

Section 2. Whenever, in any Act heretofore passed by the General Assembly, or that may be passed in the present or any future session of the General Assembly, authority is given to the Governor, or to the Governor in Council, to raise by way of loan any sum of money for the public service of the colony, then, unless there be some provision to the contrary in the Act by which such authority is given, such sum may be raised in the manner hereinafter provided.

Section 3. For the purpose of raising such sum or sums of money under the authority of any such Act as aforesaid, it shall be lawful for the Governor in Council to create capital stock, to be called "The New Zealand Consolidated Stock" (hereinafter referred to as "stock"), subject to the provisions of this Act, to be issued in such amounts and manner, at such price and times, on such terms, and subject to such conditions, with such dividends, and redeemable at par at such times and on such conditions, as the Governor in Council may before the creation thereof from time to time determine.

Section 4. The Governor in Council shall have and may exercise the following powers and authorities, or any of them:—

- (1.) He may from time to time declare all or any of the New Zealand loans, whether existing in the form of stock or not, to be convertible into stock of such denominations, with such conditions and with such dividends, and redeemable at par at such times and on such conditions, as he may before the creation thereof from time to time determine.
- (2.) He may authorize the creation and issue of such an amount of such stock in exchange for the securities held for such loans as may be necessary.
- (3.) He may authorize the creation and sale of any such stock for the purpose of raising money for redeeming any outstanding stock or securities, and of paying any expenses in the creation of stock, and otherwise carrying out the provisions of this Act on such conditions as he may determine.
- (4.) Any conversion so authorized may be effected either by arrangement with the holders of existing securities, or by purchase thereof out of moneys raised by a sale of new stock, or partly in one way and partly in the other.

Section 7. The Governor in Council may from time to time enter into any such agreement with the Bank of England as to the Governor in Council seems fit, providing for all or any of the following things (*inter alia*):—

- (1.) For inscribing in the books of the bank any stock;
- (2.) For managing the creation, inscription, and issue of stock;
- (3.) For effecting the conversion of loans into stock and managing transfers of stock;
- (5.) For issuing stock certificates to bearer, and, as often as occasion shall require, reissuing or reinscribing stock and reissuing stock certificates;
- (10.) Generally conducting all business connected with stock or loans.

For the purposes of this Act the expression "Bank of England" means the Governor and Company of the Bank of England, and includes their successors.

Section 8. Every agreement made with the Bank of England in pursuance of this Act shall be as valid and effectual as if the terms thereof had been set forth in and enacted by this Act.

Section 9. The Governor in Council shall have the powers and duties, and may do the following things (*inter alia*), for the purposes of this Act:—

- (1.) He may from time to time appoint three or more persons in England to be Agents for the purposes of this Act (which Agents for the time being are in this Act referred to as "the Agents"), and may empower such Agents, or any three or more of them, to exercise all or any of the powers by this Act exercisable by the Governor in Council.

Section 14. This Act shall not come into operation nor be of any force or effect whatever until it shall be declared to be so in operation by a Proclamation issued by the Governor in Council and published in the New Zealand Government *Gazette*.

And it is hereby further declared that, by a Proclamation made and issued by the Governor in Council on the 9th day of February, 1878, and published in a Supplement to the New Zealand Government *Gazette* of the same date, it was declared that the said Act should be and come into operation on and after the said 9th day of February, 1878.

And it is hereby further declared that Sir Penrose Goodchild Julyan, K.C.M.G., C.B., Sir Julius Vogel, K.C.M.G., and Montagu Frederic Ommañney, who were then the Agents duly appointed by the Governor in Council under the provisions of the said Act, did, by a deed-poll under their hands and seals, bearing date the 1st December, 1879, declare that a capital stock, called "The New Zealand Consolidated Stock," had been by them created, and that they had determined that an amount not exceeding six millions sterling of such stock should be raised at a rate therein mentioned for every amount of £100 represented by scrip or debenture which should be issued by them for any part of a sum or sums intended and about to be borrowed and raised by them as Agents appointed under and in pursuance of the provisions of "The New Zealand Loan Act, 1879," being 43 Vict., No. 2, of the said Legislature, to any holder of such scrip or debenture who should desire to convert the same into such stock at any time between the 16th day of March, 1880, and the 16th day of March, 1881, and that the interest or dividend to be paid on the said amount of six millions sterling, or such lesser amount as should be so issued, should be at the rate of 4 per cent. per annum, payable half-yearly, at the Bank of England, on the 1st day of May and the 1st day of November in each year until the 1st day of November, 1929, and that on the said 1st day of November, 1929, the capital should be repaid at par at the same place; and they did by the said deed-poll further declare that they had, as such Agents as aforesaid, borrowed and raised certain sums of money on the terms therein set forth.

And it is hereby further declared that the said Sir Penrose Goodchild Julyan, Sir Julius Vogel, and Montagu Frederic Ommañney entered into an agreement with the Governor and Company of