

1877.

## NEW ZEALAND.

ADVANCES TO THE GOVERNMENT BY THE BANK OF  
NEW SOUTH WALES AND THE BANK OF NEW ZEALAND

(PAPERS RELATING TO).

*Presented to both Houses of the General Assembly by Command of His Excellency.*

## No. 1.

## INSTRUCTIONS to the Hon. G. McLEAN.

THE Cabinet request Mr. McLean to proceed to Sydney—

(1.) To represent New Zealand at the proposed Conference respecting Telegraph Cables.

(2.) To negotiate with a Bank or Banks there for a sum of not more than £500,000, under "The New Zealand Loan Act, 1876."

Mr. McLean will not pledge the Government to approve of any scheme for a duplication of the cable between Australia and India; but the Government will be glad to consider, and if possible to recommend to Parliament, any well-devised scheme for such duplication, especially if it should include a reasonable arrangement for reducing the charges for messages to and from England.

As to the loan, Mr. McLean will receive an Order in Council and a Warrant from His Excellency appointing him one of the Agents under the Act of 1876; and he will be at liberty to raise £500,000 by loan, or to arrange for an advance of that amount upon the security of short-dated debentures, within the limit of powers given by the Act.

The Government will be ready to advise upon any point of the negotiations which Mr. McLean may submit by telegram; and, should it be desired, approval or confirmation of an agreement will be signified to the Bank, by a telegram from one of the other Agents under the Act.

10th January, 1877.

E. Fox, Secretary.

## No. 2.

## The Hon. G. McLEAN to the Hon. the PREMIER.

SIR,—

Government Office, Wellington, 5th March, 1877.

I have the honor to report, for the information of the Government, the results of my visit to Sydney.

2. Copies of the official report of the Conference *re* the Duplication of Telegraph Cables are herewith. The report explains fully the decisions arrived at by the Conference, and my action as representing this colony. *See F.—3., p. 11.*

3. Having satisfied myself that it would be the better course to arrange for an advance of £500,000, and that the Bank of New South Wales would be willing to make it, I communicated with the authorities of that Bank; and I informed the Government, from time to time, of points connected with the negotiation as to which discussion had become necessary.

4. On the 28th January, I was enabled to telegraph the heads of a proposed agreement with the Bank; and, a confirmatory telegram from Mr. Bowen having been received by the Bank, the agreement was formally executed on behalf of the Bank and by myself, and was completed by the subsequent signature of Mr. Bowen in Wellington.

5. I believe that the agreement was the best, in the interests of the colony, which could be secured; and I trust the Government will agree with me in regarding it as a satisfactory one.

I have, &amp;c.,

GEORGE McLEAN.

The Hon. H. A. Atkinson, Premier.

## No. 3.

The Hon. G. McLEAN to the Hon. C. C. BOWEN.

Sydney, 28th January, 1877.

The Hon. C. C. Bowen, Wellington.

HAVE completed arrangement with Bank of New South Wales. They lend us £500,000, repayable in London in three equal instalments, at twenty-two, twenty-three, and twenty-four months; interest, five per cent., payable half-yearly in Wellington. Commission, half per cent. on transaction, secured by deposit of five per cent. debenture, with margin of five on par value. Two hundred thousand paid over each in Melbourne and New Zealand, and one hundred thousand in Sydney. Manager satisfied if you confirm the transaction.

GEORGE McLEAN.

## No. 4.

The Hon. C. C. BOWEN to the MANAGER, Bank of New South Wales.

Wellington, 29th January, 1877.

The Manager, Bank of New South Wales, Sydney.

As one of the Agents appointed under "New Zealand Loan Act, 1876," I hereby confirm arrangement made with your Bank by the Hon. George McLean for a loan of £500,000.

CHARLES C. BOWEN.

## No. 5.

The Hon. G. McLEAN to the Hon. C. C. BOWEN.

Sydney, 29th January, 1877.

The Hon. C. C. Bowen, Wellington.

MONEY paid 1st February. You lodge written debenture for £525,000 with Bank, to be replaced by ones of smaller amounts on my return. Date, 1st February. Payable seven years in London. Interest coupons at five per cent. per annum, payable half-yearly, which will be presented at Wellington during currency of loan. Debenture to be signed by yourself and Commissioner of Audit. Ask Bank telegraph receipt of debenture to Sydney office without delay. Could not get time of accepting money put off longer.

GEORGE McLEAN.

## No. 6.

The SECRETARY to the TREASURY, to the MANAGER, Bank of New South Wales, Wellington.

SIR,—

Treasury, Wellington, 30th January, 1877.

Referring to an arrangement recently concluded with your Sydney office, for an advance of £500,000 against five per cent. debentures of the New Zealand Government with a margin of five per cent. for security, I have the honor, by direction of the Colonial Treasurer, to hand you, in terms of the request of the Hon. George McLean, one of the Agents appointed to conduct the negotiation, a debenture, No. 1, for £525,000, payable at the office of the Agent-General for New Zealand, London, on 1st February, 1884, and to bear interest in the meantime at five per cent. per annum, from the 1st proximo, payable half-yearly, at the Treasury, Wellington.

This debenture is signed by one of the Agents appointed under the Act, and by one of the Commissioners of Audit; and it is proposed, on the return of the Hon. Mr. McLean to Wellington, to replace this bond by others of smaller amount, but for the like sum in the whole; and I am to request that you will be good enough, without delay, to notify to your Sydney office, by telegraph, that this security has been placed in your hands.

I have, &c.,

C. T. BATKIN, Secretary to Treasury.

The Manager, Bank of New South Wales, Wellington.

## No. 7.

The MANAGER, Bank of New South Wales, Wellington, to the SECRETARY to the TREASURY.

SIR,—

Bank of New South Wales, Wellington, 30th January, 1877.

I have the honor to acknowledge receipt of your letter of this date, covering debenture, No. 1, for £525,000, as described therein; and in terms of your request I have intimated as follows to our Sydney office that the security has been placed in my hands:—

"Wellington, 30th January, 1877.

"The General Manager, Bank of New South Wales, Sydney.

"Just received from Colonial Treasury one debenture, £525,000, interest five per cent., to be replaced by others smaller amount when the Hon. George McLean returns to Wellington.

"EDWD. MILLER, Manager."

I have, &c.,

The Secretary, Colonial Treasury, Wellington.

EDWD. MILLER, Manager.

## No. 8.

The SECRETARY to the TREASURY, to the INSPECTOR, Bank of New Zealand.

SIR,—

Treasury, Wellington, 3rd February, 1877.

Referring to arrangements made with the Bank of New South Wales for a loan of £500,000, I have the honor, by direction of the Colonial Treasurer, to notify for your information that the Manager of the Wellington Branch of that Bank has advised that the following sums will be paid to credit of the Public Account with the undermentioned branches of your Bank:—

At Christchurch	...	...	...	...	...	£40,000
„ Wellington	...	...	...	...	...	55,000
„ Dunedin	...	...	...	...	...	58,000
„ Nelson	...	...	...	...	...	37,000
„ Hokitika	...	...	...	...	...	7,500
In all...	...	...	...	...	...	£197,500

I have, &c.,

The Acting Inspector,  
Bank of New Zealand, Wellington.

C. T. BATKIN, Secretary to Treasury.

## No. 9.

The Hon. the COLONIAL TREASURER to the INSPECTOR, Bank of New Zealand.

SIR,—

Treasury, Wellington, 15th February, 1877.

Referring to the sum of £300,000 now at credit with the New Zealand Government, with the Australian branches of your Bank—£200,000 in Melbourne, and £100,000 in Sydney—and in respect to which you have consented to place £250,000 of the amount to credit of the New Zealand Public Account in London on the 25th April next, without charge, I have the honor to request that you will be good enough to take steps for placing the remaining £50,000 to the Public Account at Wellington on the 4th March next.

On the understanding that these steps will be taken, I return herewith the drafts, as per margin, for £300,000, handed by your Managers in Melbourne and Sydney to the Hon. G. McLean.

I have, &c.,

Jno. Murray, Esq.,  
Acting Inspector, Bank of New Zealand, Wellington.

H. A. ATKINSON.

## No. 10.

The INSPECTOR, Bank of New Zealand, to the Hon. the COLONIAL TREASURER.

SIR,—

Bank of New Zealand, Wellington, 17th February, 1877.

I have the honor to acknowledge receipt of your letter of the 15th instant, enclosing drafts aggregating £300,000, particulars of which are detailed in the margin of your letter.

In reply, I beg to state that instructions have been given to our London office by wire to place to the credit of the New Zealand Account on the 25th April next the sum of £250,000, and that the balance of £50,000 shall be credited to the Public Account here on the 4th March next.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

GEORGE E. TOLHURST,  
(For the Inspector).

## No. 11.

The INSPECTOR, Bank of New Zealand, to the Hon. the COLONIAL TREASURER.

SIR,—

Bank of New Zealand, Wellington, 15th February, 1877.

Referring to the several interviews had with you on the subject of certain advances to the New Zealand Government by this Bank, I have the honor to submit for your consideration the terms on which the Bank is prepared to make the proposed advances.

(1.) The Bank will advance to the Government the sum of £500,000 on the security of New Zealand Government short-dated debentures, or Treasury bills to the like amount, payable in London, and bearing five per cent. interest, to be deposited with the Bank, with power to hypothecate at any time, or to sell in case of default.

(2.) The advance to be repayable in London at two years from this date, and to bear interest in the meantime at five per cent. per annum, payable half-yearly in Wellington.

(3.) The Bank will increase, by the sum of £100,000, the amount which, by its existing agreement with the Government, it undertakes to advance on remittable securities; and it agrees that all advances made under sub-clauses 5 and 6, or 8 and 9, of that agreement, within the next two years, shall be repayable on the 15th February, 1879, unless the Government shall in the meantime elect to determine its agreement with the Bank, the agreement remaining in other respects unaltered.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

JOHN MURRAY,  
(For the Inspector).

## No. 12.

The Hon. the COLONIAL TREASURER to the INSPECTOR, Bank of New Zealand.

SIR,—

Treasury, Wellington, 15th February, 1877.

I have the honor to acknowledge the receipt of your letter of this date, setting forth the terms on which your Bank agrees to advance to the Government a sum of £500,000, and to enlarge the amount to be advanced on remittable securities under the existing agreement.

In reply, I have to express my satisfaction with the terms offered, and my acceptance of the proposed advances, on the conditions stated in your letter.

The Inspector, Bank of New Zealand, Wellington.

I have, &c.,  
H. A. ATKINSON.

## No. 13.

The Hon. the COLONIAL TREASURER to the MANAGER, Bank of New Zealand.

SIR,—

Treasury, 1st June, 1877.

Referring to your letter of the 15th February, notifying that you were prepared to advance a sum of £500,000 to the New Zealand Government on security of New Zealand Government debentures or Treasury bills, I have the honor to inform you that debentures, as per margin, aggregating in value the sum of £475,000, will be posted by the San Francisco mail to-morrow to the Managing Director of your Bank in London.

These debentures are complete in all respects, except as to the counter-signature required by section 14 of the Act; and it has been considered proper, as a measure of security, to arrange for that counter-signature being affixed by an officer of Audit in London, appointed by the Commissioners of Audit.

I am informed by the Commissioners of Audit that the appointment has been conferred upon Mr. Henry Hartwright, at the office of the Agent-General in London, who has been directed by the Commissioners to countersign the bonds on presentation by your Managing Director in London.

The Manager, Bank of New Zealand, Wellington.

I have, &c.,  
H. A. ATKINSON.

[Letter of same date and to same effect, from the Hon. the Colonial Treasurer to the Managing Director of the Bank of New Zealand, London.]

## No. 14.

The MANAGER, Bank of New Zealand, Wellington, to the Hon. the COLONIAL TREASURER.

SIR,—

Bank of New Zealand, Wellington, 1st June, 1877.

I have the honor to acknowledge receipt of your letter of even date, informing me that New Zealand Government debentures amounting to £475,000, as detailed by you, are to be posted to our London office by the outward San Francisco mail to-morrow, and also stating that Mr. Henry Hartwright, now at the office of the Agent-General in London, has been appointed by the Commissioners of Audit to countersign these debentures.

In reply, I beg to inform you that I have advised my London office in accordance therewith.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,  
GEORGE E. TOLHURST, Manager.