

1929-30-31.

THE PARLIAMENT OF THE COMMONWEALTH.

HOUSE OF REPRESENTATIVES.

Read 1° 17th March, 1931.

(Brought in by the Treasurer, the Honorable E. G. Theodore.)

A BILL

FOR

AN ACT

Relating to the Issue of a Fiduciary Currency.

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

PART I.—PRELIMINARY.

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| 5 | 1. This Act may be cited as the <i>Fiduciary Notes Act</i> 1931. | Short title. |
| | 2. This Act shall commence on a date to be fixed by Proclamation. | Commencement. |
| | 3. In this Act, unless the contrary intention appears— | Definitions. |
| | “the Board” means the Board of Directors of the Commonwealth Bank of Australia ; | |
| 10 | “the Governor” means the Governor of the Commonwealth Bank of Australia ; and | |
| | “Treasury Note” means a Treasury Note under this Act. | |
| | 4. This Act is divided into Parts, as follows :— | Parts. |
| | Part I.—Preliminary. | |
| 15 | Part II.—Treasury Notes. | |
| | Part III.—Offences in relation to Treasury Notes. | |
| | Part IV.—Miscellaneous. | |

PART II.—TREASURY NOTES.

Issue of Notes.

5. Treasury Notes to an amount not exceeding Eighteen million pounds shall be issued by the Board as follows:—

(a) Treasury Notes to an amount not exceeding Six million pounds shall be issued as and when required by the Governor-General for the purposes of the *Wheat Act* 1931; and 5

(b) Treasury Notes to an amount not exceeding Twelve million pounds, and not exceeding in each month One million pounds, shall be issued as and when required by the Governor-General for the purpose of providing employment on reproductive works— 10

(i) for which appropriations have been made by any Act; or

(ii) by means of loans to the States or to local governing authorities, or to other corporations approved by the Governor-General. 15

Denomination, &c., of Notes.

6.—(1.) Treasury Notes shall be printed by the Board, and may be issued in any of the following denominations, namely, One pound, Five pounds, Ten pounds, or any multiple of Ten pounds, and shall be a legal tender throughout the Commonwealth and throughout all Territories under the control of the Commonwealth. 20

(2.) Treasury Notes shall bear thereon the signature of the Secretary to the Treasury.

(3.) The signature may be made in the handwriting of the officer or may be made by engraving, lithography or any mechanical process approved by the Treasurer. 25

Disposal of proceeds of issue of Notes.

7.—(1.) The moneys derived from the issue of Treasury Notes and any interest thereon shall be placed to the credit of an account called the Fiduciary Notes Account, which shall be a Trust Account within the meaning of the *Audit Act* 1901–1926. 30

(2.) Moneys standing to the credit of the Fiduciary Notes Account and derived from the issue of Treasury Notes under paragraph (a) of section five of this Act, may be invested by the Treasurer in Commonwealth securities. 35

(3.) Upon the raising of any loan for the redemption of the securities issued under the last preceding sub-section, the proceeds of the loan, after payment of the expenses of borrowing, shall be applied to the redemption of those securities, and those securities and Treasury Notes of an equivalent amount shall thereupon be redeemed and cancelled. 40

(4.) Moneys standing to the credit of the Fiduciary Notes Account and derived from—

(a) the issue of Treasury Notes under paragraph (b) of section five of this Act; or 45

(b) interest on investments of the Fiduciary Notes Account, may be invested by the Treasurer in Commonwealth securities.

(5.) Upon

(5.) Upon the raising of any loan for the redemption of the securities issued under the last preceding sub-section, the proceeds of the loan, after payment of the expenses of borrowing, shall be applied to the redemption of those securities.

5 8. Treasury Notes shall not be deemed to be Bank notes within the meaning of the *Bank Notes Tax Act* 1910.

Notes not subject to *Bank Notes Tax Act* 1910.

9.—(1.) The Board may cancel any Treasury Notes which are soiled or mutilated, and shall issue fresh Treasury Notes in lieu of those so cancelled.

Cancellation of soiled or mutilated Notes.

10 (2.) In ascertaining the amount of Treasury Notes issued in pursuance of this Act, the amount of Notes which has been cancelled under this section shall not be included.

10. Notwithstanding anything contained in this Part, if the Board notifies the Treasurer that it is prepared to provide, for the purposes of this Act, loans or advances to the Commonwealth to the extent of the whole or part of the total amount of Treasury Notes which may be issued in pursuance of section five of this Act, and the Treasurer certifies, by certificate published in the *Gazette*, that he is satisfied that the terms upon which the Board is prepared to provide those loans or advances are satisfactory to the Commonwealth, the amount for which Treasury Notes may be issued in pursuance of this Part shall be reduced by the amount for which the Board is prepared to provide loans or advances.

Reduction of authorized issue of Treasury Notes in certain events.

25 11.—(1.) The Treasurer may, from time to time, under the provisions of the *Commonwealth Inscribed Stock Act* 1911-1927, or under the provisions of any Act authorizing the issue of Treasury Bills, borrow moneys not exceeding the amount of Twelve million pounds.

Authority to borrow.

30 (2.) The amount borrowed shall be issued and applied only for the expenses of borrowing and for the purpose of providing employment on reproductive works—

- (a) for which appropriations have been made by any Act; or
- (b) by means of loans to the States or to local governing authorities, or to other corporations approved by the Governor-General.

35 (3.) In any case where a loan is made in pursuance of this section to any local governing authority or approved corporation, the Treasurer shall, within one month thereafter, notify in the *Gazette* the amount, terms and conditions of the loan.

PART III.—OFFENCES IN RELATION TO TREASURY NOTES.

40 12. In this Part—

“Commonwealth Security” means any Treasury Note issued in pursuance of this Act;

Definitions.

45 “form of Commonwealth Security” means any form of a Commonwealth Security, or any form intended or likely to pass for the form of a Commonwealth Security, and includes any part of a form of a Commonwealth Security.

13. Every

- Forging or uttering Notes.** 13. Every person who, with intent to defraud, forges, or utters knowing it to be forged, any Commonwealth Security, shall be guilty of an indictable offence.
Penalty : Imprisonment for fourteen years.
- Possession of forged Notes.** 14. Every person who, without lawful excuse (proof whereof shall lie upon him), has in his possession any forged Commonwealth Security shall be guilty of an indictable offence. **5**
Penalty : Imprisonment for four years.
- Making, &c., of false forms.** 15. Every person who, without the authority of the Treasurer, (proof whereof shall lie upon him), makes or has in his possession— **10**
(a) any form of a Commonwealth Security, or
(b) any instrument or thing which may be used in making a form of Commonwealth Security,
shall be guilty of an indictable offence.
Penalty : Imprisonment for three years. **15**
- Making false declarations.** 16. Any person who wilfully makes any false statement in any declaration under this Act shall be guilty of an indictable offence.
Penalty : Imprisonment for four years.
- Copy of Treasury Notes.** 17.—(1.) Every person who, without the authority of the Treasurer (proof whereof shall lie upon him), makes or has in his possession— **20**
(a) any copy of a Commonwealth Security, or,
(b) any writing, engraving, photograph or proof resembling a Commonwealth Security or apparently intended to be or pass for a copy of the Commonwealth Security, **25**
shall be guilty of an offence.
Penalty : One hundred pounds, or imprisonment for one year, or both.
- (2.) This section shall not affect the liability of any person to be proceeded against for any higher offence, but a person so proceeded against shall not be liable to be punished twice in respect of the same offence. **30**
- (3.) In this section “copy of a Commonwealth Security” includes any representation or negative of a Commonwealth Security in any size or scale, and includes a copy of a form of Commonwealth Security in any size or scale. **35**
- Defacing, &c., of Commonwealth Securities.** 18. Every person who—
(a) defaces or disfigures any Commonwealth Security by writing, printing, stamping or drawing anything thereon ; or
(b) makes on, or attaches to, any Commonwealth Security any advertisement ; or **40**
(c) designs, makes, issues or circulates any advertisement in the form of or resembling or apparently intended to resemble any Commonwealth Security,
shall be guilty of an offence. **45**
Penalty : Twenty pounds.

19.—(1.) Any

19.—(1.) Any form of Commonwealth Security and any instrument or thing which may be used in making any form of Commonwealth Security shall, if made or in the possession of any person without the authority of the Treasurer, be forfeited to the
5 King.

Illicit forms to be confiscated.

(2.) Any constable may at any time seize any article forfeited under this section or any article which he has reasonable ground to believe is forfeited under this section and bring it before a Court of summary jurisdiction.

10 (3.) A Court of summary jurisdiction may order any article seized in pursuance of this section or the next succeeding section to be condemned or to be returned to the person from whom it was seized.

(4.) Any article condemned in pursuance of this section shall be dealt with as the Treasurer directs.

15 20.—(1.) Upon information, on oath or affirmation, by any constable, that he has reasonable ground to believe that any article forfeited under this Act is in any building or place, a justice of the peace may issue a search warrant to the constable.

Search warrants.

20 (2.) A constable having a search warrant under this section may, with such assistance as he thinks necessary, enter and search the building or place mentioned in the warrant, and for that purpose may break open any part of the building or place and break open any article therein, and may seize and take away any article which he has reasonable ground to believe is forfeited under this Act, and
25 bring it before a Court of summary jurisdiction.

(3.) The laws of each State relating to search warrants shall, so far as applicable, apply to search warrants under this section.

30 21. Every officer charged with the receipt or disbursement of public moneys, and every officer of any bank, shall stamp or write in plain letters the word "counterfeit", "altered", or "worthless" upon every counterfeit or fraudulent note issued in the form of a Treasury Note which is presented to him at his place of business, and if he wrongfully writes or stamps those words on any genuine Treasury Note he shall upon presentation redeem it at the face value
35 thereof.

Counterfeit Notes to be marked.

PART IV.—MISCELLANEOUS.

40 22.—(1.) On the last Monday of each month, an officer appointed for the purpose by the Board shall prepare and sign a statement, showing at the close of business on that date the number and amount of Treasury Notes issued and not redeemed.

Monthly statement of Notes issued.

(2.) The statement shall be countersigned by the Governor, and forwarded to the Treasurer for publication in the *Gazette*.

23.—(1.) Every

Banks to
furnish returns
of Notes held.

23.—(1.) Every bank shall, as at the close of business on each Monday, render to the Treasurer a return in accordance with the prescribed form showing the value of the Treasury Notes held by the bank.

(2.) Returns furnished under this section shall be supplied as soon as practicable after the date to which they refer. 5

Penalty : One hundred pounds.

Regulations.

24. The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which are required or permitted to be prescribed, or which are necessary or convenient to be prescribed, 10 for carrying out or giving effect to this Act.