

No. XV.

An Act to make Bank Notes a first charge on Bank Assets; and to temporarily enable the Governor to declare Bank Notes to be a legal tender; and to provide for the retirement of the same during a limited time and under special circumstances.
[3rd May, 1893.]

BANK ISSUE.

WHEREAS certain causes, operating without as well as within the Colony of New South Wales, have subjected commercial interests temporarily to unjustified discredit and distrust, of which a possible consequence may be grave inconvenience to the public in relation to the facilities for trade and to the sufficiency of the circulating medium: Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

Preamble.

PART I.

Permanent Enactment—Bank Notes.

1. After the passing of this Act, all notes payable on demand, heretofore, or hereafter to be, issued, circulated, or reissued in the said Colony by any Bank under authority of this or any other statute of the said Colony in that behalf, shall to the amount of the issue authorised be a first charge on all the assets and property of that Bank being assets for the payment of debts or other obligations contracted or entered upon, or due and payable in the said Colony.

Notes to be a first charge on assets of Bank.

PART II.

Temporary enactments—Proclamation by Governor.

2. Save as provided by section five, the enactments in Part II of this Act shall have force for the period of twelve months only from the passing thereof, and if at the end of that period Parliament be not in Session, then until the commencement of the then next Session of Parliament, and for one month thereafter, but no longer.

Period during which this Part is to remain in force.

3. The Governor-in-Council may, from time to time as he thinks fit, by proclamation under his hand and published in the *Gazette*, and in at least three newspapers in the Colony, declare that the notes payable on demand by any Bank therein named and then or thereafter to be issued, circulated, or reissued within the said Colony under any lawful authority in that behalf shall, during the period limited by the proclamation, be everywhere within the said Colony a good and legal tender of money to the amount therein expressed to be payable.

Power of the Governor to make notes a legal tender.

Provided

Bank Issue.

Provided that no proclamation shall be made unless the Governor-in-Council is satisfied that as between the Bank and its creditors its assets exceed its liabilities by at least the sum of the paid-up capital and the reserved profits.

Provided further that the Bank shall pay all such notes of its own issue in gold on presentation at its Head Office within the Colony after the expiration of the period limited by any original proclamation under this section, or by successive proclamations thereunder if more than one, and the Governor-in-Council may require adequate security for the performance of this condition.

Provided also that no proclamation made under the authority of this section shall have force or effect beyond the time during which Part II of this Act continues and remains in force.

Proclamations to have the force of law.

4. Upon publication in the *Gazette* as aforesaid, any proclamation made under this Act shall to the extent and during the period limited by the proclamation or by this Act, have the force of law, notwithstanding any provision in any Act, charter, or document whatever.

Colonial Treasurer shall pay note on presentation.

5. At any time within six months after the expiration of the period limited by any original proclamation under section three, or by successive proclamations thereunder if there have been more than one, the Colonial Treasurer, on being satisfied that a Bank note covered by any such proclamation has been duly presented for payment at the Bank issuing the same, and has not been paid, shall pay the same in gold to any *bond fide* holder, not being a Bank, who may present the same for payment at the Treasury.

Managers and officers of Bank to answer inquiries made by Governor-in-Council.

6. Upon the request of the Colonial Secretary, the managing director, manager, or accountant of any Bank shall make full and true answers to such written inquiries concerning the business and the assets and liabilities of the Bank as the Colonial Secretary thinks fit to make for the purpose of the exercise of the discretion conferred on the Governor-in-Council by section three of this Act, and shall verify the same by his statutory declaration.

PART III.

Supplemental.

Interpretation and saving.

7. In this Act the word "Bank" includes branch Bank and agency, and means a company or corporation carrying on within the said Colony the business of banking only. The expression "Governor-in-Council" means the "Governor with the advice of the Executive Council."

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Short title.

8. This Act may be cited as the "Bank Issue Act of 1893."