



**THE PRIVATE SAVINGS BANKS (GOVERNMENT  
SECURITIES) ORDER (NO. 3) 1978**

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KEITH HOLYOAKE, Governor-General

**ORDER IN COUNCIL**

At the Government Buildings at Wellington this 24th day of October 1978

**Present:**

THE RIGHT HON. R. D. MULDOON PRESIDING IN COUNCIL

PURSUANT to section 34C of the Reserve Bank of New Zealand Act 1964, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following order.

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**ORDER**

**1. Title and commencement**—(1) This order may be cited as the Private Savings Banks (Government Securities) Order (No. 3) 1978.

(2) This order shall come into force on the day after the date of its notification in the *Gazette*.

**2. Interpretation**—In this order—

“Approved low-start mortgage” means any advance made by a savings bank on the security of a mortgage which is of a form approved by the Reserve Bank of New Zealand for the purposes of this order;

“Approved securities” means securities issued pursuant to the Public Finance Act 1977 that are registered in a register kept in New Zealand; and includes Government of Western Samoa stock issued and registered in New Zealand after the 1st day of August 1976.

**3. Minimum holdings of approved securities**—(1) Subject to sub-clause (2) of this clause, every private savings bank as defined in section 2 of the Private Savings Banks Act 1964 shall hold approved securities of an amount equal to not less than 56 percent of the difference between all money deposited in the bank and the aggregate of—

(a) The amount required by section 15 of that Act to be kept immediately available; and

(b) The amount for the time being invested in approved low-start mortgages.

(2) Unless the Minister of Finance otherwise permits, the approved securities bearing interest at the rate of  $3\frac{3}{4}$  percent per annum held by each private savings bank immediately before the commencement of this order shall continue to be so held until the securities mature, or can be redeemed owing to a reduction for any reason in the amount of approved securities required to be held. Any such redemption shall be made in chronological order commencing from the earliest date of maturity.

**4. Revocations**—The following orders are hereby revoked:

(a) The Private Savings Banks (Government Securities) Order (No. 2) 1978\*:

(b) The Private Savings Banks (Government Securities) Order (No. 2) 1978, Amendment No. 1†.

P. G. MILLEN,  
Clerk of the Executive Council.

\*S.R. 1978/48  
†S.R. 1978/217

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**EXPLANATORY NOTE**

*This note is not part of the order, but is intended to indicate its general effect.*

This order provides that private savings banks are no longer required to hold approved securities which bear interest at the rate of  $3\frac{3}{4}$  percent per annum in respect of money deposited in ordinary accounts, thrift club accounts, and special purpose accounts. (There is no such restriction in respect of money deposited in other types of account).

Unless the Minister of Finance otherwise permits, the securities bearing interest at  $3\frac{3}{4}$  percent per annum currently held by the banks must however continue to be held until they mature, or can be redeemed owing to a reduction in the amount of approved securities required to be held.

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Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 26 October 1978.

This order is administered in the Reserve Bank of New Zealand.