

Palmerston North City Council Loan Conversion Order 1949

B. C. FREYBERG, Governor-General

ORDER IN COUNCIL

At the Government Buildings at Wellington, this 23rd day of November, 1949

Present:

THE RIGHT HON. W. NASH PRESIDING IN COUNCIL

WHEREAS it is provided by section nine of the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, that, with the precedent consent of the Governor-General, given by Order in Council under section thirteen of the said Act after compliance with the provisions of Part II of the Act, and subject to and in accordance with the provisions of such Order in Council, any local authority may issue new securities in conversion of any existing securities to which the said Act applies:

And whereas by the said section thirteen it is further provided that the Governor-General, by the Order in Council giving his consent to the conversion of existing securities by a local authority, may make such provisions as he thinks fit with respect to all or any of the matters specified in the said section, and that, subject to the provisions of the said Act, every Order in Council under the said section shall have the force of law as if enacted in the said Act, anything to the contrary in any other Act or in any regulation made under the said Act notwithstanding:

And whereas it is provided by section twenty of the Finance Act (No. 2), 1935, that, notwithstanding the limitation of time prescribed by section fifteen of the said Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, as extended by section twelve of the Local Authorities Interest Reduction and Loans Conversion Amendment Act, 1934, an Order in Council may be issued at any time under the aforesaid section thirteen of that Act making provision for the conversion, with the consent of the holder, of any securities whether or not they are existing securities to which the said Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, applies:

And whereas the Palmerston North City Council (being a local authority within the meaning of the said Act) has issued securities in respect of the loan specified in the First Schedule hereto:

And whereas securities issued in respect of a portion (£15,000) of the said loan are held in New Zealand:

And whereas the said local authority, being desirous, with the consent of the holder of the securities held in New Zealand, of issuing new securities in conversion thereof, has complied with the provisions of Part II of the said Act, and it is expedient that the precedent consent of the Governor-General to such conversion should be given as required by the said Act, and that by this Order the provisions hereinafter set forth should be made with respect to the matters specified in the said section thirteen:

Now, therefore, His Excellency the Governor-General of the Dominion of New Zealand, acting by and with the advice and consent of the Executive Council of the said Dominion, and in pursuance and exercise of the powers and authorities conferred on him by the said Act, and of all other powers and authorities enabling him in this behalf, doth hereby consent to the issue by the said local authority of new securities in conversion of any existing securities to which this Order applies, and with respect to such conversion doth hereby make the following provisions:—

PRELIMINARY

1. This Order may be cited as the Palmerston North City Council Loan Conversion Order 1949.

2. In this Order, unless the context otherwise requires,—

“The Act” means the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33:

“The date of conversion” means the date specified in clause five of this Order:

“Existing securities” means debentures or other securities issued in respect of the portion (£15,000) of the loan specified in the First Schedule hereto, which at the date of the conversion were held in New Zealand:

“The local authority” means the Palmerston North City Council:

“New securities” or “new debentures” means securities or debentures issued in accordance with this Order in conversion of existing securities to which this Order applies.

3. This Order shall apply to all existing securities issued in respect of the loan specified in the First Schedule hereto.

4. (1) If the local authority so resolves by a resolution passed and confirmed as provided by subsection two of section nine of the Act, it may, with the consent of the holder of the existing securities to which this Order applies, and subject to and in accordance with the provisions of this Order, issue new securities in conversion of such existing securities.

(2) The following provisions of this Order shall come into force if such a resolution is passed and confirmed as aforesaid but not otherwise:

Provided that a certificate signed by the Mayor of the local authority and published in the *Gazette* to the effect that such a resolution has been duly passed and confirmed shall be conclusive evidence of the facts therein certified.

DATE OF CONVERSION

5. The date from which the conversion of existing securities into new securities shall be deemed to take effect shall be the first day of December, one thousand nine hundred and forty-nine.

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CONSENT TO CONVERSION

6. The consent of the holder of the existing securities to the conversion thereof in accordance with this Order shall, if given, be specified in writing, and when given shall be irrevocable.

NEW SECURITIES

7. (1) New securities shall be issued to secure an aggregate amount of principal of five thousand four hundred pounds (£5,400).

(2) The aggregate amount of principal secured by the new securities to be issued in accordance with this Order, together with interest thereon computed at a rate not exceeding three and one-eighth per centum ($3\frac{1}{8}\%$) per annum, shall be repaid by equal half-yearly instalments over a period of seven (7) years, the first half-yearly instalment to fall due and be paid on the first day of June, one thousand nine hundred and fifty, and subsequent half-yearly instalments to fall due and be paid on every first day of December and first day of June thereafter, the last half-yearly instalment to fall due and be paid on the first day of December, one thousand nine hundred and fifty-six.

8. (1) New securities for the amount of each half-yearly instalment shall be issued in the form of debentures in the form set out in the Second Schedule hereto.

(2) All new debentures shall be numbered consecutively, and as between the holders thereof shall rank equally.

(3) Every new debenture shall state on its face that the holder has no claim in respect thereof upon the Government or public revenues of New Zealand.

(4) Every new debenture shall be signed by the Mayor, countersigned by the Treasurer or some other officer appointed by the local authority for the purpose, and sealed with the common seal of the local authority.

SURRENDER OF EXISTING SECURITIES AND PAYMENT OF INTEREST THEREON

9. The holder of the existing securities converted into new securities shall surrender the existing securities in exchange for the new securities, and shall be entitled to receive on the date of conversion interest on the existing securities for the period ending on that date.

PREMIUM

10. The holder of the existing securities shall be entitled to receive a premium of three thousand two hundred and eighty-eight pounds six shillings and sixpence (£3,288 6s. 6d.).

PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST

11. The principal and interest in respect of new securities shall be payable in New Zealand.

SINKING FUND FOR UNCONVERTED SECURITIES

12. (1) The local authority, in order to provide funds for the repayment of the unconverted securities issued in respect of such loan shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a sinking fund of which the Public Trustee shall be the Commissioner.

(2) For such purpose the local authority shall permanently appropriate the sum of not less than one hundred and fifty pounds (£150) and shall pay such sum to the Commissioner yearly and every year until the maturity date of such unconverted securities or until the Commissioner is satisfied that the accumulations of sinking fund will suffice to redeem such securities at maturity.

(3) The first of such yearly payments shall be made not later than one year after the date on which the last annual contribution payable before the date of conversion to the existing sinking fund of such loan was payable.

(4) Subject to the provisions of this Order, the provisions of sections forty to forty-four of the Local Bodies' Loans Act, 1926, shall, as far as applicable and with all necessary modifications, apply in respect of such sinking fund: Provided that nothing in the said sections or in this Order shall authorize the removal or suspension of the Public Trustee as Commissioner of such sinking fund.

(5) The security given in respect of the loan of twenty thousand pounds (£20,000) specified in the First Schedule hereto shall remain in full force and effect as security for the unconverted securities.

APPLICATION OF EXISTING SINKING FUNDS

13. The existing sinking fund of the loan referred to in the First Schedule shall be applied by the Commissioner thereof, so far as it will extend, in or towards making the following payments, in the following order of priority, namely:—

(a) First, in transferring to the Commissioner of the sinking fund hereinbefore required to be created for the unconverted securities issued in respect of such loan, a sum which bears the same proportion to the amount of such existing sinking fund at the date of conversion as the aggregate amount of principal secured by such unconverted securities bears to the aggregate amount of principal secured by all the securities issued in respect of such loan; and

(b) Secondly, in accordance with the directions of the local authority of the sum of three thousand two hundred and eighty-eight pounds six shillings and sixpence (£3,288 6s. 6d.), being the amount of the premium payable to the holder of the existing securities pursuant to the provisions of clause ten hereof; and

(c) Thirdly, so far as it will extend and in accordance with the direction of the holder, on repayment as at the date of conversion of the principal secured by the existing securities issued in respect of such loan.