

Hon. Sir George Grey.

## New Zealand Loan.

### ANALYSIS.

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### A BILL INTITULED

AN ACT to authorize the Borrowing and Raising of Money for Immigration and Construction of Public Works, and for other purposes.

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 New Zealand Loan Act, 1879." Short Title.
2. It shall be lawful for the Governor in Council to appoint any two or more persons he may think fit to be Agents for the purpose of raising and managing the loan authorized to be raised under this Act, with all such powers as may be necessary to carry into effect the purposes of this Act, and in their appointments to define the relative powers of such Agents. Appointment of Agents.
3. Such Agents shall have full power and authority to borrow and raise in Great Britain or elsewhere, by bonds, debentures, scrip, or otherwise, such sum or sums not exceeding five million pounds sterling in the whole as the Governor in Council may Loan of £5,000,000 authorized for certain purposes.

Schedule.

from time to time or at any time direct and determine, for all and any of the purposes expressed in the Schedule hereto, or the payment or repurchase of short-dated debentures issued under this Act, or any other purposes authorized by this Act.

Power of Agents.

Agents to prescribe mode, conditions, and terms of repayment.

4. Such Agents shall have full power and authority to prescribe the mode and conditions of repayment of such loan, and the time of such repayment, and the rate of interest thereon, and the time and place or places when and where such principal and interest shall be made payable.

Special powers to Agents.

5. In addition to the general powers by this Act conferred upon such Agents, they shall have and may exercise the following special powers as often as occasion may require :—

They may agree that debentures issued by them shall be converted into stock created or issued under "The New Zealand Consolidated Stock Act, 1877," and may either specify the terms of such conversion, or arrange that such terms shall be subsequently agreed upon.

Annual charge not to exceed six per cent., including sinking fund (if any).

6. The annual charge to be imposed on the Consolidated Revenue ~~under the provisions of this Act~~ shall not exceed for interest and sinking fund (if any) the sum of six pounds for every one hundred pounds expressed to be borrowed *under the authority of the third section of this Act*.

~~But this provision shall not apply to any sum or sums of money borrowed, raised, or obtained upon short-dated debentures under the powers hereinafter contained.~~

Pending raising loan, short-dated debentures may be issued.

7. Pending the raising of moneys hereinbefore authorized to be raised under this Act, it shall be lawful for the Governor in Council to appoint any two or more persons he may think fit to be Agents, and in their appointments to define the relative powers of such Agents, who shall have full power and authority to borrow and raise, or to obtain as an advance, such sum or sums of money, ~~not exceeding the sums mentioned in the third section of this Act,~~ as the Governor in Council may from time to time direct and determine, and to take up the same sum or sums of money from time to time by the sale, hypothecation, or mortgage of debentures (hereinafter referred to as "short-dated debentures"), as such Agents may deem expedient.

Terms on which short-dated debentures may be issued.

8. Every such short-dated debenture shall bear interest after such rate, and be for such sum and in such form and with or without coupons attached, and subject to this Act shall be signed on behalf of the colony, and be transferable and negotiable in such manner, as such Agents shall prescribe.

Times and places of payment of short-dated debentures.

9. The interest and principal of every such short-dated debenture shall be payable at such times and places as such Agents shall prescribe: Provided that the principal moneys secured by any such debenture shall not be made payable at a later period than seven years after the date of issue thereof.

Short-dated debentures may be accepted in payment for debentures issued for raising loan.

10. The Agents authorized under the *third* section of this Act to raise any moneys therein mentioned may accept any short-dated debentures issued under the *seventh* section of this Act in payment for any bonds, debentures, or other securities issued by them for the purpose of raising moneys under the said *third* section of this Act.

Reissue of short-dated debentures.

11. In order to provide for the payment of the principal moneys of any short-dated debenture, and whenever any short-dated debenture shall be received in payment or exchange for any bond, debenture, or other security issued under the *third* section of this Act, the Governor may order that a like amount of short-dated debentures may be prepared and issued in the place of the short-dated debentures to be or which shall have been paid off or exchanged, and thereupon the Agents for the time being appointed under the *seventh* section of this Act shall have full power and authority to make out and issue the said amount of short-dated debentures so ordered, and the provisions contained in the *seventh*, *eighth*, and *ninth* sections of this Act shall be applicable thereto.

12. The amount of all short-dated debentures issued under this Act, together with all debentures or other securities issued under the *third* section of this Act, outstanding at any one time, shall never exceed the sum of five million pounds sterling.

The amount outstanding at one time on ordinary and short-dated debentures not to exceed £5,000,000.

Debentures not to be sold at price to give interest at higher rate than six per cent.

5 13. No bond, debenture, or other security issued under this Act shall be sold or otherwise disposed of at a price which will yield to the purchaser thereof a higher rate of interest by the year than six pounds for every hundred pounds of the purchase-money given for such bond, debenture, or other security; *but such bonds, debentures, or other*

10 *securities may be hypothecated or mortgaged, upon such terms as to interest as the said Agents may deem expedient.*

15 ~~But this provision shall not apply to any bond, debenture, scrip, or other security issued, sold, or disposed of for the purpose of securing any sum or sums of money borrowed, raised, or obtained upon short dated debentures under the authority of this Act.~~

How securities to be signed.

14. Every bond, debenture, scrip, or other security issued under the authority of this Act shall be countersigned by one of the Commissioners of Audit, or by an officer of Audit, to be appointed by the Commissioners of Audit from time to time for that purpose.

20 15. The sum of money named in any bond, debenture, scrip, or other authority issued under the authority of this Act, and all interest thereon, shall be a charge upon and paid out of the Consolidated Fund of New Zealand.

Money borrowed and interest charged on Consolidated Fund.

25 16. The moneys raised under the authority hereinbefore contained shall ~~and may~~ be issued and applied to the purposes mentioned in this Act and the Schedule to this Act, and to the repayment of any short-dated debentures hereby authorized to be issued, and to no other purposes whatsoever; and, as to the purposes mentioned in the said Schedule, shall be issued and applied in sums not exceeding the

30 *amounts in the said Schedule respectively provided.*

Application of money borrowed.

17. All the powers which may be vested in any Agents appointed under this Act may by such Agents be wholly or partly delegated to any two or more other Agents, subject to such conditions as the Agents delegating such powers shall think fit.

Agents authorized to delegate powers.

35 18. The Governor may at any time remove or accept the resignation of any Agent appointed by him under this Act, and appoint another person in his place.

Removal of Agents.

40 19. Nothing in this Act contained shall be held to prejudice, alter, affect, or vary any security or securities heretofore charged on the revenues of New Zealand or any of them.

Previous securities not to be affected.

SCHEDULE.  
(*New Schedule.*)

Schedule.

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For Public Works, Immigration, and Purchase of Native Lands, and for defraying the costs, charges, and expenses of raising the Loan authorized by this Act ... ..	3,740,000
For Lyttelton Harbour Works (in lieu of amount authorized to be raised under "The Lyttelton Harbour Works Loan Act, 1872," as amended by "The Financial Arrangements Act, 1878.") ...	100,000
For redeeming Guaranteed Debentures ... ..	800,000
For purposes hereafter to be declared by any Act of the General Assembly ... ..	360,000
	£5,000,000