

Mr. Duncan.

OAMARU LOANS CONSOLIDATION.

[PRIVATE BILL.]

ANALYSIS.

<p>Title.</p> <p>Preamble.</p> <p>1. Short Title.</p> <p>2. Interpretation.</p> <p>3. Corporation may issue consolidated debentures for £175,000, charged upon its revenues and properties.</p> <p>4. Form of consolidated debentures.</p> <p>5. Rate of interest and form of coupons.</p> <p>6. Debentures and coupons to be transferable by delivery.</p> <p>7. Execution of debentures and coupons.</p> <p>8. No stamp duty to be payable. Interest and principal to be paid in London free of deductions.</p> <p>9. Special rate of 4s. in the pound to be struck, and so much thereof as is necessary to pay the interest to be levied in each year.</p> <p>10. Consolidated debentures to be exchanged for existing loans. Provision for cases where existing debentures are not brought in for cancellation.</p> <p>11. After the issue of the consolidated loan existing debentures to be invalid, except for specified purposes.</p>	<p>12. Trustees of sinking fund as accumulated in respect of loan first mentioned in First Schedule to get in funds and pay them to Corporation.</p> <p>13. Corporation to hold accumulated sinking funds upon trust for debenture-holders of first loan.</p> <p>14. Sinking fund to be applied in <i>pro rata</i> reduction of consolidated debentures issued for first loan.</p> <p>15. Council to levy increased rate if at any time the rate of 4s. in the pound proves insufficient.</p> <p>16. Certain sections of "The Municipal Corporations Act, 1886," incorporated in this Act.</p> <p>17. Special provisions relating to interest in arrear, and to accrue, prior to the issue of the consolidated loan.</p> <p>18. No objection to be allowed to any rate.</p> <p>19. Corporation to pay all expenses, and may for that purpose issue £1,200, balance of consolidated loan.</p> <p>20. No public meeting to be held or poll taken.</p> <p>21. Debenture-holders to have no claim on revenue of colony.</p> <p>Schedules.</p>
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A BILL INTITULED

AN ACT to authorise the Corporation of the Borough of Oamaru to consolidate the Loans of the said Borough into one Loan, bearing Interest at Five per Centum per Annum, and to call in and cancel the Debentures for existing Loans, and substitute therefor Debentures of the Consolidated Loan; and to make other Provisions relating to the said Loans, and for providing Interest thereon, and for the Expenses of effecting the Consolidation. Title.

10 WHEREAS by virtue of the authority of an Ordinance of the Superintendent and Provincial Council of the Province of Otago, intituled "The Otago Municipal Corporations Ordinance, 1865," the Corporation of the Borough of Oamaru raised a loan of twenty-five thousand pounds at seven pounds per centum per annum interest, and another Preamble.

15 loan of five thousand pounds at five pounds per centum per annum interest: And whereas by virtue of the authority of "The Oamaru Gasworks Act, 1875," and "The Municipal Corporations Act, 1876,"

the said Corporation raised a loan of nine thousand eight hundred pounds at five pounds per centum per annum interest: And whereas by virtue of the authority of "The Oamaru Waterworks Act, 1875," the said Corporation raised a loan of sixty thousand pounds at seven pounds per centum per annum interest: And whereas by virtue of 5 the authority of "The Oamaru Waterworks Act 1875 Amendment Act, 1879," the said Corporation raised a loan of fifty thousand pounds at seven pounds per centum per annum interest: And whereas by virtue of the authority of "The Oamaru Waterworks Act 1875 Amendment Act, 1880," the said Corporation raised a loan of ten 10 thousand pounds at seven pounds per centum per annum interest: And whereas by virtue of the authority of "The Municipal Corporations Act, 1876," and "The Municipal Corporations Act 1876 Amendment Act, 1880," the said Corporation raised a loan of fourteen thousand pounds at six pounds per centum per annum interest: And whereas 15 by virtue of the authority of "The Municipal Corporations Act, 1886," the said Corporation raised a loan of five thousand pounds at five pounds per centum per annum interest as a special loan to pay off the above-mentioned loan of five thousand pounds: And whereas all the said loans are still outstanding, and no part thereof has been 20 repaid excepting the loan of five thousand pounds first above mentioned, and the Corporation has made default in payment of interest on certain of them: And whereas an agreement has been entered into between the Corporation and a committee appointed by persons holding debentures issued for the said loans, providing, *inter alia*, 25 that debentures shall be issued by the Corporation for a consolidated loan of one hundred and seventy-five thousand pounds, bearing interest at the rate of five pounds per centum per annum, and repayable on the first day of January, one thousand nine hundred and twenty; and that the holders of the said debentures shall be entitled to 30 receive, and shall accept, debentures of the said consolidated loan to be issued in exchange for debentures for the present loans: And whereas a large number of the holders of each of the said present loans have signified in writing their willingness to accept the debentures proposed to be issued for the said consolidated loan in exchange 35 for the debentures now held by them respectively, and to assent to the passing of an Act for the carrying out of the same agreement—that is to say, as to the loan first named in the *First* Schedule hereto, holders of twenty-three thousand three hundred pounds have assented; as to the loan secondly named in the said Schedule, all 40 the holders have assented; as to the loan thirdly mentioned in the said Schedule, all the holders have assented; as to the loan fourthly mentioned in the said Schedule, holders of forty-eight thousand eight hundred pounds have assented; as to the loan fifthly mentioned in the said Schedule, holders of forty-three thousand three 45 hundred pounds have assented; as to the loan sixthly mentioned in the said Schedule, all the holders have assented; and as to the loan lastly mentioned in the said Schedule, all the holders have assented:

And whereas it is expedient that power should be given to the said Corporation to issue debentures for the said consolidated loan, 50 and to carry out and enforce the said agreement:

BE IT THEREFORE 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 shall be “The Oamaru Loans Consolidation Act, 1893.” Short Title.
2. In this Act, if not inconsistent with the context, the following words and expressions shall have the meaning hereinafter respectively attached to them, that is to say:— Interpretation.
- “The Corporation” shall mean the Mayor, Councillors, and Burgesses of the Borough of Oamaru, as incorporated by the law of the colony:
- “The Council” shall mean the Council of the said borough:
- “The revenues” shall mean the entire revenues, whether general or special, of the Corporation applicable to municipal purposes within the borough, from whatsoever source the same may be derived:
- “The existing debentures” shall mean and include all debentures for any of the loans mentioned in the *First* Schedule hereto, existing at the time of the passing of this Act, and also all documents and securities not being in form debentures, but evidencing the holding or ownership of the capital fund of any of the existing loans:
- “Consolidated debentures” shall mean debentures issued under the authority of this Act:
- “The said agreement” shall mean an agreement dated the ninth day of February, one thousand eight hundred and ninety-three, made between a joint Committee appointed by holders of debentures for the loans mentioned in the *First* Schedule hereto of the one part, and William Anderson Low on behalf of the said Corporation of the other part, and confirmed by the said Corporation on the twenty-fifth day of May one thousand eight hundred and ninety-three:
- “The said Act” shall mean “The Municipal Corporations Act, 1886.”
3. For the purpose of carrying out the said agreement, the Corporation may issue consolidated debentures for the sum of one hundred and seventy-five thousand pounds, charged upon the revenues and charged also upon the Borough gasworks and waterworks and upon *the rents and profits* of all the endowments of the Corporation. Corporation may issue consolidated debentures for £175,000, charged upon its revenues and properties.
4. Every consolidated debenture shall be in the form in the *Second* Schedule to this Act, and the consolidated debentures shall be numbered consecutively so that no two debentures shall at any time bear the same number, and every consolidated debenture shall be expressed to be repayable on the first day of January, one thousand nine hundred and twenty. Form of consolidated debentures.
5. The interest on the consolidated debentures shall be at the rate of five pounds per centum per annum on the amount thereof, and separate coupons for each sum so payable, in the form in the *Third* Schedule to this Act and numbered consecutively for each debenture, shall be attached thereto. Rate of interest and form of coupons.

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Debentures and coupons to be transferable by delivery.

Execution of debentures and coupons.

No stamp duty to be payable. Interest and principal to be paid in London free of deductions.

Special rate of 4s. in the pound to be struck, and so much thereof as is necessary to pay the interest to be levied in each year.

Consolidated debentures to be exchanged for existing loans. Provision for cases where existing debentures are not brought in for cancellation.

After the issue of the consolidated loan existing debentures to be invalid, except for specified purposes.

6. Consolidated debentures and the coupons thereto respectively shall be transferable by delivery, and payment to any person in possession of any such debenture or coupon of the sum named therein shall discharge the Corporation of all liability in respect of such debenture or coupon.

7. The provisions of section one hundred and ninety-nine of the said Act shall apply to the debentures and coupons to be issued under the authority of this Act.

8. No stamp duty shall be payable in respect of any such debenture or coupon. The Corporation shall pay the interest and principal of such debentures in London, free and clear of deduction on account of exchange and cost of distributing the same.

9. The Council shall, for the purpose of meeting the interest payable upon the moneys secured by any consolidated debentures, strike and make a rate of four shillings in the pound upon all rateable property in the borough, and such rate shall be and be deemed to be a special rate within the meaning of the said Act, and, save where it is herein otherwise expressly provided, all the provisions contained in the said Act, and any Act or Acts amending or substituted for the same, relating to special rates, and specially sections one hundred and forty-four and one hundred and forty-five of the said Act, and any provisions of any Act or Acts amending or substituted for those sections, shall apply to such special rate; and the Council shall in each year levy so much of the said special rate as shall be sufficient to pay interest upon the consolidated debentures.

10. Consolidated debentures, to the amount of one hundred and seventy-three thousand eight hundred pounds, shall be applied by the Corporation to the purpose of discharging the existing debentures by exchange of consolidated debentures therefor, and to no other purpose whatever; and every person who holds any existing debenture shall be entitled, on producing and delivering up the same with the relative coupons, to be cancelled, at the Bank of New Zealand in London, or the branch of the said bank in Oamaru, to receive from the Corporation consolidated debentures to an equal amount, with relative coupons, in exchange for such existing debentures. All consolidated debentures which shall not have been exchanged for existing debentures before the first day of January, one thousand eight hundred and ninety-five, shall be deposited by the Corporation with the Public Trustee of the colony at Wellington, and the Public Trustee shall thereafter, upon production and delivery to him of existing debentures for cancellation, deliver to the person producing and delivering such existing debentures consolidated debentures of an equal amount in exchange therefor. The Corporation shall pay to the Public Trustee interest accruing upon unissued consolidated debentures until the exchange thereof, and such interest shall be paid over by the Public Trustee upon the exchange to the person entitled to the debenture upon which such interest has accrued.

11. After the passing of this Act, all the existing debentures and other securities for all the loans mentioned in the *First* Schedule to this Act shall be invalid for any purpose except that of being exchanged for consolidated debentures of an equal amount, and

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except for the purpose of evidencing the right to interest as hereinafter provided accruing until the issue of the consolidated debentures, and except that the holders of consolidated debentures exchanged for existing debentures of the loan firstly mentioned in the *First* Schedule to this Act shall be entitled to share rateably in the accumulated sinking fund as hereinafter provided.

12. It shall be lawful for the persons for the time being acting as Trustees under the provisions of section numbered one hundred and five of "The Otago Municipal Corporations Ordinance, 1865," to sell and convert into money, in such manner and at such time or times as they may consider best in the interest of the persons hereinafter declared to be beneficially entitled thereto, all the securities, land, and other property representing the sinking fund created under the provisions of the said Ordinance. And the said Trustees shall pay over the said sinking fund, and the proceeds of such sale and conversion, after payment of expenses of realisation and other proper charges and deductions, to the Corporation.

Trustees of sinking fund as accumulated in respect of loan first mentioned in First Schedule to get in funds and pay them to Corporation.

13. The Corporation shall pay all moneys derived from the said sinking fund, and from the securities, land, and other property representing the same, into a separate account in some bank, and shall hold the same and any interest which may thereafter accrue thereon in trust for all persons holding or entitled to consolidated debentures issued or to be issued in exchange for existing debentures of the loan first-named in the *First* Schedule hereto, rateably in proportion to the amount of the debentures which each such person shall hold or be entitled to receive.

Corporation to hold accumulated sinking funds upon trust for debenture-holders of first loan.

14. As soon as the said sinking fund and the proceeds of the securities, land, and other property representing the same have been wholly paid over to the Corporation, the holders of the consolidated debentures issued in exchange for the existing debentures of the loan first-named in the *First* Schedule to this Act shall be entitled to receive payment of their respective proportions of the said sinking fund and proceeds on producing such consolidated debentures and the relative coupons at the Bank of New Zealand in London, or at the branch of the said bank in Oamaru; and a memorandum shall be written or printed across the face of each of such debentures and the relative coupons stating that the amount of such consolidated debenture has been reduced by the amount so paid in respect thereof, and the relative coupons thereby proportionately reduced; and such memorandum shall be conclusive proof of the payment of the amount mentioned therein in reduction of such consolidated debenture, and shall be deemed conclusive proof as against all holders of such debenture and the relative coupons and all other persons of knowledge of the reduction of the amount of the debenture by the sum so stated: Provided always that the Corporation shall pay to any such holder only such part of his proportion of the sinking fund and proceeds as shall be ten pounds, or some integral multiple of ten pounds, and shall deposit the balance of the amount appropriated to such holder at interest until such balance shall amount to ten pounds, or some integral multiple of ten pounds, when such balance so accumulated shall be paid over to the then holder, and the amount of the debenture again thereby reduced in manner hereinbefore directed.

Sinking fund to be applied in *pro rata* reduction of consolidated debentures issued for first loan.

Council to levy increased rate if at any time the rate of 4s. in the pound proves insufficient.

15. If at any time the special rate of four shillings in the pound by this Act directed to be made and struck shall be insufficient to provide interest in full on the consolidated debentures, the Council of the Corporation is hereby empowered and directed to forthwith increase such special rate to an amount which will be amply sufficient to provide such interest, and to levy the whole of such increased rate; and it shall not be necessary for the Corporation or the Council to observe any of the formalities required or prescribed by "The Municipal Corporations Act, 1886," or the Acts amending the same, preliminary to or in respect of the making, striking, or levying of such increased rate; and the authority conferred and the duty imposed upon the Corporation and the Council by this section shall be deemed additional to the powers conferred by section one hundred and forty-six of the said Act. 5 10

Certain sections of "The Municipal Corporations Act, 1886," incorporated in this Act.

16. All the provisions of sections two hundred and ten to two hundred and eighteen, both inclusive, of the said Act, shall be deemed to be expressly incorporated in this Act; and, in addition, to the powers conferred by section two hundred and fourteen of the said Act, a Receiver shall have the power given to the Council by section fifteen of this Act. 15 20

Special provisions relating to interest in arrear, and to accrue, prior to the issue of the consolidated loan.

17. Whereas the Corporation has made default in payment of interest in arrear upon some of the existing loans: Be it hereby further enacted that the said Corporation and the Council thereof is hereby empowered and directed to pay all such interest in arrear and accrued up to and including the thirty-first day of December, one thousand eight hundred and ninety-two, at the uniform rate of five pounds per centum per annum, in lieu of the rate of interest provided by the terms of the several existing loans, and by two equal instalments on the thirty-first day of December, one thousand eight hundred and ninety-three, and the thirty-first day of December, one thousand eight hundred and ninety-four, respectively; and the said Corporation and the Council thereof is hereby empowered and directed to pay all interest in arrear and accrued and accruing due after the thirty-first day of December, one thousand eight hundred and ninety-two, upon the existing loans, at the uniform rate of five pounds per centum per annum in lieu of the rates of interest provided by the terms of the several existing loans, but in all other respects at the dates prescribed by and according to the tenor of the existing loans. And for the purpose of providing the moneys necessary to enable the Council to comply with the provisions of this section, the Council is hereby empowered and directed, notwithstanding any limitation of rating power prescribed by the said Act, to make and strike and levy such rate or rates, exclusive of and in addition to the said special rate of four shillings in the pound, upon all rateable property within the borough as may be necessary. 25 30 35 40 45

No objection to be allowed to any rate.

18. No objection shall be allowed in any Court to any rate which the Council or a Receiver shall purport to strike, make, or levy under the provisions of this Act; and no informality or irregularity, whether in form or in substance, in the making, striking, or levying of such rate shall be allowed by any Court as a defence to any suit, action, or process for the recovery of such rate, or be entertained as a ground for quashing such rate. 50

19. The Corporation shall pay all the costs and expenses of and incidental to the said agreement and the negotiations for the same, and of the despatch of notices to and procuring the consents of bondholders, and all costs and expenses of the committee of bondholders, and of their solicitors and counsel in England and New Zealand, incurred in connection with the preparation and passing of this Act and incidental thereto, and of carrying into effect the provisions of this Act; and the Council may raise money for the purposes specified in this section by the issue to any person or persons of consolidated debentures to the amount of twelve hundred pounds, and the relative coupons, being the unappropriated balance of the consolidated loan of one hundred and seventy-five thousand pounds hereby authorised.

Corporation to pay all expenses, and may for that purpose issue £1,200, balance of consolidated loan.

20. It shall not be necessary for the Corporation or for the Council to cause any meeting of the burgesses to be held, or to take any poll of the burgesses, in respect of the issue of any debentures of the consolidated loan, or in respect of any matter or thing which the Corporation or Council is hereby directed or authorised to do or abstain from doing.

No public meeting to be held or poll taken.

21. No claim of any holder of consolidated debentures or coupons, or of any creditor of the Corporation, shall attach to or be paid out of the public revenues of New Zealand or by the Government thereof.

Debenture-holders to have no claim on revenue of colony.

SCHEDULES.

Schedules.

FIRST SCHEDULE.

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1. General Loan, No. 1	25,000
2. Special Loan	5,000
3. Gas Loan	9,800
4. Waterworks Loan, No. 1	60,000
5. Waterworks Loan, No. 2	50,000
6. Waterworks Loan, No. 3	10,000
7. Waterworks Extension Loan	14,000

SECOND SCHEDULE.

FORM OF DEBENTURE.

BOROUGH OF OAMARU.

“The Oamaru Loans Consolidation Act, 1893.”

CONSOLIDATED Loan, secured on all Municipal revenues, and on the Properties of the Corporation, as provided by the said Act.

CONSOLIDATED DEBENTURE for £ , payable at on the 1st day of January, 1920. Issued by the Corporation of Oamaru, New Zealand, under “The Oamaru Loans Consolidation Act, 1893.”

N.B.—The holder of this debenture has no claim in respect thereof upon the Government of the Colony of New Zealand or the revenues of such colony.

On presentation of this debenture at on or after the 1st day of January, 1920, the bearer thereof will be entitled to receive £ . Interest on this debenture will cease after the day when the payment falls due.

Issued under the corporate seal of the Borough of Oamaru, the day of 189 .

C.D., Treasurer.

A.B., Mayor.
[or] E.F.,
G.H., } Agents.

THIRD SCHEDULE.

FORM OF COUPON.

CONSOLIDATED Debenture No. _____, of the Borough of Oamaru, New Zealand, Issued under "The Oamaru Loans Consolidation Act, 1893," secured on general Municipal revenues, and on the Properties of the Corporation, as provided by the said Act.

ON presentation of this coupon at _____ on or after the _____ day of _____ 18____, the bearer hereof will be entitled to receive £ _____ C.D., Treasurer.

[or] A.B., Mayor.
E.F., } Agents.
G.H., }

By Authority: SAMUEL COSTALL, Government Printer, Wellington.—1893.