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Mr. Macandrew.

PUBLIC ADVANCES ON LAND.

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A BILL INTITULED

AN ACT to make provision for Advances by the State on the Security of Land. Title.

5 WHEREAS the development of the agricultural and pastoral resources of New Zealand is greatly crippled by the high rate of interest on loans: And whereas it is expedient to make provision whereby advances on the security of land may be obtained on moderate terms: Preamble.

10 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 is "The Public Advances on Land Act, 1886." Short Title.

15 2. Any individual or copartnership owning land registered under the provisions of "The Land Transfer Act, 1885," shall, on application at the Land Transfer Office of the district within which the land is situated, be entitled to receive by way of first mortgage for any period not exceeding years an advance on the security of the said land. Such advance shall not exceed in amount one-half the value of such land, as fixed under the provisions of "The Property Assessment Act, 1885," or any other Act that may be passed in that behalf, and shall in no case exceed the sum of two thousand pounds to any one individual or copartnership. The interest on such advance shall be at the rate of four and a half per centum per annum. Rate of interest.

25 3. The land in respect of which any advance shall be made as aforesaid shall be conveyed to and vest in the Crown until principal and interest are duly paid; and every such conveyance shall be effected free of cost to the mortgagor by indorsation thereof on the certificate of title and registration of the same in the Land Transfer Office books. Mortgaged land to vest in Crown.

- Payment of interest. 4. The interest on every such mortgage as aforesaid shall be payable half-yearly to the Land Registrar in the district in which the land is situated, or to such other person as the Governor may appoint.
- Power of sale. 5. In the event of the payment of such interest being at any time in arrear for six months the District Land Registrar or other person to whom the same shall be payable shall forthwith dispose of the land in respect of which such interest has not been paid, such disposal to be by public auction to the highest bidder; and the proceeds, after deducting principal and arrears of interest, together with costs of sale, shall be paid to the mortgagor.
- Advances payable by debentures. 6. Every advance on land as hereinbefore mentioned shall be paid in New Zealand Government debentures of not less than fifty pounds each, having a currency of years, bearing interest at the rate of four and a half per cent. per annum, with coupons attached. Principal and interest shall be payable at the Colonial Treasury or in London.
- Debentures convertible into State promissory notes. 7. Every debenture issued as aforesaid shall, together with the interest due thereon, on presentation at the Colonial Treasury at any time be convertible into State promissory notes of one to five pounds each, which notes shall not bear interest, but shall be legal tender throughout New Zealand. The holders of such notes shall be entitled at any time to have them reconverted into interest-bearing debentures as aforesaid on application at the Colonial Treasury.
- Rules and regulations. 8. It shall be lawful for the Governor in Council from time to time to make such rules and regulations as may be deemed necessary to give effect to this Act and for the due administration thereof. Such rules and regulations shall be published in the New Zealand Government *Gazette*, and shall have the same force and effect before any Court of law in the colony as if embodied in this Act.