers of a Receiver appointed under section forty-eight of the Local Bodies' Loans Act, 1926, and the provisions of sections forty-eight to fifty-six of that Act shall apply accordingly.

Ibid., p. 382

(11) Where default is made by a local authority as aforesaid the Minister may revoke in whole or in part any delegation of his powers made in favour of the local authority under subsection five of this section.

(12) All moneys received from local authorities under this section shall be applied as the Minister of Finance from time to time directs.

34. It shall be deemed to have been lawful for any local authority or public body to expend during the financial year ended on the thirty-first day of March, nineteen hundred and thirty-eight, any sum or sums of money in connection with the celebration of the coronation of His Majesty King George the Sixth.

35. It shall be deemed to have been lawful for any local authority or public body to incur expenditure in connection with the exhibition in New Zealand of the robes and regalia used at the Coronation of His Majesty King George the Sixth.

36. (1) Any local authority or public body may from time to time contribute any sum or sums of money to the Far East Relief Fund sponsored by the Joint Council of the Order of St. John and the New Zealand Red Cross Society.

(2) All contributions made to the said fund before the passing of this Act that by virtue of this section would have been valid if they had been made after the passing of this Act shall be deemed to have been validly and lawfully made.

PART VI.

MISCELLANEOUS.

37. The provisions of section eighteen of the Civil List Act, 1920, shall not apply to the absence during the present session of Hubert Maxwell Christie, Esquire, member of Parliament, for the purpose of attending the meeting of the Executive of the International Wool Committee at London, or of James Thorn, Esquire, member of Parliament, for the purpose of attending the conference of the International Labour Office at Geneva.

Validating expenditure by local authorities in connection with the coronation of His Majesty King George VI.

Validating expenditure in connection with exhibition of coronation robes.

Authorizing local authorities to contribute to the Far East Relief Fund, and validating past contributions.

Special provisions as to leave of absence for certain members of Parliament during present session.

See Reprint of Statutes, Vol. I, p. 1025

38. (1) The provisions of the Electoral Act, 1927, or any other Act, as to the disqualification of members of the General Assembly or of candidates for election as members of Parliament shall not apply with respect to—

Disqualification provisions as to members of General Assembly not applicable in certain cases.

(a) Any payment that has been or may hereafter be received by James Thorn, Esquire, out of public moneys in respect of his attendance at the conference of the International Labour Office at Geneva:

See Reprint of Statutes, Vol. VI, p. 469

(b) Any payment that has been received out of public moneys by any member of Parliament by way of remuneration in respect of his services as the Chairman or as a member of the National Health and Superannuation Committee or of the Education Committee appointed by the House of Representatives on the ninth and fifteenth days of March, nineteen hundred and thirty-eight, respectively.

(2) All payments to which paragraph (b) of the last preceding subsection applies are hereby validated and declared to have been lawfully made.

39. (1) Notwithstanding anything to the contrary in subsection five of section seven or in subsection five of section fourteen of the Land Laws Amendment Act, 1929, an advance may, if the Lands Development Board thinks fit, be made under the said section seven or section fourteen of an amount exceeding the amount prescribed by subsection five thereof but not exceeding ninety per centum of the value of the applicant's interest in the land in respect of which the application is made (including the improvements for the purpose of effecting which the advance is made) together with (where the advance is secured over the applicant's stock and chattels) sixty per centum of the value of his interest in the stock and chattels. For the purposes of this subsection the value of any land, stock, or chattels shall be deemed to be the value thereof as determined by the Valuer-General or by some person authorized by him in that behalf either with respect to a specified valuation or a specified class of valuations or generally with respect to all valuations under this subsection.

Increasing limit for advances to lessees of undeveloped Crown and settlement lands.

Ibid., Vol. IV, pp. 837, 927

(2) The amount of any such advance may be paid from time to time by progress payments.

(3) All advances made before the passing of this Act that would have been lawful if this section had been in force when they were made are hereby validated and declared to have been lawfully made.

Power to grant temporary exemptions from section 50 (4) of Friendly Societies Act. See Reprint of Statutes, Vol. III, pp. 479, 480

40. (1) If the Governor-General is of opinion that compliance with the provisions of subsection four of section fifty of the Friendly Societies Act, 1909, by a registered society or branch in respect of the whole or any part of the period of two years ending on the thirty-first day of December, nineteen hundred and thirty-eight, is impossible, or would impose undue hardship on the society or branch, he may by Order in Council grant to the society or branch a complete or partial exemption from the obligations of that subsection in respect of the whole or any part of that period.

(2) Section fifty-five of the Finance Act, 1931 (No. 4), and section thirty of the Finance Act (No. 2), 1935, are hereby repealed.

41. (1) Section twenty-seven of the Finance Act, 1927 (No. 2), as amended by section ten of the Finance Act, 1933, shall continue in force until the thirty-first day of December, nineteen hundred and forty-three, and shall then be deemed to be repealed.

(2) Section ten of the Finance Act, 1933, is hereby repealed.

42. (1) The expenditure by the New Zealand Honey Control Board of the sum of three thousand four hundred and ninety-two pounds eight shillings and twopence in connection with the purchase and shipment to London of one hundred tons of Australian honey is hereby validated and declared to have been lawfully incurred.

(2) All moneys received by the Board in respect of the sale of that honey shall be paid by the Board into its bank account pursuant to section twenty-one of the Honey-export Control Act, 1924. The proceeds of the sale of the honey, after deducting all expenditure incurred by the Board in connection with the purchase, shipment, and sale thereof, shall be applied by the Board in such manner as the Minister of Finance shall direct.

See Reprint of Statutes, Vol. VIII, p. 696

REP. 19
No. 5
Substituted.

Repeals.
1931, No. 44
1935, No. 41

Extension of scheme for wheat research.

See Reprint of Statutes, Vol. VIII, p. 177

1933, No. 33

Repeal.

Validating purchase of Australian honey by New Zealand Honey Control Board.

43. Whereas the Sir Arthur Pearson Memorial Fund is vested in the trustees of the New Zealand Institute for the Blind, and is administered by the said trustees under section sixty-seven of the Hospitals and Charitable Institutions Act, 1926: And whereas the objects of the fund are set out in the annual report of the trustees for the year ended on the thirty-first day of March, nineteen hundred and twenty-three: And whereas the trustees and the promoter of the fund have requested that the objects of the fund be extended as hereinafter provided, and it is expedient that they should be so extended: Be it therefore enacted as follows:—

Extending
objects of
Sir Arthur
Pearson
Memorial
Fund.

See Reprint
of Statutes,
Vol. III, p. 751

(1) The objects of the fund are hereby extended so as to authorize the trustees to apply the income of the fund for all or any of the following purposes (in addition to all other duly authorized purposes), namely:—

- (a) To acquire by purchase or otherwise any land or buildings for the purpose of providing dwellings for blind persons, and to erect dwellings for blind persons upon any land:
- (b) To let dwellings to blind persons upon and subject to such terms and conditions as the trustees may from time to time determine:
- (c) To lend money to blind persons upon or subject to such terms and conditions as the trustees think fit and, in particular, either without security or upon such security as the trustees think fit, for the purpose of enabling them to acquire homes or to establish, commence, acquire, develop, or carry on any business, or to qualify for, practise, or carry on any profession, trade, or calling:
- (d) To provide for the use of blind persons in their homes and upon or subject to such terms and conditions as the trustees think fit such articles and things for their amusement, recreation, and benefit as the trustees think fit, including in particular gramophones, wireless apparatus, musical instruments, and talking-books:
- (e) To provide clothing and other necessities of any kind whatsoever free of charge to blind persons in need thereof.

(2) The trustees may from time to time release any blind person in whole or in part from any liability to pay to the trustees any moneys belonging to the fund.

Provision for winding-up of Waimarino Fire Relief Association, Inc., and disposing of its assets.

44. (1) The Waimarino Fire Relief Association, Incorporated, is hereby authorized to pay the sum of twenty-five pounds to its Secretary as remuneration for his services, and, subject to the payment of the said sum and of the other liabilities of the Association, to transfer the whole of its assets to His Majesty the King.

REFER 19
No. s.

(2) All moneys so transferred, and all moneys realized from any other assets so transferred, shall be paid into the Public Account to the credit of the Deposit Account established under section six of the Finance Act, 1932.

1932. No. 11

(3) Upon receiving a certificate from the Minister of Finance that the Association has transferred all its assets to His Majesty as provided in this section, the Registrar of Incorporated Societies shall make under his seal a declaration that the Association is dissolved as from the date of the declaration, and the provisions of section twenty-eight of the Incorporated Societies Act, 1908, shall apply with respect to the declaration as if it had been made under that section.

See Reprint of Statutes, Vol. III, p. 930

(4) All acts done or omitted before the passing of this Act by the Association or by the Executive Committee thereof, or by any member or officer thereof in relation to the affairs of the Association, are hereby declared to have been lawfully done or omitted.

Repeal.
1930, No. 40

(5) Section twenty-two of the Finance Act, 1930 (No. 2), is hereby repealed.

Authorizing Hokitika Savings-bank to invest £3,000 in securities of Westland Hospital Board.

45. (1) Subject to the provisions of this section, the trustees of the Hokitika Savings-bank may make investments under section thirty-four of the Savings-banks Act, 1908, in debentures issued or mortgages executed by the Westland Hospital Board, notwithstanding that the Board has no power to borrow money on the security of a general or special rate and is not a local body within the meaning of that section.

See Reprint of Statutes, Vol. VIII, p. 153

(2) Nothing in this section shall be construed to authorize the investment in securities of the Board of

any moneys exceeding in the aggregate the sum of three thousand pounds, or to increase the total amount that may be invested by the trustees under the said section thirty-four.

46. The payment made during the financial year ending on the thirty-first day of March, nineteen hundred and thirty-nine, by the trustees of the Hokitika Savings-bank of the sum of four hundred pounds out of the profits of the bank to the Westland Hospital Board, towards the cost of the establishment and furnishing of a children's ward, is hereby validated and declared to have been lawfully made.

Validating payment by Hokitika Savings-bank to Westland Hospital Board.

47. The payments made during the financial year ending on the thirty-first day of March, nineteen hundred and thirty-nine, by the trustees of the Dunedin Savings-bank of the following sums out of the profits of the bank are hereby validated and declared to have been lawfully made, namely:—

Validating certain payments by Dunedin Savings-bank.

- (a) Five hundred pounds to the St. John Ambulance Association for the general purposes of the Association:
- (b) Three hundred pounds to the Salvation Army towards the relief of distress:
- (c) Two hundred and fifty pounds to the trustees of the Methodist Central Mission of Dunedin towards the cost of a children's health camp.

48. The payment made during the year nineteen hundred and thirty-eight by the Education Board of the District of Nelson from its General Fund to its Secretary, Hilary Jack Thornton, Esquire, of an amount not exceeding one hundred pounds in order to enable him to accept a "visitor's grant" awarded by the Carnegie Corporation of New York for the purpose of studying educational administration overseas is hereby validated and declared to have been lawfully made.

Validating payment by Nelson Education Board towards cost of visit to America of Secretary.

49. Whereas the Government of Tonga desires to appoint from time to time some person in the Education Service in New Zealand to be the Director of Education in Tonga: And whereas it is not considered desirable that any person should lose his superannuation rights by reason of such appointment:

Superannuation rights of Director of Education, Tonga.

And whereas the Government of Tonga has agreed to the conditions hereinafter specified: Be it therefore enacted as follows:—

(1) Service as Director of Education to the Government of Tonga shall for the purposes of the Teachers' Superannuation Fund be deemed to be Education service in the case of every person who immediately prior to the date of his appointment as such Director is a contributor to the Fund, if his appointment and the conditions thereof are approved for the purposes of this section by the Minister of Education.

(2) The conditions to which the Government of Tonga has agreed as aforesaid are as follows:—

(a) That the Government of Tonga will deduct from the salary paid by it to the contributor the contributions payable by him to the Fund:

(b) That a further contribution equal to eighty per centum of the contributor's contributions shall be payable by the Government of Tonga:

(c) That the whole of the contributions under paragraphs (a) and (b) hereof shall be transmitted quarterly by the Government of Tonga to New Zealand and shall be credited to the Teachers' Superannuation Fund.

50. Section twenty-four of the Finance Act, 1937, is hereby amended by omitting the words "nineteen hundred and thirty-eight", and substituting the words "nineteen hundred and thirty-nine".