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(Hon. Mr. Vogel.)

## Pacific Islands Trade Encouragement.

### ANALYSIS.

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### A BILL INTITLED

AN ACT to provide for the encouragement of Trade and Commerce between New Zealand and the Islands of the Pacific, by means of a Government Guarantee on Capital to be employed in such Trade and Commerce.

Title.

WHEREAS it is expedient, in order to the encouragement of trade and commerce between New Zealand and the Islands of the Pacific, that the Government should be empowered to guarantee a certain rate of interest on capital employed thereon by some association of persons, subject to such conditions as hereafter provided or as may be agreed upon :

Preamble.

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 Pacific Islands Trade Encouragement Act, 1874."

Short Title.

In this Act the word "Company" includes any person or persons or association of persons, whether incorporated or not.

Interpretation of term "Company."

2. The Governor, with the advice and consent of the Executive Council of New Zealand, may, subject to the provisions of this Act, contract with any Company formed for the purpose of carrying on trade and commerce with the Islands of the Pacific or any of them, to guarantee to such company a minimum rate of interest per annum on the paid-up capital of such Company during a period of years.

Governor authorized to guarantee minimum interest on capital of Company carrying on trade with Pacific Islands.

The period shall be such period as shall be agreed upon not exceeding fifty years from the making of the agreement.

Period not to exceed fifty years.

The amount of capital on which interest may from time to time be guaranteed shall not, except as hereafter provided, exceed five hundred thousand pounds sterling in the whole, and during the first two years the amount on which such interest may from time to time be guaranteed shall not exceed two hundred and fifty thousand pounds; and during the next succeeding two years the amount upon which such interest may from time to time be guaranteed shall not exceed five hundred thousand pounds sterling, including the said two hundred and fifty thousand pounds; and thereafter, with the consent of both Houses of the General Assembly expressed by resolutions thereof, interest up to the amount of one million may from time to time be guaranteed. The rate of interest to be guaranteed shall not exceed five pounds per centum per annum.

Interest on £250,000 only to be guaranteed during first two years; and during next two years on £500,000; and remainder of period £1,000,000.

The rate of interest to be guaranteed shall not exceed five pounds per centum per annum.

Rate of interest not to exceed £5 per cent.

Stipulations in contract.

**3.** Such contract shall, amongst such other provisions and stipulations, contain provisions and stipulations relating to the matters following:—

- (1.) The business trades and manufactures to be carried on by the Company. 5
- (2.) The places at to and with which such business trades and manufactures shall be carried on, including such places in New Zealand and Islands of the Pacific as may be agreed upon.
- (3.) For making New Zealand the chief depôt and principal place of business of the Company. 10
- (4.) The employment by the Company of steam vessels in the carriage of passengers and goods between Islands in the Pacific and ports in New Zealand.
- (5.) The appointment and removal by the Governor of a certain number of the Managers or Managing Directors of the Company. 15
- (6.) The appointment and removal by the Governor of persons as Auditors of the accounts of the Company.
- (7.) The ascertaining the receipts expenditure and profits and losses of the Company, and the audit inspection and examination of the accounts of the Company. 20
- (8.) For making all sums paid by the Government for interest or otherwise a first charge on the profits of the Company, and providing that no profits shall be divided till all sums so paid shall have been repaid to the Government. 25

Power to suspend functions of Company in certain events.

**4.** If at any time the business of the Company is not carried on in the opinion of the Governor in Council with sufficient vigour or prudence, or in accordance with the intentions of the agreement entered into under this Act, or if at any time after the expiration of three years from the making of the said agreement there shall be due by the Company to the Government in respect of the guarantee a sum exceeding one hundred thousand pounds, it shall be lawful for the Governor in Council to suspend the powers and functions of the Company and of the Directors by notice to be published in the *New Zealand Gazette*. 30 35

Business to be carried on by Commissioner appointed by Governor.

In such case the business of the Company shall, until the General Assembly shall otherwise provide, be managed by a Commissioner to be appointed by the Governor in Council, who shall have and may exercise all the functions and powers vested in the Company or Directors thereof. 40

General Assembly to deal with Company.

**5.** It shall be lawful for the General Assembly from time to time to legislate with regard to the Company and its business and property as the General Assembly may think fit: Provided that nothing be done to prejudice the payment of the guaranteed interest, which under any event shall be duly and punctually paid by the Governor: Provided also that any bill altering or repealing the provisions of this Act, or the agreement made hereunder, shall be reserved for the signification of Her Majesty's pleasure thereon. 45

Appropriation from Consolidated Fund to pay guaranteed interest.

**6.** For the purpose of paying the interest guaranteed under the agreement authorized by this Act to be entered into, there shall and may from time to time be issued and applied out of the Consolidated Fund, such sum or sums as are hereinbefore authorized. 50

Agreement to be entered into within years from passing of this Act.

**7.** Unless an agreement shall be entered into under the authority of this Act within years from the passing hereof, it shall cease to have operation or effect. 55

Governor may grant Charter to Company.

**8.** It shall be lawful for the Governor, in the name and on behalf of Her Majesty the Queen, by Letters Patent for that purpose issued

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under the Seal of the Colony, to grant to the said Company any privilege or privileges which, according to the rules of the common law it would be competent for Her Majesty the Queen, Her Heirs and Successors, to grant to any such Company in and by any charter of incorporation to take effect or be exercised within the colony.

5       9. In such Letters Patent it shall be lawful for the Governorto limit the duration of any such privilege or privileges for such period not exceeding fifty years as he shall think fit, and in and by such Letters Patent, either by reference or otherwise, to make the same liable within  
10 the colony to the provisions of an Act of the Imperial Parliament passed in the seventh year of the reign of His late Majesty King William the Fourth, and in the first year of the reign of Her said Majesty, intituled "An Act for better enabling Her Majesty to confer certain Powers and Immunities on Trading and other Companies," or  
15 to such of the said provisions as he shall think fit, and as if such provisions had been contained in an Act of the General Assembly; but so that nothing herein contained shall be construed to permit or authorize the Governor, on behalf of Her Majesty as aforesaid, to vary or alter the terms of the said provisions or any of them, otherwise than in so  
20 far as may be necessary to make the same applicable to the said Company.

Terms and duration of Charter may be fixed therein.

7 Will. IV., and 1 Vict. c. 73.