

1894.
NEW ZEALAND.

3½-PERCENT. CONVERSION OPERATIONS

(FURTHER CORRESPONDENCE RELATING TO THE).

[In Continuation of B.-21, 1893.]

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

No. 1.

The PREMIER to the AGENT-GENERAL.

(Treasury, No. 42.)

SIR,—

Premier's Office, Wellington, 6th September, 1893.

I have the honour to acknowledge the receipt of your letter of the 7th July last (No. 754)* reporting that debentures for £28,000 of the Lyttelton and Christchurch Railway Loan had come in for payment, and that you were retaining them uncanceled pending instructions from me as to their disposal.

You will already have received my letter of the 15th June (No. 23)† explaining my reasons for deciding to pay off this small parcel, and I have now to request you to be good enough to cancel the debentures and send them out here.

I have, &c.,

J. G. WARD

(For the Premier).

The Agent-General for New Zealand, London.

No. 2.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
31st July, 1893.

(No. 923.)

SIR,—

Lyttelton and Christchurch Railway Debentures.

Referring to my letter (No. 754) of the 7th instant,* I beg to state that two further lots of £200 and £300 respectively of these debentures have come in for payment, and were accordingly paid off through the Union Bank of Australia by means of Commissioners' orders on the 13th and 28th instant.

This completes the number of the outstanding debentures of this issue which matured on the 1st instant, amounting to £28,500.

I attach schedule of the numbers, &c., of the debentures in question, which I retain here uncanceled until I receive your instructions as to their disposal.

I have, &c.,

W. B. PERCEVAL.

The Hon. the Premier, Wellington.

Enclosure in No. 2.

SCHEDULE.

NUMBERS, &c., of £28,500 of the Lyttelton and Christchurch Railway Debentures redeemable on the 1st July, 1893, and paid off accordingly.

Number of the Debentures.	Denomination.	Total Amount.
548/607	£100 each	£6,000
624/636	"	1,300
689/818	"	13,000
821/830	"	1,000
841/848	"	800
852/855	"	400
860/863	"	400
867/870	"	400
874/886	"	1,300
951/954	"	400
966/1000	"	3,500
		£28,500

* Vide B.-21, 1893, No. 85.

† Vide B.-21, 1893, No. 79.

No. 3.

The SECRETARY to the TREASURY to the COMMISSIONER of the PUBLIC DEBTS SINKING FUNDS.
(No. 592.)

SIR,—

The Treasury, Wellington, 12th September, 1893.

I have the honour to inform you that £28,500 debentures issued under the provisions of "The Lyttelton and Christchurch Railway Loan Act, 1860," due 1st July last, have been paid off out of funds at credit of the New Zealand Public Account, London; and I beg now to apply that the equivalent cash or securities in your hands arising from the investment of sinking funds of the above loan may be handed to the Treasury at your early convenience.

I have, &c.,

JAMES B. HEYWOOD,
Secretary.

The Chairman of the Commissioners of the Public Debts Sinking Funds,
Government Buildings.

No. 4.

The AGENT-GENERAL to the PREMIER.

(No. 924.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
31st July, 1893.

SIR,—

In accordance with the instructions contained in your (Treasury) letter (T. 93/565, No. 20) of the 18th May last,* I placed myself in communication with the Crown Agents on the subject of doing away with the practice of remitting the full amount of the sinking fund required for the annual drawings of the 5-per-cent. consol. bonds, and herewith I transmit copy of the correspondence which has taken place in respect thereto.

You will observe that the Crown Agents place no difficulty in the way of the proposals. On the contrary, they suggest an arrangement which is similar to that which you indicate in the third paragraph of your letter (No. 20) of 18th May last.

The question whether the sinking fund should nominally accumulate at the Crown Agents' or in the colony is not one, I think, of much importance. If it was assumed to accumulate in the colony, a larger rate of interest could be allowed on the accumulations than that which would be credited by the Crown Agents, which would not probably exceed 1 or 1½ per cent., and the result would be that the amount available for the drawing would be somewhat increased; but on the other hand it might be expedient, and probably would be more convenient, if the fund remained domiciled nominally at the Crown Agents'.

In either case the quarterly amounts to be remitted from the colony would be limited to that of the interest payable on the outstanding bonds.

With regard to the conversion of the outstanding bonds, it would be necessary in any case to invite the holders, by means of advertising, to bring in their bonds for conversion into 3½-per-cent. stock on certain terms, and this announcement would of course reach the stock exchange; but nothing further would be required, and such announcement would not, I think, affect our stocks or any other operation in connection therewith.

I have, &c.,

W. B. PERCEVAL.

Enclosure 1 in No. 4.

GENTLEMEN,—

13, Victoria Street, London, S.W., 13th July, 1893.

You are aware that in each year the larger portion (amounting to about three-fourths) of the sinking fund provided for the paying-off the 5-per-cent. consol. bonds drawn in each year is repaid to my Government, as representing the holders of those bonds which have been converted into stock. Under the present system of providing the sinking fund, this process involves the remitting from, and then back again to, the colony of large sums; with its accompanying expense—namely, cost of exchange, loss of interest, payment of stamp duty on drafts, &c.

Under these circumstances, my Government have under their consideration a proposal to furnish you quarterly with sufficient funds to meet the interest on those bonds which are still in the hands of the public, and then at the proper times in each year to notify and provide you with the amount of available sinking fund, so that the drawing and consequent paying-off of the drawn bonds may be duly proceeded with.

In reference to the above proposal, I have been desired by my Government to bring it under your notice in order that you may communicate to me any remarks or suggestions that you may think fit to make respecting it.

I am, &c.,

The Crown Agents for the Colonies, Downing Street.

W. B. PERCEVAL.

Enclosure 2 in No. 4.

SIR,—

Crown Agents for the Colonies, Downing Street, 19th July, 1893.

I have to acknowledge the receipt of your letter of the 13th instant, relative to the system under which funds have hitherto been provided to meet the annual drawings of the 5-per-cent. consol. debentures, and to state that it appears to us that it will not be possible for you to notify to us beforehand the amount which will be required for a particular drawing. The exact proportion of drawn tickets representing converted bonds cannot be known till the drawing has taken place, and on this the amount to be provided to meet the drawing entirely depends.

2. The following arrangement will, however, obviate the necessity of incurring the expenses which are at present entailed on the colony and effect the object which you have in view. In each year, shortly before the issue of the advertisement of the drawing, we propose to write to you stating the maximum amount of sinking fund contribution and interest on drawn bonds which could be applied to the proposed drawing, and asking whether you would be prepared to place so much of that amount as the result of the drawing may show to be required to the credit of our

* Vide B.-21, 1893, No. 72.

account on a given date. On receiving your reply, we should advertise the drawing, and as soon as it was over make application to you for the exact amount wanted to redeem the drawn outstanding bonds. On hearing that this arrangement meets with your concurrence, we will adopt it in future.

The Agent-General for New Zealand, 13, Victoria Street.

I have, &c.,

M. F. OMMANNEY.

Enclosure 3 in No. 4.

GENTLEMEN,—

13, Victoria Street, S.W., 29th July, 1893.

I have to acknowledge the receipt of your letter of the 19th instant respecting the proposals which are under the consideration of my Government with reference to the sinking fund provided for the paying-off of the 5-per-cent. consol. bonds; and I am much obliged for the consideration you have given to them, and for the suggestions you make as regards an arrangement which appears to you would meet the object my Government have in view.

With regard to the first paragraph of your letter, I think it was written under some misapprehension, arising probably from my not having explained the proposals sufficiently clearly.

The amount which I stated would be notified to you at the proper time in each year was not that which would be required to pay off the drawn outstanding bonds, but that of the whole amount available for the drawing, and this latter amount could be arrived at either by the mode you have suggested or by the sinking fund being allowed to accumulate in the colony, or elsewhere, as may be determined by my Government. Then, on your being informed of the amount thus available, the drawing would be proceeded with, and, on your notifying the results to me, you would be furnished with the amount required to pay off the drawn outstanding bonds.

I am sending a copy of our correspondence to my Government, who will now no doubt be able to determine the course which they think fit to pursue in the matter.

The Crown Agents for the Colonies, Downing Street.

I am, &c.,

W. B. PERCEVAL.

No. 5.*

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,

1st August, 1893.

(No. 925.)
SIR,—

I beg to transmit herewith copy of correspondence relating to the payment of stamp duty composition on the 3½-per-cent. consolidated stock into which the £500,000 Imperial-guaranteed debentures were converted.

It appeared to me that the circumstances under which the conversion was effected justified me in asking that the colony should be relieved of the payment of the stamp duty in question. It will be seen, however, that, although my representations received the support of the Colonial Office, the Lords Commissioners of Her Majesty's Treasury declined to take the favourable view of the matter which I consider the colony had a right to expect, and refuse to recommend that the concession for which I ask be granted.

I have, &c.,

W. B. PERCEVAL.

Enclosure 1 in No. 5.

SIR,—

13, Victoria Street, London, S.W., 23rd March, 1893.

Referring to my letter of the 15th instant informing you that the £500,000 New Zealand Government debentures guaranteed by the Imperial Government have been cancelled, I beg leave to ask that you will request the Marquis of Ripon to move Her Majesty's Government to release my Government from the payment of the stamp duty, which will become payable in completing the necessary arrangements surrounding this operation, by which the Imperial Government have been relieved of the liability attached to the guarantee covering the debentures in question, and which otherwise would have held good for another twenty-two years. The release and consequent cancellation of the debentures has necessitated the issue of an equivalent amount in value of New Zealand 3½-per-cent. stock, and this stock is subject, under ordinary circumstances, to the payment of stamp duty at the rate of 12s. 6d. per cent., and it is from this payment I beg leave to represent to Her Majesty's Government that, in consideration of the advantage which has accrued to them, it would be right and proper that my Government should be relieved.

I feel confident that Her Majesty's Government will give this request their most favourable consideration, and in connection therewith I venture to point out that their granting it will not involve any actual payment from the Imperial funds, as the stamp duty thus collected forms part of the Imperial revenue. Her Majesty's Government will, I feel sure, refrain from taking advantage of not only the release of further liability in connection with the debentures, but also of the amount of the stamp duty which would accrue to the Imperial revenue at the expense of my Government when carrying into effect the arrangements which it has been necessary to make for that purpose, and which have, without any expense to Her Majesty's Government, resulted to their considerable advantage.

I must of course leave it to the Imperial authorities to determine how this relief can be effected, whether by their authorising the non-payment of the stamp duty, or by reimbursing my Government the amount as soon as it is paid to the inland revenue.

The Under-Secretary of State for the Colonies.

I am, &c.,

W. B. PERCEVAL.

Enclosure 2 in No. 5.

SIR,—

Colonial Office, Downing Street, 26th May, 1893.

With reference to your letter of the 23rd March last, asking that the New Zealand Government might be relieved of the payment of stamp duty composition on the colonial stock issued in the place of the New Zealand Government (guaranteed) debentures, I am directed by the Marquis of Ripon to transmit to you, for your information, a copy of a letter (19th May, 1893) from the Department of the Lords Commissioners of the Treasury on the subject.

The Agent-General for New Zealand.

I am, &c.,

EDWIN FAIRFIELD.

Enclosure 3 in No. 5.

SIR,—

Treasury Chambers, 19th May, 1893.

The Lords Commissioners of Her Majesty's Treasury have had under their consideration the letters which you forwarded to this Board on the 28th March last, and in which the Agent-General for New Zealand prefers a claim on behalf of his Government to be relieved of the payment of stamp duty composition on the colonial stock issued in the place of the New Zealand Government (guaranteed) debentures.

In reply I am directed to request that Lord Ripon will point out to the Agent-General that the payment in question is a charge which the Imperial Parliament has seen fit to impose upon Colonial Governments who, for their own reasons, seek to free their stocks from future liability to transfer duty, and that Her Majesty's Government have no power to dispense with the statutory requirement.

This being the case, my Lords are, to their regret, unable to comply with the request of the New Zealand Government.

The Under-Secretary of State, Colonial Office.

I am, &c.,

R. E. WELBY.

* For previous correspondence on this matter; see B.—22, 1893.

Enclosure 4 in No. 5.

SIR,—

13, Victoria Street, S.W., 2nd June, 1893.

I have the honour to acknowledge the receipt of your letter of the 26th ultimo transmitting for my information a copy of a letter from the Department of the Lords Commissioners of the Treasury in which it is stated that my Lords are unable to comply with the request of my Government to be relieved of the payment of the stamp duty on the stock issued in the place of the debentures which were covered by the guarantee of the Imperial Government.

I beg leave to express regret at the view taken by Her Majesty's Treasury of the request which I had the honour to make on behalf of my Government, more especially as, in specifying the grounds on which that view is based, and which Lord Ripon has been requested to point out to me, my Lords altogether ignore the very special circumstances of the case, and which I submit were such as to justify my Government in expecting that the comparatively slight relief applied for would be conceded without hesitation.

I am well aware that the stamp duty on colonial stocks represents a statutory requirement of the Imperial Parliament, and, as no doubt Her Majesty's Treasury are cognisant of, this requirement has always been met by my Government without demur. It is possible, also, that Her Majesty's Government have no power under any circumstances to dispense with it. But such formal inability ought not to stand in the way of doing what I suggested in my letter to you of the 23rd March last—namely, of reimbursing my Government the amount of the stamp duty as soon as it is paid to the inland revenue. Such a course is one which no doubt Her Majesty's Government could easily find means of carrying into effect.

Inasmuch, therefore, as Her Majesty's Government have not apparently considered the request which I made on behalf of my Government as the justice of the case appears to me to demand, I beg permission to request that it will be made the subject of reconsideration on the special grounds that the New Zealand Government have relieved Her Majesty's Government of a considerable liability attached to the guarantee covering the debentures in question; that in doing this my Government have on their part incurred considerable additional liability; and that, therefore, it is a perfectly justifiable request on their part that Her Majesty's Government should co-operate with them, at all events to the extent which I have now the honour to again press upon their favourable consideration, or in such other way as, while equivalent thereto, may be more consonant with the requirements of Her Majesty's Treasury.

I have, &c.,

W. B. PERCEVAL.

The Under-Secretary of State for the Colonies.

Enclosure 5 in No. 5.

SIR,—

Colonial Office, Downing Street, 25th July, 1893.

With reference to your further letter of the 2nd ultimo, respecting the application on behalf of the Government of New Zealand to be relieved of the payment of stamp duty composition on the colonial stock issued in the place of the New Zealand Government (guaranteed) debentures, I am directed by the Marquis of Ripon to transmit to you, for your information, copy of a letter (C.O., 24th June, 1893) which his Lordship caused to be addressed on the subject to the Lords Commissioners of the Treasury, together with a copy of the reply (Treasury, 11th July, 1893) received from that department.

I am, &c.,

R. H. MEDE.

The Agent-General for New Zealand, 13, Victoria Street.

Enclosure 6 in No. 5.

SIR,—

Downing Street, 24th July, 1893.

With reference to your letter of the 19th May last, respecting the application made on behalf of the Government of New Zealand to be relieved of the payment of stamp duty composition on the colonial stock issued in the place of the New Zealand Government (guaranteed) debentures, I am directed by the Marquis of Ripon to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a further letter (2nd June, 1893) from the Agent-General urging a reconsideration of their Lordships' decision in this matter.

The Colonial Government have redeemed debentures carrying 4 per cent., and have substituted a loan at 3½ per cent. The only reason given for the present application is that the change has relieved their Lordships from the guarantee for which the debentures were given. Lord Ripon would suggest, however, that a further reason for meeting the wishes of the Colonial Government may be found in the fact that the loan is issued to obtain £500,000 in order that that sum may be paid to their Lordships, and it cannot but appear ungracious to tax a loan which is raised to pay the Treasury, and not for expenditure in the colony.

Lord Ripon would be glad if their Lordships should be able to find means for reimbursing the New Zealand Government an amount equivalent to the amount of the stamp duty when paid to the inland revenue, or to meet the wish of that Government in any other way which may appear to them to be possible.

I am, &c.,

R. H. MEDE.

The Secretary to the Treasury.

Enclosure 7 in No. 5.

SIR,—

Treasury Chambers, 11th July, 1893.

I am directed by the Lords Commissioners of Her Majesty's Treasury to acknowledge the receipt of your letter of the 24th ultimo, enclosing copy of a further letter from the Agent-General for New Zealand, claiming that the Imperial Government ought to repay to the New Zealand Government the amount of the stamp duty composition on the new stock issued in place of the £500,000 guaranteed debentures of 1865.

2. The Agent-General bases his claim "on the special grounds that the New Zealand Government have relieved Her Majesty's Government of a considerable liability attached to the guarantee covering the debentures in question." But their Lordships would request you to point out to the Secretary of State for the Colonies—firstly, that this liability was originally incurred on behalf not of the Imperial but of the Colonial Government, who, as the Crown Agents themselves admitted in 1865, could not otherwise have raised the £500,000 required to meet their liabilities except at "a ruinous sacrifice"; secondly, that the immediate object of the New Zealand Government in redeeming the bonds was not to relieve the Imperial Government of any liability caused by the guarantee, but, as stated by the Agent-General in his letter to you of the 26th August, 1892, to facilitate the conversion and consolidation of the public debt of the colony; and, thirdly, that the relief rendered to the Imperial Government by that redemption was, as my Lords are sure the New Zealand Government would be the first to admit, a relief from a nominal liability only.

3. The Secretary of State urges the further consideration that it would be "ungracious to tax a loan which is raised to pay the Treasury, and not for expenditure in the colony." His Lordship's words would seem to imply that the New Zealand Government are raising a new loan in order to pay off an outstanding debt to the Imperial Government; but my Lords would submit that the utmost that can fairly be said is that the Colonial Government are substituting new stock in the place of debentures which were issued in 1865 in order to discharge the then existing debt to the Imperial Government for expenditure incurred on behalf of the colony before 1865. My Lords cannot accept any claim on the part of the colony for exceptional treatment on the ground that the 1865 debentures were issued in order to pay off an Imperial debt, for such claims are wholly barred, in their opinion, by the final settlement of 1868. Neither can they accept the argument that those debentures are being converted in order to discharge that debt. As a matter of fact, the Colonial Government have not undertaken that measure in order to make any payment at all to the Imperial Government, but have simply taken advantage of their improved credit to convert part of their public debt in their own interests.

4. That the New Zealand Government should be in a position successfully to carry out the conversion is, my Lords are glad to feel, a matter for congratulation to the colony; but, so far as Imperial interests are concerned, their Lordships cannot, for the reasons shown above, admit that any sufficient argument in favour of waiving the

Imperial stamp duty on the new stock can be drawn from the fact that the redemption of the 1863 debentures relieves the Imperial Government from a theoretical liability, or that the stock so redeemed was originally issued in order to discharge a debt to the Imperial Government.

5. Their Lordships, in these circumstances, regret that they do not feel justified in recommending Parliament to make an exceptional concession in the case now submitted by the Agent-General for New Zealand.

The Under-Secretary of State, Colonial Office.

I am, &c.,
R. E. WELBY.

Enclosure 8 in No. 5.

SIR,—

13, Victoria Street, S.W., 28th July, 1893.

I have the honour to acknowledge the receipt of your letter of the 25th instant, transmitting copy of correspondence with the Lords Commissioners of the Treasury respecting the payment of stamp duty on the colonial stock issued in place of the New Zealand Imperial-guaranteed debentures, and, in reference thereto, to request you to convey to the Marquis of Ripon the thanks of my Government for the cordial support which he gave to my representation.

While regretting that, notwithstanding the special nature of the transaction in which Her Majesty's Government were, I still maintain, materially interested, the Lords Commissioners of Her Majesty's Treasury have arrived at a decision unfavourable to my Government, I venture to express my appreciation of the careful consideration which their Lordships have evidently given to the subject.

The Under-Secretary of State for the Colonies.

I have, &c.,
W. B. PERCEVAL.

No. 6.

The PREMIER to the AGENT-GENERAL.

(Treasury, No. 44.)

SIR,—

Premier's Office, Wellington, 14th September, 1893.

I have the honour to acknowledge the receipt of your letter of the 1st ultimo (No. 925) enclosing copy of correspondence which had passed between yourself and the Colonial Office, based upon your application for the Imperial Treasury to release this colony from the obligation to pay the composition stamp duty on the 3½-per-cent. stock created in respect of the half-million guaranteed debentures, and to thank you for making the claim and your forcible advocacy of it.

The Government exceedingly regret that the Lords Commissioners did not see their way to grant the application, which, it appears to them, was both reasonable and equitable.

I have, &c.,

J. G. WARD

The Agent-General for New Zealand, London.

(For the Premier).

No. 7.

The AGENT-GENERAL to the PREMIER.

(No. 982.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

14th August, 1893.

Referring to my letter (No. 924) of the 31st July last, I beg to transmit herewith copy of letter which I have since received from the Crown Agents, in which, in acknowledging the receipt of my letter to them of the 29th July (copy of which went with my letter to you of the 31st July), they express their readiness to give effect to any practicable arrangements which will meet with the Government's wishes in respect to the future payment of interest and sinking fund on the 5-per-cent. consol. bonds.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

Enclosure in No. 7.

Crown Agents for the Colonies, Downing Street, 10th August, 1893.

New Zealand.

I have to acknowledge the receipt of your letter, dated the 29th July, relative to the annual drawings of the New Zealand Government 5-per-cent. consol. bonds. We shall be anxious to give effect to any practicable arrangement which will meet the wishes of the Government of New Zealand.

The Agent-General for New Zealand, 13, Victoria Street.

I am, &c.,

M. F. OMMANNEY.

No. 8.

The PREMIER to the AGENT-GENERAL.

(No. 46.)

SIR,—

Premier's Office, Wellington, 4th October, 1893.

Referring to your despatches (Nos. 924 and 982) of the 31st July and 14th August last, on the subject of doing away with the practice of remitting the full amount of the sinking fund required for the annual drawings of the 5-per-cent. consols, I am pleased to notice that the Crown Agents have signified their readiness to give effect to any practicable arrangements we can come to in the matter of simplifying the interest charges on the loan, and I hope to be able to advise you of definite proposals at an early date.

I have, &c.,

J. G. WARD

The Agent-General for New Zealand, London.

(For the Premier).

No. 9.

The PREMIER to the AGENT-GENERAL.

(Treasury, No. 54.)

SIR,—

Premier's Office, Wellington, 27th October, 1893.

I enclose herewith copy of a memorandum by the Assistant Controller and Auditor, dated the 18th instant, asking for information respecting the amounts of stock created for the purpose of paying off the £400,000 debentures issued under "The Public Revenues Act, 1887," and the £500,000 (guaranteed) debentures of the loan of 1863, which I shall be glad if you will supply. I assume the issues of stock (£420,000 and £610,000) have only been made on account of the amount actually required after all expenses shall have been defrayed.

With regard to the concluding paragraph of Mr. Gavin's memorandum, I am anxious for a definite settlement of the Conversion Account both in the London and Treasury books, and therefore hope you will take the matter in hand with your usual promptitude.

The Agent-General for New Zealand, London.

I have, &c.,

R. J. SEDDON.

(No. 201.)

Enclosure in No. 9.

CONVERSION ACCOUNT.

Secretary to the Treasury.

Audit Office, 18th October, 1893.

I SHALL be much obliged if you will kindly inform me whether the £610,000 of 3½-per-cent. inscribed stock created in respect of the conversion of the £500,000 debentures of the loan of 1863 represents the stock which the Stock Agents handed over in exchange for the debentures as if the operation had taken place between them and the public, or whether the amount created is simply so much on account of whatever stock may be required to provide, by sales now being effected, the cash payment of £585,000 to the Bank of England, and to cover stamp duty and other expenses attending the conversion of these debentures.

A similar question arises with regard to the £420,000 3½-per-cent. inscribed stock created in respect of the debentures for £400,000 issued under "The Public Revenues Act, 1887."

I take this opportunity of saying how desirable it is that a settlement of the Conversion Account as between the Stock Agents and the Treasury should be made up to a particular point, so that the balance at debit in respect of which stock can be created (if any) to close the account may be determined. The reason is, there are certain differences between the Stock Agents' and the Treasury accounts, to which attention was called some time ago, arising from a difference of opinion as to the inclusion or otherwise of certain items of receipts and expenditure.

JAMES C. GAVIN,

Assistant Controller and Auditor.

No. 10.

The AGENT-GENERAL to the PREMIER.

(No. 1162.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

7th October, 1893.

SIR,—

I beg to transmit herewith copies of contract notes for the sale of 3½-per-cent. stock, in continuation of those enclosed with my letter (No. 1048) of the 9th September last.

Since the 1st September there has been sold £81,216 10s. 4d. of stock, realising £77,040 12s. 11d. net, of which £18,899 6s. 6d. was paid into the Public Account on the 15th September last, and £29,617 0s. 11d. on the 29th of that month; and the balance, £28,524 5s. 6d., will be paid in on the 13th instant. These sales reduce the amount of unsold stock to £305,338 17s. 7d.

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 11.

The AGENT-GENERAL to the PREMIER.

(No. 1182.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

13th October, 1893.

SIR,—

I beg to transmit herewith copy of contract note for the sale of £7,500 of 3½-per-cent. stock, in continuation of those enclosed with my letter (No. 1162) of the 7th instant.

The net proceeds of the sale of this parcel of stock, together with those previously sold, also for to-day's account, amounting in all (after deducting 11s. 6d., cost of power of attorney) to £35,686 14s. 6d., have been paid into the Public Account.

The balance left of unsold 3½-per-cent. stock now amounts to £297,838 17s. 7d.

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 12.

The AGENT-GENERAL to the PREMIER.

(No. 1246.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

20th October, 1893.

SIR,—

I beg to transmit herewith copy of contract note for the sale of £5,000 3½-per-cent. stock in continuation of that enclosed with my letter (No. 1182) of the 13th instant.

The net proceeds of the sale of this parcel of stock will go into the Public Account on the 29th instant.

The balance now of unsold 3½-per-cent. stock is £292,838 17s. 7d.

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 13.

The AGENT-GENERAL to the PREMIER.

(No. 1321.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
2nd November, 1893.

SIR,—

I beg to transmit herewith copy of contract notes for the sale of £15,000 3½-per-cent. stock, in continuation of that enclosed with my letter (No. 1246) of the 20th October last.

The net amount of these parcels of stock was paid into the Public Account on the 27th October.

The Hon. the Premier, Wellington.

I have, &c.,
W. B. PERCEVAL.

No. 14.

The AGENT-GENERAL to the PREMIER.

(No. 1355.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
4th November, 1893.

SIR,—

Referring to my letter (No. 1321) of the 2nd instant, I beg to transmit herewith copy of contract note for the sale of £25,000 3½-per-cent. stock.

The proceeds (£23,874 19s.) of this sale will be paid into the Public Account on the 15th instant.

The amount of unsold 3½-per-cent. stock is thus reduced to £257,838 17s. 7d.

The Hon. the Premier, Wellington.

I have, &c.,
WALTER KENNAWAY
(For the Agent-General).

No. 15.

The AGENT-GENERAL to the PREMIER.

(Memorandum.—No. 1348.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
4th November, 1893.

Lyttelton and Christchurch Railway Loan.

REFERRING to the honourable Minister's letter (Treasury, No. 42), of the 6th September last, I beg to state that, by the mail-box which will be shipped by the s.s. "Rimutaka" next week, the £28,500 debentures of the Lyttelton and Christchurch Railway Loan, which have been duly cancelled in accordance with the honourable Minister's instructions, will be forwarded to the Treasury.

I attach copy of the Audit Officer's certificate giving the number of the debentures.

W. B. PERCEVAL.

Enclosure in No. 15.

The Agent-General.

I HEREBY certify that I have examined and cancelled the under-noted Lyttelton and Christchurch Railway debentures:—

Nos.	548 to	607	..	..	..	..	..	..	..	..	..	60
"	624 to	636	..	..	..	..	..	..	..	..	..	13
"	689 to	818	..	..	..	..	..	..	..	..	..	130
"	821 to	830	..	..	..	..	..	..	..	..	..	10
"	841 to	848	..	..	..	..	..	..	..	..	..	8
"	852 to	855	..	..	..	..	..	..	..	..	..	4
"	860 to	863	..	..	..	..	..	..	..	..	..	4
"	867 to	870	..	..	..	..	..	..	..	..	..	4
"	874 to	886	..	..	..	..	..	..	..	..	..	13
"	951 to	954	..	..	..	..	..	..	..	..	..	4
"	966 to	1,000	..	..	..	..	..	..	..	..	..	35
												<u>285</u>

285, at £100 each, £28,500.

Audit Office, London, 3rd November, 1893.

C. F. WRAY PALLISER,
Audit Officer.

No. 16.

The AGENT-GENERAL to the PREMIER.

(No. 1391.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
10th November, 1893.

SIR,—

Referring to my letter (No. 1355) of the 4th instant, I beg to transmit herewith copy of contract note for the sale of £11,192 9s., 3½-per-cent. stock.

The proceeds (£10,716 14s. 6d.) of this sale will be paid into the Public Account on the 15th instant.

The amount of unsold 3½-per-cent. stock is thus reduced to £246,641 8s. 7d.

The Hon. the Premier, Wellington.

I have, &c.,
W. B. PERCEVAL.

No. 17.

The AGENT-GENERAL to the PREMIER.

(No. 1402.) Westminster Chambers, 13, Victoria Street, London, S.W.,
SIR,— 17th November, 1893.

Referring to my letter (No. 1391) of the 10th instant, I beg to transmit herewith copy of contract notes for the sale of £12,077 17s. 5d. and £25,000 3½-per-cent. stock.

The proceeds of the sale of the first-named lot was paid into the Public Account on the 15th instant, and those of the sale of the £25,000 stock will go into the Public Account on the 30th instant.

The amount of unsold 3½-per-cent. stock is thus reduced to £209,568 11s. 2d.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

No. 18.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 1433.) Westminster Chambers, 13, Victoria Street, London, S.W.,
SIR,— 30th November, 1893.

I beg to transmit herewith the under-mentioned statements of accounts, namely:—

1. Statement showing the financial result of the various transactions which have passed between the Stock Agents and the Public Account from 1st April, 1893, to 30th September, 1893.

2. Statement showing (1) amount of stock in hand on the 1st April, 1893; (2) amount of stock sold; (3) amount of proceeds of sales; and (4) amount of stock in hand on the 30th September, 1893.

In statement No. 1 you will observe that the sum of £3,333 6s. 8d. has been placed to credit. In the arrangement made with the Bank of England the £500,000 guaranteed debentures were delivered over with the May coupon attached, representing six months' interest from 1st November, 1892; while the interest on the 3½-per-cent. stock into which the debentures were converted commenced only from 1st January, 1893, and thus for two months no interest was paid.

On the other hand, in the case of the £400,000 debentures issued under "The Public Revenues Act, 1887," interest thereon was paid up to the 1st March, 1893, while from the 1st January, 1893, interest was running on the £420,000 3½-per-cent. stock into which the debentures were converted; and there being thus double interest for two months, from 1st January to 1st March, 1893, the amount of interest on the 3½-per-cent. stock for that period has been placed to debit.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

Enclosure 1 in No. 18.

STATEMENT showing the Financial Result of the Various Transactions which have passed between the Stock Agents and the Public Account from the 31st March, 1893, to the 30th September, 1893, with respect to the Conversion of the Public Debt.

1893.	Dr.	£	s.	d.	1893.	Cr.	£	s.	d.
April 14.	Received from the Crown Agents on account of drawn converted bonds	42,425	0	0	April 1.	Balance in favour of Stock Agents	7,914	6	7
June 14.	Commissioners' order on Public Account	500	0	0	" 14.	Paid to Public Account	42,425	0	0
July 1.	Half-year's dividend on £3,839 5s. 6d. 3½-per-cent. stock, less income-tax ..	65	4	7	May 1.	Interest saved to colony—namely, 4 per cent. on £500,000 Imperial-guaranteed debentures for two months, from 1st November to 31st December, 1892 ..	3,333	6	8
	Interest on £420,000 3½-per-cent. stock for two months, from 1st January to 1st March, 1893	2,450	0	0	Sept. 30.	Interest on balances	80	2	2
Sept. 30.	Balance in favour of Stock Agents	8,312	10	10					
		<u>£53,752</u>	<u>15</u>	<u>5</u>			<u>£53,752</u>	<u>15</u>	<u>5</u>

W. B. PERCEVAL,
For the Stock Agents.

C. WRAY PALLISER, Audit Officer.

Enclosure 2 in No. 18.

STATEMENT showing (1) Amount of Stock in hand on the 1st April, 1893; (2) Amount of Stock sold; (3) Amount of Proceeds of Sales; and (4) Amount of Stock in hand the 30th September, 1893.

1893.		Dr.		£	s.	d.	1893.		Cr.		Proceeds of Sale.		Amount of Stock.			
											£	s.	d.	£	s.	d.
April 1.	Balances of Stock in hand as follows:						April 13.	Amount of 3½-per-cent. Stock sold			29,012	9	0	30,000	0	0
	Amount of 3½-per-cent Stock held by the Bank of England			613,839	5	6		Ditto ditto ..			36,862	9	0	35,000	0	0
	Amount of 4-per-cent. Stock held by the Bank of England			140,000	0	0	May 12.	Amount of 3½-per-cent. Stock sold			2,501	14	6	2,627	2	3
	Amount of 4-per-cent. Stock held by the Agent-General and Audit Officer			36,191	5	5	" 31.	Amount of 4-per-cent. Stock sold (part of release Sinking Fund)			16,522	8	0	16,000	0	0
								Amount of 3½-per-cent. Stock sold			18,949	18	0	20,000	0	0
							June 15.	Amount of 4-per-cent. Stock sold (part of release Sinking Fund)			92,459	15	0	89,000	0	0
								Amount of 3½-per-cent. Stock sold			104,158	17	5	109,536	7	9
								Amount of 4-per-cent. Stock (held by Agent-General and Audit Officer) ..			37,638	4	11	36,191	5	5
							" 29.	Amount of 3½-per-cent. Stock sold			18,774	19	0	20,000	0	0
							July 28.	Amount of 3½-per-cent. Stock sold			3,967	14	0	4,221	0	3
							Aug. 16.	Amount of 3½-per-cent. Stock sold			25,562	16	3	27,060	1	10
							" 31.	Amount of 3½-per-cent. Stock sold			9,399	19	0	10,000	0	0
							Sep. 15.	Amount of 3½-per-cent. Stock sold			18,899	6	6	20,000	0	0
							" 29.	Amount of 3½-per-cent. Stock sold			29,617	0	11	31,216	10	4
								Total amount of net proceeds paid into the Public Account			<u>£444,327 11 6</u>					
							" 30.	Balance of 3½-per-cent. Stock in hand								
								Amount held by Bank of England			3,839	5	6			
								Amount held by Agent - General and Audit Officer			<u>335,338 17 7</u>					
													339,178	3	1	
													<u>£790,030 10 11</u>			

C. WRAY PALLISER, Audit Officer.

W. B. PERCIVAL, Agent-General.

No. 19.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
30th November, 1893.

(No. 1434.)
SIR,—

Referring to my letter (No. 1402) of the 17th instant, I beg to transmit herewith copies of contract-notes for the sale of £37,147 1s. 3d. of 3½-per-cent. Stock.

The proceeds of the sale of these lots, together with those of the £25,000 stock advised in my above-mentioned letter, amounting in all to £59,778 4s. 6d., have this day been paid into the Public Account.

The amount of unsold 3½-per-cent. Stock held by the Audit Officer and myself is now reduced to £172,421 9s. 11d.

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 20.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
2nd December, 1893.

(No. 1500.)
SIR,—

Referring to my letter (No. 1434) of the 30th ultimo, I beg to transmit herewith contract-note for the sale at 97 of £25,000 3½-per-cent. Stock, the proceeds of which will go into the Public Account on the 14th instant.

This sale reduces the amount of 3½-per-cent. Stock held by myself and the Audit Officer to £147,421 9s. 11d.

I have, &c.,

WALTER KENNAWAY,

For the Agent-General.

The Hon. the Premier, Wellington.

No. 21.

The COLONIAL TREASURER to the AGENT-GENERAL.

(No. 64.)

SIR,—

Premier's Office, Wellington, 24th January, 1894.

The question of doing away with the remittance of money to England in excess of the amount required for the payment of interest on debentures of "The Consolidated Loan Act, 1867" (known as the "consols") remaining in the hands of the public has received my careful consideration, and I have come to the conclusion that our present process of remitting money for payment out of the Public Account, which is very soon after paid back to the same account, is radically unbusiness-like, and results in an unnecessary swelling of our public debt charges. On the other hand, we gain some advantage by being able to strengthen our finances through the proceeds of debentures issued under "The Consolidated Stock Act, 1884," at a period of the year when our resources are somewhat severely tried by the demands made upon them to cover the large obligations for interest falling due at that particular time. On the whole, however, I have decided that the present system should be abandoned after the 15th April next.

Of course, we must not lose sight of the arrangement made with the public with respect to the "annual drawings." I therefore propose to continue to remit the Sinking Fund as well as the interest on the amount of the debentures outstanding each year in the hands of the public. I think this is the proper course to adopt, notwithstanding the fact that the Sinking Fund will come back to us when the bonds are redeemed by means of the sale of inscribed stock issued for the purpose. The issue of this stock will provide an automatic conversion of the remaining bonds after the public have decided the extent to which they will avail themselves of the terms offered by the prospectus proposals.

Touching the method of ascertaining the requirements each year for the "drawing," the second paragraph of the Crown Agents' letter, dated 19th July last, shows the process to be adopted, and I concur in your proposal to find the necessary funds out of the proceeds of sale of inscribed stock as before stated.

I have, &c.,

A. J. CADMAN,

The Agent-General for New Zealand, London.

For the Colonial Treasurer.

No. 22.

The COLONIAL TREASURER to the AGENT-GENERAL.

(No. 63.)

SIR,—

Premier's Office, Wellington, 25th January, 1894.

In looking over our liabilities in respect of Government debentures falling due during the current year, I find that the following amounts mature on the 1st July next, namely: £50,000 New Zealand Loan, 1856; £15,300 Lyttelton and Christchurch Railway Loan, 1860.

With regard to these loans, ample Sinking Funds have accrued in the hands of the Trustees and Commissioners in London and New Zealand, and after careful consideration I have determined to take advantage of the provisions of "The Consolidated Stock Act, 1884," by converting the debentures of the loan of 1856 into 3½-per-cent. Inscribed Stock, which will have the effect of releasing the accrued Sinking Fund, some £50,000 of which will become payable into the Public Works Fund. With regard to the £15,300 Lyttelton and Christchurch Railway Loan Debentures, I shall be glad if you will arrange to have these debentures paid off upon presentation in the same way the £28,500 was paid off last year, and the Commissioners on this side will then provide me with the accrued Sinking Fund or the equivalent in securities. The usual bank-orders for these two sums will be sent to you in due course.

I have, &c.,

A. J. CADMAN,

The Agent-General for New Zealand, London.

For the Colonial Treasurer.

No. 23.

The AGENT-GENERAL to the PREMIER.

(No. 1573.)

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,
14th December, 1893.

Referring to my letter (No. 1500) of the 2nd instant, I beg to transmit herewith copy of contract-note for the sale at 95½ *xd.* of £3,243 12s. 3d. 3½-per-cent. Stock.

The proceeds of the sale of the parcel, as well as those of the £25,000 advised in my letter of the 2nd instant, amounting in all to £27,272 6s. 3d., has this day been paid into the Public Account.

This sale reduces the amount of 3½-per-cent. Stock held by myself and the Audit Officer to £144,177 17s. 8d.

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 24.

The AGENT-GENERAL to the PREMIER.

(No. 1574.)

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,
15th December, 1893.

Referring to my letter (No. 1573) of the 14th instant, I beg to transmit herewith copy of contract-note for the sale at 95½ *xd.* of £25,000 3½-per-cent. Stock.

The proceeds of the sale of this parcel of stock will be paid into the Public Account on the 29th instant.

This sale reduces the amount of 3½-per-cent. Stock held by myself and the Audit Officer to £119,177 17s. 8d.

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 25.

The AGENT-GENERAL to the PREMIER.

(No. 1585.)
Westminster Chambers, 13, Victoria Street, London, S.W.,
27th December, 1893.

SIR,— Referring to your (T. 93/1555) Treasury letter, No. 54, of the 27th October last, and to the memorandum of the 18th of that month by the Assistant Controller and Auditor, copy of which was enclosed with your letter, I beg to state as follows:—

1. The £610,000 $3\frac{1}{2}$ -per-cent. Stock, issued and inscribed out of the £650,000 created in respect of the conversion of £500,000 debentures of the loan of 1863, is so much on account of whatever may be required to provide the £585,000 cash paid to the Bank of England, and to meet the expenses (stamp duty, &c.) attending the conversion of those debentures.

As soon as the sale of the whole of the £610,000 thus issued has been effected, a statement of account can then be prepared which will show how much additional stock (if any) it will be necessary to inscribe and sell in order to meet the cash requirements of the operation.

2. The £420,000 $3\frac{1}{2}$ -per-cent. Stock issued and inscribed out of the £500,000 created in respect of the conversion of the £400,000 debentures issued under "The Public Revenues Act, 1887," stands on a similar footing to that referred to in the preceding paragraph, and a statement of account will be forthwith prepared showing what additional amount of stock it will be necessary to issue and inscribe for the purpose of providing sufficient cash to meet the amount paid for stamp duty and other expenses chargeable in respect to the operation.

The Assistant Controller, in pointing out that it would be desirable to effect a settlement of the Conversion Account, at all events up to a particular point, refers to certain differences between the Stock Agents and the Treasury Accounts, and in your covering letter you also express your wish that such settlement should be completed without delay.

Before this reaches you you will have received the Stock Agents' Account (enclosed with letter No. 1433 of the 30th November last) made up to the 30th September last, and, so far as the Stock Agents are concerned, they have no further accounts to render up to that date. I therefore venture to repeat the suggestion which I made in my letter (No. 1486), of the 29th October, 1892*—namely, that particulars of the differences stated by Mr. Gavin as existing between the Stock Agents' accounts and those of the Treasury be forwarded to me in order that they may be examined by the Stock Agents with the view of their being made good or explained.

The Hon. the Premier, Wellington.

I have, &c.,
W. B. PERCEVAL.

No. 26.

The AGENT-GENERAL to the PREMIER.

(No. 1595.)
Westminster Chambers, 13, Victoria Street, London, S.W.,
27th December, 1893.

SIR,— Referring to my letter (No. 1574) of the 15th instant, I beg to transmit herewith copy of contract note for the sale, at 95 *ad.*, of £50,000 $3\frac{1}{2}$ -per-cent. stock.

The proceeds of this parcel of stock will be paid into the Public Account on the 29th instant.

There being only £69,177 17s. 8d. $3\frac{1}{2}$ -per-cent. stock now remaining in the names of the Audit Officer and myself, the conversion of the £500,000 guaranteed debentures into stock may be regarded as virtually completed, as what remains will probably be disposed of within the next month.

The Hon. the Premier, Wellington.

I have, &c.,
W. B. PERCEVAL.

No. 27.

The AGENT-GENERAL to the PREMIER.

(No. 1603.)
Westminster Chambers, 13, Victoria Street, London, S.W.,
30th December, 1893.

SIR,— Referring to my letter (No. 1595) of the 27th instant, I beg to transmit copy of contract notes for the sale of £25,000 $3\frac{1}{2}$ -per-cent. stock for the account of the 17th January next, at which date the proceeds of the sale will go into the Public Account.

This sale reduces the amount of unsold $3\frac{1}{2}$ -per-cent. stock remaining in the names of the Audit Officer and myself to £44,177 17s. 8d.

The Hon. the Premier, Wellington.

I have, &c.,
W. B. PERCEVAL.

No. 28.

The AGENT-GENERAL to the PREMIER.

(No. 1586.)
Westminster Chambers, 13, Victoria Street, London, S.W.,
28th December, 1893.

SIR,— We hereby transmit for your information copy of minute passed by us on the 16th instant, in which we record our appreciation of the services rendered to us by the Secretary and staff of the Agent-General's Department in the work of the recent conversions of the public debt of the colony.

The Hon. the Premier, Wellington.

We have, &c.,
W. B. PERCEVAL
(For the Stock Agents).

Enclosure in No. 28.

MINUTE BY THE STOCK AGENTS.

In a minute, dated the 22nd September, 1891, the then Stock Agents referred in favourable terms to the manner in which the officers of the Agent-General's Department had performed the responsible and special work devolving upon them in the operations connected with the conversions of the public debt of the colony.

As the Stock Agents now in office entirely concur with the remarks made in that minute, as regards both the nature and importance of the duties and work thus performed, and also the manner in which they are carried out, it will not be necessary to repeat them in this minute.

Since September, 1891, a large amount of important work in connection with conversion operations has been performed, the extent of which can be fairly judged by reference to the correspondence relating thereto published in the New Zealand parliamentary papers; and, these operations being now virtually completed, the Stock Agents take the opportunity of recording their sense of the value of the services thus rendered by the officers in question, and expressing their appreciation of the excellent manner in which their part of the work has been performed. The magnitude of the operations, and the great care which has had to be taken, have necessitated the exercise of special vigilance on the part of those intrusted with the carrying out of the details of the work; and we therefore decide to make the following payment by way of honorarium, namely: £150 to Mr. Kennaway, £50 to Mr. Palliser, and £120 for distribution among the clerks engaged.

16th December, 1893.

P. G. JULYAN,
W. B. PERCEVAL.

No. 29.

The COLONIAL TREASURER to the AGENT-GENERAL.

(No. 1.)

SIR,—

The Treasury, Wellington, 17th February, 1894.

I have the honour to acknowledge the receipt of your letter of the 28th December last, expressing your appreciation of the services rendered to you by the Secretary and staff of the Agent-General's Department, and stating that you had awarded the officers certain sums by way of honorarium, and to inform you that your action meets with the approval of the Government.

I have &c.,

JOHN MCKENZIE

(For the Colonial Treasurer).

The New Zealand Stock Agents, London.

No. 30.

The AGENT-GENERAL to the PREMIER.

(No. 2.)

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,

4th January, 1894.

Referring to my letter (No. 1603) of the 30th December last, I beg to transmit copy of contract note for the sale of £40,000 3½-per-cent. stock for the account of the 17th instant, at which date the proceeds of the sale will go into the Public Account.

This sale reduces the amount of unsold 3½-per-cent. stock remaining in the names of the Audit Officer and myself to £4,177 17s. 8d.

It will now be practicable to prepare the statement of account (referred to in my letter No. 1585, of the 27th ultimo) showing how much additional stock it will be necessary to inscribe and sell in order to complete the operation.

I have &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

No. 31.

The COLONIAL TREASURER to the AGENT-GENERAL.

(No. 72.)

SIR,—

The Treasury, Wellington, 20th February, 1894.

I have the honour to acknowledge the receipt of your letter of the 4th ultimo (No. 2), enclosing sale-note of £40,000 3½-per-cent. stock, and stating that the Stock Agents will, now that almost the whole of the stock has been disposed of, be able to prepare a statement of the account, showing how much additional stock it will be necessary to inscribe and sell in order to complete the operation.

I shall be glad to receive the statement and to find the conversion completed.

I have, &c.,

JOHN MCKENZIE

(For the Colonial Treasurer).

The Agent-General for New Zealand, London.

No. 32.

The AGENT-GENERAL to the PREMIER.

(No. 40.)

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,

12th January, 1894.

In reply to your Treasury letter (T. 93/1677) No. 57, of the 23rd November last, respecting certain discrepancies between the amount of the sales-notes relating to the 3½-per-cent. stock and the amounts paid into the Public Account, I attach statement giving the necessary explanation respecting those specified in your letter, and also respecting those which have since occurred.

I beg also to add the following explanatory note—namely, the £25,000 3½-per-cent. stock sold *cum* dividend on the 1st December for the 14th December account was on transfer inscribed *ex* dividend, and the dividend (less income-tax) due thereon on the 1st instant, being included in the amount of the dividend collected and paid into the Public Account on the 11th instant, the amount (£424 14s. 10d.) has been paid to the brokers by cheque on the Foreign Imprest Account.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

Enclosure in No. 33.

STATEMENT explaining Discrepancies between the Amounts of Sale-notes of the 3½-per-cent. Stock and the Amounts paid into the Public Account.

Date.	Discrepancy between the Amount of Sale-note and the Amount paid into Public Account.	Explanation.
15th Sept...	11s. 6d. less	The cost (11s. 6d.) of the power of attorney required in signing the transfer, having been paid by the brokers, was deducted from the net amount of the purchase-money, as shown on the sale-note.
29th Sept...	8s. 6d. more	Through an error on the part of the brokers on settling-day, £29,617 12s. 5d. was substituted for £29,616 12s. 5d., and from the former amount 11s. 6d. (power of attorney) was deducted, thus making the actual amount paid into the Public Account 8s. 6d. in excess of the amount given in the sale-note. The £1 thus overpaid was refunded to the brokers out of Foreign Imprest (voucher No. 109, Oct.-Nov. account).
13th Oct. . .	11s. 6d. less	The cost (11s. 6d.) of the power of attorney was deducted from the net total amount as shown in the sale-notes.
27th Oct. . .	11s. 6d. less	Ditto.
15th Nov. . .	11s. 6d. less	"
30th Nov. . .	11s. 6d. less	"
14th Dec. . .	11s. 6d. less	"
29th Dec. . .	11s. 6d. less	"

No. 33.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 92.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
26th January, 1894.

SIR,—

Referring to my letter (No. 1585) addressed to the Premier, of the 27th December last, I beg to state that, on proceeding to prepare a statement of account for the purpose of ascertaining how much additional 3½-per-cent. stock it will be necessary to inscribe in order to complete the conversion of the £400,000 debentures issued under "The Public Revenues Act, 1887," and also that of the £500,000 guaranteed debentures of 1863, it has been found necessary to defer the closing of these accounts until the differences existing between the Stock Agents' account and those of the Treasury have been determined.

With reference to the £400,000 debentures, £420,000 3½-per-cent. stock was inscribed and sold, producing £401,099 8s., £400,000 of which went to redeem the debentures, thus leaving a balance in hand of £1,099 8s. Against this balance is chargeable stamp duty (£2,625), and other minor expenses, such as legal costs, departmental expenses, &c., and, in addition to these, there would be the overlap of interest, amounting to £2,450, as given in the statement of account sent with my letter (No. 1,433), of the 30th November last.

Again, as regards the £500,000 debentures, the net proceeds of the sale of the £610,000 (inclusive of £4,010, the estimated amount of the proceeds of the sale of £4,177 17s. 8d.) amounts to £579,515 9s. 2d., and against this there has to be charged £585,000 paid to the Bank of England, £3,812 10s. stamp duty, as well as other minor expenses. But, on the other hand, there is the saving of interest amounting to £3,333 6s. 8d., as entered in the statement of account sent with my above-mentioned letter.

As, therefore, it is possible that the discrepancies existing between the Stock Agents accounts and those of the Treasury might have reference to the principle under which the Stock Agents have credited and debited the Public Account with the overlaps and savings respectively as regards the payment of interest, it appeared necessary to defer the final completion of the accounts until that and other points (if any) have been finally determined.

I propose, however, pending such determination, to ask the Stock Agents to inscribe at once, say, £6,000 additional 3½-per-cent. stock, as regards the conversion of £500,000 guaranteed debentures, as that amount will not, under any circumstances, exceed the further amount required.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

W. B. PERCEVAL.

No. 34.

The COLONIAL TREASURER to the AGENT-GENERAL.

(No. 77.)

The Treasury, Wellington, 22nd March, 1894.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 26th January (No. 92) with regard to the settlement of the Conversion Account.

The Government approve of your proposal to inscribe a further sum of £6,000 in respect of the £500,000 debentures converted.

When the balance of stock in hand, £4,177 17s. 8d., shall have been sold, and the entries made in the Treasury books, a statement of the Conversion Account will be prepared, and, when verified

by the Audit Office, forwarded to you for comparison with the account of the Stock Agents, who will then be in a position to deal with the discrepancies, and finally close the accounts.

I have, &c.,

P. A. BUCKLEY

The Agent-General for New Zealand, London.

(For the Colonial Treasurer).

No. 35.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 179.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

7th February, 1894.

Referring to my letter (No. 92) of the 26th January last, I beg to transmit copy of minute to the Stock Agents, requesting them to authorise the inscription of £6,000 3½-per-cent. stock, in addition to that already inscribed under the authority of the deed poll of the 10th March, 1893.* I also enclose copy of a letter which the Stock Agents forwarded to the Bank of England in compliance with my request.

I have also to enclose copy of contract note for the sale of £10,000 3½-per-cent. stock, held in my and the Audit Officer's names, which sale leaves £177 17s. 8d. 3½-per-cent. stock remaining in our names still unsold.

The proceeds of this sale will go into the Public Account on the 14th instant.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

W. B. PERCEVAL.

Enclosure 1 in No. 35.

MINUTE for the STOCK AGENTS.

13, Victoria Street, London, S.W., 29th January, 1894.

By deed poll of the 10th March, 1893, a further amount of not exceeding £650,000 of New Zealand 3½-per-cent. consolidated stock was created for the purpose of converting £500,000 Imperial-guaranteed debentures into stock, and of this amount £610,000 has been inscribed.

A further amount of stock will be required to complete the operation, but, as the exact amount cannot be computed until certain accounts between the Stock Agents and the Treasury have been settled, it is proposed to inscribe at the present time an additional amount of £6,000 stock, which amount will not exceed that which will in any case be eventually required.

I have therefore to request that the Stock Agents will instruct the Bank of England to inscribe £6,000 3½-per-cent. stock in the names of myself and the Audit Officer (Mr. C. W. Palliser).

A letter from the Stock Agents addressed to the bank to that effect is accordingly annexed, and I have to request that the same may be signed for transmission to the Governors.

W. B. PERCEVAL.

Enclosure 2 in No. 35.

GENTLEMEN,—

13, Victoria Street, S.W., 29th January, 1894.

We beg to request and authorise you to inscribe on your receipt of this letter, in the names of Sir Westby Brook Perceval and Charles Wray Palliser, both of 13, Victoria Street, London, S.W., £6,000 (six thousand pounds) of New Zealand 3½-per-cent. consolidated stock, being a further portion of the amount of £650,000 stock created by deed poll dated 10th March, 1893, of which £610,000 has been already inscribed, as requested by us in our letter to you of the 13th March, 1893.

We are, &c.,

P. G. JULYAN,

W. B. PERCEVAL,

Stock Agents of the New Zealand Government.

The Governor and Company of the Bank of England.

No. 36.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 209.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

16th February, 1894.

SIR,—

Sales of 3½-per-cent. Stock.

In reply to the honourable the Premier's memorandum (T. 93/1762), No. 32, Treasury, I beg to state that the 11s. 6d. deducted from the proceeds (as given in the sale-note) of the sale of 3½-per-cent. stock sold for the account of the 27th October last represents the cost of the power of attorney. In addition to the deductions given in the statement attached to my letter (No. 40) of the 12th January last, a similar amount (11s. 6d.) has been deducted from the respective proceeds (as shown in the sale-notes) of the sales of 3½-per-cent. stock sold for the 17th January and 14th February accounts.

With regard to the recurrent charges for powers of attorney, I beg to state that it has always been the custom to take out such power for the sales for each account day. In the present case it would have, moreover, defeated the object I had in view of realising the stock to the best advantage, namely, to keep the total amount to be sold unknown, if a power of attorney applying to the total amount had been issued in the first place.

I am inclined to think, also, that it would hardly be justifiable to place in one name only the power of transfer of a large amount of stock the sale of which was likely to be spread over a lengthened period of time.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

* Vide B.-22, 1893, No. 29.

No. 37.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 210.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
19th February, 1894.

SIR,—

Referring to the £15,300 debentures of the Lyttelton and Christchurch Railway Loan, which are redeemable on the 1st July next, I shall be glad to have instructions whether you desire them to be redeemed by the sale of $3\frac{1}{2}$ -per-cent. stock under the provisions of the deed poll of the 12th March, 1891.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 38.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 225.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
24th February, 1894.

SIR,—

I beg to report as follows respecting the steps which have been taken for the purpose of carrying the wishes of the Government respecting the conversion of further portions of the public debt into proper effect:—

5-per-cent. Consol Debentures (Annual Drawings).

I transmit herewith copy of the Prospectus issued on the 14th instant by the Bank of England, acting on behalf of the Stock Agents, by which it will be seen that the holders of these bonds have been invited to bring them in for conversion into $3\frac{1}{2}$ -per-cent. Consolidated Stock, receiving £108 10s. of such stock for every £100 bond. This equivalent in stock was fixed by the Stock Agents on the basis of a valuation prepared by the Actuaries. A further offer of £102 $3\frac{1}{2}$ -per-cent. Stock is made as regards every £100 bond drawn for redemption in respect of which no application for conversion has been made prior to the date of this year's drawing, which has been fixed for the 22nd March next. This date is rather later than that of the drawings of recent years, as it was thought expedient to allow the holders of the bonds at least a month within which they could avail themselves of the opportunity of converting them at the terms now offered.

As power is being taken in the deed-poll now in course of preparation to redeem any debentures not brought in for conversion on the terms notified in the prospectus, it is proposed to provide for the payment of any debentures which may be drawn, and which are not offered for conversion, by the sale of a sufficient amount of stock for that purpose. In your cablegram of the 16th instant you include in the stock, which you estimate will be required to be sold during the next financial year, the amount required to provide for the 1895 drawing, and I gather from this that you assume that the amount required for this year's drawing will also be provided by the sale of stock during the present financial year. I shall therefore act accordingly, so that the whole of this year's Sinking Fund may be at your disposal for the purposes provided for in the Consolidated Stock Act of 1884.

The proposed arrangements as to the management of the Sinking Fund, which will obviate the necessity of remitting to and from the colony on account thereof, can now, therefore, be carried into effect.

5-per-cents of the Loan of 1863, redeemable 1914.

For every £100 in debentures of this loan the Stock Agents offer £115 10s. of $3\frac{1}{2}$ -per-cent. Stock, but I do not anticipate that this offer will meet with much response; but with the power reserved to convert outstanding bonds the Government will be able at any future time to notify fresh terms, or to accept bonds for conversion, the holders of which may express their desire to hold stock in preference to debentures. It would also, I assume, be open to the Government, when the market is favourable, to buy up these bonds, providing the necessary moneys by the sale of stock, and thus gradually release the Sinking Fund.

4-per-cent. Debentures (Imperial-guaranteed) issued under "New Zealand Loan Act, 1856."

In your cablegram of the 10th instant, you stated that it had been decided to convert these debentures, consisting of £50,000, redeemable on the 1st July next.

Power will therefore be taken in the deed-poll to create sufficient stock for the purpose of converting these debentures, and I assume that the process adopted with regard to some of the debentures which were converted under the deed-poll of the 12th March, 1891, will be applicable, and that they will be paid off by the proceeds of the sale of stock, thus placing the Sinking Fund at your disposal for the purposes specified in the Consolidated Stock Act of 1884. I have reason to believe that all these debentures are in one hand, which will facilitate the operation.

* * * * *

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,
W. B. PERCEVAL.

*Enclosure in No. 38.*PUBLIC DEBT OF NEW ZEALAND.—CONVERSION OF FURTHER PORTIONS OF THE DEBT OF THE COLONY INTO $3\frac{1}{2}$ -PER-CENT. CONSOLIDATED STOCK.

THE Governor and Company of the Bank of England give notice that, on behalf of the Agents appointed by the Governor of New Zealand in Council, under "The New Zealand Consolidated Stock Act, 1877," and Amendment Act, 1881, and "The Consolidated Stock Act, 1884" (Sir Penrose Goodchild Julyan, K.C.M.G., C.B., and Sir Westby Brook Perceval, K.C.M.G.), they are authorised to invite holders of debentures of the following issues, being loans which formed part of the public debt of the colony, to bring in their bonds for con-

version into $3\frac{1}{2}$ -per-cent. Consolidated Stock, inscribed at the Bank of England, with interest payable half-yearly on 1st January and 1st July.

Applications for conversion will be received at the Chief Cashier's office, Bank of England, and the conversion of the respective debentures will be made on the terms following, that is to say:—

£1,056,200 5-per-cent. Consols (Annual Drawings).

For every £100 in Consols debentures, £108 10s. of $3\frac{1}{2}$ -per-cent. Consolidated Stock inscribable on or after 16th April, 1894.

The coupon due 15th April next must be detached from the debentures, and will be paid at the due date at the office of the Crown Agents for the colonies. All coupons subsequent to that due April 15th next must remain attached. The interest on the $3\frac{1}{2}$ -per-cent. Stock will date from the 1st January, 1894, the first half-year's dividend being payable on the 1st July, 1894.

Debentures for conversion on the above-mentioned terms may be deposited at the Bank of England on or after Monday, 19th February, but not later than Wednesday, 21st March next.

The annual drawing for the redemption of the Consols debentures will take place on Thursday, 22nd March next, and debentures brought in for conversion before that date will not be affected by the drawing.

Holders of Consols debentures drawn for redemption, in respect of which no application for conversion has been made up to the 21st March next, will be allowed to receive in exchange for each drawn debenture £102 of $3\frac{1}{2}$ -per-cent. Stock, provided application be made and debentures deposited at the Bank of England before the 15th April next.

All debentures drawn for redemption not brought in for conversion under the above terms will be paid off at par on and after the 16th April, 1894, at the office of the Crown Agents for the colonies.

£378,800 5-per-cents of the Loan of 1863, redeemable 1914.

For every £100 in debentures of this loan, £115 10s. of $3\frac{1}{2}$ -per-cent. Consolidated Stock inscribable at the Bank of England on or after 2nd June next. The coupon for the half-year's interest due 15th July next must be detached, and will be paid at the office of the Crown Agents for the colonies at the due date. Interest on the $3\frac{1}{2}$ -per-cent. Stock will date from 1st July, 1894, and the first half-year's dividend will be paid on the 1st January, 1895.

Debentures of this loan may be deposited at the Bank of England on or after Monday, 19th February, but not later than Thursday, 31st May next, when the offer given as above to holders will expire.

Debentures still outstanding of the undermentioned old provincial loans will be accepted for conversion into $3\frac{1}{2}$ -per-cent. Consolidated Stock on terms which can be ascertained on application at the Bank of England:—

- (1.) Lyttelton and Christchurch Railway Loan, redeemable 1894 to 1897.
- (2.) Auckland Loan, redeemable 1896.
- (3.) Nelson Loan, redeemable 1896.
- (4.) Otago Loan, redeemable 1898.
- (5.) Canterbury Loan, redeemable 1915 and 1916.

The right is reserved in the case of any debenture specified in this prospectus, not brought in for conversion on the terms now notified, to either redeem the same by the proceeds of the sale of $3\frac{1}{2}$ -per-cent. Stock, or to convert them into such stock on terms to be notified from time to time by the Bank of England.

The consolidated stock herein mentioned will in every case rank *pari passu* with the New Zealand $3\frac{1}{2}$ -per-cent. Consolidated Stock already inscribed at the Bank of England, with dividends payable half-yearly on 1st January and 1st July, and redeemable at par 1st January, 1940.

By the Act 40 and 41 Vict., cap. 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.

Bank of England, 14th February, 1894.

No. 39.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 275.)

Westminster Chambers, 13, Victoria Street, London, S. W.,
2nd March, 1894.

SIR,—

Referring to my letter (No. 225) of the 24th February last, I beg to transmit herewith copy of contract notes for the sale of £50,000 and £10,000 respectively of $3\frac{1}{2}$ -per-cent. Consolidated Stock.

The first-named amount (£50,000) will, I estimate, provide for the amount which will be required to redeem the 5-per-cent. Consol debentures, which may be drawn on the 22nd instant, and which are in the hands of the public; and the £10,000 is portion of the stock which will be required in the case of the debentures issued under "The Cheviot Estate Payment Act, 1893."

The proceeds of the sale of the £50,000 stock, less 11s. 6d. for the power of attorney, was paid into the Public Account on the 28th ultimo.

Copies of the deed poll and declaration under which this stock has been created and issued will be forwarded to you by next mail.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 40.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 287.)

Westminster Chambers, 13, Victoria Street, London, S. W.,
6th March, 1894.

SIR,—

I beg to transmit herewith copies of deed poll and declaration relating to the creation of £5,000,000 New Zealand Consolidated $3\frac{1}{2}$ -per-cent. Stock.

I also enclose copy of the Stock Agents' letter to the Bank of England when transmitting copies of the above-mentioned documents to the bank, and copy of letter authorising the bank to inscribe in my and Mr. Palliser's joint names stock to the amount of £350,000.

This amount (£350,000) of stock is that which is estimated will be required in respect to the conversion (1) of the 5-per-cent. Consols drawn on the 22nd instant, and (2) of the debenture issued under "The Cheviot Estate Payment Act, 1893."

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

Enclosure I in No. 40.

DEED-POLL.

TO ALL TO WHOM THESE PRESENTS SHALL COME :

WE, 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 WESTBY BROOK PERCEVAL, a Knight Commander of the said Most Distinguished Order of Saint Michael and Saint George, the Agent-General for the Colony of New Zealand in the United Kingdom, send Greeting.

WHEREAS by an Act of the Legislature of New Zealand intituled "The New Zealand Consolidated Stock Act, 1877" (hereinafter referred to as "The New Zealand Stock Act"), 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 General Assembly of New Zealand in any future session of the said General Assembly authorising 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 authorise 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 authorise 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 the said Act on such conditions as he might determine, and any conversion so authorised 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 all stock and the dividends thereon, and all charges and expenses incurred in carrying out the provisions of the said Act, should be a charge on and be paid out of the Consolidated Fund: 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 whereas by another Act of the said Legislature, intituled "The New Zealand Consolidated Stock Act 1877 Amendment Act, 1881" (hereinafter referred to as "the New Zealand Stock Amendment Act"), 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 authorised to be appointed to be the Agents for the purposes of "The New Zealand Consolidated Stock Act, 1877":

And whereas by another Act of the said Legislature, the short title of which is "The Consolidated Stock Act, 1884" (hereinafter called "the Act of 1884"), it is enacted that the now-reciting Act should be incorporated with and read as a part of "The New Zealand Consolidated Stock Act, 1877," and that the Agents mentioned in the now-reciting Act should be the Agents from time to time appointed under the said "New Zealand Consolidated Stock Act, 1877":

And whereas various amounts of New Zealand Consolidated Stock have from time to time been duly created and inscribed in the books of the Governor and Company of the Bank of England by the Agents in England duly appointed for the purposes of the said Acts of 1877, 1881, and 1884, or some or one of them, and duly empowered to exercise all the powers by such Acts exercisable by the Governor in Council upon the terms and conditions respectively mentioned in the several deeds-poll enumerated in the First Schedule hereto:

And whereas, in pursuance of the power and authority vested in him by the New Zealand Stock Act and the New Zealand Stock Amendment Act (all previous appointments of Agents having been revoked), His Excellency the Governor of the Colony of New Zealand did, by an Order in Council bearing date the 1st day of February, 1892, appoint us, the said Sir Penrose Goodchild Julyan and Sir Westby Brook Perceval, from and after the 1st day of April, 1892, to be Agents for the purposes of the New Zealand Stock Act, and in that capacity to exercise all the powers by such Act exercisable by the Governor in Council:

And whereas we, the said Sir Penrose Goodchild Julyan and Sir Westby Brook Perceval, in exercise and in pursuance of the powers and authorities in that behalf conferred upon us as aforesaid, have determined to declare all the New Zealand loans mentioned in the Second Schedule hereto to be convertible into stock, and we have invited the holders of the outstanding debentures of the loans mentioned in the first part of the said Second Schedule hereto to convert their debentures into New Zealand Consolidated Stock, on or before the days and upon the terms respectively mentioned in the Third Schedule hereto; and it is intended hereafter to endeavour to make arrangements with such of the holders of the said debentures as shall not deposit their debentures for conversion on or before such days, and with the holders of the outstanding securities for the loans mentioned in the second part of the said Second 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, on terms to be notified from time to time at the Bank of England:

And whereas, for the purpose of providing New Zealand Consolidated Stock to be issued for the conversions agreed upon and which may hereafter be agreed upon as aforesaid, and for the purpose of raising money for redeeming such of the outstanding securities for the said New Zealand loans as may not be converted as aforesaid, and for the payment of the expenses of and attending such redemption and conversions, and the creation and issue of the said stock, we, the said Sir Penrose Goodchild Julyan and Sir Westby Brook Perceval, in exercise and in pursuance of the powers and authorities in that behalf conferred upon us as aforesaid, have determined to create a further amount of not exceeding £5,000,000 of New Zealand Consolidated Stock, to be issued as hereinafter mentioned, and to be in addition to and to rank *pari passu* with the amount of New Zealand Consolidated Stock which has been and shall hereafter be created and issued and inscribed in the books of the Governor and Company of the Bank of England:

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 £5,000,000 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 PENROSE GOODCHILD JULYAN and Sir WESTBY BROOK PERCEVAL, in exercise and in pursuance of the powers by the New Zealand Stock Act, the New Zealand Stock Amendment Act, the Act of 1884, and the several Acts mentioned in the Second Schedule hereto, and by the Orders

in Council, or any or either of them, vested in us, and of all other powers and authorities hereunto enabling us, do by these presents declare the New Zealand loans mentioned or referred to in the Second Schedule hereto to be convertible into stock; and we do hereby authorize the creation and issue of and do hereby create a further amount of five million pounds 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 under the provisions of the said deeds-poll mentioned in the First Schedule hereto, or any or either of them, during the existence thereof, and with such further amount of New Zealand Consolidated Stock as may be issued in pursuance of or as mentioned in the said deeds-poll or any or either of them, and also with any further amount of New Zealand Consolidated Stock 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—

1. So much of the same capital stock as it shall be necessary to issue to the holders of the debentures now outstanding as aforesaid, and which may be deposited for conversion on or before the respective dates mentioned in the Third Schedule hereto, 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 one hundred pounds represented by any of the said outstanding debentures agreed to be converted as aforesaid and upon the surrender of the same respectively:

2. So much of the same capital stock as it shall be necessary to issue to the holders of debentures now outstanding as aforesaid and which may not be deposited for conversion until after the dates respectively mentioned in the said Third Schedule hereto, and to the holders of the securities outstanding at the date of these presents for the several loans mentioned in the second part of the said Second Schedule, on the same being deposited from time to time for conversion, shall from time to time be issued to such holders respectively at the rates of stock to be respectively notified from time to time by us at the Bank of England for every nominal one hundred pounds represented by any of such outstanding debentures or securities and upon the surrender of the same respectively:

3. So much of the same capital stock as it shall be necessary to sell for the purpose of raising money to redeem such of the said debentures and securities as may not be converted into New Zealand Consolidated Stock by the holders of any of such debentures or securities and for the payment of such expenses as 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.

4. The interest or dividend to be paid on the said further amount of five million pounds 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 three pounds ten shillings per centum per annum, and shall be payable half-yearly at the Bank of England, on the first day of January and the first day of July in each year, and in cases of conversions of debentures lodged for conversion before the dates mentioned in the said Third Schedule hereto from the days or times respectively mentioned in such Schedule in respect of such debentures respectively, and in the case of debentures or securities arranged to be converted subsequently thereto from the days or times notified by us from time to time at the Bank of England, and in cases of sales of stock for redeeming debentures as aforesaid or for payment of expenses from the days or times to be agreed upon with the purchasers thereof, until in every case the first day of January, one thousand nine hundred and forty:

5. And that on the said first day of January, one thousand nine hundred and forty, 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 twentieth day of February, one thousand eight hundred and ninety-four.

The First Schedule above referred to.

Date of Deed-poll.	By whom executed.	Rate of Interest.	Repayable
1st Dec., 1879	Sir Penrose Goodchild Julyan, K.C.M.G., C.B., Sir, Julius Vogel, K.C.M.G., and Montagu Frederic Ommauney, Esq.	£4 per cent.	1st Nov., 1929
1st Jan., 1883	Sir Penrose Goodchild Julyan, K.C.M.G., C.B., and Sir Francis Dillon Bell, K.C.M.G.	£4 per cent.	1st Nov., 1929
30th Oct., 1883	Sir Francis Dillon Bell, K.C.M.G., and Sir Penrose Goodchild Julyan, K.C.M.G., C.B.	£4 per cent.	1st Nov., 1929
1st Jan., 1884	The like	£4 per cent.	1st Nov., 1929
30th Dec., 1884	The like	£4 per cent.	1st Nov., 1929
1st Jan., 1885	The like	£4 per cent.	1st Nov., 1929
1st June, 1885	The like	£4 per cent.	1st Nov., 1929
20th May, 1886	The like	£4 per cent.	1st Nov., 1929
6th Oct., 1886	The like	£4 per cent.	1st Nov., 1929
30th May, 1888	The like	£4 per cent.	1st Nov., 1929
31st Oct., 1889	The like	£3 10s. per cent.	1st Jan., 1940
12th Mar., 1891	The like	£3 10s. per cent.	1st Jan., 1940
26th Jan., 1893	Sir Penrose Goodchild Julyan, K.C.M.G., C.B., and Westby Brook Perceval, Esq.	£3 10s. per cent.	1st Jan., 1940
10th Mar., 1893	The like	£3 10s. per cent.	1st Jan., 1940

The Second Schedule above referred to.

LIST OF OUTSTANDING DEBENTURES OR SECURITIES.

PART 1.—Being Loans proposed to be now converted and issued under the authority of—

1. "The Consolidated Loan Act, 1867." | 2. "The New Zealand Loan Act, 1863."

PART 2.—Being Loans proposed to be hereafter converted and issued under the authority of—

3. "The New Zealand Loan Act, 1856." | 7. "The Naval and Military Settlers' and Volunteers' Land Act, 1892."
 4. "The Consolidated Stock Act, 1894." | 8. "The Native Land Purchases Act, 1892."
 5. The District Railways Purchasing Acts, 1885 and 1886. | 9. "The Land for Settlements Act, 1892."
 6. "The Government Loans to Local Bodies Act, 1886." | 10. "The Cheviot Estate Payment Act, 1893."

The Third Schedule above referred to.

TERMS OF CONVERSIONS.

Names of the Acts by virtue of which the Outstanding Debentures have been issued.	Date by which Debentures to be deposited for Conversion.	Total Amount of Debentures agreed to be converted or redeemed.	Amount of New Zealand Consolidated Stock to be issued in Exchange for every £100 represented by a Debenture.	Dates on and after which Stock to be issued.	Dates from which Interest to accrue on the Stock.
The Consolidated Loan Act, 1867	21st March, 1894	£ 1,056,200	£ s. d. 108 10 0	22nd February, 1894	1st January, 1894
	But if not deposited but drawn for payment and deposited before 15th April, 1894 . . . .	..	102 0 0	27th March, 1894	1st January, 1894
The New Zealand Loan Act, 1863	31st May, 1894	378,800	115 10 0	2nd June, 1894	1st July, 1894

Signed, sealed, and delivered by the above-named Sir Penrose Goodchild Julyan in the presence of—
JOHN R. CURRIE,
Colonel, Greg's Lodge, Torquay. (L.S.) P. G. JULYAN.

Signed, sealed, and delivered by the above-named Sir Westby Brook Perceval in the presence of—
LEONARD J. MATON,
Solicitor, 21, Cannon Street, London. (L.S.) WESTBY B. PERCEVAL.

Enclosure 2 in No. 40.

DECLARATION FOR INLAND REVENUE COMMISSIONERS.

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 authorise 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 authorise 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 authorised 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.

And it is hereby further declared that by another Act of the said Legislature, intituled "The New Zealand Consolidated Stock Act 1887 Amendment Act, 1881" (hereinafter referred to as "the New Zealand Stock Amendment Act"), 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 authorised to be appointed to be the Agents for the purposes of "The New Zealand Consolidated Stock Act, 1877."

And it is hereby further declared that by another Act of the said Legislature, the short title of which is "The Consolidated Stock Act, 1884" (hereinafter called "the Act of 1884"), it is enacted that the now-reciting Act should be incorporated with and read as a part of "The New Zealand Consolidated Stock Act, 1877," and that the Agents

mentioned in the now-reciting Act should be the Agents from time to time appointed under the said "New Zealand Consolidated Stock Act, 1877."

And it is hereby further declared that various amounts of New Zealand Consolidated Stock have from time to time been duly created and inscribed in the books of the Governor and Company of the Bank of England by the Agents in England duly appointed for the purposes of the said Acts of 1877, 1881, and 1884, or some or one of them, and duly empowered to exercise all the powers by such Acts exercisable by the Governor in Council upon the terms and conditions respectively mentioned in the several deeds-poll enumerated in the First Schedule hereto.

And it is hereby further declared that, in pursuance of the power and authority vested in him by the New Zealand Stock Act and the New Zealand Stock Amendment Act (all previous appointments of Agents having been revoked), His Excellency the Governor of the Colony of New Zealand did by an Order in Council bearing date the 1st day of February, 1892, appoint Sir Penrose Goodchild Julyan, K.C.M.G., C.B., and Sir Westby Brook Perceval, K.C.M.G., the Agent-General for the Colony of New Zealand in the United Kingdom, from and after the 1st day of April, 1892, to be Agents for the purposes of the New Zealand Stock Act, and in that capacity to exercise all the powers by such Act exercisable by the Governor in Council.

And it is hereby further declared that His Excellency the Governor of the Colony of New Zealand did by another Order in Council, also bearing date the 1st day of February, 1892, and issued under the seal of the said colony, empower the said Sir Penrose Goodchild Julyan and Sir Westby Brook Perceval to make any declaration required by or under the provisions of the Act of Parliament of the United Kingdom of Great Britain and Ireland known as "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 under the provisions of the last-mentioned Act.

And it is hereby further declared that the said Sir Penrose Goodchild Julyan and Sir Westby Brook Perceval, in exercise and in pursuance of the powers and authorities in that behalf conferred upon them as aforesaid, having determined to declare all the New Zealand loans mentioned in the Second Schedule hereto to be convertible into stock, invited the holders of the outstanding debentures of the loans mentioned in the first part of the said Second Schedule hereto to convert their debentures into New Zealand Consolidated Stock, on or before the days and upon the terms respectively mentioned in the Third Schedule hereto; and it is intended hereafter to endeavour to make arrangements with such of the holders of the said debentures as shall not deposit their debentures for conversion on or before such days, and with the holders of the outstanding securities for the loans mentioned in the second part of the said Second 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, on terms to be notified from time to time at the Bank of England.

And it is hereby further declared that for the purpose of providing New Zealand Consolidated Stock to be issued for the conversions agreed upon, and which may hereafter be agreed upon as aforesaid, and for the purpose of raising money for redeeming such of the outstanding securities for the said New Zealand loans as may not be converted as aforesaid, and for the payment of the expenses of and attending such redemption and conversions, and the creation and issue of the said stock, the said Sir Penrose Goodchild Julyan and Sir Westby Brook Perceval, in exercise and in pursuance of the powers and authorities in that behalf conferred upon them as aforesaid, determined to create a further amount of not exceeding £5,000,000 of New Zealand Consolidated Stock, to be issued as hereinafter mentioned, and to be in addition to and to rank *pari passu* with the amount of New Zealand Consolidated Stock which has been and shall hereafter be created and issued and inscribed in the books of the Governor and Company of the Bank of England.

And it is hereby declared that by a deed-poll bearing date the 20th day of February, 1894, under their hands and seals, the said Sir Penrose Goodchild Julyan and Sir Westby Brook Perceval, acting as such Agents and so empowered as aforesaid, and in pursuance of all other powers and authorities in that behalf, did thereby declare the New Zealand loans mentioned or referred to in the Second Schedule to such deed-poll (being identical in terms with the Second Schedule hereto) to be convertible into stock: and they did thereby authorise the creation and issue of and did thereby create a further amount of five million pounds 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 under the provisions of the said deeds-poll mentioned in the First Schedule to such deed-poll (being identical in terms with the First Schedule hereto) or any or either of them during the existence thereof, and with such further amount of New Zealand Consolidated Stock as might be issued in pursuance of or as mentioned in the said deeds-poll or any or either of them, and also with any further amount of New Zealand Consolidated Stock which should be thereafter created and issued and be inscribed in the books of the Governor and Company of the Bank of England: And they determined that—

1. So much of the same capital stock as it should be necessary to issue to the holders of the debentures then outstanding as aforesaid, and which might be deposited for conversion on or before the respective dates mentioned in the Third Schedule to such deed-poll (being identical in terms with the Third Schedule hereto), 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 one hundred pounds represented by any of the said outstanding debentures agreed to be converted as aforesaid and upon the surrender of the same respectively:

2. So much of the same capital stock as it should be necessary to issue to the holders of debentures then outstanding as aforesaid and which might not be deposited for conversion until after the dates respectively mentioned in the said Third Schedule hereto, and to the holders of the securities outstanding at the date of the said deed-poll for the several loans mentioned in the second part of the said Second Schedule, on the same being deposited from time to time for conversion, should from time to time be issued to such holders respectively at the rates of stock to be respectively notified from time to time by them at the Bank of England for every nominal one hundred pounds represented by any of such outstanding debentures or securities and upon the surrender of the same respectively:

3. So much of the same capital stock as it should be necessary to sell for the purpose of raising money to redeem such of the said debentures and securities as might not be converted into New Zealand Consolidated Stock by the holders of any such debentures or securities, and 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 be reasonably obtained for the same:

4. The interest or dividend to be paid on the said further amount of five million pounds sterling of stock so created as last aforesaid, or any lesser amount which should be from time to time issued, should be at the rate of three pounds ten shillings per centum per annum, and should be payable half-yearly at the Bank of England, on the first day of January and the first day of July in each year, and in cases of conversions of debentures lodged for conversion before the dates mentioned in the said Third Schedule hereto from the days or times respectively mentioned in such Schedule in respect of such debentures respectively, and in the case of debentures or securities arranged to be converted subsequently thereto from the days or times notified by them from time to time at the Bank of England, and in cases of sales of stock for redeeming debentures as aforesaid or for payment of expenses from the days or times to be agreed upon with the purchasers thereof, until in every case the first day of January, one thousand nine hundred and forty:

5. And that on the said first day of January, one thousand nine hundred and forty, the capital should be repaid at par at the same place.

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 PENROSE GOODCHILD JULYAN and Sir WESTBY BROOK PERCEVAL have hereunto set their hands, this twenty-first day of February, one thousand eight hundred and ninety-four.

The First Schedule above referred to.

Date of Deed-poll.	By whom executed.	Rate of Interest.	Repayable.
1st Dec., 1879	Sir Penrose Goodchild Julyan, K.C.M.G., C.B., Sir Julius Vogel, K.C.M.G, and Montagu Frederic Ommanney, Esq.	£4 per cent.	1st Nov., 1929
1st Jan., 1883	Sir Penrose Goodchild Julyan, K.C.M.G., C.B., and Sir Francis Dillon Bell, K.C.M.G.	£4 per cent.	1st Nov., 1929
30th Oct., 1883	Sir Francis Dillon Bell, K.C.M.G., and Sir Penrose Goodchild Julyan, K.C.M.G., C.B.	£4 per cent.	1st Nov., 1929
1st Jan., 1884	The like	£4 per cent.	1st Nov., 1929
30th Dec., 1884	The like	£4 per cent.	1st Nov., 1929
1st Jan., 1885	The like	£4 per cent.	1st Nov., 1929
1st June, 1885	The like	£4 per cent.	1st Nov., 1929
20th May, 1886	The like	£4 per cent.	1st Nov., 1929
6th Oct., 1886	The like	£4 per cent.	1st Nov., 1929
30th May, 1888	The like	£4 per cent.	1st Nov., 1929
31st Oct., 1889	The like	£3 10s. per cent.	1st Jan., 1940
12th Mar., 1891	The like	£3 10s. per cent.	1st Jan., 1940
26th Jan., 1893	Sir Penrose Goodchild Julyan, K.C.M.G., C.B., and Westby Brook Perceval, Esq.	£3 10s. per cent.	1st Jan., 1940
10th Mar., 1893	The like	£3 10s. per cent.	1st Jan., 1940

The Second Schedule above referred to.

LIST OF OUTSTANDING DEBENTURES OR SECURITIES.

PART I.—Being Loans proposed to be now converted and issued under the authority of—

1. "The Consolidation Loan Act, 1867." | 2. "The New Zealand Loan Act, 1863."

PART II.—Being Loans proposed to be hereafter converted and issued under the authority of—

3. "The New Zealand Loan Act, 1856." | 7. "The Naval and Military Settlers' and Volunteers' Land Act, 1892."
 4. "The Consolidated Stock Act, 1884." | 8. "The Native Land Purchases Act, 1892."
 5. The District Railways Purchasing Acts, 1885 and 1886. | 9. "The Land for Settlements Act, 1892."
 6. "The Government Loans to Local Bodies Act, 1886." | 10. "The Cheviot Estate Payment Act, 1893."

The Third Schedule above referred to.

TERMS OF CONVERSIONS.

Names of the Acts by virtue of which the Outstanding Debentures have been issued.	Date by which Debentures to be deposited for Conversion.	Total Amount of Debentures agreed to be converted or redeemed.	Amount of New Zealand Consolidated Stock to be issued in Exchange for every £100 represented by a Debenture.	Dates on and after which Stock to be issued.	Dates from which interest to accrue on the Stock.
The Consolidated Loan Act, 1867	21st March, 1894	£ 1,056,200	£ s. d. 108 10 0	22nd February, 1894	1st January, 1894
	But if not deposited but drawn for payment and deposited before 15th April, 1894 .. .. .	..	102 0 0	27th March, 1894	1st January, 1894
The New Zealand Loan Act, 1863	31st May, 1894	378,800	115 10 0	2nd June, 1894	1st July, 1894

Signed by the above-named Sir Penrose Goodchild Julyan
in the presence of—JOHN R. CURRIE,
Colonel, Greg's Lodge, Torquay.Signed by the above-named Sir Westby Brook Perceval
in the presence of—LEONARD J. MATON,
Solicitor, 21, Cannon Street, London, E.C.

P. G. JULYAN.

WESTBY B. PERCEVAL.

Enclosure 3 in No. 40.

13, Victoria Street, London, S.W., 22nd February, 1894.

GENTLEMEN,—

New Zealand Public Debt Conversions.

Referring to the arrangements which we, as the Stock Agents of the New Zealand Government, duly authorised under the provisions of the New Zealand Consolidated Stock Acts of 1877 and 1881, have made for the conversion of certain outstanding New Zealand Government debentures into the New Zealand Consolidated Stock, we now beg to send you a print of the deed-poll, dated the 20th February, setting forth the creation of £5,000,000 New Zealand Consolidated Stock, 3½ per cent., 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, the necessary declaration (copy herewith) to bring the stock under the provisions of "The Colonial Stock Act, 1877," has been made, and will be lodged with the Inland Revenue Board.

Arrangements will be made with the Commissioners of Inland Revenue for payment of the composition for stamp duty, so as to enable the stock, after it shall have been inscribed in your books, to be transferred free of duty, and also 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 to 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, and that you will, on behalf of such Government, pay to the Commissioners 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, authorise 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 authorise and request that the same fee shall be charged for the issue of stock certificates as is charged in like cases. And we further authorise you to transmit dividend warrants by post in the same manner and on the same conditions as warrants for dividends on the Government funds are sent.

We have, &c.,

P. G. JULYAN,
W. B. PERCEVAL,

The Governor and Company, Bank of England.

Stock Agents of the New Zealand Government.

Enclosure 4 in No. 40.

GENTLEMEN,—

13, Victoria Street, London, S.W., 23rd February, 1894.

We beg to request and authorise you to inscribe on your receipt of this letter, in the names of Sir Westby Brook Perceval and Charles Wray Palliser, both of 13, Victoria Street, London, S.W., £350,000 of New Zealand 3½-per-cent. Consolidated Stock, being a portion of the amount of £5,000,000 stock created by deed-poll dated 20th February, 1894.

We are, &c.,

P. G. JULYAN,
W. B. PERCEVAL,

The Governor and Company of the Bank of England.

Stock Agents for the New Zealand Government.

No. 41.

The COLONIAL TREASURER to the AGENT-GENERAL.

(No. 81.)

SIR,—

The Treasury, Wellington, 17th April, 1894.

I have to congratulate you on the splendid sale effected of £50,000 of our 3½-per-cent. at the price 98½, but hope to be able to further congratulate you on sales effected at par and over.

As you have been able, however, to create stock in anticipation of the receipt of the Cheviot debentures, it will not be necessary to exchange securities with the Post Office; therefore Cheviot debentures, amounting to £175,000, will be sent to you at the earliest possible moment, in order that they may reach the Bank of England for cancellation.

It has occurred to me that, with the cash in hand derived from the released sinking fund of the 1867 consols, and the proceeds of the sale of 3½-per-cent. stock, you may not require to obtain an advance on the 18th from the Bank of England, and this would leave the guaranteed debentures free for use should you require them for the necessary finance of the 1st proximo. You are also fairly well supplied with remittance paper, which you have not required to make much use of.

I have, &c.,

J. G. WARD.

The Agent-General for New Zealand, London.

No. 42.

The COLONIAL TREASURER to the AGENT-GENERAL.

(No. 83.)

SIR,—

The Treasury, Wellington, 19th April, 1894.

Referring to my letter of the 17th instant, intimating that it was only intended to reissue and convert £225,000 debentures under "The Cheviot Estate Payment Act, 1893," it has now been represented that additional funds are required for the Cheviot Account, to enable the expenses connected with the "roading" of the property to be defrayed. I have therefore created and issued a further debenture (No. 71) for £25,000, which will be included in the parcel sent you, under separate cover, for conversion into 3½-per-cent. inscribed stock. With this debenture the full limit of authority under the Act has now been availed of.

I have, &c.,

J. G. WARD.

The Agent-General for New Zealand, London.

No. 43.

The COLONIAL TREASURER to the AGENT-GENERAL.

(No. 85.)

SIR,—

The Treasury, Wellington, 19th April, 1894.

Referring to my letter of the 17th instant (No. 81), I have the honour to enclose herewith copy of narration of debentures for £200,000, issued under "The Cheviot Estate Payment Act, 1893," which are being transmitted in a parcel to you by this mail, in order that they may be converted into 3½-per-cent. inscribed stock.

The parcel should be opened in the presence of the Audit Officer, and the contents checked with the accompanying narration, and a receipt signed by the Audit Officer and yourself endorsed on the narration, which should be returned to me by first mail.

I have, &c.,

J. G. WARD.

The Agent-General for New Zealand, London.

Enclosure in No 43.

NARRATION of DEBENTURES issued under "The Cheviot Estate Payment Act, 1893," dated 18th April, 1894, to mature 11th October, 1900, with interest at the rate of $4\frac{1}{2}$ per cent. per annum, payable half-yearly on the 18th April and the 18th October in each year, forwarded this day to the Agent-General, London, by the Treasury, Wellington.

Debentures numbered	Number of Debentures.	Value of Each Debenture.	Total.
51 to 65	15	£ 10,000	£ 150,000
66 to 70	5	5,000	25,000
71	1	25,000	25,000
			£200,000

We certify that the above debentures were this day enclosed in a parcel, sealed by us, and addressed to the Agent-General for New Zealand, London.

The Treasury, Wellington, 19th April, 1894.

J. G. ANDERSON.
H. BLUNDELL.
J. EMAN SMITH.

No. 44.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 410.) Westminster Chambers, 13, Victoria Street, London, S.W.,
SIR,— 30th March, 1894.

Referring to my letter (No. 275) of the 2nd instant, I beg to transmit herewith copy of contract note for the sale of £10,000 $3\frac{1}{2}$ -per-cent. stock at $99\frac{1}{2}$, the net proceeds of which will go into the Public Account on the 12th April next.

This £10,000 is part of the £350,000 stock inscribed in my and the Audit Officer's names, £70,000 of which has now been sold.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 45.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 464.) Westminster Chambers, 13, Victoria Street, London, S.W.,
SIR,— 6th April, 1894.

Referring to my letter (No. 410) of 30th March, I beg to transmit herewith copy of contract note for the sale of £10,000 $3\frac{1}{2}$ -per-cent. at $99\frac{1}{2}$, the net proceeds of which will go into the Public Account on the 12th instant.

This £10,000 is part of the £350,000 stock inscribed in my and the Audit Officer's names, £80,000 of which has now been sold.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 46.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 487.) Westminster Chambers, 13, Victoria Street, London, S.W.,
SIR,— 21st April, 1894.

Referring to my letter (No. 225) of the 24th February last, I beg to report as follows as to the result, so far as I am at present advised, of the conversion operations of the present year:—

5-per-cent. Consol Debentures (Annual Drawings).

The amount received for conversion by the Bank of England up to the 21st March (inclusive) was £259,200, consisting of 473 bonds of £100, 212 bonds of £200, 181 bonds of £500, and 79 bonds of £1,000.

Of the above-mentioned £259,200 bonds sent in for conversion, £17,300 were drawn on the 22nd March for redemption, and, at my request, the Crown Agents paid into the Public Account on the 16th instant an equivalent amount of the sinking fund which was thereby released.

Again, out of the unconverted bonds which were drawn on the 22nd ultimo, £7,500 were afterwards converted into $3\frac{1}{2}$ -per-cent. stock at the terms specified in the prospectus, namely, at the rate of 102 stock for every £100 in bonds, and I accordingly desired the Crown Agents to pay that amount (£7,500) out of the sinking fund into the Public Account, and this they did also on the 16th instant.

The balance then remaining of the drawn unconverted bonds in the hands of the public amounted to £33,300, and their redemption was provided for by paying to the Crown Agents on the 16th instant, by means of a Commissioner's order on the Public Account, a similar amount representing part of the proceeds of the sale of stock sold for that purpose, the Crown Agents paying into the Public Account a like amount representing the sinking fund which was thereby released.

The Crown Agents paid into the Public Account on the 28th ultimo the sum of £130,350 on account of the drawn bonds converted into 4-per-cent. stock, and the further sum of £43,450 on

the 16th instant on the same account, and these amounts added to the three sums (£17,300, £7,500, and £33,300) already mentioned make together the sum of £231,900, being the total amount of the sinking fund which had accrued during the twelve months ended the 16th instant.

The following is a summary showing the respective amounts received back into the Public Account on account of the sinking fund released by the past and present conversion operations:—

Amount received from the Crown Agents on account of the bonds converted into 4-per-cent. stock	£	173,800
Amount received on account of the bonds converted into 3½-per-cent. stock previous to the 22nd March		17,300
Amount received on account of the bonds converted into 3½-per-cent. stock subsequent to the 21st March		7,500
Amount received on account of bonds redeemed by the proceeds of the sale of 3½-per-cent. stock		33,300
Total		£231,900

Since 21st March I have authorised the bank to accept for conversion, at the same rate (£108 10s. for every £100 in bonds), several small lots of bonds which have been offered for that purpose. I have not as yet received from the bank a list of those actually sent in since the 21st ultimo, but they will, I think, amount to about £10,000.

The price of the 3½-per-cent. stock continuing to rise, I have now decided not to accept any more of these bonds for conversion at £108 10s., and have for the present fixed £107 10s. 3½-per-cent. stock as an equivalent for £100 in bonds.

5 per Cents of the Loan of 1863 (redeemable 1914).

Of the bonds belonging to this loan, £15,600 were brought in for conversion into 3½-per-cent. stock, namely, thirteen bonds of £100, thirty-nine of £200, and thirteen of £500. This will release a proportionate amount of the sinking fund, respecting which I will shortly communicate with the trustees of the fund.

Provincial Loans.

Of the bonds belonging to these loans, the following have been brought in for conversion, namely: one bond of £1,000 of the Auckland Loan, converted into 3½-per-cent. stock at the rate of £107 stock for every £100 in bond, with the April and subsequent coupons attached thereto; and thirty-nine bonds of £100 and one bond of £1,000 of the Otago Loan, converted into 3½-per-cent. stock at the rate of £110 10s. stock for every £100 in bonds, with all undue coupons attached.

Cheviot Estate Debentures.

I have, in accordance with your instructions, paid to the Bank of New Zealand the sum of £175,000 on account of these debentures, and I am recouping the Public Account by the proceeds of the sales of the stock, created under deed-poll of the 20th February, 1894, and inscribed in my and the Audit Officer's names.

Of this stock £160,000 has been sold up to the present date. Of the cash proceeds £33,300 has been taken to redeem the drawn consol debentures as mentioned in the previous part of this letter, and the balance will go towards meeting the amount required for the Cheviot Estate debentures.

Your cablegram of the 17th instant stated that £175,000 of the Cheviot Estate debentures would be at once forwarded for immediate conversion, but that it had not yet been decided to include therein the remaining £50,000.

The amount of 3½-per-cent. stock, therefore, which, under the circumstances, I have power to sell out of the £350,000, the inscription of which in my and the Audit Officer's names I have already advised you, is about £265,000, made up as follows, viz.: £33,300 for the drawn consol bonds; £175,000 for the Cheviot Estate bonds; £50,000 for the guaranteed bonds of 1856; and, say, £5,000 for stamp duty, &c.

Before, therefore, this reaches you, I shall probably ask you for instructions as to whether you wish me to carry out any additional conversion involving the sale of any further amount of stock, as without such authority it is doubtful whether I can proceed with sales beyond the amount I have named.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 47.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 489.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

21st April, 1894.

Referring to my letter (No. 464) of the 6th instant, I beg to transmit herewith copies of contract notes for the sale of £80,000 3½-per-cent. stock.

The proceeds of the sale of the £20,000 stock sold on the 7th instant went into the Public Account on the 12th instant, and the proceeds of the sales of the remaining lots will be paid in on the 26th instant.

This £80,000 is part of the £350,000 stock inscribed in my and the Audit Officer's names, £160,000 of which has now been sold.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

W. B. PERCEVAL.

No. 48.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 561.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
4th May, 1894.

SIR,—

Referring to my letter (No. 489) of the 21st April last, I beg to transmit herewith copies of contract notes for the sale of £103,000 3½-per-cent. stock.

The proceeds of the sale of the £3,000 went into the Public Account on the 26th April, and those of the £100,000 will be paid in on the 11th instant.

Of the £350,000 stock inscribed in the names of the Audit Officer and myself under the deed-poll of the 20th February last, £263,000 has now been sold, and the net proceeds of the sales will be sufficient to meet the £175,000 Cheviot Estate bonds, the £33,300 drawn unconverted consol bonds, and the £50,000 guaranteed debentures of 1856, and leave a balance to meet the payment of stamp duty and other expenses connected with the conversion.

Having regard to the fact that the market is at present favourable for the sale of stock, I deemed it right to advise you by cablegram that I had sold all the stock that was required to provide for the conversions at present authorised, and to ask whether you wished me to continue selling for the purpose of redeeming the remaining £50,000 Cheviot Estate bonds referred to in your telegram of the 17th April last, or any other of the debentures for which provision has been made in the deed-poll of the 20th February last.

In case it is decided to proceed with further conversions by means of sale of stock, it will be desirable that I should receive the formal authority of the holders.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

No. 49.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 580.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
17th May, 1894.

SIR,—

Referring to my letter (No. 487) of the 21st April last, I beg to state that, in addition to the £259,200 5-per-cent. consol debentures, the following have since been converted into 3½-per-cent. stock—namely, £11,800 at £108 10s. stock for every £100 in debentures, and £6,400 at £107 10s.

The market value of the 3½-per-cent. stock having risen, I have deemed it right to offer a less amount of stock for these debentures, and I accordingly reduced the amount first to £107 10s., and am now offering £107.

I duly received your cablegram of the 11th instant, and, in reply, I informed you that up to that date there were £738,000 consol bonds still in the hands of the public. I attach a statement showing how this amount is arrived at.

I am continuing the conversion of these debentures with all undue coupons attached, so that the amount on which interest will be payable on the 15th July next will probably be less than £738,000.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

Enclosure in No. 49.

STATEMENT SHOWING THE AMOUNT OF 5-PER-CENT. CONSOL DEBENTURES OUTSTANDING IN THE HANDS OF THE PUBLIC.				£
Amount outstanding after the drawing of March, 1893	..	..	..	1,056,200
Less amount converted into stock up to 22nd March, 1894	..	..	..	259,200
				<u>797,000</u>
Amount drawn 22nd March, 1894	..	..	..	£58,100
Less amount converted included in the above £259,200	..	..	..	17,300
				<u>40,800</u>
				756,200
Amount converted since 21st March, 1894,—				
At £108 10s.	..	..	..	11,800
At £107 10s.	..	..	..	6,400
				<u>18,200</u>
Amount outstanding at present date	..	..	..	<u>£738,000</u>
12th May, 1894.				

No. 50.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 581.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
17th May, 1894.

SIR,—

I beg to transmit for your information copy of letter which I have addressed to the Crown Agents for the Colonies, intimating that the £50,000 debentures outstanding of the New Zealand Guaranteed Loan of 1856 will be paid off by means of funds other than those belonging to the sinking fund which will thereby be released, and requesting them to move the Trustees to realise the £55,000 New Zealand 4-per-cent. Stock belonging to the sinking fund, so that the proceeds may be available for payment to the Government as soon as the debentures are redeemed.

The New Zealand 4-per-cent. Stock is now quoted at 108½ to 109½.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

Enclosure in No. 50.

GENTLEMEN,—

Referring to your letter to my predecessor of the 26th September, 1891, I beg to inform you that it is the intention of my Government to pay off the £50,000 debentures of the New Zealand Guaranteed Loan of 1856, redeemable in July of this year, by means of funds other than those of the sinking fund. This will have the effect of releasing the sinking fund, and I have therefore to request you to move the Trustees to realise at their discretion the New Zealand 4-per-cent. Stock of which the sinking fund consists, in order that the proceeds may be available for payment to my Government as soon as the debentures are redeemed.

The Crown Agents for the Colonies.

13, Victoria Street, 12th May, 1894.

I am, &c.,

W. B. PERCEVAL.

No. 51.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 582.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
18th May, 1894.

SIR,—

Referring to my letter (No. 561) of the 4th instant, I beg to acknowledge the receipt of your cablegram of same date, and to state that, in accordance with the instructions contained therein, I have sold the further amount of £25,000 3½-per-cent. stock at 101½, copy of contract note for which I herewith enclose. The proceeds of the sale (after deducting 11s. 6d. cost of power of attorney) will be paid into the Public Account on the 30th instant.

Of the £350,000 inscribed in the names of the Audit Officer and myself under the deed-poll of the 20th February last, there now remains £62,000 unsold.

I have, &c.,

W. B. PERCEVAL.

The Hon. the Colonial Treasurer, Wellington.

No. 52.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 641.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
1st June, 1894.

SIR,—

I beg to acknowledge the receipt of your letter (No. T 94), No. 85, of 19th April last, together with the parcel containing £200,000 debentures issued under "The Cheviot Estate Payment Act, 1893," and herewith I transmit the narration thereof, on which is endorsed the Audit Officer's and my acknowledgment of the receipt of the same.

I have, &c.,

W. B. PERCEVAL.

The Hon. the Colonial Treasurer, Wellington.

No. 53.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 690.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
14th June, 1894.

SIR,—

Referring to my letter to the Premier (No. 925) of the 1st August last, respecting the payment of stamp-duty composition on the 3½-per-cent. consolidated stock into which the £500,000 Imperial-guaranteed debentures were converted, I beg herewith to transmit for your information copy of correspondence with the Imperial Inland Revenue Office concerning the delay which took place in the payment of the duty in question.

I have, &c.,

W. B. PERCEVAL.

The Hon. the Colonial Treasurer, Wellington.

Enclosure 1 in No. 53.

SIR,—

Inland Revenue, Somerset House, London, W.C., 26th April, 1894.

I am directed by the Board of Inland Revenue to inform you that on the 7th instant payment was made by the Bank of England of the sum of £3,812 10s., being composition for stamp duty on transfers of £610,000 New Zealand 3½-per-cent. Stock, created in connection with the conversion of £500,000 Imperial-guaranteed New Zealand 4-per-cent. debentures.

This is the stock respecting which you, on behalf of the Government of New Zealand, preferred in March, 1893, a claim for relief from payment of composition, which claim was finally rejected by the Treasury, as notified to you, the Board understand by a letter from the Colonial Office, dated 25th July, 1893.

Immediately after that date, at all events, therefore, payment of the composition should have been made; and I am to request that you will be so good as to furnish the Board with some explanation of the long delay which has taken place. I am at the same time to point out that all transfers registered between the date of the creation of the stock and the date of payment of the composition are in strictness liable to stamp duty, the exemption afforded by composition not being retrospective.

The Agent-General for New Zealand.

I am, &c.,

W. W. COUSENS, Secretary.

Enclosure 2 in No. 53.

SIR,—

13, Victoria Street, S.W., 30th April, 1894.

I am directed by the Agent-General to acknowledge the receipt of your letter of the 26th instant, directing his attention to the circumstances attending the payment of the composition for stamp duty on the £610,000 New Zealand 3½-per-cent. Stock into which the £500,000 Imperial-guaranteed New Zealand 4-per-cent. debentures were converted; and, in reply, to inform you that, pending the final settlement of the question which arose between the Imperial Government and the New Zealand Government, as to whether the stamp duty should, under the special circumstances of the case, be enforced, the payment thereof was suspended.

It is true, as stated by you, that the Agent-General was informed on the 26th July last, through the Colonial Office, that the Imperial Treasury had come to an adverse decision in respect to the representations made on behalf of the New Zealand Government. A considerable amount of correspondence had, however, taken place respecting the matter, and it therefore became the duty of the Agent-General to refer the Imperial Treasury's decision to his Government in the colony, and await any instructions which he may receive as to making an appeal to the Imperial Government against the decision to which you refer.

The Agent-General, however, not having received any instructions that his Government wished to make any further representations to the Imperial Government, on receiving from the Bank of England a copy of your letter of 31st March last, took steps without further delay to make the required payment.

The Agent-General, while expressing regret that the settlement of the matter was thus delayed, directs me to submit that, taking into consideration the principles involved, and the special circumstances which surrounded it as regards the interests of the colony whose Government he represents, the time taken for its final settlement was not more than its importance deserved.

I am further directed to thank you for pointing out that transfers registered before the date of payment of the composition are in strictness liable to stamp duty, and that, in noting that, with the exception of the special occasion referred to in this letter, the stamp duty has always been paid without undue delay, to state that care will be taken that similar despatch will be used in all future transactions.

The Secretary, Inland Revenue.

I am, &c.,
WALTER KENNAWAY,
Secretary, Agent-General's Department.

Enclosure 3 in No. 53.

SIR,—

Somerset House, 10th May, 1894.

I am directed by the Board of Inland Revenue to acknowledge receipt of your letter of the 30th ultimo, and to state that, in view of the explanation given of the delay in paying the composition in respect of this particular sum of £610,000 New Zealand $3\frac{1}{2}$ -per-cent. Stock, and in view, also, of the engagement that despatch will be used in all future transactions, the Board do not propose to pursue the matter further.

Walter Kennaway, Esq., C.M.G.

W. W. COUSENS, Secretary.

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