

Hon. Mr. Ward.

BANK NOTE ISSUE.

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A BILL INTITULED

AN ACT to make Bank Notes a first charge on Bank Assets, and to temporarily enable the Governor to declare Bank Notes to be a Legal Tender, and to provide for the Retirement of the same during a Limited Time and under Special Circumstances.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. The Short Title of this Act is "The Bank-note Issue Act, 1893."

2. In this Act the word "bank" means any corporation or incorporated company carrying on within the colony the business of banking only.

PART I.

PERMANENT ENACTMENT.—BANK-NOTES.

3. After the passing of this Act all notes payable on demand heretofore, or hereafter to be, issued, circulated, or reissued in the colony by any bank under authority of this or any other Act of this colony in that behalf, shall, to the amount of the issue authorised, be a first charge on all the assets and property of that bank being assets for the payment of debts or other obligations contracted or entered upon, or due and payable in the colony; and shall be payable in gold only at the office of the bank at the place of issue of the said notes respectively, anything contained in any other Act notwithstanding.

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PART II.

TEMPORARY ENACTMENTS.—PROCLAMATION BY GOVERNOR.

4. Save as provided by section seven, the enactments in Part II. of this Act shall have force for the period of twelve months only from the passing thereof, and if at the end of that period Parliament be not in Session, then until the commencement of the then next Session of Parliament, and for two months thereafter, but no longer.

No. 150—1.

Power of the
Governor to make
notes a legal tender.

5. The Governor in Council may from time to time, as he thinks fit, by proclamation under his hand, and published in the *Gazette*, and in at least three newspapers in the colony, declare that the notes payable on demand by any bank therein named and then or thereafter to be issued, circulated, or reissued within the said colony under any lawful authority in that behalf shall, during the period limited by the proclamation, be everywhere within the said colony a good and legal tender of money to the amount therein expressed to be payable : 5

Provided that no proclamation shall be made unless the Governor in Council is satisfied that as between the bank and its creditors its assets exceed its liabilities by at least the sum of the paid-up capital and the reserved profits. 10

Provided further that the bank shall pay all such notes of its own issue in gold on presentation at the office of the bank at the place of issue of the said notes respectively after the expiration of the period limited by any original proclamation under this section, or by successive proclamations thereunder if more than one ; and the Governor in Council may require adequate security for the performance of this condition. 15

Provided also that no proclamation made under the authority of this section shall have force or effect beyond the time during which Part II. of this Act continues and remains in force. 20

Proclamation to
have the force
of law.

6. Upon publication in the *Gazette* as aforesaid, any proclamation made under this Act shall, to the extent and during the period limited by the proclamation or by this Act, have the force of law, notwithstanding any provision in any Act, charter, or document whatever. 25

Colonial Treasurer
shall pay note on
presentation.

7. At any time within six months after the expiration of the period limited by any original proclamation under section *five*, or by successive proclamations thereunder if there have been more than one, the Colonial Treasurer, on being satisfied that a bank-note covered by any such proclamation has been duly presented for payment at the bank issuing the same, and has not been paid, shall, without further appropriation than this Act, pay the same in gold to any *bonâ fide* holder, not being a bank, who may present the same for payment at the Treasury. 30 35

Managers and
officers to answer
inquiries made by
Governor in Council.

8. Upon the request of the Colonial Treasurer, the managing director, manager, or accountant of any bank shall make full and true answers to such written inquiries concerning the business, and the assets and liabilities, of the bank as the Colonial Treasurer thinks fit to make for the purpose of the exercise of the discretion conferred on the Governor in Council by section *five* of this Act, and shall verify the same by his statutory declaration. 40