

1888.  
NEW ZEALAND.

## LOANS AND CONVERSION OF DEBENTURES INTO INSCRIBED STOCK.

[In continuation of B.-17 of 1886.]

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

### No. 1.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 24th May, 1886.

The conversion being now brought to a close, we beg to report the results as follows:—

For this purpose we transmit herewith a correspondence with the Actuaries, containing tables showing the financial effect of the conversion to the colony. The computations give in each case— (a) Augmentation of debt, (b) annual charge, (c) annual reduction in charge, (d) total reduction in annual charge, and (e) liquidation of increase of debt.

You will doubtless have observed from the “4th set” of the tables we sent you in our letter of the 20th February last, No. 220, that the Actuaries had then calculated the liquidation of increase in debt according to the term which each loan had to run. It did not much matter at that time, because, as we said in our letter, the table was, after all, only a hypothetical one, depending on the assumption of all the bonds being converted; but now, in computing actual results, the right method is to calculate the amount for extinguishing augmentation of debt, not by the currency of the bonds to be converted, but by the remaining currency of the stock; and this method is accordingly adopted in the accompanying computations.

As the tables really explain themselves, we need only trouble you with the following brief summary of results.

#### I. Total Amounts Converted.

		£
(1.) Consols—		
Option 1 (New bonds) ... ..	£562,400	
Option 2 (Stock) ... ..	38,200	
		600,600
(2.) Five-thirties ... ..		1,890,700
(3.) Fives of 1914—		
Option 1 (New bonds) ... ..	£43,600	
Option 2 (Stock) ... ..	65,600	
		109,200
(4.) Ten-forties ... ..		1,292,700
(5.) Fives of 1879 ... ..		136,000
(6.) Sixes of 1891—		
(a.) Loan of 1860 ... ..	£19,000	
(b.) Loan of 1863 ... ..	114,400	
		133,400
Total ... ..		£4,162,600

#### II. Augmentation of Debt.

		£
(1.) Consols—		
Option 1 (New bonds) ... ..	£45,731	
Option 2 (Stock) ... ..	2,721	
		48,452
(2.) Five-thirties ... ..		39,228
(3.) Fives of 1914—		
Option 1 (New bonds) ... ..	4,997	
Option 2 (Stock) ... ..	9,174	
		14,171
(4.) Ten-forties ... ..		43,764
(5.) Fives of 1879 ... ..		5,976
(6.) Sixes of 1891—		
(a.) Loan of 1860 ... ..	£1,986	
(b.) Loan of 1863 ... ..	11,956	
		13,942
Total ... ..		£165,533

## III. Annual Reduction in Charge.

	First Six Years.	After 1892.
(1.) Consols ... ..	£16,313	£20,704
(2.) Five-thirties ... ..	7,885	7,885
(3.) Fives of 1914—		
Option 1; to 1892...	411	
Afterwards ... ..		672
Option 2 ... ..	945	945
(4.) Ten-forties ... ..	11,176	11,176
(5.) Fives of 1879 ... ..	1,121	1,121
(6.) Sixes of 1891 ... ..	4,779	4,779
Totals ... ..	<u>£42,630</u>	<u>£47,282</u>

## IV. Total Reduction in Annual Charge.

(1.) Consols ... ..	£390,633
(2.) Five-thirties ... ..	149,815
(3.) Fives of 1914 ... ..	43,710
(4.) Ten-forties ... ..	16,764
(5.) Fives of 1879 ... ..	3,923
(6.) Sixes of 1891 ... ..	23,895
Total ... ..	<u>£628,740</u>

## V. Liquidation of Debt.—(Annual Sinking Fund to extinguish Augmentation.)

	£	s.	d.	£	s.	d.
(1.) Consols—						
Option 1 ... ..	397	12	0			
Option 2 ... ..	23	13	0			
				421	5	0
(2.) Five-thirties ... ..				341	1	0
(3.) Fives of 1914—						
Option 1 ... ..	43	9	0			
Option 2 ... ..	79	15	0			
				123	4	0
(4.) Ten-forties ... ..				380	10	0
(5.) Fives of 1879 ... ..				51	19	0
(6.) Sixes of 1891—						
Loan of 1860 ... ..	17	5	0			
Loan of 1863 ... ..	103	19	0			
				121	4	0

In addition to the Actuaries' tables, we also transmit a computation by the Audit Officer showing the effect of the conversion upon the amount of interest which will come in course of payment during the financial year 1886–87. You will observe that this computation takes no note of the new 5-per-cent. bonds, as there is no variation in the interest in their case.

We cannot but think that the figures now given will strengthen the satisfaction you have already been pleased to express at the results of the conversion. An augmentation of £165,533 to the debt for a conversion of £4,162,600 is certainly not great, not being more than £3 19s. 6d. per cent; while a yearly reduction in charge of £42,630 up to 1892, and of £47,282 afterwards, is in itself an appreciable one, bringing up, as it does, when added to the reductions effected by the previous conversions of 1883 and 1885, the total saving to a sum which is certainly a very substantial relief to the finances of the colony.

We have, &c.,

P. G. JULYAN,

F. D. BELL,

Loan and Stock Agents.

The Hon. the Colonial Treasurer, Wellington.

## Enclosure 1 in No. 1.

The AGENT-GENERAL to the ACTUARIES.

DEAR SIRS,—

7, Westminster Chambers, 15th April, 1886.

The time for the options given to holders of the New Zealand consols and the 4½-per-cent five-thirties having now expired, I have to acquaint you that the following amounts of bonds of each issue have been sent in for conversion, viz. :—

1. Consols: To be exchanged for 5-per-cent. new bonds for six years, and then £107 of stock	£562,400
To be converted at once into £106 stock	38,200
	<u>£600,600</u>
2. Five-thirties: To be converted into £101 of stock	£1,890,700

I have now accordingly to request that you will make the same computation in each of these cases as you have done on previous occasions, showing the financial results of the operation to the colony.

I have, &c.,

F. D. BELL.

A. H. Bailey, Esq., and Ralph P Hardy, Esq.

## Enclosure 2 in No. 1.

The ACTUARIES to the AGENT-GENERAL.

DEAR SIR FRANCIS,—

London, 20th April, 1886.

As requested in your letter of the 15th instant, we send herewith a table, corresponding to our former table of the 18th May, 1885, showing the financial results to the colony from the conversion of £600,600 New Zealand 5-per-cent. consols and £1,890,700 4½-per-cent. five-thirties into 4-per-cent. inscribed stock. We have assumed, as before, that the relief to the finances of the colony is from a proportion of the fixed annual charge of £436,986 corresponding to the amount of stock now converted, which is substantially, if not formally, the case. In making the calculations the incidental expenses have been estimated at £3,000; and it has been assumed that the sinking fund for the extinction of the increase in the capital of the debt consequent on this operation will run to November, 1929.

We have, &amp;c.,

A. H. BAILEY,  
RALPH P. HARDY,

Sir Francis Dillon Bell, K.C.M.G.

CONVERSION OF LOANS, 30th MARCH, 1886.—Table showing the result to the Colony of the conversion of the Consols and 4½-per-cent Five-Thirties.—(Enclosure in Actuaries' letter of the 20th April, 1886.)

	5-per-cent. Consols.		4½-per-cent. Five-thirties
	Option 1. (£562,400) Debenture and 107.	Option 2 (£38,200) at 106.	(£1,890,700)
(a) Capital of debt—			
Premium on conversion .. .. .	£ 39,368	£ 2,292	£ 18,907
Augmentation for Bank of England } charges, stamp and brokerage .. } Share of incidental expenses .. ..	5,686 677	383 46	18,044 2,277
Total Augmentation of Debt .. .. .	45,731	2,721	39,228
(b) Annual Charge .. .. .	For the first six years 28,375 For subsequent years 24,325	1,637	77,197
(c) Annual reduction in Charge .. .. .	For the first six years 16,313 For the subsequent years } during the currency of } 20,704 consols .. .. .		7,885
(d) Total reduction in Annual Charge .. .. .	390,633		149,815
(e) Liquidation of Increase in Debt— Annual sinking fund (4 per cent. interest) for forty-three and a half years ending the 1st November, 1929, for retirement of increase in debt as in (a) above .. .. .	£397 12s.	£23 13s.	£341 1s.

April, 1886.

A. H. BAILEY,  
RALPH P. HARDY.

## Enclosure 3 in No. 1.

The AGENT-GENERAL to the ACTUARIES.

DEAR SIR,—

7 Westminister Chambers, 3rd May, 1886.

In continuation of my letter of the 15th April, I now transmit to you the particulars of the remaining loans included in the conversion which closed on the 30th April, and shall be obliged by your making the necessary computations accordingly.

1. Fives of 1863, redeemable 1914—	£
To be exchanged for new 5-per-cent. bonds .. .. .	43,600
" " inscribed stock .. .. .	65,600
	109,200
2. Ten-forties .. .. .	1,292,700
3. Fives of 1879 .. .. .	136,000
4. Sixes of 1891 (Loan of 1860) .. .. .	19,000
5. Ditto (Loan of 1863)—	
March and September .. .. .	46,700
June and December .. .. .	67,700
	114,400

A. H. Bailey, Esq., and Ralph P. Hardy, Esq.

I have, &c.,  
F. D. BELL

## Enclosure 4 in No. 1.

The ACTUARIES to the AGENT-GENERAL.

DEAR SIR FRANCIS,—

London, 5th May, 1886.

As requested by you, we now send herewith a further table showing the financial results to the colony from the conversion into 4-per-cent. inscribed stock of the portions of the several loans referred to in your letter of the 3rd instant. It should be mentioned that, in the present table, the annual sinking fund for the liquidation of the increase in the capital of the debt, consequent upon these conversions, has been spread over forty-three and a half years, being the remainder of the term of the 4-per-cent. inscribed stock. In the table of last February the calculations were made for the several terms which each of the loans converted had to run. The incidental expenses have been apportioned between the several loans according to the amount brought in for conversion in each. The effect of this is to press somewhat heavily upon the 5-per-cent. ten-forties.

We have, &amp;c.,

A. H. BAILEY,  
RALPH P. HARDY.

Sir Francis Dillon Bell, K.C.M.G.

CONVERSION OF LOANS, 30TH APRIL, 1886.—(Enclosure in the Actuaries' letter of the 5th May, 1886.)

	Fives of 1863. Redeemable 1914.		5-per-cent. Ten-Forties.	Fives of 1879. £136,000 at 103.	(1860) Sixes of 1891. £19,000 at 109.	(1863) Sixes of 1891.	
	Option 1. Deb. and 110 £43,600.	Option 2. At 112 10 £65,600.				£46,700 at 109 (Mar. & Sept.)	£67,700 at 109 (June & Dec.)
(a) Capital of Debt—							
Premium on conversion ..	£ 4,360	£ 8,200	£ 25,854	£ 4,080	£ 1,710	£ 4,203	£ 6,093
Augmentation for Bank of England charges, stamps, and brokerage ..	454	699	12,496	1,327	196	482	699
Share of incidental expenses ..	183	275	5,414	569	80	196	233
Total Augmentation of Debt ..	4,997	9,174	43,764	5,976	1,986	4,881	7,075
(b) Annual Charge ..	To Jan. 1892, 2,205	2,991	53,459	5,679	839	2,063	2,991
	After 1892, 1,944	..	..	..	..	..	..
(c) Annual Reduction in Charge ..	To Jan. 1892, 411	945	11,176	1,121	681	1,673	2,425
	After 1892, 672	..	..	..	..	..	..
(d) Total Reduction in Annual Charge ..	17,250	26,460	16,764	3,923	3,405	8,365	12,125
	(28 years)	(28 yrs.)	(1½ yrs.)	(3½ yrs.)	(5 yrs.)	(5 years)	(5 years)
(e) Liquidation of Increase in Debt—							
Annual sinking fund (4 per cent. interest) for forty-three and a half years ending the 1st November, 1929, for retirement of increase in debt as in (a) above ..	43 9s.	79 15s.	350 10s.	51 19s.	17 5s.	42 9s.	61 10s.

5th May, 1886.

A. H. BAILEY,  
RALPH P. HARDY

Enclosure 5 in No. 1.

COMPUTATION showing the Amount of Interest that would be payable within the Financial Year 1886-87 upon Bonds of the Loans specified in the present Conversion, and the Amount payable on the Bonds that were converted.

Five-per-cent. Loan of 1863:—

Amount converted, £65,600—  
Interest on above, at 5 per cent., from the 15th January to the 30th April (106 days) .. £ s. d. 952 11 0  
£65,600 at £112 10s = £73,800—Interest on £73,800 at 4 per cent. for six months .. 1,476 0 0

Total .. £2,428 11 0

Interest on £65,600 had no conversion taken place, £3,280: saving in interest for financial year 1886-87 on conversion of £65,600, £851 9s.

Five-per-cent. Consols (Annual Drawings):—

Amount converted, £38,200—  
Quarter's interest on above, to the 15th April .. £ s. d. 477 10 0  
Sixteen days' interest, to 30th April .. 83 14 6  
£38,200 at 106 = £40,492—Six months' interest on £40,492, to the 1st November, at 4 per cent. .. 809 16 9

Total .. £1,371 1 3

Interest on £38,200 had no conversion taken place, £1,910: saving in interest for financial year 1886-87 on conversion of £38,200, £538 18s. 9d.

Five-per-cent. Ten-forties of 1876-77:—

Amount converted, £1,292,700—  
Interest from the 1st March to the 30th April (sixty-one days), on the above at 5 per cent. .. £ s. d. 10,801 19 10  
£1,292,700 at 102 = £1,318,554—Six months' interest on the above, at 4 per cent., to the 1st November .. 26,371 1 7

Total .. £37,173 1 5

Interest payable on £1,292,700 had no conversion taken place, £64,635: saving in interest for financial year 1886-87 on conversion of £1,292,700, £27,461 18s. 7d.

Five-per-cent. of 1879:—

Amount converted, £136,000—  
Six months' interest on above to the 1st May .. £ s. d. 3,400 0 0  
£136,000 at 103 = £140,080—Interest on the above, at 4 per cent., for six months to the 1st November .. 2,801 12 0

Total .. £6,201 12 0

Interest payable on £136,000 had no conversion taken place, £6,800: saving in interest for financial year 1886-87 on conversion of £136,000, £598 8s.

Six-per-cent. Loan of 1860:—

Amount converted, £19,000—  
Interest at 6 per cent., for 120 days, to the 30th April, on £19,000 .. £ s. d. 374 15 10  
£19,000 at £109 = £20,710—Six months' interest on above, at 4 per cent. to the 1st November .. 414 4 0

Total .. £788 19 10

Interest payable on £19,000 had no conversion taken place, £1,140: saving in interest on £19,000 for financial year 1886-87, £351 0s. 2d.

Six-per-cent. Loan of 1863:—

Amount converted, £46,700 (Interest due March and September); £67,700 (Interest due June and December)—  
Interest from the 15th March to the 30th April (forty-seven days) at 6 per cent., on £46,700 .. £ s. d. 360 16 2  
£46,700 at 109 = £50,903—Interest for six months' on £50,903, at 4 per cent. .. 1,018 1 2  
Interest from the 15th December to the 30th April (137 days), at 6 per cent., on £67,700 .. 1,524 12 10  
£67,700 at 109 = £73,793—Interest on £73,793, at 4 per cent., for six months to the 1st November .. 1,475 17 2

Total .. £4,379 7 4

Interest payable on £114,400 had no conversion taken place, £6,864: saving in interest for financial year 1886-87 on conversion of £114,400, £2,484 12s. 8d.

*Four-and-a-half-per-cent. Five-thirties of 1870, 1873, and 1874 :—*

Amount converted, £1,890,700—			
Amount to be paid off, £1,055,400—			
£1,890,700 at 101 = £1,909,607—			
Interest from the 1st February to the 3rd April (eighty-nine days), at 4 per cent., on	£	s.	d.
£1,809,607	18,625	2	8
Six months' interest at 4 per cent. to the 1st November..	38,192	2	9
Unconverted, £1,055,400—			
Six months' interest on £1,055,400, at 4½ per cent., to the 1st August	23,746	10	0
Interest on £1,055,400 for three months (1st August to the 1st November) at, say, 4			
per cent.	10,554	0	0
Total	£91,117	15	5
Interest payable had no conversion taken place, at 4½ per cent., on £2,946,100 for six months to	£	s.	d.
the 1st August	66,287	5	0
Interest on £2,946,100 for three months to the 1st November, at, say, 4 per cent.	29,461	0	0
Total	£95,748	5	0

Saving in interest for financial year 1886–87 on conversion of £1,890,700, £4,630 9s. 7d.

SUMMARY, Showing the Total Saving of Interest on all Bonds converted.		£	s.	d.
Five-per-cent. loan of 1863	..	851	9	0
Five-per-cent. consols..	..	538	13	9
Five-per-cent. ten-forties of 1876 and 1877	..	27,461	18	7
Five-per-cent. loan of 1879	..	598	8	0
Six-per-cent. loan of 1860	..	351	0	2
Six-per-cent. loan of 1863	..	2,484	12	8
Four-and-a-half-per cent. five-thirties	..	4,630	9	7
Total	..	£36,916	16	9

7, Westminster Chambers, 17th May, 1886.

C. WRAY PALLISER.

## No. 2.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 15th June, 1886.

I transmit to you herewith copy of a letter from the Bank of England, covering two statements of receipts and payments in respect of dividends on New Zealand inscribed stock, and on the new consols bonds, extending from the commencement of inscription in 1880 down to the 30th April last. These accounts will now be regularly continued, and rendered every year.

It will no doubt strike you as remarkable that there should be such large balances of unclaimed dividends, the bank now having in hand in that way, £19,747 4s. 1d. With regard to the sum of £49 13s. 1d. accrued for accumulated fractions of interest, I have requested the bank to pay it in to the Public Account.

You are aware, from the accounts transmitted direct to the Treasury by the Crown Agents, that in addition to the balance in the hands of the Bank of England, there is unclaimed dividend money in the hands of the Crown Agents now amounting to £9,285 15s. Thus the aggregate sum of unclaimed dividend is at this time £29,032 19s. 1d.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

F. D. BELL,

*Enclosure in No. 2.*

SIR,— Bank of England, London, E.C., 10th June, 1886.

I beg to forward you herein statements of the receipts and payments in respect of the dividends on New Zealand 4-per-cent. consolidated stock, and New Zealand 5-per-cent. debentures, from the commencement to the 30th April last, and to inform you that this account will in future be rendered annually. The balance on the account of the 4-per-cent. consolidated stock includes the sum of £49 13s. 1d. for accumulated fractions of interest, and I shall be glad to receive your instructions for the disposal of this amount.

The Agent-General for New Zealand, 7, Westminster Chambers.

I have, &c.,

F. MAY, Chief Cashier.

## No. 3.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 16th June, 1886.

I received in due course your telegram of the 29th May, directing me to provide by a Commissioner's order on the Public Account for paying off the debentures of £13,500 maturing at the Union Bank of Australia on the 1st day of July, interest on the same having been already provided. The necessary order has been accordingly signed, and the money will be paid in due time to the Union Bank.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

F. D. BELL.

[Copy of telegram referred to in No. 3.]

The COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

WELLINGTON LOAN, 1866: Move Commissioners, under section 62 of Act of 1878, to issue order on Public Account for £13,500 to Union Bank of Australia for redemption debentures maturing first July. Interest already provided.

(Received, 29th May, 1886.)

Wellington, 29th.

## No. 4.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 28th June, 1886.

I transmit herewith eight lists (in original), which I obtained from the Bank of England, of the numbers of the New Zealand debentures recently converted, amounting to £4,162,600, as shown in the summary annexed thereto. I desired the bank to send similar lists to the Crown Agents, in order that the bonds might be properly de-registered by their numbers at the domicile of the loans. This has been done accordingly.

I have, &amp;c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

## NUMBERS OF NEW ZEALAND DEBENTURES CONVERTED, 1886.—(Summary of Lists.)

Four-and-a-half-per-cent. debentures, £1,890,700; 5-per-cent. of 1863, redeemable 1914, £109,200; 5-per-cent. ten-forties of 1876-77, £1,292,700; 5-per-cent. 1879, redeemable 1889, £136,000; 6-per-cent. 1860, redeemable 1891, £19,000; 6-per-cent. 1863, redeemable 1891, £46,700; 6-per-cent. 1863 (March and September, June and December), £67,700; 5-per-cent. consols, £600,600; total, £4,162,600.

Bank of England, 16th June, 1886.

F. MAY.

## No. 5.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 30th June, 1886.

I transmit to you herewith six copies of the deed-poll, dated the 20th May, executed by the Stock Agents to record the creation of the inscribed stock necessary for giving effect to the conversions of last year and this, and of the declaration for the Inland Revenue.

I have, &amp;c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

*Enclosure 1 in No. 5.*

To all to whom these presents shall come, We, Sir FRANCIS DILLON BELL, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, the Agent-General for the Colony of New Zealand, and Sir PENROSE GOODCHILD JULYAN, a Knight Commander of the said Most Distinguished Order of Saint Michael and St. George, and a Companion of the Most Honourable Order of the Bath, send greeting:

WHEREAS by an Act of the Legislature of New Zealand intituled "The New Zealand Consolidated Stock Act, 1877," it was among other things enacted that, for the purpose of raising any sum or sums of money under the authority of any Act that might be passed by the said General Assembly in any future session of the General Assembly authorizing the Governor in Council to raise by way of loan any sum of money for the public service of the colony, it should be lawful for the Governor in Council to create capital stock, to be called "New Zealand Consolidated Stock," such stock to be issued in such amounts and manner, at such prices and times, on such terms and subject to such conditions, with such dividends, and redeemable at par at such times and on such conditions as the Governor in Council might before the creation thereof from time to time determine: And by the said Act it was further enacted that the Governor in Council might from time to time declare all or any of the New Zealand loans, whether existing in the form of stock or not, to be convertible into stock of such denominations, with such conditions and with such dividends, and redeemable at par at such times and on such conditions as he might before the creation thereof from time to time determine, and might authorize the creation and issue of such an amount of such stock in exchange for the securities held for such loans as might be necessary, and might authorize the creation and sale of any of such stock for the purpose of paying any expenses in the creation of stock and otherwise carrying out the provisions of the said Act on such conditions as he might determine, and any conversion so authorized might be effected either by arrangement with the holders of the existing securities or by purchase thereof out of moneys raised by sale of the new stock, or partly in one way and partly in the other: And by the said Act it was further enacted that the Governor or in Council might from time to time appoint three or more persons in England to be Agents for the purposes of the said Act, and might empower such Agents or any three or more of them to exercise all or any of the powers by the said Act exercisable by the Governor in Council; and further, that the said Act should not come into operation nor be of any force and effect whatever until it should be declared to be so in operation by a Proclamation issued by the Governor in Council, and published in the *New Zealand Gazette*:

And whereas by a Proclamation made and issued by the Governor in Council on the 9th day of February, 1878, and published in a supplement to the *New Zealand Gazette* of the same date, the Governor, with the advice and consent of the Executive Council of the said colony, did proclaim and declare that "The New Zealand Consolidated Stock Act, 1877," should be and come into operation on and after the 9th day of February, 1878:

And whereas under and by virtue of the said Act, New Zealand Consolidated Stock was created and issued to the amount of £5,371,200, which was duly inscribed in the books of the Governor and Company of the Bank of England in the names of the several persons respectively entitled thereto on the terms and conditions mentioned in a certain deed-poll bearing date the 1st day of December, 1879, under the hands and seals of me, the said Sir Penrose Goodchild Julyan and of Sir Julius Vogel, a Knight Commander of the said Most Distinguished Order of Saint Michael and Saint George, and of Montagu Frederic Ommanney, Esquire, who had been duly appointed Agents in England for the purposes of the said Act, and had been duly empowered to exercise all the powers by the said Act exercisable by the Governor in Council, such stock bearing interest at the rate of 4 per cent. per annum, payable half-yearly at the Bank of England on the 1st day of May and the 1st day of November in each year until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place:

And whereas by another Act of the said Legislature intituled "The New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," it was enacted that, notwithstanding anything in "The New Zealand Consolidated Stock Act, 1877," contained, the Governor in Council might appoint only two persons to be the Agents for the purposes of such Act, who should have, exercise, and perform all the powers, authorities, or duties by such Act given to, vested in, or imposed upon the Agents appointed under such Act, and that throughout such Act the words "the Agents" should be deemed to refer to and include the two persons by the now reciting Act authorized to be appointed to be the Agents for the purposes of "The New Zealand Consolidated Stock Act, 1877."

And whereas in pursuance of the power and authority vested in him by the said Acts (all previous appointments of Agents having been revoked) the Governor of New Zealand did by an Order in Council bearing date the 5th day of November, 1881, appoint us the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan to be Agents in England for the purposes of the said Acts of 1877 and 1881, with full power and authority to us as such Agents to exercise all the powers by such Acts exercisable by the Governor in Council;

And whereas various further amounts of New Zealand Consolidated Stock have from time to time been duly created by us the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, acting as such Agents, and duly

empowered as aforesaid, upon the terms and conditions respectively mentioned in certain deeds-poll under our hands and seals, and bearing date respectively the 1st day of January, 1883, the 30th day of October, 1883, the 1st day of January, 1884, the 30th day of December, 1884, the 1st day of January, 1885, and the 1st day of June, 1885, such amounts of stock being in addition to and ranking *pari passu* with the said amount of £5,371,200 of New Zealand Consolidated Stock so created and issued as aforesaid, and bearing interest at the rate and payable half-yearly at the Bank of England as aforesaid until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place, but the whole amount of New Zealand Consolidated Stock thus created by us has not been issued :

And whereas of New Zealand Consolidated Stock so created as aforesaid, there had been issued the total amount of £16,239,011 of such stock and no more, and it is now intended that unless authorized by some Act to be passed by the said Legislature no further amounts of New Zealand Consolidated Stock shall be issued under the authority of the several deeds-poll hereinbefore mentioned or any or either of them :

And whereas by another Act of the said Legislature, the short title of which is "The New Zealand Consolidated Stock Act, 1884" (hereinafter called "the Act of 1884"), it is enacted that the Agents from time to time appointed under the said "New Zealand Consolidated Stock Act, 1877," should be the Agents for the now-reciting Act; that so much of all the loans set forth in the schedule to the same Act as were outstanding on the 31st day of March, 1884, should be convertible into stock; and that pending the operations for converting loans and creating the stock authorized to be created under the provisions of the said Acts, the Colonial Treasurer might, when so authorized by an Order in Council in that behalf, create debentures to an amount not exceeding in the whole the amount of such stock, and might exchange the same for securities convertible under the now-reciting Act, and that the said Agents when so authorized by the Colonial Treasurer might exercise all the powers vested in the Colonial Treasurer by the same Act :

And whereas in respect of the loans authorized by the several Acts of the said Legislature mentioned in the said schedule, debentures to the amounts respectively set forth in Parts 1 and 2 of the First Schedule hereto had been issued, and the Governor of New Zealand did by an Order in Council bearing date the 9th day of March, 1885, authorize the Colonial Treasurer to issue 5-per-cent. debentures in exchange at par for equal amounts of those debentures which had been issued under the authority of "The Consolidated Loan Act, 1867," mentioned in the schedule to the Act of 1884, and the Colonial Treasurer did by writing under his hand duly authorize us the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian as such Agents as aforesaid to exercise all powers conferred upon him by such Order in Council and the powers conferred upon him by the Act of 1884 :

And whereas we, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, in exercise and pursuance of the powers and authorities in that behalf conferred upon us as aforesaid, did, in the year 1885, agree with the holders of some of the debentures issued under the authority of "The Consolidated Loan Act, 1867," hereinbefore mentioned, to convert their debentures into New Zealand Consolidated Stock at the rate of £107 of New Zealand Consolidated Stock bearing interest at the rate of £4 per cent. per annum, for every £100 represented by a new debenture for seven years to the 15th day of April, 1892, issued to them in exchange for those held by them respectively :

And whereas it was agreed that debentures to the amount of £3,651,700 should be so converted as aforesaid, but the stock to be issued in 1892 in exchange for the said new debentures has not yet been created, and it is expedient that the same should be now created :

And whereas the Governor of New Zealand did by an Order in Council bearing date the 24th day of February, 1886, authorize the Colonial Treasurer to issue 5-per-cent. debentures in exchange at par for equal amounts of those debentures which had been issued under the authority of "The New Zealand Loan Act, 1863," also mentioned in the schedule to the Act of 1884, and the Colonial Treasurer did by writing under his hand duly authorize us, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, as such Agents as aforesaid, to exercise all powers conferred upon him by such Order in Council and the powers conferred upon him by the Act of 1884 :

And whereas there are debentures carrying interest at rates exceeding £4 per cent. per annum outstanding in respect of the loans issued under the authority of other Acts mentioned in the schedule to the Act of 1884, to the amounts respectively mentioned in Parts 1 and 2 of the First Schedule hereto :

And whereas we, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, in exercise and in pursuance of the powers and authorities in that behalf conferred upon us as aforesaid, have determined that all the New Zealand loans mentioned in the First Schedule hereto shall be convertible into stock, and we have agreed with the holders of some of the outstanding debentures mentioned in Part 1 and Part 2 respectively of the said First Schedule hereto to convert their debentures into New Zealand Consolidated Stock, on or before the days and upon the terms respectively mentioned in the Second Schedule hereto, and it is intended hereafter to endeavour to make arrangements with the holders of the other outstanding debentures mentioned in Part 1 and Part 2 respectively of the said First Schedule hereto, for the conversion of the same respectively into New Zealand Consolidated Stock as and when it may be found conveniently practicable to do so :

And whereas for the purpose of providing New Zealand Consolidated Stock to be issued for the conversions so agreed upon and intended as aforesaid, and for the purpose of raising money for the payment of the expenses of and attending such conversions, we have determined to create a further amount of not exceeding £10,000,000 of New Zealand Consolidated Stock, to be issued as hereinafter mentioned, and to be in addition to and rank *pari passu* with the amount of New Zealand Consolidated Stock which has been and shall hereafter be created and inscribed in the books of the Governor and Company of the Bank of England, bearing interest at the rate of £4 per cent. per annum and repayable on the 1st November, 1929 :

And whereas we have further determined that such further issue of stock shall be created, issued, and inscribed under the said "New Zealand Consolidated Stock Act, 1877," and we have also determined the amount, manner, price, time, terms, and conditions on, at, and subject to which such stock shall be issued and inscribed, and the dividends thereon be payable, and the principal thereof be redeemable, such amount, manner, price, time, terms, dividends, and conditions being those hereinafter mentioned :

And whereas it is expedient that our determination to create such additional amount of £10,000,000 New Zealand Consolidated Stock, to be so issued and redeemable, shall be declared and manifested under our hands and seals :

Now therefore these presents witness, and we, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, in exercise and in pursuance of the powers by the said Acts and Orders in Council, or any or either of them vested in us, do by these presents declare, that we have created a further amount of ten millions sterling of capital stock, to be called "New Zealand Consolidated Stock," in addition to and to rank *pari passu* with the said New Zealand Consolidated Stock, heretofore created and issued as aforesaid, and also with any further amount of New Zealand Consolidated Stock, bearing interest at the rate of £4 per cent. per annum, and redeemable on the 1st day of November, 1929, which shall be hereafter created and issued and be inscribed in the books of the Governor and Company of the Bank of England: And we have determined that so much of the same capital stock as it shall be necessary to issue to the holders of the debentures now outstanding as aforesaid, or to the holders of new debentures issued as aforesaid or as mentioned in the Second Schedule hereto, as the case may be, shall, on and after the days or times in the same schedule respectively mentioned or referred to, be issued to such holders at the rates of stock respectively mentioned in the same schedule for every nominal £100 represented by any of the said outstanding debentures agreed to be converted as aforesaid or by any new debentures issued as aforesaid, as the case may be, and upon the surrender of the same respectively: And that so much of such stock as shall be necessary to sell for the payment of such expenses aforesaid shall from time to time be sold and issued to the purchasers thereof or their respective nominees at such price or prices as can be reasonably obtained for the same: And that the interest or dividend to be paid on the said further amount of ten millions sterling of stock so created by us as last aforesaid, or any lesser amount which shall be from time to time issued, shall be at the rate of £4 per centum per annum, and shall be payable half-yearly at the Bank of England on the 1st day of May and the 1st day of November in each year, in cases of conversions from the days or times respectively mentioned in the said Second Schedule hereto, and in cases of sales of stock for payment of expenses from the days or times to be agreed upon with the purchasers thereof until the 1st day of November, 1929: And, further, that on the said 1st day of November, 1929 the capital shall be

repaid at par at the same place: And, lastly, we do further declare that the revenues of the Colony of New Zealand alone are liable in respect of the stock hereinbefore described and the dividends thereon, and that the Consolidated Fund of the United Kingdom, and the Commissioners of Her Majesty's Treasury, are not directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

In witness whereof we have hereunto set our hands and seals this 20th of May, 1886.

Signed, sealed, and delivered by the above-named Sir Francis Dillon Bell  
and Sir Penrose Goodchild Juylan in the presence of Leonard J. Maton,  
Solicitor, 21, Cannon Street, London.

F. D. BELL. (L.S.)  
P. G. JULYAN. (L.S.)

FIRST SCHEDULE—LIST OF OUTSTANDING DEBENTURES.

Act under the authority of which the Debentures were issued.	Amount of Debentures outstanding.	Rates of Interest.
<i>PART 1.—Being Loans referred to in the Act of 1884, and proposed to be now Converted.</i>		
	£	
"New Zealand Loan, Act, 1860" .. .. .	93,100	6 per cent.
	483,000	5 per cent.
"New Zealand Loan Act, 1863" .. .. .	201,500	6 per cent.
	236,000	6 per cent.
	93,900	6 per cent.
"Consolidated Loan Act, 1867" .. .. .	£7,283,100	5 per cent.
"Immigration and Public Works Loan Act, 1870" (five-thirties)	201,400	4½ per cent.
"Immigration and Public Works Loan Act, 1873" (five-thirties)	714,600	4½ per cent.
"Immigration and Public Works Loan Act, 1874" (five-thirties)	2,030,100	4½ per cent.
"New Zealand Loan Act, 1876" (ten-forties) .. .. .	1,000,000	5 per cent.
"New Zealand Loan Act, 1877" (ten-forties) .. .. .	2,500,000	5 per cent.
"New Zealand Loan Act, 1879" .. .. .	524,000	5 per cent.
<i>PART 2.—Being Loans referred to in the Act of 1884, and proposed to be hereafter Converted.</i>		
<i>General Government Loans:</i>		
"Defence and Other Purposes Loan Act, 1870" .. .. .	£	
	25,000	4½ per cent.
"General Purposes Loan Act, 1873" .. .. .	49,500	5 per cent.
	54,700	5 per cent.
"Westland Loan Act, 1873" .. .. .	50,000	5 per cent.
<i>Provincial Loans:</i>		
"Auckland Loan Act, 1863" .. .. .	31,600	6 per cent.
"Lyttelton and Christchurch Railway Loan Ordinance, 1860" .. .. .	77,700	6 per cent.
"Canterbury Loan Ordinance, 1862" .. .. .	22,800	6 per cent.
"Otago Loan Ordinance, 1862" .. .. .	116,700	6 per cent.

SECOND SCHEDULE.—TERMS OF CONVERSIONS.

Names of the Acts under which the outstanding Debentures have been issued.	Total amount of Debentures agreed to be converted.	Amount of New Zealand Consolidated Stock to be issued in exchange for every £100 represented by a Debenture in cases where new Debentures be not taken temporarily.	Dates on or after which Stock to be issued.	Dates from which Interest to accrue and be paid upon the Stock.	Amount of New Zealand Consolidated Stock to be issued in exchange for every £100 represented by new Debentures, if taken temporarily.	Dates on or after which Stock to be issued.	Dates from which Interest to be paid.
	£	£	1886.	1886.	£	1892.	1892.
"Immigration and Public Works Loan Act, 1870" (5-30)	1,890,700	101	2 April	1 May	..	..	..
"Immigration and Public Works Loan Act, 1873" (5-30)		101	2 April	1 May	..	..	..
"Immigration and Public Works Loan Act, 1874" (5-30)		101	2 April	1 May	..	..	..
"Consolidated Loan Act, 1867" ..	600,600	106	2 April	1 May	107	15 April	1 May
"New Zealand Loan Act, 1863"— As to the 5-per-cent. debentures	109,200	112 10s.	2 April	1 May	110	15 Jan.	1 May
As to the 6-per-cent. debentures	114,400	109	2 April	1 May	..	..	..
"New Zealand Loan Act, 1876" (10-40)	1,292,700	102	2 April	1 May	..	..	..
"New Zealand Loan Act, 1877" (10-40)		102	2 April	1 May	..	..	..
"New Zealand Loan Act, 1879" ..	136,000	103	2 April	1 May	..	..	..
"New Zealand Loan Act, 1860" ..	19,000	109	2 April	1 May	..	..	..

F. D. BELL.  
P. G. JULYAN.

Enclosure 2 in No. 5.

It is hereby declared that, by "The New Zealand Consolidated Stock Act, 1877," being Act 41 Vict., No. 33, of the Legislature of the Colony of New Zealand, provision is made in the terms following, that is to say:

Section 2. Whenever in any Act heretofore passed by the General Assembly, or that may be passed in the present or any future session of the General Assembly, authority is given to the Governor, or to the Governor in Council, to raise by way of loan any sum of money for the public service of the colony, then, unless there be some provision to the contrary in the Act by which such authority is given, such sum may be raised in the manner hereinafter provided.

Section 3. For the purpose of raising such sum or sums of money under the authority of any such Act as aforesaid, it shall be lawful for the Governor in Council to create capital stock, to be called "The New Zealand Consolidated Stock" (hereinafter referred to as "stock"), subject to the provisions of this Act, to be issued in such amounts and manner, at such price and times, on such terms, and subject to such conditions, with such dividends, and redeemable at par at such times and on such conditions as the Governor in Council may before the creation thereof from time to time determine.



Section 4. The Governor in Council shall have and may exercise the following powers and authorities or any of them.

- (1.) He may from time to time declare all or any of the New Zealand loans, whether existing in the form of stock or not, to be convertible into stock, of such denominations, with such conditions and with such dividends and redeemable at par at such times and on such conditions, as he may before the creation thereof from time to time determine;
- (2.) He may authorize the creation and issue of such an amount of such stock in exchange for the securities held for such loans as may be necessary;
- (3.) He may authorize the creation and sale of any such stock for the purpose of raising money for redeeming any outstanding stock or securities and of paying any expenses in the creation of stock and otherwise carrying out the provisions of this Act on such conditions as he may determine;
- (4.) Any conversion so authorized may be effected either by arrangement with the holders of existing securities or by purchase thereof out of moneys raised by sale of new stock, or partly in one way and partly in the other.

Section 7. The Governor in Council may from time to time enter into any such agreement with the Bank of England as to the Governor in Council seems fit, providing for all or any of the following things (*inter alia*):—

- (1.) For inscribing in the books of the bank any stock;
- (2.) For managing the creation, inscription, and issue of stock;
- (3.) For effecting the conversion of loans into stock and managing transfers of stock;
- (5.) For issuing stock certificates to bearer, and as often as occasion shall require reissuing or reinscribing stock and reissuing stock certificates;
- (10.) Generally conducting all business connected with stock or loans.

For the purposes of this Act the expression "Bank of England" means the Governor and Company of the Bank of England, and includes their successors.

Section 8. Every agreement made with the Bank of England in pursuance of this Act shall be as valid and effectual as if the terms thereof had been set forth in and enacted by this Act.

Section 9. The Governor in Council shall have the powers and duties, and may do the following things (*inter alia*) for the purposes of this Act:—

- (1.) He may from time to time appoint three or more persons in England to be Agents for the purposes of this Act (which Agents for the time being are in this Act referred to as "the Agents"), and may empower such Agents or any three or more of them to exercise all or any of the powers by this Act exercisable by the Governor in Council.

Section 14. This Act shall not come into operation nor be of any force or effect whatever until it shall be declared to be so in operation by a Proclamation issued by the Governor in Council and published in the New Zealand Government *Gazette*:

And it is hereby further declared that by a Proclamation made and issued by the Governor in Council on the 9th day of February, 1878, and published in a Supplement to the New Zealand Government *Gazette* of the same date, it was declared that the said Act should be and come into operation on and after the said 9th day of February, 1878:

And it is hereby further declared that under and by virtue of the said Act, New Zealand Consolidated Stock was created and issued to the amount of £5,371,200, which was duly inscribed in the books of the Bank of England in the names of the several persons respectively entitled thereto on the terms and conditions mentioned in a certain deed-poll bearing date the 1st day of December, 1879, under the hands and seals of Sir Penrose Goodchild Julian, K.C.M.G., C.B., Sir Julius Vogel, K.C.M.G., and Montagu Frederick Ommanney, Esquire, who had been duly appointed Agents in England for the purposes of the said Act, and had been duly empowered to exercise all the powers by the said Act exercisable by the Governor in Council, such stock bearing interest at the rate of 4 per cent. per annum, payable half-yearly at the Bank of England on the 1st day of May and the 1st day of November in each year until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place:

And it is hereby further declared that by "The New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," being Act 45 Viet., No. 44, of the said Legislature, it was enacted that notwithstanding anything in "The New Zealand Consolidated Stock Act, 1877," contained, the Governor in Council might appoint only two persons to be the Agents for the purposes of such Act, who should have, exercise, and perform all the powers, authorities, or duties by such Act given to, vested in, or imposed upon the Agents appointed under the ninth section of such Act; and that throughout such Act the words "the Agents" should be deemed to refer to and include the two persons authorized by the Act now in recital to be appointed to be the Agents for the purpose of "The New Zealand Consolidated Stock Act, 1877."

And it is hereby further declared that in pursuance of the power and authority vested in him by the said Acts (all previous appointments of Agents having been revoked), the Governor of New Zealand did, by an order in Council bearing date the 5th day of November, 1881, appoint Sir Francis Dillon Bell, of No. 7, Westminster Chambers, Victoria Street, Westminster, K.C.M.G., the Agent-General for the Colony of New Zealand, and the said Sir Penrose Goodchild Julian, to be Agents in England for the purposes of the said Acts of 1877 and 1881, with full power and authority to them as such Agents to exercise all the powers by such Acts exercisable by the Governor in Council:

And it is hereby further declared that the Governor of New Zealand did, by another Order in Council also bearing date the 5th day of November, 1881, and issued under the seal of the said colony, empower the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian as and to be the Agents to make the declaration required by the provisions of "The Colonial Stock Act, 1877," and in and about such declaration, and the leaving and record thereof with the Commissioners of Inland Revenue, to do all such necessary acts as might or could have been done by or on behalf of the Government of the said colony to give effect to the provisions of the last-mentioned Act:

And it is hereby further declared that various further amounts of New Zealand Consolidated Stock have from time to time been duly created by the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, acting as such Agents, and duly empowered as aforesaid upon the terms and conditions respectively mentioned in certain deeds-poll under their hands and seals, and bearing date respectively the 1st day of January, 1883, the 30th day of October, 1883, the 1st day of January, 1884, the 30th day of December, 1884, the 1st day of January, 1885, and the 1st day of June, 1885, such amounts of stock being in addition to and ranking *pari passu* with the said amount of £5,371,200 of New Zealand Consolidated Stock so created and issued as aforesaid, and bearing interest at the rate and payable half-yearly at the Bank of England as aforesaid until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place, but the whole amount of New Zealand Consolidated Stock thus created by them has not yet been issued:

And it is hereby further declared that of New Zealand Consolidated Stock so created as aforesaid there has been issued the total amount of £16,239,011 of such stock and no more, and it is now intended that unless authorized by some Act, to be passed by the said Legislature, no further amounts of New Zealand Consolidated Stock shall be issued under the authority of the several deeds-poll hereinbefore mentioned, or any or either of them:

And it is hereby further declared that by another Act of the said Legislature, the Short Title of which is "The New Zealand Consolidated Stock Act, 1884" (hereinafter called "the Act of 1884"), it was enacted that the Agents from time to time appointed under "The New Zealand Consolidated Stock Act, 1877," aforesaid should be the Agents for the new reciting Act; that so much of all the loans set forth in the schedule to the same Act as were outstanding on the 31st day of March, 1884, should be convertible into stock; and that, pending the operations for converting loans and creating the stock authorized to be created under the provisions of the said Acts, the Colonial Treasurer might, when so authorized by an Order in Council in that behalf, create debentures to an amount not exceeding in the whole the amount of such stock, and might exchange the same for securities convertible under the now reciting Act, and that the said Agents, when so authorized by the Colonial Treasurer, might exercise all the powers vested in the Colonial Treasurer by the same Act:

And it is hereby further declared that in respect of the loans authorized by the several Acts of the said Legislature, mentioned in the said schedule, debentures to the amounts respectively set forth in Parts 1 and 2 of the First Schedule hereto had been issued, and the Governor of New Zealand did, by an Order in Council bearing date the 9th day of March, 1885, authorize the Colonial Treasurer to issue 5-per-cent. debentures in exchange at par for equal amounts of those debentures which had been issued under the authority of "The Consolidated Loan Act, 1867," mentioned in the schedule to the Act of 1884, and the Colonial Treasurer did, by writing under his hand, duly authorize the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian as such Agents as aforesaid to exercise all powers conferred upon him by such Order in Council and the powers conferred upon him by the Act of 1884:

And it is hereby further declared that the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, in exercise and in pursuance of the powers and authorities in that behalf conferred upon them as aforesaid, did, in the year 1885, agree with the holders of some of the debentures issued under the authority of "The Consolidated Loan Act, 1867," hereinbefore mentioned, to convert their debentures into New Zealand Consolidated Stock at the rate of £107 of New Zealand Consolidated Stock, bearing interest at the rate of £4 per cent. per annum for every £100 represented by a new debenture for seven years to the 15th day of April, 1892, issued to them in exchange for those held by them respectively:

And it is hereby further declared that it was agreed that debentures to the amount of £3,651,700 should be so converted as aforesaid; but the stock to be issued in 1892, in exchange for the said new debentures, has not yet been created, and it is expedient that the same should be now created:

And it is hereby further declared that the Governor of New Zealand did, by an Order in Council bearing date the 24th day of February, 1886, authorize the Colonial Treasurer to issue 5-per-cent. debentures in exchange at par for equal amounts of those debentures which had been issued under the authority of "The New Zealand Loan Act, 1863," also mentioned in the Schedule to the Act of 1884, and the Colonial Treasurer did, by writing under his hand, duly authorize the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian as such Agents as aforesaid to exercise all powers conferred upon him by such Order in Council and the powers conferred upon him by the Act of 1884:

And it is hereby further declared that there are debentures carrying interest at rates exceeding £4 per cent. per annum outstanding in respect of the loans issued under the authority of other Acts mentioned in the Schedule to the Act of 1884 to the amounts respectively mentioned in Parts 1 and 2 of the First Schedule hereto:

And it is hereby further declared that by a deed-poll, bearing date the 20th day of May, 1886, under the hands and seals of the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, after reciting that they, in exercise and in pursuance of the powers and authorities in that behalf conferred upon them as aforesaid, had determined that all the New Zealand loans mentioned in the First Schedule thereto, being similar to the said First Schedule hereto, should be convertible into stock, and that they had agreed with the holders of some of the outstanding debentures mentioned in Part 1 and Part 2 respectively of the said First Schedule thereto to convert their debentures into New Zealand Consolidated Stock on or before the days and upon the terms respectively mentioned in the Second Schedule thereto, being similar to the Second Schedule hereto, and that it was intended thereafter to endeavour to make arrangements with the holders of the other outstanding debentures mentioned in Part 1 and Part 2 respectively of the said First Schedule thereto for the conversion of the same respectively into New Zealand Consolidated Stock as and when it might be found conveniently practicable to do so; and reciting that for the purpose of providing New Zealand Consolidated Stock to be issued for the conversions so agreed upon and intended as aforesaid, and for the purpose of raising money for the payment of the expenses of and attending such conversions, they had determined to create a further amount of not exceeding £10,000,000 of New Zealand Consolidated Stock, to be issued as thereafter mentioned: They, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, did by the now reciting deed-poll declare that in exercise and in pursuance of the powers by the said Acts and Orders in Council, or any or either of them, vested in them, they had created a further amount of ten millions sterling of capital stock, to be called "New Zealand Consolidated Stock," in addition to and to rank *pari passu* with the said New Zealand Consolidated Stock theretofore created and issued as aforesaid, and also with any further amount of New Zealand Consolidated Stock, bearing interest at the rate of £4 per cent. per annum, and redeemable on the 1st day of November, 1929, which should be thereafter created and issued and be inscribed in the books of the Governor and Company of the Bank of England: And had determined that so much of the same capital stock as it should be necessary to issue to the holders of the debentures then outstanding as aforesaid, or to the holders of new debentures issued as aforesaid, or as mentioned in the Second Schedule thereto, as the case might be, should, on and after the days or times in the same schedule respectively mentioned or referred to, be issued to such holders at the rates of stock respectively mentioned in the same schedule for every nominal £100 represented by any of the said outstanding debentures agreed to be converted as aforesaid, or by any new debentures issued as aforesaid, as the case might be, and upon the surrender of the same respectively: And that so much of such stock as it should be necessary to sell, for the payment of such expenses as aforesaid, should from time to time be sold and issued to the purchasers thereof or their respective nominees at such price or prices as could reasonably be obtained for the same: And that the interest or dividend to be paid on the said further amount of ten millions sterling of stock so created by them as last aforesaid, or any lesser amount which should be from time to time issued, should be at the rate of £4 per centum per annum, and should be payable half-yearly at the Bank of England, on the 1st day of May and 1st day of November in each year, in cases of conversions from the days or times respectively mentioned in the said Second Schedule thereto, and in cases of sales of stock for payment of expenses from the days or times to be agreed upon with the purchasers thereof, until the 1st day of November, 1929: And, further, that on the 1st day of November, 1929, the capital shall be repaid at par at the same place:

And it is hereby further declared that, in further pursuance of the said "New Zealand Consolidated Stock Act, 1877," and "New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," and of the said Order in Council of 5th November, 1881, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian have entered into an agreement with the Governor and Company of the Bank of England, providing (among other things) for the inscription in a register kept in England by the said bank, of the said stock mentioned in the said last-mentioned deed-poll to have been created and for the transfer of such stock when the same should be issued as in such deed-poll mentioned:

And it is hereby further declared that the stock to be inscribed and transferred in conformity with such provision is the "New Zealand Consolidated Stock," mentioned in the said last-mentioned deed-poll:

And it is hereby further declared that the revenues of the Colony of New Zealand alone are liable in respect of the stock hereinbefore described, and the dividends thereon, and that the Consolidated Fund of the United Kingdom, and the Commissioners of Her Majesty's Treasury, are not directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

In witness whereof the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian have hereunto set their hands this 21st day of May, 1886.

Witness—LEONARD J. MATON, Solicitor, 21, Cannon Street, London.

F. D. BELL.  
P. G. JULYAN.

[For Schedules, see Enclosure I.]

## No. 6.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

GENTLEMEN,—

Treasury, Wellington, 14th August, 1886.

The pressure of Parliamentary business at this late period of the session prevents me, I regret to say, from writing so fully as I should wish regarding several questions relating to financial affairs.

In the passage of the Loan Bill through the House its amount was reduced from £1,500,000, the amount proposed by the Government, to £1,325,000, the amount excised being votes for particular railways which the House was unwilling should be proceeded with at present.

The requisite authorities for raising the loan are being sent to you separately by the mail which conveys this letter.

I estimate that we shall require a considerable sum by October, and it is for you to consider whether it will be better to bring out the loan then, or put off launching it until November, and in the meanwhile borrow what moneys may be required on short-dated debentures.

Under "The District Railways Purchasing Act 1885 Extension and Amendment Act, 1886" (copies of which are enclosed), power is given to the Government to convert into inscribed stock debentures issued under it or under the District Railways Purchasing Act of 1885 (copies of which I also enclose). It is proposed to send you by first opportunity some £200,000 of debentures issued under these Acts, at present held by the Post Office, with the requisite authority to convert them into inscribed stock in case you may think it advisable to offer £175,000 of such inscribed stock to make up the million and a half for which the market is prepared. It may be that you will prefer dealing with them privately, though, in accordance with the opinion you expressed on a former occasion, and with which I am inclined to agree, you will probably prefer acting with the full knowledge of the market. I leave you full discretion to act as you may judge best.

If you should decide against including the District Railway debentures or their equivalent in stock with the new loan, you might still make up the million and a half by selling £175,000 of the North Island Trunk Railway Loan; but I should prefer the District Railway debentures being sold.

If in negotiating the loan the payment of instalments should be thrown forward, I think it would be desirable that the scrip should bear interest from the dates of payment of instalments, and inscription not commence until May, 1887.

The New Zealand Loan and Stock Agents, London.

I have, &c.,

JULIUS VOGEL.

## No. 7.

### The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

GENTLEMEN,—

Treasury, Wellington, 14th August, 1886.

I have the honour to enclose herewith an Order in Council authorizing the raising of £1,325,000 under "The New Zealand Loan Act, 1886," and appointing you to be Agents for the purpose; also another Order in Council under the same Act, authorizing you to raise the amount of the loan by short-dated debentures, together with copies of the Act.

I shall communicate with you either by separate letter or by cable as to the wishes of the Government regarding the negotiation of the loan.

I have, &c.,

Sir Penrose Goodchild Julyan, K.C.M.G., C.B.,

JULIUS VOGEL.

Sir Francis Dillon Bell, K.C.M.G., C.B.,

Loan and Stock Agents for New Zealand, London.

### Enclosure 1 in No. 7.

WM. F. DRUMMOND JERVOIS, Governor.

### ORDER IN COUNCIL.

At the Government House, at Wellington, this fourteenth day of August, 1886.

Present: HIS EXCELLENCY THE GOVERNOR IN COUNCIL.

WHEREAS by "The New Zealand Loan Act, 1886" (hereinafter called "the said Act"), it is, among other things, enacted that it shall be lawful for the Governor in Council to appoint any two or more persons he may think fit to be Agents for the purpose of raising and managing the loan thereby authorized to be raised, with all such powers as may be necessary to carry into effect the purposes thereof, and in their appointments to define the relative powers of such Agents, and that such Agents shall have full power and authority to borrow and raise in Great Britain or elsewhere by bonds, debentures, scrip, or by the issue of inscribed stock under "The New Zealand Consolidated Stock Act, 1877," or otherwise, such sum or sums not exceeding one million three hundred and twenty-five thousand pounds sterling in the whole, as the Governor in Council may from time to time or at any time direct and determine, for all or any of the purposes expressed in the schedule thereto, or the payment or repurchase of short-dated debentures issued under the said Act, or any other purposes authorized thereby: And whereas it is expedient that the said loan so authorized to be raised should be raised under the said Act for the purposes therein mentioned, and that Agents should be appointed for the purpose as hereinafter provided:

Now, therefore, His Excellency the Governor of the Colony of New Zealand, in exercise and pursuance of the powers and authorities vested in him by the said in part recited Act, and by and with the advice and consent of the Executive Council of the said colony, doth hereby direct and determine that the sum of one million three hundred and twenty-five thousand pounds sterling shall be borrowed and raised under the provisions of the said Act: And in further exercise and pursuance of the powers and authorities aforesaid, and with the like advice and consent as aforesaid, His said Excellency doth hereby appoint Sir Penrose Goodchild Julyan, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, and a Companion of the Most Honourable Order of the Bath, and Sir Francis Dillon Bell, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, and a Companion of the Most Honourable Order of the Bath, the Agent-General for the Colony of New Zealand, to be Agents for the purpose of raising and managing the said loan hereby ordered and determined to be raised; with full power and authority to such Agents to borrow and raise by bonds, debentures, scrip, or otherwise the said sum of one million three hundred and twenty-five thousand pounds sterling as aforesaid, and with full power and authority to such Agents to prescribe the mode and conditions of the repayment of such sum, and the time of such repayment, subject to the provisions of the said Act, the rate of interest thereon, and the time and place or places when and where such principal and interest shall be made payable, and with full power and authority to such Agents to agree as often as occasion may require that debentures issued by them shall be converted into stock created or issued under "The New Zealand Consolidated Stock Act, 1877," and any Act amending the same, and may either specify the terms of such conversion, or arrange that such terms shall be subsequently agreed upon; and also with

full power and authority to such Agents to delegate wholly or partly to any two or more other Agents the powers hereby and by the said Act vested in the said Agents, subject, however, to such conditions as the Agents hereby appointed shall think fit; and generally to have, hold, and exercise all such powers and authorities as by the said Act may be had, held, and exercised by the Agents appointed thereunder in respect of the moneys hereby authorized to be borrowed and raised.

FORSTER GORING,  
Clerk of the Executive Council.

*Enclosure 2 in No. 7.*

WM. F. DRUMMOND JERVOIS, Governor.

ORDER IN COUNCIL.

At the Government House, at Wellington, this fourteenth day of August, 1886.

Present: HIS EXCELLENCY THE GOVERNOR IN COUNCIL.

WHEREAS, by the sixth section of "The New Zealand Loan Act, 1886" (hereinafter called "the said Act"), it is enacted that, pending the raising of moneys authorized to be raised under the said Act, it shall be lawful for the Governor in Council to appoint any two or more persons he may think fit, to be Agents, and in their appointments to define the relative powers of such Agents, who shall have full power and authority to borrow and raise, or obtain as an advance, such sum or sums of money as the Governor in Council may from time to time direct and determine, and to take up the same sum or sums of money from time to time by the sale, hypothecation, or mortgage of debentures (hereinafter and hereinafter referred to as "short-dated debentures"), as such Agents may deem expedient: And whereas, by the seventh section, it is also enacted that every such short-dated debenture shall bear interest after such rate, and be for such such sum, and in such form, and with or without coupons attached; and subject to the said Act, shall be signed on behalf of the colony, and be transferable and negotiable in such manner as such last-mentioned Agents shall prescribe: And by the eighth section, it is also enacted that the interest and principal of every such short-dated debenture shall be payable at such times and places as such Agents shall prescribe: Provided that the principal moneys secured by any such debenture shall not be made payable at a later period than seven years after the date of issue thereof:

Now, therefore, His Excellency the Governor of the Colony of New Zealand, in exercise and pursuance of the power conferred upon him by the sixth section of the said Act, and by and with the advice and consent of the Executive Council of the said colony, doth hereby appoint Sir Penrose Goodchild Julian, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, and a Companion of the Most Honourable Order of the Bath, and Sir Francis Dillon Bell, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, and a Companion of the Most Honourable Order of the Bath, the Agent-General for the Colony of New Zealand, to be Agents, with full power and authority for them to borrow and raise, or obtain as an advance the sum of one million three hundred and twenty-five thousand pounds sterling, and to take up the same sum in short-dated debentures from time to time, either by the sale, hypothecation or mortgage of such short-dated debentures, as the said Agents shall deem expedient, and with all the powers and authorities conferred on or vested in such Agents by the said Act for the purposes aforesaid: And with the like advice and consent as aforesaid. His Excellency doth hereby direct and determine that the sum of one million three hundred and twenty-five thousand pounds sterling shall be borrowed and raised, or obtained as an advance under the sixth section of the said Act.

FORSTER GORING,  
Clerk of the Executive Council.

No. 8.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

GENTLEMEN,—

Treasury, Wellington, 21st August, 1886.

Referring to my letter of the 14th instant, in which I intimated my intention to forward to you for inscription a parcel of some £200,000 of debentures issued under "The District Railways Purchasing Act, 1885." I have now the honour to advise the despatch of a parcel containing debentures of the value of £100,000, as per narration herewith, addressed to yourselves, which you or one of you will be good enough to open in the presence of the Audit Officer, Mr. Palliser, who will unite with you in signing a certificate of its contents for transmission to the Controller and Auditor-General here.

The total amount to be inscribed is £242,800, and the remaining debentures will be sent later on.

The Order in Council, authorizing the inscription of debentures and appointing you Agents for the purpose, in terms of "The District Railways Purchasing Act 1885 Extension and Amendment Act, 1886," will be forwarded as soon as possible, together with copies of the Act.

I have, &c.,

The New Zealand Loan and Stock Agents, London.

JULIUS VOGEL.

P.S.—I append some code words for use in telegraphing.

No. 9.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 10th July, 1886.

In continuation of my letter of the 30th June, No. 834, transmitting the deed-poll by which the Stock Agents created the new stock necessary for the recent conversions, I now send copy of a letter we wrote to the Bank of England on the 7th instant, containing the requisite formal instructions for the issue and inscription of the stock.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

*Enclosure in No 9.*

7, Westminster Chambers, London, S.W., 7th July, 1886.

GENTLEMEN,—

*New Zealand Public Debt Conversion.*

Referring to the arrangements made for the conversions of portions of the New Zealand public debt into inscribed stock, we now beg to send you a print of the deed-poll, dated the 20th May, 1886, setting forth the creation of the necessary amount of New Zealand inscribed stock for the arrangement made in 1885 and for the arrangements recently made with debenture-holders, and the terms and conditions on which the inscribed stock should be issued.

To enable you to carry out the arrangements for the issue and inscription of the new stock, we have made and lodged with the Inland Revenue Board the necessary declaration to bring the stock under the provisions of "The Colonial Stock Act, 1877," and we send you herewith a print of this declaration.

Arrangements have been made with the Commissioners of Inland Revenue for payment of the composition for stamp duty (after deducting the amount of the stamps already put upon the debentures), so as to enable the stock, after it shall have been inscribed in your books, to be transferred free of duty; and the Commissioners are willing to receive this duty from you under similar arrangements to those which have been made respecting previous issues of inscribed stock, and to allow you to cancel the stamps on the debentures, and will be satisfied by your producing the same to their officers upon request.

On behalf of the New Zealand Government we have to request that you will be good enough to carry out the arrangement for cancelling the debentures, so that the New Zealand Government may have the benefit of the allowance of the stamps thereon; and that you will, on behalf of such Government, pay to the Commissioners the balance of the amount of the composition payable for stamp duty in respect of the stock as the same becomes inscribed in your books. We also, on behalf of the New Zealand Government, authorize you to issue to the holders of this further issue of inscribed stock who may desire the same, from time to time, stock certificates to bearer, in pursuance of the provisions of "The Colonial Stock Act, 1877." And we authorize and request that the same fee shall be charged for the issue of stock certificates to bearer as are charged in like cases. And we further authorize you to transmit dividend warrants by posts, in the same manner, and on the same conditions as the warrants for dividends on the Government funds are sent.

We have, &c.,

F. D. BELL,  
P. G. JULYAN,

The Governor and Company of the Bank of England.

Stock Agents of the New Zealand Government.

## No. 10.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 12th July, 1886.

I transmit to you herewith certificates by the Stock Agents, the Audit Officer, the Crown Agents, Inspector, and the Bank of England, of the new 5-per-cent. bonds having a currency to 1892, issued for the recent conversion of the consols and the fives of 1914, as follows: Consols, £562,400; Fives of 1914, 43,600: total £606,000. I also enclose some copies, with the signatures printed in, which may be useful in the Treasury and Audit Offices.

I have, &c.,

F. D. BELL.

The Hon. the Colonial Treasurer, Wellington.

### Enclosures in No. 10.

NEW ZEALAND CONVERSION OF 1886.

Certificates relating to the Preparation and Signature of the New Bonds.

#### No. 1. CERTIFICATE OF THE AGENT-GENERAL.

I HEREBY certify that I have signed new 5-per-cent. debentures, created for the conversion of the New Zealand consols and fives of 1914, as herein set forth, and no more, that is to say:—

##### Consols,—

139 Bonds for £1,000 each.	Nos. 1297 to 1435	..	..	..	..	£139,000
441 Bonds for £500 each.	Nos. 2575 to 3015	..	..	..	..	£220,500
473 Bonds for £200 each.	Nos. 2553 to 3025	..	..	..	..	£94,600
1083 Bonds for £100 each.	Nos. 5584 to 6666	..	..	..	..	£108,300
						<u>£562,400</u>

##### Fives of 1914,—

50 Bonds for £500 each.	Nos. 1 to 50	..	..	..	..	£25,000
81 Bonds for £200 each.	Nos. 51 to 131	..	..	..	..	£16,200
24 Bonds for £100 each.	Nos. 132 to 155	..	..	..	..	£2,400
						<u>£43,600</u>
						<u>£606,000</u>

F. D. BELL,

One of the Agents appointed under the Consolidated Stock Acts 1881 to 1884.

7, Westminster Chambers, 9th July, 1886.

#### No. 2.—CERTIFICATE OF AUDIT OFFICER.

THE debentures described in the preceding certificate of the Agent-General have been countersigned by me under authority from the Controller- and Auditor-General, as required by "The Consolidated Stock Act, 1884," section 12.

7, Westminster Chambers, 9th July, 1886.

C. WRAY PALLISER, Audit Officer.

#### No. 3.—INSPECTOR'S CERTIFICATE.

I CERTIFY that the following bonds were printed by De la Rue and Co., under my inspection:—

Description.	Value.	Number of Sheets.	Numbers.
	£		
New bonds for consols .. .. .	1,000	139	1297 to 1435
	500	441	2575 to 3015
	200	473	2553 to 3025
	100	1,083	5584 to 6666
Specimens cancelled .. .. .	..	..	3 of each value.
New bonds for fives of 1914 .. .. .	500	50	1 to 50
	200	81	51 to 131
	100	24	132 to 155
Specimens cancelled .. .. .	..	..	3 of each value.

Colonial Stamp Department, London, 9th July, 1886.

B. BARTLETT, C.A. Inspector.

## NEW ZEALAND CONVERSION OF 1886.

We hereby certify that New Zealand Government 5-per-cent. bonds, to the amount and of the numbers and denominations hereinafter set forth, having a currency of six years from 1886 to 1892, and being the whole of such bonds created by us under authority of the New Zealand Consolidated Stock Acts, 1877, 1881, and 1884, in conformity with the published terms of conversion dated the 8th February, 1886, were delivered to the Bank of England for issue to the parties respectively entitled thereto, in exchange for debentures to the like amount surrendered by them and cancelled.

Date of Delivery of the Bonds to the Bank of England.	Number of Bonds delivered.	Denomination of the Bonds.	Numbers.	By which Agent Bonds signed.	By whom Bonds countersigned.	Value.
<i>Bonds in Exchange for Consols.</i>						
June 11, 1886 .. ..	139	£ 1,000	1297 to 1435	Sir F. D. Bell	C. Wray Palliser	£ 139,000
June 11, 1886 .. ..	441	500	2575 to 3015	Sir F. D. Bell	C. Wray Palliser	220,500
June 11, 1886 .. ..	473	200	2553 to 3025	Sir F. D. Bell	C. Wray Palliser	94,600
June 11, 1886 .. ..	1,083	100	5584 to 6666	Sir F. D. Bell	C. Wray Palliser	108,300
<i>Bonds in Exchange for Fives of 1914.</i>						
July 9, 1886 .. ..	50	500	1 to 50	Sir F. D. Bell	C. Wray Palliser	25,000
July 9, 1886 .. ..	81	200	51 to 131	Sir F. D. Bell	C. Wray Palliser	16,200
July 9, 1886 .. ..	24	100	132 to 155	Sir F. D. Bell	C. Wray Palliser	2,400

## SUMMARY.

<i>Consols—</i>							
139 Bonds of £1,000 each	..	..	..	..	..	£139,000	
441 Bonds of £500 each	..	..	..	..	..	£220,500	
473 Bonds of £200 each	..	..	..	..	..	£94,600	
1083 Bonds of £100 each	..	..	..	..	..	£108,300	
							£562,400
<i>Fives of 1914—</i>							
50 Bonds of £500 each	..	..	..	..	..	£25,000	
81 Bonds of £200 each	..	..	..	..	..	£16,200	
24 Bonds of £100 each	..	..	..	..	..	£2,400	
							£43,600
							<u>£606,000</u>

F. D. BELL,  
PENROSE G. JULYAN,

7, Westminster Chambers, 9th July, 1886.

Stock Agents of the New Zealand Government.

I hereby certify that the New Zealand bonds, amounting altogether to the sum of £606,000, as in the preceding certificate set forth, were received at the Bank of England.

Bank of England, 9th July, 1886.

E. E. BALY, Deputy Chief Cashier.

## No. 11.

The COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

Wellington, 26th August.

SESSION ended. Posted authorities loan. All reach you first week October.

## No. 12.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

GENTLEMEN,— Treasury, New Zealand, Wellington, 26th August, 1886.

I have now the honour to enclose an Order in Council directing the conversion into stock of £242,800 debenture-bonds issued under "The District Railways Purchasing Act, 1885," and appointing you to be Agents for the purpose, as provided by "The District Railways Purchasing Act 1885 Extension and Amendment Act, 1886," and beg that you will give it effect in the direction indicated in my letter of the 21st instant, No. 18.

I also send you six copies of each of the two Acts above-named, and a copy of each of the Orders in Council, certified by the Clerk of the Executive Council, authorizing the issue of the debentures referred to in respect of the purchase of the Duntroon and Hakateramea, the Rakaia and Ashburton Forks, the Waimate, and Thames Valley and Rotorua District Railways.

I have, &c.,

The New Zealand Loan and Stock Agents, London.

JULIUS VOGEL.

*Enclosure in No 12.*

WM. F. DRUMMOND JERVOIS, Governor.

ORDER IN COUNCIL.

At the Government House, at Wellington, this twenty-sixth day of August, 1886.

Present: HIS EXCELLENCY THE GOVERNOR IN COUNCIL.

WHEREAS by an Act passed by the General Assembly of the Colony of New Zealand, the Short Title whereof is "The District Railways Purchasing Act 1885 Extension and Amendment Act, 1886," it is, amongst other things, enacted that "the Governor in Council may from time to time order and direct that any scrip, debenture-bonds, or short-dated debentures authorized to be issued under 'The District Railways Purchasing Act, 1885,' or this Act, shall be converted into stock, and inscribed in the manner provided by 'The New Zealand Consolidated Stock Act, 1877,' and 'The Consolidated Stock Act, 1884,'" and that any such order and direction may be made and given to the Agents for the time being acting under "The New Zealand Consolidated Stock Act, 1877": And whereas by virtue of several Orders in

Council made and issued under the provisions of "The District Railways Purchasing Act, 1885," debenture-bonds have been issued for the purposes in that Act mentioned, to the amount of two hundred and eighty-three thousand three hundred pounds, and no more: And whereas it is expedient that under the power contained in the hereinbefore in part recited Act a portion of such debenture-bonds so issued as aforesaid, amounting to two hundred and forty-two thousand eight hundred pounds, should be converted into stock, and inscribed as hereinafter mentioned: And whereas by virtue of a certain Order in Council made and issued under the authority of "The New Zealand Consolidated Stock Act, 1877," and "The New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," on the fifth day of November, one thousand eight hundred and eighty-one, Sir Penrose Goodchild Julyan and Sir Francis Dillon Bell, therein respectively described, were appointed to be and still are Agents in England for the purposes of the said Acts, with full power and authority to such Agents to exercise all the powers by the said Acts exercisable by the Governor in Council and otherwise as therein mentioned.

Now therefore His Excellency Sir William Francis Drummond Jervois, the Governor of the Colony of New Zealand, in pursuance and exercise of the power and authority vested in him by the firstly hereinbefore in part recited Act, and by and with the advice and consent of the Executive Council of the said colony, doth hereby order and direct that debenture-bonds to the amount of two hundred and forty-two thousand eight hundred pounds, the particulars of which are set forth in the schedule hereto, and being a portion of the debenture-bonds amounting to two hundred and eighty-three thousand three hundred pounds, issued under the provisions of "The District Railways Purchasing Act, 1885," as aforesaid, shall be converted into stock and inscribed in the manner provided by "The New Zealand Consolidated Stock Act, 1877," and "The Consolidated Stock Act, 1884," and, with the like advice and consent as aforesaid, and in exercise of all powers and authorities in that behalf enabling him, doth also order and direct that the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, as such Agents aforesaid, shall have and may exercise in and about such conversion into stock and inscription thereof and incidental thereto all such powers and authorities as such Agents now have and are entitled to exercise under the last-mentioned Acts.

FORSTER GORING,  
Clerk of the Executive Council.

SCHEDULE.

Column 1. Date when Order in Council issued.	Column 2. Amount of Debenture-bonds authorized.	Column 3. Numbers and Amounts of Debenture-bonds ordered to be Converted.	Column 4. Purposes for which Issued.
1885 December 31 ..	£ 73,300	Nos. 1 to 144=144 each £500= £72,000 No. 147 1 each £200= 200 No. 148 1 each £100= 100	Purchase of Rakaia-Ashburton Forks Railway.
1886 January 14 ..	115,000	Nos. 149 to 378=230 each £500= 115,000	Purchase of Thames Valley and Rotorua Railway.
March 9 ..	61,100	Nos. 458 to 500= 43 each £500= 21,500 No. 501 1 each 100	Purchase of Duntroon and Haka- teramea Railway.
June 23 ..	33,900	Nos. 502 to 840=339 each £100= 33,900	Purchase of Waimate Railway.
	283,300	£242,800	

No. 13.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 30th July, 1886.

Referring to the Stock Agents' letter, No. 681, of the 24th May last, in which it was stated that £1,890,700 4½-per-cent. 5-30 bonds had been sent in for conversion into 4-per-cent. inscribed stock, and to my letter No. 833, of the 28th June, enclosing the nominal lists of the bonds sent in for conversion, I have to inform you that an additional bond (No. 7,371) for £500 has since been accepted for conversion, making the total amount converted of these bonds £1,891,200, leaving outstanding £1,054,900.

A commissioners' order (copy herewith) has been issued for £4 18s. 6d. in favour of the Bank of England, to meet the interest for the broken period from the 1st February to the 30th April.

I have, &c.

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

No. 14.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 25th September, 1886.)

FINANCIAL proposals 14th August. Firstly, new loan: Advise offer loan at once, because present moment favourable. With regard delaying inscription until May, do not think this would be advisable, because you would lose more in principal than you would gain in interest. Secondly, District Railway debentures: irrespectively of danger converting bonds not regularly issued upon Stock Exchange, any private conversion certainly impossible, nor could conversion operation be combined with new loan, therefore suggest [word unintelligible] instead sending over debentures authorize creation inscribed stock direct under second part clause six, and then combine that issue with North Island Railway Loan whenever raised. Thirdly, but if you cannot wait, then combine £175,000 that loan with new loan, making altogether £1,500,000. Fourthly, four-and-a-half-per-cent. 5-30s, with object clearing ground for new loan, have sold remainder inscribed stock, £560,000, same syndicate at 97½ for October account. Lastly, what assurance may we give market respecting time elapse before coming again: price of issue entirely depends upon this, but anyhow must prepare you for figure sensibly below market quotation.

LOAN AGENTS,  
London, 23rd.

## No. 15.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

Loan Agents, London.

Wellington, 27th September, 1886.

FINANCIAL proposals.—Transmission your cablegram delayed two days. Firstly, £100,000 District Railways sent "Ionic," reach you shortly, also authority convert £240,000 debentures into inscribed stock. As debentures created we are advised cannot follow your suggestion, and you must convert them, but you can convert before offering for sale and sell only as inscribed stock. Propose send balance debentures forward to make up £240,000, and there may afterwards be £80,000 in addition. Secondly, would like £175,000 added to new loan, but not if entail delay, as am anxious take advantage good time. If District Railway stock not used suggest adding £175,000 of North Island loan to new loan. Thirdly, better not give assurance beyond June. If we borrow then will only be sale District Railway stock before alluded to, and part or all North Island loan. Fourthly, difficult to express meaning, and so you may not understand or agree with above, so wire your advice.

## No. 16.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 29th September, 1886).

FINANCIAL proposals.—Immediate conversion District Railway debentures being decided, we suggest raising £1,565,000, of which £240,000 to extinguish bonds, remaining £80,000 not being negotiated until North Island Loan raised, which advise not being before October instead of June.

LOAN AGENTS,

London, 28th.

## No. 17.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

Loan Agents, London.

Wellington, 29th September, 1886.

FINANCIAL proposals, approve.

## No. 18.

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 1st October, 1886).

DISTRICT Railways conversion date and substance operative part Order in Council, clause six, wanted for recital creation inscribed stock. Please telegraph particulars.

London, 30th.

## No. 19.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

Loan Agents, London.

Wellington, 1st October, 1886.

DISTRICT Railways conversion.—Date Order in Council 26th August last, operative part orders to be converted into stock and inscribed under Stock Acts seventy-seven and eighty-four, debentures amounting £242,800 described in schedule attached, being portion of debentures amounting £283,300 issued under District Railways Purchasing Act eighty-five; also orders that present Stock Agents shall exercise all powers they now have. When do you expect bring out loan, and what minimum?

## No. 20.

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 2nd October, 1886.)

New loan comes out Wednesday. Cannot arrange minimum till then, but favourable market.

London, 1st.

## No. 21.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

Loan Agents, London.

Wellington, 6th October.

Do you think necessary send Home District Railway debentures in excess of £100,000 to make up amount in schedule, or can they be destroyed here?

## No. 22.

The COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

Wellington, 7th October.

LOAN: When does time receiving tenders close?



## No. 23.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 7th October.)

New loan announced to-day, minimum ninety-seven, total amount £1,567,800, consisting of £1,325,000 new loan and residue for extinction District Railway debentures. Have arranged with Bank of England cancel District Railway debentures, therefore remaining debentures must come.

LOAN AGENTS,

London, 6th.

## No. 24.

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 8th October.)

NEW LOAN: Tenders 14th, quoted one premium to-day.

London, 7th.

## No. 25.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

GENTLEMEN,—

The Treasury, Wellington, 9th October, 1886.

Referring to my letter of the 21st August last, No. 18, advising the dispatch of District Railway debentures, I have now the honour to advise you that the balance of the debentures, 559 in number, for £142,800, as per narration accompanying them, are being forwarded to you in a separate parcel by this mail, and have to request you to be good enough to open the parcel in the same manner as the last.

I have, &amp;c.,

The New Zealand Loan and Stock Agents, London.

JULIUS VOGEL.

## No. 26.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 27th August, 1886.

We duly received your telegram of the 26th, informing us that the session had terminated, and that the authorities in connection with the issue of the new loan would reach us early in October. We shall have everything in readiness accordingly by the end of September for issuing the loan.

We have, &amp;c.,

F. D. BELL,

The Hon. the Colonial Treasurer, Wellington.

(For the Loan and Stock Agents.)

*Copy of Telegram referred to in No. 26.*

Agent-General, London.

(Received 26th August.)

SESSION ended, posted authorities loan, all reach you first week October.

Wellington, 26th.

## No. 27.

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 15th October.)

NEW LOAN: Tenders only about two millions ninety thousand; average slightly over minimum.

London, 14th.

## No. 28.

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 16th October.)

NEW LOAN: Tenders £2,094,000, average ninety-seven five shillings.

London, 15th.

## No. 29.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

Wellington, 16th October.

NEW LOAN: Thanks exertions, glad negotiated.

## No. 30.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 24th September, 1886.

We have to acknowledge the receipt of your letters of the 14th August, Nos. 16 and 17, containing the Orders in Council authorizing the issue of the new loan of £1,325,000, together with your instructions thereon for our guidance.

We were so entirely unprepared for the powers taken by clause 6 of the District Railways Purchase Amendment Act that we have felt grave anxiety about any course that involved combining a conversion under that clause with the issue of the new loan. Being now suddenly con-

fronted with a new proposal to that effect, which seemed to us one of extreme gravity, we have hardly known, during the few days that have passed since receiving your letters, what was the best to advise. However, there being no time for communication with you by letter, and delay in the issue of the loan being equally out of the question in view of the heavy engagements falling due here next month, we have been obliged to come to some conclusion at once which we could telegraph to you; and we have accordingly sent you the message, of which copy is annexed.

As your instructions in reply will, no doubt, come to us quickly, we confine ourselves in this letter to a very brief explanation of our message.

Assuming that you approved of placing the new loan upon the market at once, the only point of immediate importance was whether inscription could wisely be delayed until next May; but, after full consideration, we think it certain that by such a postponement you would lose more in the price of the loan than you would gain in interest, even supposing that the engagements for which provision must be made would allow of any interest being saved at all between now and May.

With regard to a conversion into inscribed stock here of debentures created in the colony under the District Railways Purchasing Acts, we have so often pointed out the grave danger of disaster to your credit which lies in any operation of that kind, that we feel we should be going beyond our province if we were to make a fresh remonstrance against it now. The Government and Parliament have decided that such operations may be made, and it only remains for us to carry out the orders we may receive for them. But, as you are pleased to leave a discretion with us in this particular instance, we have felt justified in suggesting that it would be wise to modify your proposals in the following way: Instead of sending the bonds you mention over here for conversion, under the first part of clause 6 of the Act of 1886, we would strongly advise that only the power under the second part of the clause should be used for any operation on this market, an Order in Council being issued to authorize the creation of inscribed stock for so much as you may want in cash over and above whatever you can place in debentures within the colony. If this course were adopted the raising of this amount could then be successfully combined with the raising of the North Island Loan, and what we must still believe is a very serious risk would be averted.

But while we advise this method, it may of course be that your engagements would make it difficult for you to wait so long; and we have therefore said in our message that if you cannot wait it will be best to combine, as you propose by way of alternative, the £175,000 of the North Island Railway Loan with the £1,325,000 new loan, and so make up altogether a million and a half.

It is unnecessary for us to point out how desirable it was, in preparation for the new loan, that the market should not have hanging over it the rest of the stock for paying off the 4½-per-cent. five-thirties; and we have been glad to accept an offer from the same syndicate that took the first half million to take the remaining amount of £560,000 at the same price of 97½. The sale is for the 28th of October account, but with the option of paying up any part before that date. You will remember that the difference between that price and par will be provided for by us as part of the expenses of the conversion.

The last point included in our telegram is to ask what assurance we may give to the market as to the time that will elapse before coming upon it again. The price at which the new loan will go depends entirely on this; and, having regard to what passed in the debates on the Loan Bill at the end of the session, we hope your answer may be a favourable one. In any case, however, we have been obliged to prepare you for a very different price from the one you got for your last million and a half; for at the best this loan will not be placed except at a price considerably below the market quotation of the day.

We have, &c.,

P. G. JULYAN,

F. D. BELL,

Loan and Stock Agents.

The Hon. the Colonial Treasurer, Wellington.

*Copy of Telegram referred to in No. 30.*

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

Treasurer, New Zealand.

London, 23rd September, 1886.

FINANCIAL proposals 14th August. Firstly, new loan: Advise offer loan at once, because present moment favourable. With regard delaying inscription until May, do not think this would be advisable, because you would lose more in principal than you would gain in interest. Secondly, District Railway debentures: irrespectively of danger converting bonds not regularly issued upon Stock Exchange, any private conversion certainly impossible, nor could conversion operation be combined with new loan, therefore suggest your proposals must be modified in the following manner: instead sending over debentures authorize creation inscribed stock direct under second part clause six, and then combine that issue with North Island Railway Loan whenever raised. Thirdly, but if you cannot wait, then combine £175,000 that loan with new loan, making altogether £1,500,000. Fourthly, 4½-per-cent. 5-30s. with object clearing ground for new loan, have sold remainder inscribed stock, £560,000, same syndicate at 97½ for October account. Lastly, what assurance may we give market respecting time elapse before coming again: price of issue entirely depends upon this, but anyhow must prepare you for figure sensibly below market quotation. LOAN AGENTS.

No. 31.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 4th October, 1886.

It being necessary for the Loan Agents to satisfy the Bank of England of their authority to raise the £240,000 for redeeming the District Railway debentures, I telegraphed to you asking for the particulars of the Order in Council authorizing the conversion, and have to express my thanks for your prompt message in reply.

With reference to the question at the end of your message, I answered at once that we had decided to bring out the loan next Wednesday, when we should fix the minimum.

I have, &c.,

F. D. BELL.

The Hon. the Colonial Treasurer, Wellington.

## No. 32.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 6th October, 1886.

In continuation of our letter of the 24th September, No. 1189, we beg now to report what further has been done in relation to the issue of the new loan.

We received in due course your telegram of the 27th September, conveying your instructions to us upon the advice we had offered in our message of the 23rd. As we were thereby informed that part of the debentures created under the District Railways Purchasing Acts were already on their way in the "Ionic," and that a further amount would follow to make up a total of £240,000, we saw at once that we must reconsider our proposals altogether, and devise some way of carrying out your objects. You authorized us to choose between two courses; either to combine a conversion of the £240,000 of District Railway debentures with the announcement of the new loan for £1,325,000, or to add £175,000 of the North Island Railway Loan to the latter sum so as to make up a round million and a half; but, with the fact before us that we should have to provide for the District Railway debentures being inscribed here sooner or later, it seemed best to face whatever difficulty there might be at once, and raise the money in cash to pay off the £240,000 now. We accordingly telegraphed this to you on the 28th September, with the advice to let the rest of the District Railway debentures stand over till the North Island Loan was raised; and were glad to receive, next day, your message approving of our proposals.

In reply to our question as to what assurance we could give the market respecting the time that would elapse before bringing out any further loan, we were glad of your consent to name October, 1887; we do not, however, propose giving any specific guarantee, but merely letting the market understand in general terms that there is no intention of coming for more money for twelve months.

Thus the matter stood when we received your further letter of the 26th August, No. 19, covering the Order in Council itself, directing the inscription of the £242,800 District Railway debentures; and we thereupon came to the conclusion that it would be better to clear off the whole of that issue instead of confining ourselves to the £240,000 named in the telegrams that had passed. We have arranged with the Bank of England that these debentures shall be cancelled there in like manner as other securities already converted, it being necessary that the due cancellation of the bonds in respect whereof the stock is now created should be certified by the bank to the Stock Exchange Committee.

At a final conference with the Governors of the Bank of England to-day we settled the terms of the prospectus of the loan, of which we enclose a copy. The minimum is fixed at 97, and tenders will be opened on the 14th instant. You will see that, having regard to the magnitude of the engagements to be met here, we have found it necessary to call up 30 per cent. of the loan at once, as well as to allow tenderers to pay up their subscriptions under discount at 3 per cent.; the remaining instalments are extended over to the end of February.

We have, &c.,  
P. G. JULYAN,  
F. D. BELL,  
Loan and Stock Agents.

The Hon. the Colonial Treasurer, Wellington.

*Copies of telegrams referred to in No. 32.*

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

Loan Agents, London.

(Received 27th September, 1886.)

FINANCIAL proposals.—Transmission your cablegram delayed two days. Firstly, £100,000 District Railways sent "Ionic," reach you shortly, also authority convert £240,000 debentures into inscribed stock. As debentures created we are advised cannot follow your suggestion, and you must convert them, but you can convert before offering for sale and sell only as inscribed stock. Propose send balance debentures forward to make up £240,000, and there may afterwards be £80,000 in addition. Secondly, would like £175,000 added to new loan, but not if entail delay, as am anxious take advantage good time. If District Railway stock not used suggest adding £175,000 of North Island Loan to new loan. Thirdly, better not give assurance beyond June. If we borrow then will only be sale District Railway stock before alluded to, and part or all North Island Loan. Fourthly, difficult to express meaning, and so you may not understand or agree with above, so wire your advice.

Wellington, 27th.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

Treasurer, New Zealand.

London, 28th September, 1886.

FINANCIAL proposals.—Immediate conversion District Railway debentures being decided, we suggest raising £1,565,000, of which £240,000 to extinguish bonds, remaining £80,000 not being negotiated until North Island Loan raised, which advise not being before October instead of June.

LOAN AGENTS.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

Loan Agents, London.

(Received 29th September, 1886.)

FINANCIAL proposals approve.

Wellington, 29th.

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

London, 30th September, 1886.

DISTRICT Railway.—Conversion date and substance operative part Order in Council, clause six, wanted for recital creation inscribed stock. Please telegraph particulars.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

Loan Agents, London.

(Received 1st October, 1886.)

DISTRICT Railways Conversion.—Date Order in Council, 26th August last, operative part orders to be converted into stock and inscribed, under Stock Acts seventy-seven and eighty-four, debentures amounting £242,800 described in schedule attached, being portion of debentures amounting £283,300 issued under District Railways Purchasing Act eighty-five; also orders that present Stock Agents shall exercise all powers they now have. When do you expect bring out loan, and what minimum?

Wellington, 1st October.

The AGENT-GENERAL to the COLONIAL TREASURER.  
 Treasurer, New Zealand. London, 1st October, 1886.  
 New loan comes out Wednesday. Cannot arrange minimum till then, but favourable market.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.  
 Loan Agents, London. (Received 6th October, 1886.)  
 Do you think necessary send Home District Railway debentures in excess of £100,000 to make up amount in schedule, or can they be destroyed here? Wellington, 6th.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.  
 Treasurer, New Zealand. London, 6th October, 1886.  
 New loan announced to-day, minimum ninety-seven, total amount £1,567,800, consisting of £1,325,000 new loan and residue for extinguishing District Railway debentures. Have arranged with Bank of England cancel District Railway debentures, therefore remaining debentures must come. LOAN AGENTS.

*Enclosures in No. 32.*

NEW ZEALAND GOVERNMENT £4-PER-CENT. CONSOLIDATED STOCK.—Issue of £1,567,800.—Minimum price of issue, £97 per cent. First dividend, being six months' interest, payable 1st May, 1887.—Authorized by the Colonial "New Zealand Loan Act, 1886," and District Railways Purchasing Acts 1885 and 1886.—For railway extension, £1,325,000; for extinguishing debentures created in the colony for the purchase of district railways constructed by local companies, now the property of the Government, £242,800.

THE Governor and Company of the Bank of England give notice that, on behalf of the Agents appointed for raising and managing the loan under the above Act (Sir Penrose Goodchild Julyan, K.C.M.G., C.B., and Sir Francis Dillon Bell, K.C.M.G.), they are authorized to receive tenders for £1,567,800 New Zealand Government £4-per-cent. Consolidated Stock, repayable at par on the 1st November, 1929.

This stock will be in addition to, and will rank *pari passu* with, the New Zealand £4-per-cent. Consolidated Stock previously created, the dividends on which are payable half-yearly at the Bank of England, on the 1st May and 1st November. The first half-year's dividend on this issue, calculated upon the nominal amount of stock, will be payable on the 1st May next.

The books of the stock are kept at the Bank of England, where all assignments and transfers are made; and holders of the stock are able, on payment of the usual fees, to take out stock certificates to bearer, with coupons attached, which certificates may be re-inscribed into stock at the will of the holder. All transfers and stock certificates are free of stamp duty. Dividend warrants are transmitted by post if desired.

The loan is secured on the Consolidated Fund of the Colony of New Zealand, which includes the revenue derived from the railways, and from the sales and leases of public lands. By the Act 40 and 41 Vict., ch. 59, the revenues of the Colony of New Zealand alone will be liable in respect of the stock and the dividends thereon, and the Consolidated Fund of the United Kingdom and the Commissioners of Her Majesty's Treasury will not be directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

Tenders may be for the whole or any part of the stock, and must state what amount of money will be given for every £100 of stock. Tenders for other than even hundreds of stock, or at a price including fractions of a shilling other than sixpence, will not be preferentially accepted. Tenders are to be delivered at the Chief Cashier's office, Bank of England, before 2 o'clock on Thursday, the 14th October, 1886. Tenders at different prices must be on separate forms. The amount of stock applied for must be written on the outside of the tender. The minimum price, below which no tender will be accepted, has been fixed at £97 for every £100 of stock. A deposit of 5 per cent. on the amount of stock tendered for must be paid at the same office at the time of the delivery of the tender, and the deposit must not be enclosed in the tender. Where no allotment is made the deposit will be returned, and, in case of partial allotment, the balance of the deposit will be applied towards the first instalment. In the event of the receipt of tenders for a larger amount of stock than that proposed to be issued at or above the minimum price, the tenders at the lowest price accepted will be subject to a *pro rata* diminution.

The dates at which the further payments on account of the said loan will be required are as follows: On Friday, 22nd October, 1886, so much of the amount tendered and accepted as, when added to the deposit, will leave seventy pounds (sterling) to be paid for each hundred pounds of stock; on Friday, 3rd December, 1886, £20 per cent.; on Friday, 7th January, 1887, £20 per cent.; on Friday, 25th February, 1887, £30 per cent. The instalments may be paid in full on or after 22nd October, 1886, under discount at the rate of 3 per cent. per annum. In case of default in the payment of any instalment at its proper date, the deposits and instalments previously paid will be liable to forfeiture.

Scrip certificates to bearer will be issued in exchange for the provisional receipts. The stock will be inscribed in the bank books on or after the 25th February, 1887, but scrip paid up in full, in anticipation, may be inscribed forthwith.

Applications must be upon the printed forms which may be obtained at the Chief Cashier's office, Bank of England; of Messrs. Mullens, Marshall, and Co., 4, Lombard Street; of Messrs. J. and A. Scrimgeour, 18, Old Broad Street; and at the office of the Agent-General of New Zealand, 7, Westminster Chambers, S.W., where also copies of the Acts authorizing the loan may be seen.

Bank of England, 6th October, 1886.

No.

NEW ZEALAND GOVERNMENT £4-PER-CENT. CONSOLIDATED STOCK.—Issue of £1,567,800 Stock—Minimum price, £97 per cent.

To the Governor and Company of the Bank of England, London.

HAVING paid to you the sum of £ , being a deposit of £5\* per cent. on this application, hereby tender for £† , say pounds of the above stock, for every hundred pounds of which willing to give the sum of pounds shillings and pence (£ ); and hereby engage to pay the several instalments, as they shall become due, on any allotment that may be made in respect of this tender, in accordance with the terms of the prospectus dated 6th October, 1886.

Name in full:

Address:

Date:

N.B.—Tenders will not be received after 2 o'clock on Thursday, 14th October, 1886.

No. 33.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 6th October, 1886.

We have to acknowledge the receipt of your letter of the 21st August, No. 18, in further reference to the conversion of debentures created in the colony for the purchase of district railways.

The parcel of debentures amounting to £100,000 (being part of the total issue of £283,300) which you sent by the "Ionic," was opened as directed by you, and we now enclose a certified narration of the debentures, countersigned by the Audit Officer.

\* The deposit must not be enclosed.

† Tenders to be for even hundreds of stock, and at prices that do not include fractions of a shilling other than sixpence.

We received this morning your telegram inquiring whether it would be necessary to send here the balance of the debentures (£142,800), or whether they could be destroyed in the colony. As stated in our letter of this date, No. 1,245, relating to the issue of the new loan, we have arranged with the bank to cancel the debentures to the whole amount of £242,800 upon the creation of the stock for that purpose; and it will accordingly be necessary for the rest of the bonds to be sent to us as soon as possible. We telegraphed to you to that effect to-day.

We have, &c.,  
P. G. JULYAN,  
F. D. BELL,  
Loan and Stock Agents.

The Hon. the Colonial Treasurer, Wellington.

### No. 34.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 15th October, 1886.  
With reference to the Loan Agents' letter of the 15th instant, No. 1313, reporting the amount tendered for in the new loan, I have to state that the deposits of £78,390 were passed to the Loan Agents' credit to-day, and would, in the ordinary course, have been paid into the Public Account but for the following circumstance: The 31st October falls on a Sunday, and the Loan Agents ought to pay in the amount of the November dividend on the inscribed stock to the bank on the 20th; but as the first instalment of the loan (leaving 70 per cent. to be paid up) will only come in on the 22nd, and could not be at credit at the Public Account before the 24th for retransfer to the Bank of England, the bank might in strictness have required us to pay interest for those days. I have, however, arranged with them not to charge any interest, and the interest lost on the deposits must be set against the interest saved upon the much larger sum.

I have, &c.,  
F. D. BELL.

The Hon. the Colonial Treasurer, Wellington.

### No. 35.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 21st October, 1886.  
I enclose copies of the telegrams which have passed relating to the issue of the new loan of £1,567,800.

On the 6th instant I telegraphed to you that the loan had been announced that day, the minimum being 97, and that as we had arranged with the Bank of England to cancel the District Railway debentures, it was necessary for all the remaining debentures to come to this country. The next day (7th instant) your telegram was received, asking when the time for sending tenders would close, and I replied the same day, stating that the tenders would come in on the 14th instant, and that the loan was then quoted at 1 premium. On the 14th and 15th I sent you telegrams informing you of the amount that had been tendered, and of the average at which the loan was placed. The Loan Agents were very much obliged by your telegram of the 16th in reply.

I have, &c.,  
F. D. BELL.

The Hon. the Colonial Treasurer, Wellington.

[For enclosures see *ante* Nos. 22, 23, 24, 27, 28, and 29.]

### No. 36.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 15th October, 1886.  
We have the honour to report that the tenders for the new loan of £1,567,800 were opened at the Bank of England yesterday, when the applications amounted to £2,094,000, at prices varying from £100 to the minimum of £97. Tenders at £97 received about 1 per cent. of the amount applied for, all above that price being allotted in full. The average price is £97 5s.

We transmit to you herewith copy of a letter from the Bank of England, covering the list of the allotments made, from which you will observe that the total amount payable is £1,524,666 10s., being £43,133 10s. less than the nominal amount of the loan.

Although we had taken care, in our telegram of the 23rd September and our letter of 24th September, No. 1189, to prepare you for hearing that the loan would be placed at a low price, we are quite sensible of the disappointment it must have been to the Government to learn the price at which it was negotiated, and we appreciate all the more the terms of your telegram of the 16th instant.

The morning after the loan was announced it was quoted at 1 premium, and the following extract from Mr. Westgarth's circular of the 15th instant accounts in some measure for the loss of that premium before the tenders were opened: "The prospects of this loan until within a day of the tendering were very favourable, a premium of £1 and upwards over and above the advertised minimum being very generally spoken of; but a reaction set in almost at the last moment, mainly owing to the unfavourable political outlook and the prospects of dearer money; and in the course of the tendering-day the scrip underwent some rapid changes, at one time finding buyers at  $\frac{7}{8}$  per cent. premium, while at others there were sellers at par." But Mr. Westgarth does not speak of another cause, namely, the growing dissatisfaction that undoubtedly exists in the City about our

further borrowing. The gloomy appearance of foreign politics, and the apprehension of dearer money, were much against us; but the comparative lowness of the price obtained for the present loan must really be ascribed to the declining favour in which New Zealand securities are now regarded, owing to the magnitude and the continual growth of the public debt without clear evidence of a corresponding increase in the power of discharging it; and until the relation of ways to means becomes more evenly adjusted, we fear you must be prepared for less and less favourable terms for every succeeding loan, until, in fact, the negotiation of any more may become practically impossible. Our own feeling in regard to this particular operation is one of thankfulness that you have been enabled to place the whole of your new stock upon the market, even upon the terms actually realized.

We have, &c.,

P. G. JULYAN,

F. D. BELL,

Loan and Stock Agents.

The Hon. the Colonial Treasurer, Wellington.

### Enclosure in No. 36.

GENTLEMEN,—

Bank of England, London, E.C., 15th October, 1886.  
I am directed to inform you that, in accordance with the terms of the advertisement dated the 6th October, 1886, tenders were received yesterday at the Bank of England for the further issue of £1,567,800 New Zealand Government consolidated stock. The applications amounted to £2,094,000, at prices varying from £100 to £97. Tenders at £97 receive about 1 per cent. of the amount applied for, those above that price being allotted in full. I forward herewith a statement of the amounts allotted at the various prices. The subscriptions to the loan shall be paid from time to time to the credit of the "Loan Agents for the Government of New Zealand," to which account the deposit of 5 per cent.—viz., £78,390—has been transferred.

I am, &c.,

F. MAY,

Chief Cashier.

Sir P. G. Julyan, K.C.M.G., C.B., and Sir F. D. Bell, K.C.M.G., C.B., Agents under  
"The New Zealand Loan Act, 1884," 7, Westminster Chambers.

NEW ZEALAND 4-per-Cent. LOAN of 1886 for £1,567,800.—Statement of Amounts Subscribed at the various Accepted Prices:—

Subscription.	Price.	Amount Payable.	Subscription.	Price.	Amount Payable.
£	£ s. d.	£ s. d.	£	£ s. d.	£ s. d.
4,600	100 0 0	4,600 0 0	26,300	97 11 0	25,655 13 0
100	99 12 6	99 12 6	50,400	97 10 6	49,152 12 0
500	99 10 6	497 12 6	68,200	97 10 0	66,495 0 0
300	99 10 0	298 10 0	37,100	97 9 6	36,163 4 6
300	99 6 6	297 19 6	33,500	97 9 0	32,645 15 0
700	99 0 0	693 0 0	30,200	97 8 6	29,422 7 0
100	98 15 0	98 15 0	58,000	97 8 0	56,492 0 0
3,600	98 10 0	3,546 0 0	81,500	97 7 6	79,360 12 6
1,200	98 5 0	1,179 0 0	53,900	97 7 0	52,471 13 0
200	98 2 6	196 5 0	22,500	97 6 6	21,898 2 6
300	98 1 0	294 3 0	7,900	97 6 0	7,686 14 0
1,800	98 0 6	1,764 9 0	76,700	97 5 6	74,609 18 6
10,800	98 0 0	10,584 0 0	64,400	97 5 0	62,629 0 0
500	97 13 6	489 12 6	26,200	97 4 6	25,472 19 0
1,000	97 18 0	979 0 0	9,900	97 4 0	9,622 16 0
1,000	97 17 6	978 15 0	24,400	97 3 6	23,710 14 0
1,000	97 17 0	978 10 0	36,100	97 3 0	35,071 3 0
2,000	97 16 0	1,956 0 0	59,200	97 2 6	57,498 0 0
1,100	97 15 6	1,075 10 6	97,900	97 2 0	95,060 18 0
2,900	97 15 0	2,834 15 0	578,000	97 1 6	561,093 10 0
3,000	97 13 6	2,930 5 0	21,900	97 1 0	21,253 19 0
2,300	97 13 0	2,245 19 0	24,800	97 0 6	24,062 4 0
8,200	97 12 6	8,005 5 0	4,800	97 0 0	4,656 0 0
5,800	97 12 0	5,660 16 0			
20,700	97 11 6	20,198 0 6	£1,567,800		£1,524,666 10 0

Average price, 97 4 11-7.

Bank of England, 15th October, 1886.

F. MAY, Chief Cashier.

### No. 37.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 22nd October, 1886.

Adverting to our letter, No. 569, of the 7th May last, in which we sent you the Stock Agents' Conversion Account up to the 31st March, 1886, we now transmit herewith the account brought down to the 30th September. The vouchers in support of the account are enclosed.

We have, &c.,

(For the Stock Agents),

F. D. BELL.

The Hon. the Colonial Treasurer, Wellington.

### No. 38.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

GENTLEMEN,—

The Treasury, Wellington, 8th December, 1886.

I have the honour to acknowledge receipt of your letter of the 22nd October last, No. 1,329, forwarding your Conversion Account up to 30th September last, together with the vouchers in support of it.

have, &c.,

The New Zealand Loan and Stock Agents, London.

JULIUS VOGEL.

## No. 39.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 4th November, 1886.

We transmit to you herewith six copies of the deed-poll by which we have created the new stock of £1,567,800, together with the declaration we have enrolled at the Inland Revenue; also copy of a letter we have addressed to the Bank of England.

We have, &amp;c.,

F. D. BELL,

P. G. JULYAN,

Stock Agents.

The Hon the Colonial Treasurer, Wellington.

*Enclosures in No. 39.*

GENTLEMEN,—

7, Westminster Chambers, S.W., 3rd November, 1886.

Adverting to the recent issue of £1,567,800 4-per-cent New Zealand Consolidated Stock made through you by the New Zealand Government, we have now to acquaint you that, by a deed-poll, dated the 6th October, 1886, under our hands and seals, a printed copy of which we send herewith, and which has now been duly enrolled, we have set forth the terms and conditions which were arranged with you and mentioned in the prospectus of the loan issued by you on our behalf.

We have made the declaration required under "The Colonial Stock Act, 1877," under the authority of the seal of the colony, and have lodged the same with the Commissioners of Inland Revenue so as to bring the stock under the provisions of that Act; a printed copy of which declaration we also send herewith. You are therefore enabled to carry out the arrangements entered into with you on behalf of the Government for the inscription of the said stock.

Arrangements will be made with the Commissioners of Inland Revenue to pay the composition for stamp duty, so as to enable the stock after inscription to be transferred free of duty, and for the Commissioners accepting payment of this duty from you, in accordance with the arrangements agreed upon with them with reference to the previous issues of inscribed stock by our Government.

We have now, on behalf of our Government, to request that you will be good enough to carry out this arrangement, and pay to the Commissioners, out of moneys in your hands belonging to the Government, the composition payable for stamp duty in respect of this new issue of stock as it shall be inscribed in your books. We also authorize you, on behalf of such Government, to issue to the holders of this stock who may desire the same from time to time, stock certificates to bearer in pursuance of the provisions of "The Colonial Stock Act, 1877." We also authorize and request that the same fees shall be charged for the issue of stock certificates to bearer as are charged in like cases for the issue of certificates for Metropolitan Board of Works Stock, and we further authorize you to transmit dividend warrants by post in the same manner and on the same conditions as the warrants for dividends on the Government stocks are sent out.

We have, &amp;c.,

F. D. BELL,

P. G. JULYAN,

Stock Agents of the New Zealand Government.

The Governor and Company of the  
Bank of England.

To all to whom these presents shall come, we, Sir FRANCIS DILLON BELL, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, and a Companion of the Most Honourable Order of the Bath, the Agent-General for the Colony of New Zealand, and Sir PENROSE GOODCHILD JULYAN, a Knight Commander of the said Most Distinguished Order of Saint Michael and St. George, and a Companion of the Most Honourable Order of the Bath, send greeting:

WHEREAS by an Act of the Legislature of New Zealand intituled "The New Zealand Consolidated Stock Act, 1877," it was among other things enacted, that for the purpose of raising any sum or sums of money under the authority of any Act that might be passed by the said General Assembly in any future session of the General Assembly authorizing the Governor in Council to raise by way of loan any sum of money for the public service of the colony, it shall be lawful for the Governor in Council to create capital stock, to be called "New Zealand Consolidated Stock," such stock to be issued in such amounts and manner, at such prices and times, on such terms and subject to such conditions, with such dividends, and redeemable at par at such times and on such conditions, as the Governor in Council might before the creation thereof from time to time determine: And by the said Act it was further enacted that the Governor in Council might from time to time declare all or any of the New Zealand loans, whether existing in the form of stock or not, to be convertible into stock of such denominations with such conditions and with such dividends and redeemable at par at such times and on such conditions as he might before the creation thereof from time to time determine, and might authorize the creation and issue of such an amount of such stock in exchange for the securities held for such loans as might be necessary, and might authorize the creation and sale of any of such stock for the purpose of paying any expenses in the creation of stock, and otherwise carrying out the provisions of the said Act on such conditions as he might determine, and any conversion so authorized might be effected either by arrangement with the holders of the existing securities, or by purchase thereof out of moneys raised by a sale of the new stock, or partly in one way and partly in the other: And by the said Act it was further enacted that the Governor in Council might from time to time appoint three or more persons in England to be Agents for the purposes of the said Act, and might empower such Agents or any three or more of them to exercise all or any of the powers by the said Act exercisable by the Governor in Council; and, further, that the said Act should not come into operation nor be of any force and effect whatever until it should be declared to be so in operation by a Proclamation issued by the Governor in Council and published in the *New Zealand Gazette*:

And whereas by a Proclamation made and issued by the Governor in Council on the 9th day of February, 1878, and published in a supplement to the *New Zealand Gazette* of the same date, the Governor, with the advice and consent of the Executive Council of the said colony, did proclaim and declare that "The New Zealand Consolidated Stock Act, 1877," should be and come into operation on and after the 9th day of February, 1878:

And whereas under and by virtue of the said Act, New Zealand Consolidated Stock was created and issued to the amount of £5,371,200, which was duly inscribed in the books of the Governor and Company of the Bank of England in the names of the several persons respectively entitled thereto, on the terms and conditions mentioned in a certain deed-poll, bearing date the 1st day of December, 1879, under the hands and seals of me the said Sir Penrose Goodchild Julyan, and of Sir Julius Vogel, a Knight Commander of the said Most Distinguished Order of St. Michael and St. George, and of Montagu Frederic Ommanney, Esquire, who had been duly appointed Agents in England for the purposes of the said Act, and had been duly empowered to exercise all the powers by the said Act exercisable by the Governor in Council, such stock bearing interest at the rate of 4 per cent. per annum, payable half-yearly at the Bank of England on the 1st day of May and the 1st day of November in each year, until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place:

And whereas by another Act of the said Legislature, intituled "The New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," it was enacted that, notwithstanding anything in "The New Zealand Consolidated Stock Act, 1877," contained, the Governor in Council might appoint only two persons to be the Agents for the purposes of such Act, who should have, exercise, and perform all the powers, authorities, or duties by such Act given to, vested in, or imposed upon, the Agents appointed under such Act, and that throughout such Act the words "the Agents" should be deemed to refer to and include the two persons by the now reciting Act authorized to be appointed to be the Agents for the purposes of "The New Zealand Consolidated Stock Act, 1887":

And whereas in pursuance of the power and authority vested in him by the said Acts (all previous appointments of Agents having been revoked), the Governor of New Zealand did, by an Order in Council, bearing date the 5th day of November, 1881, appoint us, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, to be Agents in England for the purposes of the said Acts of 1877 and 1881, with full power and authority to us as such Agents to exercise all the powers by such Acts exercisable by the Governor in Council :

And whereas various further amounts of New Zealand Consolidated Stock have from time to time been duly created by us, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, acting as such Agents, and duly empowered as aforesaid, upon the terms and conditions respectively mentioned in certain deeds-poll under our hands and seals, and bearing date respectively the 1st of January, 1883, the 30th day of October, 1883, the 1st day of January, 1884, the 30th day of December, 1884, the 1st day of January, 1885, the 1st day of June, 1885, and the 20th day of May, 1886; such amounts of stock being in addition to and ranking *pari passu* with the said amount of £5,371,200 of New Zealand Consolidated Stock so created and issued as aforesaid, and bearing interest at the rate, and payable half-yearly at the Bank of England as aforesaid until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place; but the whole amount of New Zealand Consolidated Stock thus created by us has not been issued :

And whereas by another Act of the said Legislature, intituled "The New Zealand Loan Act, 1886" (hereinafter called "the Loan Act"), it was enacted that it should be lawful for the Governor in Council to appoint any two or more persons as he might think fit to be Agents for the purpose of raising and managing the loan thereby authorized to be raised, with all such powers as might be necessary to carry into effect the purposes of such Act, and that such Agents shall have full power and authority to borrow and raise, in Great Britain or elsewhere, by bonds, debentures, scrip, or by the issue of inscribed stock under "The New Zealand Consolidated Stock Act, 1877," or otherwise, such sum or sums, not exceeding £1,325,000 sterling in the whole, as the Governor in Council might from time to time or at any time direct or determine, for all and any of the purposes expressed in the schedule to such Act, or any other purposes thereby authorized; and that such Agents should have full power and authority to prescribe the mode and conditions of repayment of such loan, and the time of such repayment, and the rate of interest thereon, and the time and place or places when and where such principal and interest should be made payable :

And whereas Sir William Francis Drummond Jervois, a Knight Grand Cross of the said Order of St. Michael and St. George, and a Companion of the Most Honourable Order of the Bath, the Governor of the said colony, by an Order in Council made and issued on the 14th day of August, 1886, did in exercise and pursuance of the powers and authorities vested in him by the said last-mentioned Act, and by and with the advice and consent of the Executive Council of the said colony, direct and determine that the sum of £1,325,000 sterling should be borrowed and raised under the provisions of that Act, and in further exercise and pursuance of the powers and authorities aforesaid, and with the like advice and consent as aforesaid, he did thereby appoint us the said Sir Penrose Goodchild Julian and Sir Francis Dillon Bell to be the Agents for the purpose of raising and managing the said loan thereby ordered and determined to be raised, with full power and authority to us as such Agents to borrow and raise by bonds, debentures, scrip, or otherwise, the said sum of £1,325,000 sterling as aforesaid, and with full power and authority to us as such Agents to prescribe the mode and conditions of the repayment of such sum, and the time of such repayment, and, subject to the provisions of the same Act, the rate of interest thereon, and the time and place or places when and where such principal and interest should be made payable, and generally to have, hold, and exercise all such powers and authorities as by the same Act might be had, held, and exercised by the Agents appointed thereunder in respect of the moneys authorized by the Order in Council now in recital to be borrowed and raised :

And whereas by another Act of the said Legislature, the short title of which is "The District Railways Purchasing Act, 1885," the Governor of New Zealand was authorized to purchase from the owners thereof any of the railways mentioned in the schedule thereto, and the Governor in Council was empowered to authorize the Colonial Treasurer to issue in payment for the same debenture-bonds for any sum not exceeding the total sum agreed to be paid :

And whereas by another Act of the said Legislature, the short title of which is "The District Railways Purchasing Act 1885 Extension and Amendment Act, 1886," the Governor of New Zealand was authorized to enter into a contract with the Waimea Plains Railway Company (Limited) for the purchase of the railway of that company upon the terms and conditions therein mentioned, and the Colonial Treasurer was empowered under the authority of an Order in Council from time to time to issue debenture-bonds as in the now reciting Act mentioned for payment of the purchase-money; and it was enacted that the Governor in Council might from time to time order and direct that any scrip, debenture bonds, or short-dated debentures authorized to be issued under "The District Railways Purchasing Act, 1885," or the now reciting Act should be converted into stock and inscribed in the manner provided by "The New Zealand Consolidated Stock Act, 1877," and "The Consolidated Stock Act, 1884" :

And whereas the said Sir William Francis Drummond Jervois, by an Order in Council made and issued on the 26th day of August, 1886, did in exercise and pursuance of the powers and authorities vested in him by the said last-mentioned Act, and by and with the advice and consent of the Executive Council of the said colony, direct and determine that debentures amounting together to the sum of £242,800, described in the schedule to the now reciting Order in Council, and being portions of debentures amounting to the sum of £283,300, which had been issued under and by virtue of "The District Railways Purchasing Act, 1885," should be converted into stock and inscribed in the manner provided by "The New Zealand Consolidated Stock Act, 1877," and "The Consolidated Stock Act, 1884," for which purpose we, the said Sir Penrose Goodchild Julian and Sir Francis Dillon Bell, should have and exercise all the powers and authorities given to or vested in us as aforesaid :

And whereas we, the said Sir Penrose Goodchild Julian and Sir Francis Dillon Bell, intend and are about, under and in pursuance of the power and authority in that behalf conferred on us by the said Orders in Council of the 14th August, 1886, and 26th August, 1886, respectively, to borrow and raise in Great Britain, for the purposes expressed in schedule to the Loan Act, and for the extinguishment of debentures issued under the authority of "The District Railways Purchasing Act, 1885," as aforesaid, a sum or sums of money by the creation and issue of a further amount of not exceeding £1,567,800 sterling of New Zealand Consolidated Stock, to be in addition to, and to rank *pari passu* with, the New Zealand Consolidated Stock which has been already issued and which may be issued as herein-before mentioned :

And whereas we have further determined that such further amount of £1,567,800 of stock shall be created, issued, and inscribed under the said "New Zealand Consolidated Stock Act, 1877," and we have also determined the amount, manner, price, time, terms, and conditions on, at, and subject to which such stock shall be issued and inscribed, and the dividends thereon be payable, and the principal thereof be redeemable, such amount, manner, price, time, terms, dividends, and conditions being those hereinafter mentioned :

And whereas it is expedient that our determination to create such additional amount of £1,567,800 of New Zealand Consolidated Stock, to be so issued and so redeemable, shall be declared and manifested under our hands and seals :

Now therefore these presents witness, and we, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, in exercise and in pursuance of the powers by the said Orders in Council or either of them vested in us, do by these presents declare that we have created a further amount of £1,567,800 sterling of capital stock, to be called "The New Zealand Consolidated Stock," in addition to and to rank *pari passu* with the said New Zealand Consolidated Stock heretofore issued as aforesaid, as also to and with such further amount of New Zealand Consolidated Stock as shall be issued in pursuance of or as mentioned in the said deed-poll of the 20th day of May, 1886: And we have determined that so much of the same capital stock as it shall be necessary to issue to subscribers for any part of the said sum or sums intended to be and about to be borrowed and raised by us the said Sir Penrose Goodchild Julian and Sir Francis Dillon Bell as aforesaid, shall be issued to such subscribers at the rate of £100 of stock for every nominal amount of £100 which shall be represented by the scrip certificates or letters of allotment respectively to be issued to them when the instalments payable thereon shall have been fully paid: And that the interest or dividend to be paid on the said further amount of £1,567,800 sterling of stock so created by us as last aforesaid, or



any lesser amount which shall be issued, shall be at the rate of £4 per centum per annum, and shall be payable half-yearly at the Bank of England on the first day of May and the first day of November in each year until the first day of November, 1929, and that the first half of a year's interest or dividend shall be payable on the first day of May, 1887: And, further, that on the said first day of November, 1929, the capital shall be repaid at par at the same place: And, lastly, we do further declare that the revenues of the colony of New Zealand alone are liable in respect of the stock hereinbefore described and the dividends thereon, and that the Consolidated Fund of the United Kingdom, and the Commissioners of Her Majesty's Treasury are not directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

In witness whereof we have hereunto set our hands and seals this sixth day of October, one thousand eight hundred and eighty-six.

Signed, sealed, and delivered by the above-named Sir Francis Dillon Bell  
in the presence of LEONARD J. MATON, Solicitor, 21, Cannon Street, London.

(L.S.) F. D. BELL.

Signed, sealed, and delivered by the above-named Sir Penrose Goodchild Julyan  
in the presence of JNO. MACKRELL, Solicitor, High Trees, Clapham Common.

(L.S.) P. G. JULYAN.

It is hereby declared that, by "The New Zealand Consolidated Stock Act, 1877," being Act 41 Vict., No. 33 of the Legislature of the Colony of New Zealand, provision is made in the terms following, that is to say,—

Section 2. Whenever in any Act heretofore passed by the General Assembly, or that may be passed in the present or any future session of the General Assembly, authority is given to the Governor, or to the Governor in Council, to raise by way of loan any sum of money for the public service of the colony, then, unless there be some provision to the contrary in the Act by which such authority is given, such sum may be raised in the manner hereinafter provided:

Section 3. For the purpose of raising such sum or sums of money under the authority of any such Act as aforesaid, it shall be lawful for the Governor in Council to create capital stock, to be called "the New Zealand Consolidated Stock" (hereinafter referred to as "Stock"), subject to the provisions of this Act, to be issued in such amounts and manner, at such price and times, on such terms and subject to such conditions, with such dividends, and redeemable at par at such times and on such conditions as the Governor in Council may before the creation thereof from time to time determine:

Section 4. The Governor in Council shall have and may exercise the following powers and authorities or any of them:—

- (1.) He may from time to time declare all or any of the New Zealand loans, whether existing in the form of stock or not, to be convertible into stock, of such denominations, with such conditions and with such dividends, and redeemable at par at such times and on such conditions, as he may before the creation thereof from time to time determine:
- (2.) He may authorize the creation and issue of such an amount of such stock in exchange for the securities held for such loans as may be necessary:
- (3.) He may authorize the creation and sale of any such stock for the purpose of raising money for redeeming any outstanding stock or securities and of paying any expenses in the creation of stock and otherwise carrying out the provisions of this Act on such conditions as he may determine:
- (4.) Any conversion so authorized may be effected either by arrangement with the holders of existing securities or by purchase thereof out of moneys raised by a sale of new stock, or partly in one way and partly in the other.

Section 7. The Governor in Council may from time to time enter into any such agreement with the Bank of England as to the Governor in Council seems fit, providing for all or any of the following things (*inter alia*):—

- (1.) For inscribing in the books of the bank any stock:
- (2.) For managing the creation, inscription, and issue of stock:
- (3.) For effecting the conversion of loans into stock and managing transfers of stock:
- (5.) For issuing stock certificates to bearer, and as often as occasion shall require reissuing or reinscribing stock and reissuing stock certificates:
- (10.) Generally conducting all business connected with stock or loans.

For the purposes of this Act the expression "Bank of England" means the Governor and Company of the Bank of England, and includes their successors.

Section 8. Every agreement made with the Bank of England in pursuance of this Act shall be as valid and effectual as if the terms thereof had been set forth in and enacted by this Act.

Section 9. The Governor in Council shall have the powers and duties, and may do the following things (*inter alia*) for the purposes of this Act:—

- (1.) He may from time to time appoint three or more persons in England to be Agents for the purposes of this Act (which Agents for the time being are in this Act referred to as "the Agents"), and may empower such Agents or any three or more of them to exercise all or any of the powers by this Act exercisable by the Governor in Council.

Section 14. This Act shall not come into operation nor be of any force or effect whatever until it shall be declared to be so in operation by a Proclamation issued by the Governor in Council and published in the New Zealand Government *Gazette*.

And it is hereby further declared that by a Proclamation made and issued by the Governor in Council on the 9th day of February, 1878, and published in a supplement to the New Zealand Government *Gazette* of the same date, it was declared that the said Act should be and come into operation on and after the said 9th day of February, 1878:

And it is hereby further declared that under and by virtue of the said Act, New Zealand Consolidated Stock was created and issued to the amount of £5,371,200, which was duly inscribed in the books of the Bank of England in the names of the several persons respectively entitled thereto on the terms and conditions mentioned in a certain deed-poll, bearing date the 1st day of December, 1879, under the hands and seals of Sir Penrose Goodchild Julyan, K.C.M.G., C.B., Sir Julius Vogel, K.C.M.G., and Montagu Frederic Ommanney, Esquire, who had been duly appointed Agents in England for the purposes of the said Act, and had been duly empowered to exercise all the powers by the said Act exercisable by the Governor in Council, such stock bearing interest at the rate of 4 per cent. per annum, payable half-yearly at the Bank of England on the 1st day of May and the 1st day of November in each year until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place.

And it is hereby further declared that by "The New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," being Act 45 Vict., No. 44, of the said Legislature, it was enacted that notwithstanding anything in "The New Zealand Consolidated Stock Act, 1877," contained, the Governor in Council might appoint only two persons to be the Agents for the purposes of such Act, who should have, exercise, and perform all the powers, authorities, or duties by such Act given to, vested in, or imposed upon the Agents appointed under the ninth section of such Act; and that throughout such Act the words "the Agents" should be deemed to refer to and include the two persons authorized by the Act now in recital to be appointed to be the Agents for the purpose of "The New Zealand Consolidated Stock Act, 1877":

And it is hereby further declared that in pursuance of the power and authority vested in him by the said Acts all previous appointments of Agents having been revoked), the Governor of New Zealand did, by an Order in Council bearing date the 5th day of November, 1881, appoint Sir Francis Dillon Bell, of No. 7, Westminster Chambers, Victoria Street, Westminster, K.C.M.G., the Agent-General for the Colony of New Zealand, and the said Sir Penrose Goodchild Julyan, to be Agents in England for the purposes of the said Acts of 1877 and 1881, with full power and authority to them as such Agents to exercise all the powers by such Acts exercisable by the Governor in Council:

And it is hereby further declared that the Governor of New Zealand did, by another Order in Council, also bearing date the 5th day of November, 1881, and issued under the seal of the said colony, empower the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian as and to be the Agents to make the declaration required by the provisions of "The Colonial Stock Act, 1877," and in and about such declaration, and the leaving and record thereof with the Commissioners of Inland Revenue, to do all such necessary acts as might or could have been done by or on behalf of the Government of the said colony to give effect to the provisions of the last-mentioned Act:

And it is hereby further declared that various further amounts of New Zealand Consolidated Stock have from time to time been duly created by the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, acting as such Agents, and duly empowered as aforesaid upon the terms and conditions respectively mentioned in certain deeds-poll under their hands and seals, and bearing date respectively the 1st day of January, 1883, the 30th day of October, 1883, the 1st day of January, 1884, the 30th day of December, 1884, the 1st day of January, 1885, the 1st day of June, 1885, and the 20th day of May, 1886; such amounts of stock being in addition to and ranking *pari passu* with the said amount of £5,971,200 of New Zealand Consolidated Stock so created and issued as aforesaid, and bearing interest at the rate and payable half-yearly at the Bank of England as aforesaid until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place, but the whole amount of New Zealand Consolidated Stock thus created by them has not yet been issued:

And it is hereby further declared that by "The New Zealand Loan Act, 1886," being Act 50 Vict., No. 25, of the said Legislature (hereinafter called "The Loan Act"), it was enacted that it should be lawful for the Governor in Council to appoint any two or more persons as he might think fit to be Agents for the purpose of raising and managing the loan authorized to be raised under such Act, with all such powers as might be necessary to carry into effect the purposes of such Act, and that such Agents should have full power and authority to borrow and raise in Great Britain or elsewhere, by bonds, debentures, scrip, or by the issue of inscribed stock under "The New Zealand Consolidated Stock Act, 1877," or otherwise, such sum or sums, not exceeding £1,325,000 sterling in the whole, as the Governor in Council might from time to time or at any time direct or determine, for all and any of the purposes expressed in the schedule to such Act, or any other purposes thereby authorised:

And it is hereby further declared that Sir William Francis Drummond Jervois, a Knight Grand Cross of the said Order of Saint Michael and Saint George, and a Companion of the Most Honourable Order of the Bath, the Governor of the said Colony, by an Order in Council made and issued on the 14th day of August, 1886, did in exercise and pursuance of the powers and authorities vested in him by the Loan Act, and by and with the advice and consent of the Executive Council of the said colony, direct and determine that the sum of £1,325,000 should be raised under the provisions of such Act, and did appoint the said Sir Penrose Goodchild Julian and Sir Francis Dillon Bell to be the Agents for the purpose of raising and managing the same:

And it is hereby further declared that by another Act of the said Legislature, the Short Title of which is "The District Railways Purchasing Act, 1885," the Governor of New Zealand was authorized to purchase from the owners thereof any of the railways mentioned in the schedule thereto, and the Governor in Council was empowered to authorize the Colonial Treasurer to issue in payment for the same debenture-bonds for any sum not exceeding the total sum agreed to be paid:

And it is hereby further declared that by another Act of the said Legislature, the Short Title of which is "The District Railways Purchasing Act 1885 Extension and Amendment Act, 1886," the Governor of New Zealand was authorized to enter into a contract with the Waimea Plains Railway Company (Limited), for the purchase of the railway of that company upon the terms and conditions therein mentioned, and the Colonial Treasurer was empowered under the authority of an Order in Council from time to time to issue debenture-bonds as in the now reciting Act mentioned for payment of the purchase-money; and it was enacted that the Governor in Council might from time to time order and direct that any scrip, debenture-bonds, or short-dated debentures authorized to be issued under "The District Railways Purchasing Act, 1885," or the now reciting Act should be converted into stock and inscribed in the manner provided by "The New Zealand Consolidated Stock Act, 1877," and "The Consolidated Stock Act, 1884," being another Act of the said Legislature with reference to the conversion of debentures into consolidated stock:

And it is hereby further declared that the said Sir William Francis Drummond Jervois, by an Order in Council made and issued on the 26th day of August, 1886," did, in exercise and pursuance of the powers and authorities vested in him by the said lastly recited Act, and by and with the advice and consent of the Executive Council of the said colony, direct and determine that debentures amounting together to the sum of £242,800 described in the schedule to the new reciting Order in Council, and being portions of debentures amounting to the sum of £283,300 which had been issued under and by virtue of "The District Railways Purchasing Act, 1885," should be converted into stock and inscribed in the manner provided by "The New Zealand Consolidated Stock Act, 1877," and "The Consolidated Stock Act, 1884," for which purpose the said Sir Penrose Goodchild Julian and Sir Francis Dillon Bell should have and exercise all the powers and authorities given to or vested in them as aforesaid:

And it is hereby further declared that by a deed-poll bearing date the 6th day of October, 1886, under the hands and seals of the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, after reciting to the effect hereinbefore mentioned, and that in exercise and in pursuance of the power and authority in that behalf conferred on them, they were about to borrow a sum of money by the creation and issue of a further amount of not exceeding £1,567,800 sterling of New Zealand Consolidated Stock, they, in exercise and pursuance of the powers by the said Orders in Council, or either of them, vested in them, did, by the same deed-poll, declare that they had created a further amount of £1,567,800 sterling of capital stock, to be called "the New Zealand Consolidated Stock," in addition to and to rank *pari passu* with the amounts of New Zealand Consolidated Stock theretofore created as aforesaid, and which had been or might be thereafter issued, and had determined that so much of the same capital stock as it should be necessary to issue to subscribers for any part of the said sum or sums about to be borrowed and raised as aforesaid, should be issued to such subscribers at the rate of £100 of stock for every nominal amount of £100 which should be represented by the scrip certificates or letters of allotment respectively to be issued to them when the instalments payable thereon should have been fully paid, and that the interest or dividend to be paid on the said further amount of £1,567,800 sterling of stock so created by them as last aforesaid, or any lesser amount which should be issued, should be at the rate of £4 per centum per annum, and should be payable half-yearly at the Bank of England, on the 1st day of May and the 1st day of November in each year until the 1st day of November, 1929, on which day the capital should be repaid at par at the same place:

And it is hereby further declared that the said Sir Penrose Goodchild Julian and Sir Francis Dillon Bell have, in pursuance of the Loan Act and of the said two last-mentioned Orders in Council, borrowed and raised for the purposes aforesaid, a sum or sums of money (being the sum or sums recited in the said last-mentioned deed-poll as intended and about to be borrowed), by issuing or agreeing to issue scrip certificates or letters of allotment for the total amount of £1,567,800 sterling, by the same Act and the said Orders in Council respectively authorized and directed to be borrowed and raised; such scrip certificates or letters of allotment respectively to be converted into New Zealand Consolidated Stock at the rate of £100 of such stock for every nominal amount of £100 represented by a scrip certificate or letter of allotment:

And it is hereby further declared that in further pursuance of the said "New Zealand Consolidated Stock Act, 1877," and "New Zealand Consolidated Stock Act 1877 Amendment Act, 1781," and of the said Order in Council of 5th November, 1881, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian have entered into an agreement with the Governor and Company of the Bank of England, providing (among other things) for the inscription in a register kept in England by the said bank, of the said stock mentioned in the said last-mentioned deed-poll to have been created, and for the transfer of such stock:

And it is hereby further declared that the stock to be inscribed and transferred in conformity with such provision is the New Zealand Consolidated Stock, mentioned in the said last-mentioned deed-poll:

And it is hereby further declared that the revenues of the Colony of New Zealand alone are liable in respect of the stock hereinbefore described, and the dividends thereon, and that the Consolidated Fund of the United Kingdom,

and the Commissioners of Her Majesty's Treasury, are not directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

In witness whereof the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan have hereunto set their hands this 20th day of October, 1886.

Witness to the signature of Sir Francis Dillon Bell—LEONARD J. MATON, Solicitor,  
21, Cannon Street, London.

F. D. BELL.

Witness to the signature of Sir Penrose Goodchild Julyan—JNO. MACKRELL,  
Solicitor, High Trees, Clapham Common.

P. G. JULYAN.

### No. 40.

The AGENT-GENERAL, to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 18th November, 1886,

Referring to your letter No. 20, of the 9th October last, we have the honour to inform you that the balance (£142,800) of the district railway debentures was duly received, and herewith is a certificate of their receipt countersigned by the Audit Officer.

The Bank of England has appointed to receive these debentures for cancellation on or after the 22nd instant.

I have, &c.

F. D. BELL,

For the Stock Agents.

The Hon. the Colonial Treasurer, Wellington.

### No. 41.

The AGENT-GENERAL to the COLONIAL TREASURER.

(Memorandum.)

7, Westminster Chambers, London, S.W., 30th November, 1886.

*District Railway Debentures.*—The £242,800 debentures received from the Treasury were delivered to the Bank of England for cancellation, &c., on the 22nd instant. Herewith I enclose copy of the letters to and from the bank, by which their receipt is duly acknowledged.

F. D. BELL.

#### *Enclosures in No. 41.*

SIR,—

7, Westminster Chambers, London, S.W., 22nd November, 1886.

Referring to my letter to you of the 6th October last, I beg herewith to transmit £242,800 New Zealand Government 4-per-cent. debentures issued under "The District Railways Purchasing Act, 1885," particulars of which are given in the attached schedule.

The Chief Cashier, Bank of England.

I have, &c.,

F. D. BELL.

SIR,—

Bank of England, London, E.C., 22nd November, 1886.

I hereby acknowledge to have this day received New Zealand Government 4-per-cent. debentures for £242,800 (issued for the purchase of district railways), to be cancelled as arranged in the Loan Agents' letter of the 6th October, 1886.

The Agent-General for New Zealand,

7, Westminster Chambers, S.W.

I have, &c.,

F. MAY,

Chief Cashier.

### No. 42.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 3rd December, 1886.

Adverting to your letter of the 2nd June last, No. 18, on the subject of lost bonds, I observe that, by section 4 of the Lost Debentures Act passed last session, it is provided that the Governor's powers may be delegated to such persons as His Excellency may think fit. In the event of such delegation not having been yet made, I should be glad to be informed of your intention therein, as nothing can of course be done here without it.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

### No. 43.

The AGENT-GENERAL to the COLONIAL TREASURER.

(Memorandum.)

7, Westminster Chambers, London, S.W., 13th December, 1886.

*Wellington Loan, 1866.*—Referring to my letter, No. 759, of the 16th June last I have to inform the Honourable Minister that, having received from the Union Bank of Australia the £13,500 8-per-cent. debentures, Province of Wellington £50,000 Loan, which were paid off on the 1st July last, I have forwarded the same to the Treasury in a parcel contained in the mail-box which will be shipped this week by the s.s. "Ruapehu." The bonds have been duly cancelled and are numbered as follows—namely: Nos. 343 to 367, 25 bonds of £100 each; 387 to 389, 3 bonds of £100 each; 391 to 397, 7 bonds of £100 each; 401 to 500, 100 bonds of £100 each: total 135

F. D. BELL.

### No. 44.

The AGENT-GENERAL to the COLONIAL TREASURER.

(Memorandum.)

7, Westminster Chambers, London, S.W., 30th December, 1886.

*Loan, 1886.*—The Loan Agents have paid into the Public Account up to this date the sum of £892,500 on account of the instalments of the loan (£1,567,800) issued in October last. A further sum of £5,000 will be paid in by them to-morrow (31st).

F. D. BELL.

## No. 45.

The COLONIAL TREASURER to the AGENT-GENERAL.

SIR,—

The Treasury, New Zealand, Wellington, 7th March, 1887.

Referring to "The Lost Debentures Act, 1886," and to our correspondence on the subject, the last communication in which was your letter of the 3rd December last, No. 1,617, I have now the honour to enclose herewith copy of an Order in Council made on the 24th ultimo, under section 4 of the Act, delegating to yourself and Sir Penrose Julyan the powers vested in the Governor in Council or the Governor. A copy of the Act is also enclosed.

The Agent-General for New Zealand, London.

I have, &c.,  
JULIUS VOGEL.*Enclosure in No. 45.*

WM. F. D. JERVOIS, Governor.

ORDER IN COUNCIL.

At the Government Buildings, at Wellington, this twenty-fourth day of February, 1887.

*Present: THE HON. THE PREMIER PRESIDING IN COUNCIL.*

WHEREAS by the fourth section of "The Lost Debentures Act, 1886" (hereinafter referred to as "the said Act"), it is enacted that the powers by the said Act vested in the Governor in Council or the Governor may from time to time be delegated to such two or more persons as the Governor in Council thinks fit: And whereas it is expedient for the purposes of the said Act that such delegation should be made to two persons resident in London:

Now therefore the Governor of the Colony of New Zealand, in pursuance and exercise of the powers and authorities conferred upon him by the said Act, and by and with the advice and consent of the Executive Council of the said colony, doth hereby delegate to Sir PENROSE GOODCHILD JULYAN, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George and a Companion of the Most Honourable Order of the Bath, and Sir FRANCIS DILLON BELL, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George and a Companion of the Most Honourable Order of the Bath, the powers by the said Act vested in the Governor in Council or the Governor.

FORSTER GORING,  
Clerk of the Executive Council.

## No. 46.

The COLONIAL TREASURER to Sir P. G. JULYAN.

SIR,—

The Treasury, Wellington, 7th March, 1887.

I have the honour to enclose a copy of "The Lost Debentures Act, 1886," and to inform you that on the presumption that you would not object to act on behalf of the New Zealand Government, an Order in Council was made on the 24th ultimo, delegating the powers vested in the Governor in Council, or the Governor by the Act, to yourself and Sir Francis D. Bell. A copy of the Order in Council has been sent to Sir F. D. Bell. The Government will be glad if you will kindly accept the responsibilities of the delegation.

Sir P. G. Julyan, K.C.M.G., C.B.,

Cornwall House, Brompton Crescent, London.

I have, &amp;c.,

JULIUS VOGEL,  
Colonial Treasurer.

## No. 47.

The SECRETARY of STATE to His Excellency the GOVERNOR.

SIR,—

Downing Street, 17th June, 1886.

I am directed by the Secretary of State to transmit to you for the information of your Government the documents specified in the annexed schedule.

I have, &amp;c.,

ROBERT G. W. HERBERT.

The Officer Administering the Government of New Zealand.

Date.	Description of Document.
5th May, 1886— 5th June, 1886.	Copy of correspondence with the Crown Agents relative to the amount of commission chargeable by them for paying of debentures for the New Zealand Government.

*Enclosure A in No. 47.*

The CROWN AGENTS to the COLONIAL OFFICE.

SIR,—

Downing Street, London, 5th May, 1886.

We have been paying for some years the interest and managing the drawings of the New Zealand five-per-cent. Consolidated Loan (Acts 1867, &c.), and we have received from the Government of that colony the usual commission on the interest payments, and on the debentures paid off. Last year, in response to an advertisement issued by the New Zealand Stock Agents, debentures to the amount of £3,579,300, were converted into four-per-cent. inscribed stock, with interest payable at the Bank of England. The numbers of the converted debentures were not withdrawn from the bags from which the drawings are made; practically the operation has been treated as if the Colonial Government had become the purchasers of the converted debentures. This course was followed in order that the conditions on which the debentures were issued should be strictly observed. The Government still contributes to the sinking fund the amounts which it would have paid had no such conversion taken place, receiving back from us the amount of drawn debentures which had been converted.

The question arises whether we should charge our usual commission for paying off debentures on the whole amount drawn, or whether we should confine it to the amount paid to the debenture-holders. This year the drawing resulted in the following proportions: Belonging to converted debentures, £106,900; to debentures belonging to the public, £49,600. Our commission, if charged on the whole amount, would be £782 10s., and if on the £49,600 paid to the public it would be £248. It appears to us that the Colonial Government would have no just cause of complaint if we demanded the larger amount, but seeing that the trouble and risk of paying such a large sum to the Colonial Government is much less than repaying a similar amount of debentures in much detail, and being anxious to avoid the appearance even of claiming what might be considered was not due to us, we propose, with Lord Granville's sanction, to apply for the smaller amount only. The decision in this case will serve for our guidance in future.

Hon. R. H. Meade, C.B., &c., Colonial Office.

I have, &c.,

W. C. SERGEAUNT.

*Enclosure B. in No. 47.*

The COLONIAL OFFICE to the CROWN AGENTS.

GENTLEMEN,—

In reply to your letter of the 5th ultimo. I am directed by Earl Granville to inform you that he concurs in the course which you propose to take with respect to the amount of commission chargeable by you to the Government of New Zealand for paying off debentures in connection with the Colonial 5-per-cent. Consolidated Loan (Acts 1867, &c.).

The Crown Agents for the Colonies.

I have, &c.,

J. BRAMSTON.

No. 48.

The GOVERNOR to the SECRETARY of STATE for the COLONIES.

MY LORD,—

Government House, Wellington, 14th August, 1886.

With reference to your lordship's Despatch, No. 41, dated the 17th June last, transmitting for the information of my Government copy of correspondence between the Colonial Office and the Crown Agents relative to the amount of commission chargeable by them for paying off debentures for the New Zealand Government, I have the honour to forward herein a copy of a memorandum from my Ministers expressing their thanks to the Crown Agents for the consideration shown by them in the transaction.

The Right Hon. Earl Granville.

I have, &c.,

WM. F. D. JERVOIS.

*Enclosure in No. 48.*

MEMORANDUM for his EXCELLENCY.

The Premier has the honour to return to His Excellency Despatch, No. 41, of the 17th June last from the Right Hon. the Secretary of State for the Colonies, relative to the amount of commission chargeable by the Crown Agents for paying off debentures of this Government, and respectfully to request His Excellency to be good enough to ask the Secretary of State to thank the Agents for their consideration, as shown in the correspondence.

Premier's Office, Wellington, 6th August, 1886.

ROBERT STOUT.

No. 49.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 11th March, 1887.

We have the honour to enclose an account current between the New Zealand Government and ourselves, showing the sums received on account of the £1,567,800 loan, issued under the provisions of "The New Zealand Loan Act, 1886," and "The District Railways Purchasing Acts, 1885 and 1886," and the payments made from time to time on the same account. You will observe that the total moneys received for subscriptions to the loan is £1,524,666 10s. The discounts on the instalments paid up by anticipation come to £1,426 15s. 2d., and the allowance to bankers and brokers (on £1,510,000 subscribed through them) is £3,775.

The bank's commission for bringing out the loan,  $\frac{1}{2}$  per cent., is £7,839, and the amount paid to the Inland Revenue for the composition of stamp duty is £9,798 15s. The net amount received by the colony (including a small amount of interest on instalments not paid on due dates) is £1,501,337 10s. 9d.

We have, &c.,

F. D. BELL,

(For the Loan Agents.)

The Hon. the Colonial Treasurer, Wellington.

No. 50.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 18th April, 1887.

Adverting to our letter No. 1329, of the 22nd October last, in which we sent you the Stock Agents' Conversion Account up to the 30th September, 1886, we now transmit herewith the account brought down to the 31st March, 1887. The vouchers in support of the account are enclosed.

We have, &c.,

F. D. BELL,

(For the Stock Agents.)

The Hon. the Colonial Treasurer, Wellington.

No. 51.

The COLONIAL TREASURER to the AGENT-GENERAL.

SIR,—

The Treasury, New Zealand, Wellington, 2nd December, 1887.

In reply to your memorandum of the 5th September, No. 1344, I have the honour to inform you that I think Messrs. Mackrell and Co., English Agents under "The Mortgage Debentures Act, 1885," should correspond direct with the Registrar-General of Land on business connected with their agency.

I have, &c.,

H. A. ATRINSON.

The Agent-General for New Zealand, London.

## No. 52.

The AGENT-GENERAL to the COLONIAL TREASURER.

Sir,

7, Westminster Chambers, London, S.W., 19th October, 1887.

Since receiving your letter of the 7th March last, No. 3, transmitting an Order in Council delegating to Sir Penrose Julyan and myself the powers vested in the Governor under "The Lost Debentures Act, 1886," I have conferred with the Government solicitors as to the steps that might be safely taken by the Stock Agents in exercise of those powers, but hitherto I have not been able to see my way to any definite action. I enclose herewith a letter from Messrs. Mackrell, containing suggestions on the subject, to which the Stock Agents will give due consideration before addressing you again.

Hon. the Colonial Treasurer, Wellington.

I have, &amp;c.,

F. D. BELL.

*Enclosure in No. 52.*

DEAR SIR FRANCIS,—

21, Cannon Street, London, 17th October, 1887.

*Lost Debentures.*—As the result of the inquiries which we have made since our last interview with you on this subject, we find that under no circumstances is a fresh debenture issued in the place of a lost debenture, to bearer, by any Government, and, although the practice is by no means uniform, the limit of concession appears to be payment some time after due date of the various coupons, and of the debenture in the same manner, the whole operation being covered by a banker's guarantee. We have made inquiries at the Bank of England, and it appears that in cases where bank notes of £100 or upwards are proved to have been lost or destroyed, the bank will, after a few years, invest in consols, in the name of the Governor of the Bank, the amount of the note, and pay the dividends to the claimant, and, after a lapse of twenty years, will transfer the consols into his name, under a banker's guarantee. We understand that the Crown Agents occasionally pay the amount of coupons which have been lost, upon receiving strict evidence and a bond of indemnity, but their practice in this respect is no doubt known to you.

The provision of "The New Zealand Act (No. 3), 1886," which directs that the Governor, on receiving proof of loss of a debenture and an indemnity to his satisfaction against the claims of all persons deriving title under the lost debenture, may either issue a new debenture or direct the creation of stock in satisfaction of such lost debenture upon such terms as may be agreed upon between the Governor and the person interested, and the delegation by the warrant of the 24th February, 1887, of the powers of the Governor to yourself and Sir Penrose Julyan, as Stock Agents, seems to us to raise and throw upon you the responsibility of deciding the questions as to the amount of proof which you should require; the indemnity which you should take, and the terms upon which you should agree to the creation of any new stock. Many of the debentures of the New Zealand Government have a considerable time to run, and as you have referred it to us to prepare a form of indemnity which we should advise should be used, we would, before doing so, desire to point out that the value of any bond of indemnity which could be taken must practically diminish as time elapses after its execution; so that if no claim under the indemnity arose until the due date of the debenture it might be very difficult then to enforce the rights of the Government under it, since, by reason of the death of the principal, or some of the sureties, and the distribution of their estates by the executors without notice of the claims of the Government under the indemnity, the Government might be driven to follow the assets of the guarantors in the hands of the beneficiaries, a matter always of much difficulty.

We do not, therefore, see that an indemnity by any individual, if given on the issue of a new debenture some years before the due date of the lost debenture, would be any effectual protection to the Government in the event of a claim being made in respect of the supposed lost debenture at its due date, for the amount of the debenture and some arrears of interest. The fact of new debentures being issued by the Government in respect of lost ones might, if the circumstances were known, lead to fictitious applications being made by unscrupulous persons for the issue of new debentures for debentures which were supposed to have been lost, though not so in fact, and this seems to us to be a very formidable objection to the issue of any new debentures at all. Some scheme analagous to that adopted by the Bank of England, to which we have referred, appears to us to be the only method which we can suggest to the Government for adoption in cases where it has been clearly established that the debentures have been lost within the meaning of the New Zealand Act. We think it would be possible to frame a general deed under which stock to the nominal amount of the lost debenture, less expenses, might be created and vested in the names of the Stock Agents upon trust to pay the dividends to the owner of the lost debenture during the currency of the debenture, or until the proper coupons were presented, such payment being made under the guarantee of a banker, or some responsible person who should execute the deed, and after a definite period from the due date of the debenture, to transfer the stock to the owner of the lost debenture, or his representatives, under a similar guarantee. We presume that the number of cases in which debentures or coupons are lost is by no means great, so that it might, perhaps, be desirable to have a form of indemnity and trust deed settled for use in each particular case rather than to have a general deed with schedules applicable to each case. This, however, is a matter of detail, which will have to be carefully considered if the Agents see their way to advising the Government to adopt the suggestion. It has occurred to us that by a small deduction from the interest, and a percentage upon the amount of the debenture, an insurance fund might be gradually formed, though we presume that the number of cases of lost debentures would not be sufficient to raise the fund to any considerable amount. The Guarantee Society guarantees the fidelity of employes, but we are not aware that they extend their business to such guarantees as we have referred to above.

We await further instructions before proceeding with the matter.

The Agent-General for New Zealand.

We have, &amp;c.,

MACKRELL, MATON AND GODLEE.

[Approximate Cost of Paper.—Preparation, nil; printing (1,375 copies), £23 14s. 6d.]

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1888.