

It is highly satisfactory to be able to state that the Imperial claims which have been for a long time outstanding against New Zealand, on account of the late war in that Colony, have been withdrawn.

The growth of the Imports, Exports, and the Consolidated and Territorial Revenues of New Zealand, may be thus stated officially, viz. :—

IMPORTS.

| 1853-4. | 1854-5. | 1855-6. | 1856-7. | 1857-8. | 1858-9. | 1859-60. | 1860-1. | 1861-2. | 1862-3. | 1863-4. | 1864-5. | 1865-6. | 1866-7. |
|----------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| £744,513 | 852,330 | 761,309 | 850,862 | 1,066,153 | 1,345,387 | 1,549,682 | 2,021,072 | 3,559,946 | 5,825,325 | 6,762,352 | 6,047,501 | 5,744,754 | 5,864,609 |

EXPORTS.

| 1853-4. | 1854-5. | 1855-6. | 1856-7. | 1857-8. | 1858-9. | 1859-60. | 1860-1. | 1861-2. | 1862-3. | 1863-4. | 1864-5. | 1865-6. | 1866-7. |
|----------|---------|---------|---------|---------|---------|----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|
| £312,071 | 343,365 | 339,516 | 340,663 | 411,133 | 502,794 | 570,219 | 979,600 | 1,896,490 | 2,954,054 | 3,443,184 | 3,557,055 | 4,116,462 | 5,254,129 |

DETAILS OF GOLD EXPORT.

| 1856-7. | | 1857-8. | | 1858-9. | | 1859-60. | | 1860-1. | | 1861-2. | | 1862-3. | | 1863-4. | |
|---------|--------|---------|---------|---------|---------|----------|---------|---------|---------|---------|------------|---------|------------|---------|------------|
| Ozs. | Value. | Ozs. | Value. | Ozs. | Value. | Ozs. | Value. | Ozs. | Value. | Ozs. | Value. | Ozs. | Value. | Ozs. | Value. |
| 976 | £3,784 | 17,220 | £66,730 | 9,482 | £36,747 | 6,147 | £23,818 | 6,341 | £24,568 | 449,279 | £1,740,956 | 504,896 | £1,963,354 | 559,727 | £2,165,672 |

| 1864-5. | | 1865-6. | | 1866-7. | |
|---------|------------|---------|------------|---------|------------|
| Ozs. | Value. | Ozs. | Value. | Ozs. | Value. |
| 420,598 | £1,631,179 | 738,816 | £2,858,078 | 674,545 | £2,605,789 |

CONSOLIDATED AND TERRITORIAL REVENUE.

| | 1853-4. | 1854-5. | 1855-6. | 1856-7. | 1857-8. | 1858-9. | 1859-60. | 1860-1. | 1861-2. | 1862-3. | 1863-4. | 1864-5. | 1865-6. | 1866-7. |
|--------------|----------|---------|---------|---------|---------|---------|----------|---------|---------|-----------|-----------|-----------|-----------|------------|
| Consolidated | £95,345 | 110,913 | 109,415 | 130,923 | 166,646 | 193,734 | 220,736 | 278,585 | 416,140 | 625,259 | 778,929 | 876,174 | 1,011,499 | 1,108,362 |
| Territorial | £123,787 | 121,564 | 69,238 | 83,685 | 126,496 | 201,341 | 228,821 | 281,557 | 472,091 | 560,618 | 619,588 | 607,408 | 638,237 | 614,467 |
| TOTAL ... | £219,132 | 232,477 | 178,653 | 214,608 | 293,142 | 395,075 | 449,557 | 560,142 | 888,231 | 1,185,877 | 1,398,517 | 1,483,582 | 1,649,736 | *1,722,829 |

* It is right to state that the accounts which have been recently received from the Colony indicate a falling off in the Revenue for the two first quarters of the current financial year 1867-8.

21, Cockspur Street, London, 25th April, 1868.

WILLIAM FITZHERBERT.

Enclosure 2 in No. 5.

CONVERSION of the PUBLIC DEBTS of NEW ZEALAND under the authority of "The Consolidated Loan Act," No. 90 of 1867.

In order to remedy the frequent complaints which have been made by holders of the Provincial Government Debentures, in consequence of the difficulty of negotiating these securities in the London market at their full value, as compared with those of the General Government of New Zealand, and in order further to increase the market value, and to remove the inconvenience arising from the want of uniformity in the securities of the General Government now in circulation, it has been determined, if possible, to convert the whole of the public loans of the Colony, General and Provincial, into one loan, to be called "The New Zealand Consolidated Loan."

In furtherance of these objects, it is proposed by the Government of New Zealand, under the powers granted by the Act above cited, to issue in exchange for the various securities now in circulation, new Debentures of uniform character, charged on the Consolidated Revenue of New Zealand.

These new Debentures will bear interest at the rate of five per cent. per annum payable quarterly, and the principal will be repaid *at par* by a one per cent. cumulative sinking fund, applied by annual drawings to the extinction of the debt. By this process the whole amount will be paid off in about thirty-six years.

The Crown Agents for the Colonies, acting on behalf of the Government of New Zealand, are now prepared to receive applications from the holders of the various Debentures herein referred to on the following terms, viz. :—

For every £100 General Government five per cents. payable in 1914, holders may receive £99 10s. New Five Per Cents. as above described.

For every £100 General Government six per cents. payable in 1891, the holders may receive £113 10s. in the New Five Per Cents.

For every £100 six per cents. of the Provincial Governments of Auckland, Canterbury, Otago, and Hawke's Bay, payable from 1879 to 1914, the holders may receive £109 in the New Five Per Cents.