

1885.

NEW ZEALAND.

THE ORIGINATION OF THE SCHEME FOR INSCRIBING COLONIAL STOCKS

(CORRESPONDENCE RESPECTING).

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

No. 1.

The AGENT-GENERAL to the PREMIER.

SIR,—

7, Westminster Chambers, London, S.W., 6th August, 1884.

In the course of the investigation which I had to make immediately on coming to England, into questions connected with the inscription of stock and a conversion of our public debt, I necessarily had much communication with Mr. John Mackrell, and I then learnt from him, what was quite new to me, that the original conception of the scheme for creating a stock to be inscribed at the Bank of England was his. It seemed to me that if he was really the inventor of a method which has already borne such good fruit, and is destined to bear so much more, he ought to get credit for it; but he did not then wish his name to be brought forward.

Last March, however, circumstances happened in which Mr. Mackrell thought I might be of a little use to him, and it became necessary for the part he had taken in inscription to be mentioned in a high quarter. He thereupon waived his previous unwillingness to be specially named in connection with it, and gave me the memorandum of which I transmit a copy to you herewith. The Stock Agents are now bringing together a complete record of everything connected with the inscription scheme, to be incorporated in their final report upon the recent conversions; and, as Mr. Mackrell has now claimed the origination of the idea, it should not be omitted from that record.

I have, &c.,

F. D. BELL.

The Hon. the Premier, Wellington.

Enclosure in No. 1.

MEMORANDUM by Mr. MACKRELL to Sir F. D. BELL (in a private letter, 11th March, 1884, *re* "The Colonial Stock Act, 1877").

"THE Colonial Stock Act of 1877," which has proved to be of so much value and importance not only to the colonies but to the Imperial Exchequer and to the investing public at Home, originated in a suggestion made on the 11th October, 1875, to Sir Julius Vogel, the Premier of New Zealand, by Mr. John Mackrell, of 21, Cannon Street, the solicitor in England to the New Zealand Government.

He pointed out to Sir Julius Vogel the difficulty which he and other members of the legal profession felt in allowing clients, especially trustees, to invest in colonial securities, on account of these being payable to bearer, and the consequent difficulty of insuring their safe custody. He showed what a very large amount was available for colonial loans if the same could be made secure and attractive, and drew attention to the great confidence which the public felt in securities managed by the Bank of England; and urged upon Sir Julius the importance to his Government of making an arrangement with the Bank of England to issue the New Zealand loans, and to have them inscribed in the bank books. He pointed out to Sir Julius the necessity there would be for an arrangement with the Chancellor of the Exchequer as to a composition for duties on transfers, and for Imperial legislation for this purpose, and to enable the issue of certificates to bearer, &c., as well as for legislation in the colony.

Sir Julius realized the importance of the suggestion, and took up the matter; and succeeded in making an arrangement with the Bank of England, and in obtaining a promise from the Government to commute the stamp duties, and to obtain the necessary Imperial legislation.

A draft of a Bill was thereupon prepared and settled by Mr. Mackrell and the late Sir F. Reilly,