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NORTH ISLAND MAIN TRUNK RAILWAY LOAN.

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A BILL INTITULED

AN ACT to authorize the Borrowing and Raising of Money to continue the Construction of the Main Trunk Railway of the North Island. Title.

WHEREAS it is expedient that the construction of the Main Trunk Railway of the North Island should be proceeded with as soon as circumstances will permit: And whereas the obstacles in the way of carrying on the extension from Awamutu may be shortly removed, and it is expedient that money as required should be available for such construction: Preamble.

10 BE IT 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 North Island Main Trunk Railway Loan Act, 1882." Short Title.

15 2. It shall be lawful for the Governor in Council to appoint any two or more persons he may think fit to be agents for the purpose of raising and managing the loan authorized to be raised under this Act, with all such powers as may be necessary to carry into effect the purposes of this Act, and in their appointments to define the relative powers of such agents. Appointment of agents.

20 3. Such agents shall have full power and authority to borrow and raise in Great Britain or elsewhere, by bonds, debentures, scrip, or otherwise, such sum or sums, not exceeding one million pounds sterling in the whole, as the Governor in Council may from time to time or at any time direct and determine, for the purpose of con- Loan of £1,000,000 authorized for certain purposes.

Power of agents.
Agents to prescribe mode, conditions, and terms of repayment.

structing the said Main Trunk Railway, or the payment or repurchase of short-dated debentures issued under this Act.

4. Such agents shall have full power and authority to prescribe the mode and conditions of repayment of such loan, and the time of such repayment, and the rate of interest thereon, and the time and place or places when and where such principal and interest shall be made payable. 5

Special powers to agents.

5. In addition to the general powers by this Act conferred upon such agents, they shall have and may exercise the following special powers as often as occasion may require:— 10

They may agree that debentures issued by them shall be converted into stock created or issued under "The New Zealand Consolidated Stock Act, 1877," and may either specify the terms of such conversion, or arrange that such terms shall be subsequently agreed upon. 15

Annual charge not to exceed 6 per cent., including sinking fund (if any).

6. The annual charge to be imposed on the Consolidated Revenue shall not exceed, for interest and sinking fund (if any), the sum of six pounds for every one hundred pounds expressed to be borrowed under the authority of the third section of this Act.

Pending raising loan, short-dated debentures may be issued.

7. Pending the raising of moneys hereinbefore authorized to be raised under this Act, it shall be lawful for the Governor in Council to appoint any two or more persons he may think fit to be agents, and in their appointments to define the relative powers of such agents, who shall have full power and authority to borrow and raise, or to obtain as an advance, such sum or sums of money as the Governor in Council may from time to time direct and determine, and to take up the same sum or sums of money from time to time by the sale, hypothecation, or mortgage of debentures (hereinafter referred to as "short-dated debentures"), as such agents may deem expedient. 20 25

Terms on which short-dated debentures may be issued.

8. Every such short-dated debenture shall bear interest after such rate, and be for such sum and in such form, and with or without coupons attached, and, subject to this Act, shall be signed on behalf of the colony, and be transferable and negotiable in such manner, as such agents shall prescribe. 30

Times and places of payment of short-dated debentures.

9. The interest and principal of every such short-dated debenture shall be payable at such times and places as such agents shall prescribe: Provided that the principal moneys secured by any such debenture shall not be made payable at a later period than seven years after the date of issue thereof. 35

Short-dated debentures may be accepted in payment for debentures issued for raising loan.

10. The agents authorized under the third section of this Act to raise any moneys therein mentioned may accept any short-dated debentures issued under the seventh section of this Act in payment for any bonds, debentures, or other securities issued by them for the purpose of raising moneys under the said third section of this Act. 40

Reissue of short-dated debentures.

11. In order to provide for the payment of the principal moneys of any short-dated debenture, and whenever any short-dated debenture shall be received in payment or exchange for any bond, debenture, or other security issued under the third section of this Act, the Governor may order that a like amount of short-dated debentures may be prepared and issued in the place of the short-dated debentures to be or which shall have been paid off or exchanged, and thereupon the agents for the time being appointed under the seventh section of this 45 50

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Act shall have full power and authority to make out and issue the said amount of short-dated debentures so ordered, and the provisions contained in the seventh, eighth, and ninth sections of this Act shall be applicable thereto.

5 12. The amount of all short-dated debentures issued under this Act, together with all debentures or other securities issued under the third section of this Act, outstanding at any one time, shall never exceed the sum of one million pounds sterling.

The amount outstanding at one time on ordinary and short-dated debentures not to exceed £1,000,000.

10 13. No bond, debenture, or other security issued under this Act shall be sold at a price which will yield to the purchaser thereof a higher rate of interest by the year than five pounds for every hundred pounds of the purchase-money given for such bond, debenture, or other security; but such bonds, debentures, or other securities may be hypothecated or mortgaged, upon such terms as to interest as the said 15 agents may deem expedient.

Debentures not to be sold at price to give interest at higher rate than 5 per cent.

14. Every bond, debenture, scrip, or other security issued under the authority of this Act shall be countersigned by one of the Commissioners of Audit, or by an officer of Audit to be appointed by the Commissioners of Audit from time to time for that purpose.

How securities to be signed.

20 15. The sum of money named in any bond, debenture, scrip, or other authority issued under the authority of this Act, and all interest thereon, shall be a charge upon and paid out of the Consolidated Fund of New Zealand.

Money borrowed and interest charged on Consolidated Fund.

25 16. All the powers which may be vested in any agents appointed under this Act may by such agents be wholly or partly delegated to any two or more other agents, subject to such conditions as the agents delegating such powers shall think fit.

Agents authorized to delegate powers.

30 17. The Governor may at any time remove or accept the resignation of any agent appointed by him under this Act, and appoint another person in his place.

Removal of agents.

18. Nothing in this Act contained shall be held to prejudice, alter, affect, or vary any security or securities heretofore charged on the revenues of New Zealand or any of them.

Previous securities not to be affected.