

Hon. Mr. Guinness.

GREYMOUTH HARBOUR BOARD LOANS CONSOLIDATION.

[LOCAL BILL.]

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A BILL INTITULED

AN ACT to authorize the Consolidation by the Greymouth Harbour Board of certain Loans into a Consolidated Loan, and to authorize the Raising of Further Loans. Title.

5 WHEREAS by the Greymouth Harbour Board Act, 1884, and the Greymouth Harbour Board Act, 1884 (No. 2.), the Greymouth Harbour Board (hereinafter called the Board) was authorized to borrow on the security of its endowments and subject to the conditions and for the purposes set out in the Greymouth Harbour Board Act, 1884, any sum not exceeding one hundred and fifty thousand pounds, for the purposes in the lastly hereinbefore-mentioned Act set out: And whereas the Board has under the authority of the said Act borrowed the said sum of one hundred and fifty thousand pounds: And whereas the sum of one hundred and fifty thousand pounds, part of the said sum of one hundred and fifty thousand pounds, has been guaranteed under the Greymouth Harbour Board Act, 1884, in manner mentioned in section nine of the said Act: And whereas by the Greymouth Harbour Board Preamble.

Loan Act, 1891, the Board was authorized to borrow on the security of its endowments, and subject to the conditions and for the purposes set out in the Act now in recital, any sum not exceeding fifty thousand pounds: And whereas the Board has under the authority of the said Act borrowed the said sum of fifty thousand pounds: And whereas by the Greymouth Harbour Board Loan Act, 1900, the Board was authorized to borrow on the security of its endowments, and subject to the conditions and for the purposes set out in the Act now in recital, any sum not exceeding fifty thousand pounds: And whereas the Board has under the authority of the said Act borrowed the said sum of fifty thousand pounds: And whereas by the Greymouth Harbour Board Loan Act, 1906, the Board was authorized to borrow on the security of its endowments, and subject to the conditions and for the purposes set out in the Act now in recital, any sum not exceeding fifty thousand pounds: And whereas the Board made debentures for the purpose of issuing the same on raising the said loan of fifty thousand pounds, and hypothecated certain of such debentures to the face value of fifteen thousand pounds to the Union Bank of Australia (Limited), for the purpose of securing the sum of ten thousand pounds advanced by the said bank against the said debentures: And whereas it is expedient that the said loans, with the exception of the sum of one hundred thousand pounds guaranteed as aforesaid, should be converted into a consolidated debt, and that provision should be made for the raising of further loans by the Board.

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

Short Title.

1. This Act may be cited as the Greymouth Harbour Board Loans Consolidation Act, 1910.

Interpretation.

2. In this Act, where not inconsistent with the context,—

“Consolidated debentures” shall mean debentures issued under the authority of this Act:

“The said Acts” shall mean the Greymouth Harbour Board Act, 1884, the Greymouth Harbour Board Act, 1884 (No. 2), the Greymouth Harbour Board Loan Act, 1891, the Greymouth Harbour Board Loan Act, 1900, and the Greymouth Harbour Board Loan Act, 1906.

Board authorized to redeem and convert previous loans.

3. It shall be lawful for the Board, as soon and at such time or times as may be found convenient, to redeem and convert the herein-before-mentioned loans with the exception of the sum of one hundred thousand pounds guaranteed as aforesaid, notwithstanding that certain of such loans are not yet due and payable, and certain parts of the loan authorized by the Greymouth Harbour Board Loan Act, 1906, have not yet been raised, and for the purposes aforesaid to raise moneys subject to the conditions herein set forth.

Board authorized to raise further loans.

4. It shall be lawful for the Board to raise moneys in addition to those authorized to be raised under section *three* hereof, but so that the total amount of all moneys raised under this Act shall not exceed three hundred and fifty thousand pounds:

Provided that such additional moneys shall be raised only for the construction or completion of harbour-works in or towards the improvement of the Harbour of Greymouth, and subject to the Governor's previous approval of the works proposed to be constructed.

5. The Board shall be at liberty in its discretion to raise the moneys hereby authorized to be raised, in one sum or several sums, and for such purposes to create and issue consolidated debentures, which may be disposed of in both or either of the modes following, or partly in one and partly in the other of such modes, that is to say,—

Mode of raising and applying loans.

(a.) Consolidated debentures may be given in exchange for the debentures representing the loans authorized by the said Acts (except as to the debentures guaranteed as aforesaid) or any of such debentures, and either upon the said debentures maturing or at any other time.

(b.) Any consolidated debentures may be disposed of to any such persons and at such times as the Board may deem expedient, and the proceeds from such disposal shall be devoted primarily to the redemption at maturity or at any other time of the debentures mentioned in paragraph (a) of this section :

Provided that nothing in this Act shall lay any obligation on any person advancing money on the security of consolidated debentures to see to the application of such money ; nor shall such security be invalidated by the misapplication by the Board of such money or any of it.

6. The holders of any debentures issued under the provisions of the said Acts, with the exception of the debentures guaranteed as aforesaid, may, by mutual agreement between such holders and the Board or its agent, surrender the same in exchange for consolidated debentures, on such terms with reference to the difference in value as shall be agreed upon.

Present debenture-holders may exchange for consolidated debentures.

7. For adjusting the terms of such conversion as is referred to in the *last preceding* section the Board may pay to such holders the agreed difference in value between the debentures so surrendered and the consolidated debentures issued in exchange therefor, and such payment shall be made either in cash or by delivery of further consolidated debentures.

Board may adjust difference in value between present debentures and consolidated debentures.

8. All sums which may be necessary for the purpose of paying in cash to holders of converted debentures the agreed difference in value between such debentures and the consolidated debentures issued in exchange therefor may be paid out of the proceeds of the disposal of consolidated debentures.

Proceeds from consolidated debentures may be used for adjustment.

9. In any case in which the holder of any debentures issued under the said Acts (except debentures representing the said sum of one hundred thousand pounds guaranteed as aforesaid) shall prefer to accept an immediate cash price therefor, the Board or its agent may pay in cash the price agreed upon with him.

Board may immediately redeem present debentures in cash.

10. The Board may pay the first year's interest on any consolidated debentures hereby authorized, and all expenses of and incidental to the authorization and issue of such debentures, out of the proceeds thereof.

First year's interest and expenses of raising loans may be paid out of proceeds thereof.

11. No consolidated debentures shall be sold by the Board or its agents at a price that will produce to the purchaser a greater interest than five pounds per centum per annum, anything in the Harbours Act, 1908, notwithstanding.

Rate of interest.

12. The consolidated debentures shall be numbered consecu-

Form of debentures.

tively commencing with No. 1, and so that no two such debentures shall at any time bear the same number.

Consolidated debentures to rank *pari passu*, but previously guaranteed debentures to take priority.

13. The consolidated debentures shall rank *pari passu*, and have no preference or priority the one over the other by reason of priority of date of issue or otherwise. The debentures representing the sum of one hundred thousand pounds guaranteed as aforesaid shall, however, take priority over the consolidated debentures. 5

Security for debentures.

14. All of the Board's endowments shall be security for the due payment of the principal and interest represented by the consolidated debentures; provided that this section shall in nowise limit the operation of section one hundred and ninety-one of the Harbours Act, 1908. 10

Governor in Council may guarantee loan.

15. Prior to the issue of a loan proposed to be raised under the authority of this Act, the Governor in Council, if satisfied at any time that the revenues accruing to the Board under this Act are sufficient to meet the interest on such loan and to provide a sinking fund for repayment thereof, may declare such loan and interest to be guaranteed under this Act; and from the date of the Order in Council declaring the guarantee the interest on such loan shall be paid out of the Consolidated Fund. 15

Governor may fix form of guaranteed debentures.

16. Notwithstanding anything contained in the Harbours Act, 1908, in the event of a guarantee being declared as aforesaid the Governor, and any persons whom he may appoint as agents for the purpose either within or beyond the ~~Dominion~~, *New Zealand* may make and issue debentures under this Act and the Harbours Act, 1908, in such form as the Governor or such agents respectively think fit. 20

Board's revenue charged with moneys paid from Consolidated Fund.

17. (1.) All moneys advanced from the Consolidated Fund under section *fifteen* of this Act shall be charged against the revenues of the Board, and shall be repaid to the said fund by the Board, together with so much added as will provide a sinking fund to liquidate the amount of the loan guaranteed under this Act. 25

(2.) Such sinking fund shall be of such amount, and payable at such dates, as shall be agreed upon between the Governor and the Board. 30

Special Act.

18. This Act shall be deemed a special Act within the meaning of the Harbours Act, 1908. 35

Struck out.

Repeal.

19. From and after the redemption or exchange of the debentures issued under the said Acts (with the exception of the debentures guaranteed under the Greymouth Harbour Board Act, 1884) the following Acts shall be repealed, viz:— 40

(a.) The Greymouth Harbour Board Act, 1884, and the Greymouth Harbour Board Act, 1884 (No. 2), so far as they relate to the borrowing of the sum of fifty thousand pounds in addition to the sum of one hundred thousand pounds guaranteed as aforesaid; and 45

(b.) The Greymouth Harbour Loan Act, 1891, the Greymouth Harbour Loan Act, 1900, and the Greymouth Harbour Board Loan Act, 1906. 50

New clause.

Existing borrowing powers not to be exercised.

19A. No further moneys shall be borrowed under the authority of any of the hereinbefore mentioned Acts.