

applies, the composition for the stamp duty on transfers of colonial stock issued in accordance with any option declared within the said twelve months shall be the same as if this section had not been enacted.

No. 3.

The STOCK AGENTS to the PREMIER.

SIR,—

Downing Street, London, 4th November, 1880.

See No. 1.

We have the honor to acknowledge the receipt of your letter of the 10th September last, enclosing copies of resolutions relative to the conversion of the debenture debt of the colony into stock, which had been brought under the notice of the House of Representatives and rejected by that body; also, a *Hansard* report of the debate which had taken place on the occasion, from which we understand that it is the will of your Government that operations under the Consolidated Stock Act shall be limited to so much of the Five Million Loan as may be offered for conversion within the time specified in the prospectus of that loan; and to those debentures now held in London for the Postmaster-General, and the Public Trustee, and by the Sinking Fund Trustees. We shall take care that the limits herein prescribed are in no case exceeded.

2. With regard to the securities held by the Sinking Fund Trustees, which comprise debentures of eight different loans, we think it possible that when we point out to you that we should be under the necessity of creating a new deed poll to cover the transaction, and be required to publish the proceeding in order to secure a quotation for the stock, you may think it preferable to adhere to the first intention, and to dispose of the debentures in the market and with the proceeds take up Treasury bills. In fact this operation would have been already carried out by the Trustees, but that in the present sensitive state of the market for New Zealand securities, they feared that it might have become known to the public that they were large sellers, and that the result would in all probability have been most prejudicial to the holders of New Zealand securities generally.

These considerations induced them to postpone all action in the matter until a more favourable opportunity presents itself. We are at present inclined to think, however, that the sale of comparatively small parcels of debentures forming fragments of various issues long since placed on the market, may be attended with less disadvantage than the sale, under the circumstances described, of a large amount of inscribed stock. We will, however, give the subject further careful consideration before adopting either course.

3. Official reports of the progress made in converting debentures of the Five Million Loan into stock, referred to in the third paragraph of your letter, have been sent to the Treasurer monthly for the last four months. A copy of that which goes by the present mail is herewith enclosed; from which you will observe that the process is by no means a rapid one, and that the total amount of debentures converted up to the 31st ultimo is only £2,251,200.

The latest transactions for the Four-per-cent. stock in the open market—for small quantities—have been at 85 $\frac{7}{8}$, 1886.

I have, &c.,

P. G. JULYAN,
(for self and colleagues),

The Hon. the Premier, Wellington, New Zealand.

New Zealand Stock Agents.

No. 4.

The STOCK AGENTS to the PREMIER.

SIR,—

Downing Street, London, 2nd December, 1880.

By last mail we forwarded to the Colonial Treasurer a statement of our disbursements on account of stamp charges and other expenses incidental to the conversion of the Five Million Loan. It will be seen that we have opened a Stock Agents' Account at the Bank of England, and that it has been kept in funds by advances from the Agent-General.

The question as to how the expenses of conversion were to be met, was one on which we deemed it desirable to obtain a legal opinion, as we were not quite clear as to the intention of the Colonial Stock Act. We accordingly referred the matter to Counsel, and we transmit for your information copies of three cases submitted to Mr. Joseph Browne, Q.C., with his Opinions thereon; also copies of correspondence with our solicitors on the subject; and with reference to the preparation of a deed-poll and the declaration for the Inland Revenue Department.

The arrival of your telegram of the 7th September, instructing us to proceed no farther with conversion than had already been sanctioned, with certain comparatively small exceptions (more fully explained in your letter of the 10th September last), prevented our taking further steps in the matter, and we have arranged that the expenses which will be incurred until a more extended conversion takes place will be met as before by advances from the Agent-General.

The enclosed papers will show you that, if the debentures held on Sinking-Fund account were as you suggest, converted into Inscribed Stock, it would be necessary to have a special deed-poll for the operation, involving publicity of the whole transaction.