

If safe, wait. Concur desirable float whole amount, besides million insufficient. I understand guarantee asked is not to publicly emit further loan until March, eighty-six; but not prevent our borrowing security North Island Railway Loan. Regarding sinking fund, that it means no operations at Home, but not interfere with creations here, kept here; not prevent guarantee West Coast Harbour debentures quarter of a million. I should require you sell the £500,000 Trust Fund scrip soon as possible. Please understand third million virtually spent, and we contracted not increase expenditure.

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LOAN AGENTS to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 30th December, 1884.)

NEW loan. Firstly, Bank of England's objection has nothing to do with agreement with Bank of England about five-per-cent. five-thirties, as we offered to indemnify or release; but they interpret Loan Act, coupled with first prospectus, as precluding issue more than million until expiration financial year March next; and although we strongly urged them to bring out two million and a half in January, they decidedly objected on ground that would be breach faith toward public and compromise Bank of England; but were willing offer million and a half later in year. Secondly, guarantee asked applies exclusively to placing additional securities of any kind directly or indirectly upon English market between issue of two millions and a half and April, eighty-six, and would not debar you from obtaining temporary advances on North Island Railway securities other than inscribed stock, nor from guaranteeing West Coast Harbour debentures. Thirdly, we hold only about £85,000 Post-Office scrip, and cannot understand message proposed sale £500,000.

LOAN AGENTS,  
London, 29.

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The COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

Wellington, 30th December, 1884.

I UNDERSTAND guarantee asked by Bank of England would not prevent West Coast Harbour Boards' offering for sale in London debentures the Government guarantee. £500,000 scrip referred to is £220,000 held against advance by Bank of England £200,000 by Bank of New Zealand, besides your holding. Can you sell these with reasonable dispatch?—Sinking Fund Trustees and otherwise. Can you obtain advances against Million-and-a-Half Loan pending sale if required, and later, say early eighty-six, if required against North Island Trunk Loan?

VOGEL.

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The LOAN AGENTS to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 1st January, 1885.)

NEW loan. Further conference Bank of England to-day. Firstly, Bank of England objects to engage beforehand make temporary advances against Million and a Half; but supposing neither war nor monetary crisis, we think could be obtained. Depends entirely upon state political financial affairs at time. Secondly, quite impossible any bank undertake now for temporary advances to be made twelvemonth hence. Thirdly, guarantee asked would not prevent Harbour Board offering debentures extent of quarter of million in London. Fourthly, cannot say what prospect selling scrip until third million placed; no demand at present. Sinking Fund Trustees could only absorb trifle. Fifthly, supposing Government authorize agents to give guarantee required, we should bring out third million Saturday; therefore please telegraph instruct whether shall accept Bank of England's conditions.

LOAN AGENTS,  
London, 31.

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The COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

Wellington, 2nd January, 1885.

WE accept conditions, and give guarantee as indicated by cablegrams. Third million, you are authorized offer loan at once.

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The LOAN AGENTS to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 3rd January, 1885.)

THIRD million announced upon receiving your message to-day. Minimum, ninety-seven half. Tenders, ninth instant.

LOAN AGENTS,  
London, 2.

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No. 69.

The LOAN AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 1st December, 1884.

We have the honour to acknowledge receipt of your letter of the 11th October last, No. 5, in which, with reference to the arrangement you had made with the Bank of New Zealand respecting the sum of £500,000 mentioned in your letter, you inform us that you had drawn upon us at ninety days' sight for the sum of £225,000, and directing us to take measures to protect those drafts.