

Right Hon. Mr. Massey.

DISCHARGED SOLDIERS SETTLEMENT LOANS.

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A BILL INTITULED

AN ACT to authorize the Raising of Additional Moneys for Purposes of the Discharged Soldiers Settlement Acts. Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows :—

1. This Act may be cited as the Discharged Soldiers Settlement Loans Act, 1920. Short Title.

2. (1.) For the purposes of the Discharged Soldiers Settlement Act, 1915, the Minister of Finance is hereby empowered to borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as he thinks fit, not exceeding in the aggregate the sum of *six* million pounds. Authorizing the raising of additional moneys for purposes of the Discharged Soldiers Settlement Act, 1915.

(2.) All moneys borrowed under this section shall, as and when borrowed, be paid into the Public Account to the credit of the Discharged Soldiers Settlement Account, and shall be applied in the same manner in all respects as if they were moneys raised under the authority of section eight of the Discharged Soldiers Settlement Act, 1915.

(3.) The authority to borrow moneys conferred on the Minister of Finance by this section is in addition to the authority conferred on him by any other Act for the same purposes.

3. (1.) This Act shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1908, and the moneys herein authorized to be raised shall be raised under and subject to the provisions of that Act accordingly. Application of New Zealand Loans Act, 1908.

(2.) Except as otherwise hereinafter provided, all moneys borrowed under this section shall bear interest at such rate as the Minister of Finance prescribes.

(3.) When any of the moneys authorized to be raised by this Act are borrowed from any bank carrying on business in New Zealand, or are lodged with any such bank pursuant to an agreement between that bank and the Minister of Finance, the said Minister may, without further appropriation than this section, pay out of the Public Account any commission or interest in respect of those moneys, notwithstanding that such commission or interest may be in respect of a period or periods prior to the payment of those moneys into the Public Account, or that at the date of payment of such commission or interest the said moneys had not been received into the Public Account.

Application of certain provisions relative to war-purposes loans.

4. (1.) The loan authorized by this Act to be raised shall be deemed to be raised for war purposes within the meaning of sections seventy, seventy-one, seventy-two, seventy-four, and seventy-five of the Finance Act, 1917.

(2.) The authority conferred on building societies by section thirty-four of the Appropriation Act, 1918, to contribute to the war-purposes loans therein referred to shall extend and apply to the loan authorized to be raised by this Act.

(3.) Sections twenty-four and twenty-five of the Finance Act, 1918 (No. 2), (relating to the issue of war-loan certificates, for the purposes of the loan authorized to be raised by Part IV of that Act), shall, with the necessary modifications, apply with respect to the loans authorized to be raised by this Act.

Securities to extent of £2,500,000 may be issued as available for payment of death duties.

5. (1.) Of the moneys hereinbefore authorized to be borrowed, the Minister of Finance may raise by the issue of inscribed stock, but not otherwise, such amount as he thinks fit, not exceeding in the whole the sum of *two million five hundred thousand* pounds, subject to the special provisions of this section.

(2.) The administrator of the estate of any deceased person, or other person by whom death duties may be payable in respect of that estate, may pay the whole or any part of the death duties so payable by him in respect of that estate by means of inscribed stock issued subject to the provisions of this section, and the Commissioner of Stamps shall accept such stock accordingly in satisfaction in whole or in part, as the case may be, of the amount of death duties payable as aforesaid.

(3.) All stock transferred to the Commissioner of Stamps under this section shall be deemed to mature for payment on the date of transfer, and shall, for the purposes of this section, be deemed to be of the nominal value thereof with the addition of any interest accrued due but remaining unpaid at the date of transfer.

(4.) No transfer of stock issued under this section shall be registered, and no stock certificate shall be issued in respect thereof, during the lifetime of the registered holder.

(5.) If the holder of any inscribed stock issued under this section exchanges such inscribed stock for debentures or other securities pursuant to the authority in that behalf of section three of the New

Zealand Inscribed Stock Act, 1917, the debentures or other securities so issued in exchange shall not themselves be deemed to be available for the payment of death duties.

5 (6.) If on the death of the registered holder of any inscribed stock under this section the whole or any portion of that stock is not used for the payment of death duties in respect of the estate of the deceased, such stock so remaining unused shall cease to be stock available for the payment of death duties, and may be dealt with accordingly.

10 6. (1.) If the Commissioner of Taxes has reason to believe that any taxpayer within the meaning of the Land and Income Tax Act, 1916, has not subscribed in due proportion to his means to the loan authorized to be raised by this Act, he may, by direction of the Minister of Finance, by notice in writing under his hand or by
15 successive notices, call upon that taxpayer to subscribe to that loan, within such time or times as may be specified in the notice or notices, such amount as may be therein specified. For the purposes of this section, in ascertaining the amount subscribed by any person to the loan, the Commissioner of Taxes shall take into account
20 all moneys paid by or on behalf of that person to the Postmaster-General for war-loan certificates under this Act, but shall not take into account any other moneys paid for securities issued in respect of that loan unless those moneys are paid directly to the Minister of Finance or to his agents in respect of the loan.

Taxpayers may be required to contribute to loan in accordance with this section.

25 (2.) The amount which any taxpayer may be required to contribute to the loan shall not exceed the yearly average of the land-tax and income-tax paid or payable by him for the three years ended on the thirty-first day of March, nineteen hundred and twenty.

30 (3.) Any notice under this section may, in the case of an absentee within the meaning of Part IX of the Land and Income Tax Act, 1916, be served on any person who is an agent of the absentee for the purposes of the said Act, and the agent shall thereupon be liable
35 for the payment of the subscription to the loan on behalf of the absentee in all respects as if the amount of such subscription were tax for which the absentee was liable under the said Act. Every agent on whom a notice is served under this subsection shall have the same rights and powers against his principal, and against moneys in his hands belonging or payable to his principal, as he has
40 in respect of tax paid or payable by him on behalf of his principal.

(4.) Any person upon whom a notice under this section is served as aforesaid may within fourteen days thereafter appeal therefrom to the Board of Appeal hereinafter constituted on such grounds as he may specify in his notice of appeal, and may on appeal produce
45 such evidence as he thinks fit to show cause why he should not be bound to comply with the terms of the notice.

(5.) For the purposes of this section there is hereby established a special Board of Appeal, consisting of the Controller and Auditor-General (who shall be the Chairman of the Board), the Commissioner
50 of Taxes, the Secretary to the Treasury, and the Government Insurance Commissioner.

(6.) Three members of the Board shall form a quorum. Every question before the Board shall be decided by a majority of the votes of the members present. The Chairman shall have a deliberative vote, and, in the event of an equality of voting, shall have a casting-vote also. 5

(7.) In the absence of the Chairman from any meeting of the Board the Commissioner of Taxes shall act as Chairman.

(8.) If at any time any member is absent, or is unable to act, the Minister of Finance may, by warrant under his hand, appoint some person as the deputy of that member during his absence or 10 inability, and, while the warrant of appointment remains unrevoked, the deputy so appointed shall have and may exercise all the powers and functions under this section of the member whose deputy he is.

(9.) Every appeal under this section shall be heard and determined in private. 15

(10.) Except as otherwise provided herein, the Board shall regulate its own procedure.

(11.) For the purposes of an appeal under this section the Board constituted by this section shall have the powers of a Commission appointed under the Commissions of Inquiry Act, 1908. 20

(12.) On any appeal under this section the Board may, if it thinks fit, exempt the appellant either wholly or in part from his obligation to subscribe to the loan, or may allow time for the payment of the whole or any portion of the amount demanded, or may in its discretion dismiss the appeal. 25

(13.) If any person on whom a notice is served under this section and who has not appealed or whose appeal has not been allowed refuses or fails to comply with the terms of that notice, or with the terms of that notice as modified on appeal under this section, he shall be chargeable by way of penalty with an additional 30 tax (herein referred to as a penal tax) equal to double the total amount of the land-tax and income-tax payable by him under the Land and Income Tax (Annual) Act, 1919.

(14.) Any amount chargeable by way of penal tax under this section shall be recoverable by the Commissioner as if it were a penal 35 tax chargeable under section one hundred and forty-four of the Land and Income Tax Act, 1916.

(15.) Payment of the penal tax for failure to comply with the terms of any notice under this section shall not relieve the taxpayer from compliance with the terms of that notice. The Commissioner 40 of Taxes shall, in his own name, but for and on behalf of His Majesty, be entitled to demand, sue for, and recover from the taxpayer the amount specified in the notice (or, alternatively, if that amount shall have been reduced on appeal, such reduced amount). Every amount so recovered shall be paid by the Commissioner into 45 the Public Account to the credit of the Discharged Soldiers Settlement Account, and thereafter the Minister of Finance shall cause to be issued to the taxpayer a certificate or certificates for such amount as for a sum invested by the taxpayer in the loan on the date of payment into the Public Account. 50

(16.) All moneys invested in the loan pursuant to this section shall bear interest at the rate of *three* per centum per annum.

(17.) The Governor-General may, by Order in Council, make such regulations as may be deemed necessary for the purpose of giving effect to the provisions of this section.

7. (1.) The Minister of Finance is hereby empowered to establish a Depreciation Fund within the Public Account, and without further appropriation than this Act from time to time to issue out of the Consolidated Fund into the Depreciation Fund such sum or sums as he thinks fit, not exceeding *fifty thousand* pounds in any financial year.

Authorizing establishment of Depreciation Fund, to be available for purchase below par of securities issued under this Act.

10 (2.) The moneys standing to the credit of the Depreciation Fund may be applied from time to time by the Minister of Finance without further appropriation than this Act in the purchase of securities issued under this Act, at a price less than the price at which they were originally issued, and in the payment of commission, costs, and 15 expenses incurred in so doing.

(3.) All securities purchased as aforesaid by the Minister of Finance shall be forthwith cancelled and discharged from the public debt.

20 (4.) Any accumulations in the Depreciation Fund may from time to time be invested pursuant to section thirty-eight of the Public Revenues Act, 1910, and the interest on such investments shall be paid into the Depreciation Fund.

8. Whereas by section three of the Discharged Soldiers Settlement Loans Act, 1919, the Minister of Finance is authorized to 25 borrow the sum of twelve million five hundred thousand pounds, for the purposes of the Discharged Soldiers Settlement Act, 1915: And whereas there have been and now are certain moneys available for investment in the Ordinary Revenue Account of the Consolidated Fund: And whereas certain such moneys have been invested in 30 securities issued under the Discharged Soldiers Settlement Loans Act, 1919: And whereas it is desired to authorize the transfer of further moneys from the said account to the Discharged Soldiers Settlement Account, subject to the payment of interest as herein provided, but without the further issue of securities, and to cancel 35 the securities that have been so issued: Be it therefore enacted as follows:—

Authorizing transfer of £12,500,000 to Discharged Soldiers Settlement Account in satisfaction of former loan authority.

(1.) The Minister of Finance is hereby authorized, without further appropriation than this section, to transfer from the Consolidated Fund to the Discharged Soldiers Settlement Account such 40 sum or sums of money as he thinks fit, not exceeding in the aggregate the sum of twelve million five hundred thousand pounds.

(2.) All moneys transferred under the authority of this section shall be applied in the same manner in all respects as if they were moneys borrowed under the authority of section eight of the 45 Discharged Soldiers Settlement Act, 1915.

(3.) Interest at a rate not exceeding *four* per centum per annum shall be paid out of the Discharged Soldiers Settlement Account into the Consolidated Fund, without further appropriation than this section, in respect of all moneys transferred to that account under 50 this section and for the time being not repaid (including moneys heretofore paid into that account on the investment as aforesaid of moneys in the Ordinary Revenue Account).

(4.) Moneys transferred under the authority of this section (including the moneys invested as aforesaid) shall not be deemed to form part of the public debt of New Zealand within the meaning of the Public Debt Extinction Act, 1910, and all securities heretofore issued in respect of any such moneys shall be forthwith cancelled. 5

(5.) The authority to borrow moneys conferred on the Minister of Finance by section three of the Discharged Soldiers Settlement Loans Act, 1919, shall be deemed to be extinguished to the extent to which securities have been issued as aforesaid or the authority to transfer moneys to the Discharged Soldiers Settlement Account is 10 exercised under this section.