

P A P E R S

RELATIVE TO THE

INTEREST AND SINKING FUND

OF THE

GUARANTEED LOAN.

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

PAPERS RELATIVE TO THE INTEREST AND SINKING FUND OF GUARANTEED LOAN.

No. 1.

COPY OF A DESPATCH FROM SIR G. C. LEWIS, BART., TO GOVERNOR GORE BROWNE, C.B.

Downing Street,
10th July, 1860.

SIR,—

I have to acknowledge the receipt of your Despatch No. 20, of the 25th February last, enclosing a Commissariat Receipt for the sum of £12,200, being the amount of Interest and Sinking Fund on account of the Guaranteed Loan to New Zealand, and I transmit to you for your information and guidance a copy of a letter from the Lords Commissioners of the Treasury, to whom I caused a copy of your Despatch to be referred in transmitting the receipt to their Lordships.

I have, &c.,
G. C. LEWIS.

Governor Gore Browne, C.B.,
&c., &c., &c.

Enclosure in No. 1.

MR. ARBUTHNOT TO SIR F. ROGERS.

Treasury Chambers,
16th June, 1860.

SIR,—

With reference to your letter of the 12th ultimo, certifying the receipt of £12,200 on account of the New Zealand Guaranteed Loan, I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you for the information of the Duke of Newcastle, and in order that the same may be communicated to the Governor of New Zealand, a statement of the remittances through the Treasury Chest in New Zealand on account of the Interest and Sinking Fund of the Guaranteed Loan to that Colony, showing the purposes to which the several sums remitted have been applied. 1

A statement of the sums due for the Sinking Fund and of the Investments that have been made from time to time on that account. 2

With reference to the enquiry of the Colonial Treasurer in regard to the period at which Investments should be made on account of the Sinking Fund, their Lordships would refer to the New Zealand Loan Act, 1856, and to the Imperial Act, 20 and 21 Vic., cap. 51, directing the annual payment from the general Revenue of the Colony of six per cent. per annum on the total of the principal from time to time borrowed;—of which four per cent. is required for Interest, and two per cent. for the Sinking Fund.

Their Lordships are of opinion that the amount due from time to time for the Sinking Fund should be remitted at the same time as the amount due for Interest, and they would request that in making these remittances, full particulars may be given, shewing the sums sent for the Interest, the Sinking Fund, and the Commission, which latter should amount to one half per cent. on the amount payable by the Bank for Interest.

I am further to state that the amount due for the Sinking Fund shall be calculated from the same date from which Interest became payable, so as to allow of the investment of the proper amount of Sinking Fund during the whole period of thirty years to which the Debentures extend.

I am, &c.,
G. ARBUTHNOT.

Sir F. Rogers, Bart.,
&c., &c., &c.

Sub-Enclosure 1 to Enclosure in No. 1.

NEW ZEALAND GUARANTEED LOAN.

STATEMENT OF RECEIPTS AND PAYMENTS ON ACCOUNT OF INTEREST, SINKING FUND, AND BANK COMMISSION.

REMITTANCES THROUGH THE TREASURY CHEST.					APPLICATION OF REMITTANCES.				
Date of Receipt into Chest.				£ s. d.	1858.				£ s. d.
1858.—22nd June	...	...	...	9,000 0 0	Nov. 23. Invested for Sinking Fund	...	2,970	0	0
31st August	...	...	...	9,030 0 0	1859.				
1859.—16th February	...	...	...	9,500 0 0	Jan. 1. Interest & Commission of £300,000				
24th August	...	...	...	12,100 0 0	Series A	...	6,030	0	0
1860.—24th February	...	...	...	12,200 0 0	Feb. To repay Union Bank of Australia				
					the advance from principal money				
					raised by Debentures, to meet				
					interest on £225,000, due 1st				
					July, 1858	...	4,500	0	0
					Feb. 5. Invested for Sinking Fund	...	3,030	0	0
					April 1. Interest and Commission on £25,000				
					Series B	...	502	10	0
					July 1. Interest & Commission on £300,000				
					Series A	...	6,030	0	0
					July 15. Invested for Sinking Fund	...	3,000	0	0
					Sept. 15. Interest and Commission on £25,000				
					Series D to 1st July	...	502	10	0
					Sept. 27. Ditto on £25,000, Series B to 1st Oct.	...	502	10	0
					1860.				
					Jan. 1. Ditto on £300,000, Series A	...	6,030	0	0
					Jan. 1. Ditto on £25,000, do. C	...	502	10	0
					Jan. 1. Ditto on £50,000, do. D	...	1,005	0	0
					Jan. 18. Invested for Sinking Fund	...	4,000	0	0
					Mch. 23. Interest & Commission on £25,000,				
					Series B to 1st April	...	502	10	0
					Apl. 21. Ditto on £20,000, Series E to 1st				
					April	...	402	0	0
					May 12. Ditto on £10,000, Series E to ditto	...	201	0	0
					Balance	...	12,119	10	0
				£51,830 0 0			£51,830	0	0

Treasury Chambers,
14th June, 1860.

Sub-enclosure 2 to Enclosure in No. 1.

NEW ZEALAND GUARANTEED LOAN.

DEBENTURES ISSUED.					REDEEMABLE.				
				£ s. d.					
Series A, No. 1 to 480, £500, each dated 1st January, 1858, interest from									
1st January, 1858	...	...	...	240,000 0 0					
Series A, 1 to 600, £100, 1st January, 1858, ditto	...	...	...	60,000 0 0					1st January, 1888.
Series B, 481 to 530, £500, 1st October, 1858, ditto 1st October, 1858	...	...	...	25,000 0 0					1st October, 1888.
Series C, No. 1 to 25, £1000, 30th June, 1859, ditto 1st January, 1859	...	...	...	25,000 0 0					1st January, 1889.
Series D, 26 to 75, £1000, 20th August, 1859, ditto 1st July, 1859	...	...	...	50,000 0 0					1st July, 1889.
Series E,* 76 to 125, £1000, 1st October, 1859, ditto 1st October, 1859	...	...	...	30,000 0 0					1st October, 1889.
				£430,000 0 0					

* 50. Debentures Series E have been prepared, to the extent of £50,000, but only 30 of them (£30,000) have been delivered to the Union Bank of Australia.

Treasury Chambers,
June, 1860.

Sub-enclosure 3 to Enclosure in No. 1.

NEW ZEALAND GUARANTEED LOAN.

SINKING FUND ACCOUNT.

Amounts due on account of the Sinking Fund at the rate of £2 per cent. per annum on the sums raised, dating from the same dates from which interest is payable.				Remittances from New Zealand.	Dividends received on investments.
1858.			£	1858.	
1st July, 1 per cent. on £300,000, Series A			3000	November, 2,970	
1859.				1859.	
1st January, do. 300,000, do.			3000	February, 3,030	
1st April, do. 25,000, Series B			250		Due 5th Jan., 1859, } £ s. d.
1st July, do. 300,000, Series A			3000		on £3,015 4s 7d. } 44 5 8
1st July, do. 25,000, Series C*			250	July, 3,000	Due 5th July, 1859, } 91 16 1
1st October, do. 25,000, Series B			250		on £6,250 10s 7d. }
1860.				December, 4,000	Due 5th Jan., 1860, } 135 17 5
1st January, do. 300,000, Series A			3000		on £9,576 18s 9d. }
1st January, do. 25,000, Series C.			250		
			£ 13,000	£13,000	£271 19 2
Further sums due.					
1860.					
1st January, 1 per cent. on £50,000, Series D			500		
1st April, do. 25,000, Series B			250		
1st April, do. 30,000, part of Series E			300		
			£ 1,050		

* NOTE.—The Debentures Series C, £25,000, were dated 30th June, 1859, but interest was payable from 1st January, 1859.

Investments in the £3 per cent. consolidated annuities in the names of George Alexander Hamilton, Assistant Secretary to the Treasury, Penrose Goodchild Julian, one of the Agents General for Crown Colonies, and Morgan Hugh Foster, Assistant Paymaster General.

	Price.	Commission.	Amount applied to purchase of Stock.	Stock purchased.
1858.		£ s. d.	£ s. d.	£ s. d.
23rd November, by Bank of England	98 $\frac{3}{4}$	3 15 4	2,966 4 8	3,015 4 7
1859.				
5th February, do. do.	94 $\frac{1}{8}$	3 19 9	3,026 0 3	3,189 9 5
21st March, by Agent who receives the Dividend	96 $\frac{1}{2}$	0 1 2	44 4 6	45 16 7
				6,250 10 7
15th July, by Bank	92 $\frac{3}{4}$	4 0 9	2,995 19 3	3,230 3 0
9th August, by Agent	95 $\frac{1}{4}$	0 2 5	91 18 8	96 5 2
				9,576 18 9
1860.				
18th January, by Bank	95 $\frac{3}{4}$	5 4 4	3,994 15 8	4,172 1 11
31st January, by Agent	94	0 3 8	135 13 9	144 7 0
		£17 7 5	13,254 11 9	13,893 7 8

Treasury Chambers,
14th June, 1860.

No. 2.

COPY OF A MEMORANDUM BY MR. RICHMOND.

Treasury, Auckland,
31st October, 1860.

The Colonial Treasurer recommends that, in acknowledging the receipt of the Secretary of State's Despatch of 10th July last, No. 42, the attention of the Lords of the Treasury may be drawn to that

portion of Sir C. E. Trevelyan's letter to Mr. Merivale, of 18th November, 1858 (enclosed in the Secretary of State's Despatch of 3rd December, 1858, No. 39), which conveys an answer to the Colonial Treasurer's Memoranda of 10th May and 16th July, 1858, in reference to the dates on which payments should be made into the Commissariat Chest in this Colony, on account of Interest and Sinking Fund on the Guaranteed Loan.

The conclusion arrived at from a perusal of that letter was, that their Lordships considered the proposition of the Colonial Treasurer inadmissible, and payments have accordingly been made into the Commissariat Chest in the Colony in sufficient time to ensure that their Lordships should be cognizant of them before the payments for interest became due.

A more attentive consideration of Sir C. E. Trevelyan's letter, leads, however, to the impression that the conclusion first drawn was erroneous, and that all their Lordships feel themselves bound to require is, that evidence shall be furnished that the half yearly payments are made into the Treasury Chest in the Colony, before the time when the same are due in England.

This interpretation appears more probable from the fact that in the account current received with the Secretary of State's Despatch under reply, this Government appears to be credited from the dates at which the payments were made into the Commissariat Chest at Auckland.

The Colonial Treasurer would further point out, that four months interest annually, at Colonial rates, on so large a sum as £24,000 for which the Colonial Government comes under advance is a charge of serious importance to the Colony, while these remittances are advantageous to Her Majesty's Treasury, in so far as funds are thereby provided at Auckland for the Commissariat Chest without loss or inconvenience.

C. W. RICHMOND.

No. 3.

COPY OF A DESPATCH FROM HIS GRACE THE DUKE OF NEWCASTLE, TO GOVERNOR GORE BROWNE, C. B.

Downing Street,
February 26th, 1861.

NEW ZEALAND.
No. 25.

SIR,—

I have the honor to inform you that your Despatch, No. 111, of the 3rd November, together with the Memorandum drawn up by the Colonial Treasurer of New Zealand relative to the payments on account of interest on the Government Loan to that Colony, was communicated to the Lords Commissioners of the Treasury, and I transmit to you, for your information, a copy of the answer which their Lordships caused to be returned upon that subject.

I have, &c.,

Governor Gore Browne, C. B.,
&c., &c., &c.

NEWCASTLE.

Enclosure in No. 3.

MR. HAMILTON, TO SIR F. ROGERS.

Treasury Chambers,
February 19th, 1861.

SIR,—

With reference to your letter of 2nd instant, relative to payments on account of interest on the Guaranteed Loan to New Zealand, I am directed by the Lords Commissioners of Her Majesty's Treasury, to request that you will move the Duke of Newcastle to inform the Governor of that Colony, with reference to the Memorandum of the Colonial Treasurer, dated 31st October last, that the interpretation adopted in the first instance of the letter of this Board, of 18th November, 1858, in regard to the dates at which payments should be made into the Treasury Chest in New Zealand, as remittances on account of the Interest and Sinking Fund of the Guaranteed Loan, was the correct interpretation.

The intention of that letter was to the effect, that before the money could be issued to the Bank of England from the Treasury Chest account in this country, their Lordships must have before them evidence that corresponding sums had been already lodged in the Chest in the Colony.

The Imperial Act 20 and 21 Vic., Cap. 51, under which the guarantee is granted, prescribes the course to be pursued in the event of the interest not being available at the time when it is due, and their Lordships have no power to depart from the provisions of that Act.

Their Lordships would observe that the Government of New Zealand is at liberty to make such arrangements as may be most advantageous to itself for remitting the Interest and Sinking Fund of the Loan, but it must be borne in mind that their Lordships have no other course to pursue, in the event of any deficiency in the regular payment of interest by the Colony, than to advance the same from the Consolidated Fund, and to charge the Colonial Government with interest at the rate of five per cent, until the advance shall be repaid.

The arrangement that has hitherto been adopted for New Zealand, is the same as that pursued in cases of some of the other Colonies which have to make remittances on account of Loans guaranteed

SINKING FUND OF THE GUARANTEED LOAN.

7

B—No. 2

by Her Majesty's Government, and if the Government of New Zealand suffers a disadvantage in having to pay the money in anticipation of the date when it is actually due, it is only the natural result of circumstances which are common to all distant communities who are subject to liabilities to be discharged in England.

Their Lordships would further observe that the insertion in the account forwarded in their letter of 16th June last, of the dates of the payment of the money into the Treasury Chest, was necessary to identify the respective sums paid, and was not intended to convey the impression drawn by the Colonial Treasurer.

I am, &c.,

GEO. A. HAMILTON.

Sir Frederic Rogers, Bart.,
&c., &c., &c.

No. 4.

COPY OF A DESPATCH FROM HIS GRACE THE DUKE OF NEWCASTLE, TO GOVERNOR GORE
BROWNE, C. B.

Downing Street,
February 20th, 1861.

SIR,—

I forwarded to the Lords Commissioners of the Treasury a copy of your Despatch, No. 92. of the 1st of September, together with a Commissaria receipt for the sum of Eleven Thousand Five Hundred and Eleven Pounds, to provide for Interest and Sinking Fund for the Guaranteed Loan to New Zealand, for the half year ending 31st December, 1860, and in reply their Lordships requested that I would transmit to you for your information and that of the General Assembly of the Colony under your Government, the annexed copy of an account of the appropriation of the remittances received during the past year on account of the said Loan, with an account of the investments for the Sinking Fund of the Loan.

NEW ZEALAND.

No. 19.

£11.511.

I have, &c.,

Governor Gore Browne, C. B.,
&c., &c., &c.

NEWCASTLE.

Enclosure 1 in No. 4.

NEW ZEALAND GUARANTEED LOAN.

CONTINUATION OF ACCOUNT OF RECEIPTS AND PAYMENTS ON ACCOUNT OF INTEREST, SINKING FUND, AND BANK COMMISSION.

Remittances through the Treasury Chest.				Application of Remittances.			
Date of Receipt.	£	s.	d.		£	s.	d.
Into Treasury Chest—Balance as per last account	12,119	10	0	1860.			
				July 1, Interest and Commission on Debentures, £300,000, Series A.	6030	0	0
				July 1, Interest and Commission on Debentures, £25,000, Series C.	502	10	0
				July 1, Interest and Commission on Debentures, £50,000, Series D.	1005	0	0
				Invested for Sinking Fund	4550	0	0
1860.							12,087 10 0
May 19th	1650	0	0	Oct. 1, Interest and Commission of Debentures, £25,000, Series B.	502	10	0
				Oct. 1, Interest and Commission of Debentures, £30,000, Series E.	603	0	0
				Invested for Sinking Fund	550	0	0
							1655 10 0
August 23rd	11,511	0	0	1861.			
				Jan. 1, Interest and Commission on Debentures, £300,000, Series A.	6030	0	0
				Jan. 1, Interest and Commission on Debentures, £25,000, Series C.	502	10	0
				Jan. 1, Interest and Commission on Debentures, £50,000, Series D.	1005	0	0
				Invested for Sinking Fund	4000	0	0
							11,537 10 0
	£25,280	10	0				£25,280 10 0

Treasury Chambers,
21st January, 1861.

Enclosure 2 in No. 4.

NEW ZEALAND GUARANTEED LOAN SINKING FUND ACCOUNT.

INVESTMENTS IN THE £3 PER CENT. CONSOLIDATED ANNUITIES IN THE NAMES OF GEORGE ALEXANDER HAMILTON, ASSISTANT SECRETARY TO THE TREASURY, PENROSE GOODCHILD JULYAN, ONE OF THE AGENTS GENERAL FOR CROWN COLONIES, AND MORGAN HUGH FOSTER, ASSISTANT PAYMASTER GENERAL.

	Amounts due on Account of the Sinking Fund.				Remittances from New Zealand.	Dividends received on Investments.	Price.	Commission.	Amount applied to purchase of Stock.	Stock purchased.
						£ s. d.		£ s. d.	£ s. d.	£ s. d.
1860.	Brought forward	£13,000			£13,000	271 19 2		17 7 5	13,254 11 9	13,893 7 8
January 1	1 per cent. on £50,000, Series D.	-						0 5 5	199 8 11	213 6 4
April 1	" 25,000, " B.	-								
July 1	" 30,000, " E.	-			4,550	199 14 4	93½	6 1 10	4,543 18 2	4,872 16 6
"	" 300,000, " A.	-								
"	" 50,000, " D.	-								
"	" 25,000, " C.	-								
October 1	" 30,000, " B.	-			550		93½	0 14 9	549 5 3	588 4 8
"	" 30,000, " E.	-								
1861.	300,000, " A.	-								
January 1	" 50,000, " D.	-								
"	" 25,000, " C.	-			3750 } 4,000		92½	5 8 2	3,994 11 10	4,324 6 6
"	"	-			*250 }					
					£22,100	£471 13 6		£29 17 7	£22,541 15 11	£23,892 1 8

* Arrears due on Series C

Treasury Chambers,
21st January, 1861.

No 5.

COPY OF A DESPATCH FROM HIS GRACE THE DUKE OF NEWCASTLE TO GOVERNOR GORE
BROWNE, C.B.

Downing Street,
20th January, 1861.

SIR,—

With reference to Secretary Sir George Lewis's Despatch No. 51, of the 18th of August last, I have the honor to transmit to you, for your information and guidance, the copy of a letter from the Treasury, enclosing a correspondence between that Department and the Union Bank of Australia on the subject of the issue of further Debentures for Ten Thousand Pounds on account of the Guaranteed Loan to New Zealand.

NEW ZEALAND.
No. 5.
£10,000.

I have, &c.,
NEWCASTLE,

Governor Gore Browne, C.B.,
&c., &c., &c.

Enclosure in No. 5.

MR. HAMILTON TO SIR F. ROGERS.

Treasury Chambers,
10th January, 1861.

SIR,—

With reference to the letter of this Board of 24th July last, relative to the issue of Debentures on account of the Guaranteed Loan to New Zealand, I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you copy of a letter from the Union Bank of Australia, dated 15th ultimo, of the reply of this Board thereto of 27th ultimo, and of the further letter from the Union Bank dated 31st ultimo, together with copy of the reply which their Lordships have directed to be given on the 10th instant, relative to the issue of further Debentures for £10,000 on account of the said Loan, and I am to request that you will move the Duke of Newcastle to communicate the same to the Governor of New Zealand for his information, and in order that the necessary steps may be taken for remitting the Interest and Sinking Fund of this further portion of the Guaranteed Loan.

Their Lordships are of opinion that, although no interest will be payable on the Debentures for £10,000 now delivered to the Union Bank for the period from 1st October, 1859 to 1st October, 1860, yet the amount must be considered as having been borrowed on the 1st October, 1859, and the remittances for the Sinking Fund should be reckoned from that date.

I am, &c.,
GEORGE A. HAMILTON.

Sir F. Rogers, Bart.,
&c., &c., &c.

Sub-Enclosure 1 to Enclosure in No. 5.

MR. SAUNDERS TO THE SECRETARY OF THE TREASURY.

Union Bank of Australia,
33, Old Broad Street,
London, E.C.,
15th December, 1860.

SIR,—

In conformity with the arrangement of the Lords Commissioners of Her Majesty's Treasury, I am now desired by the Directors of this Bank to hand you a receipt of the Colonial Treasurer of New Zealand for a payment to him by the Bank's Manager at Auckland of £10,000 on 18th September, 1860, on account of the Guaranteed Loan to the above Colony under the Act 20 and 21 Victoria, cap. 51.

I have, &c.,
H. W. D. SAUNDERS,
Secretary.

To the Secretary, H. M. Treasury,
Whitehall, S.W.

Sub-Enclosure 2 to Enclosure in No. 5.

MR. ARBUTHNOT TO THE DIRECTORS OF THE UNION BANK OF AUSTRALIA.

27th December, 1860.

GENTLEMEN,—

With reference to your letter of the 15th instant, enclosing a receipt of the Colonial Treasurer of New Zealand for a payment to him, by the Bank's Manager at Auckland, of £10,000 (on the 18th September, 1860) on account of the guaranteed Loan to that Colony, I am directed by the Lords Commissioners of Her Majesty's Treasury, to draw your attention to the letter of this Board of 16th June, and to your reply of 28th June last, on the subject of the delivery to you of the remainder of the Debentures for £50,000, (Series E.,) dated 1st October, 1859, and bearing interest from that date, which were prepared on the requisition of the Governor of New Zealand, dated 17th September, 1859.

You will be aware that £20,000 of this Series of Debentures remain on hand and are available for delivery, on the production of the necessary receipts from the Colonial Treasurer, for corresponding sums paid to the Colonial Government by the Union Bank.

Their Lordships wish to be informed whether you will accept £10,000 of these Debentures on the present occasion, minus two of the Coupons, viz., those for the interest due for the half years to 31st March and 30th September, 1860, the interest thereon to commence on the 1st October, 1860.

Their Lordships believe that the issue of Debentures on these conditions will not interfere with the arrangements under which the Union Bank take these Debentures, unless you should on your part consider that there is an objection owing to the circumstance that these Debentures for £10,000 will be redeemable at the expiration of 29 years from the date of their delivery.

Their Lordships presume that in the event of the delivery of the Debentures, as above proposed, the amount of interest for the period between 18th September and the 1st October, 1860, on the sum of £10,000, will be adjusted in the account of the Union Bank with the Colonial Government of New Zealand, in the manner adopted on previous similar occasions.

I am, &c.,

G. ARBUTHNOT.

To the Secretary H. M. Treasury,
Whitehall, S.W.

Sub-Enclosure 3 to Enclosure in No. 5.

MR. SAUNDERS TO THE SECRETARY OF HER MAJESTY'S TREASURY.

Union Bank of Australia,
38, Old Broad Street, London, E.C.
31st December, 1860.

SIR,—

I am desired by the Directors to thank you for your letter of 27th instant, and to express their willingness to receive £10,000 of the Debentures of the New Zealand Loan already prepared, minus the Coupons for Interest due to 31st March and 30th September last, but upon the understanding, that, in the Bank's account with the Colonial Government of New Zealand, interest will be charged from 18th June, the Contract stipulating for its payment for three months prior to the dates of actual payment of Cash by the Bank.

I am further instructed to state that, in complying with the proposal with which you favored the Directors on 16th June, it was intended to express their readiness to receive the £20,000 of Debentures which have been prepared, whenever the Bank should become entitled to Debentures for that amount, and that the Directors will accept the remaining £10,000 thereof hereafter, subject to such Coupons and Interest as may be due, upon the foregoing principle, according to the period of payment.

I have, &c.,

H. W. D. SAUNDERS,
Secretary.

Sub-Enclosure 4 to Enclosure in No. 5.

MR. HAMILTON TO THE DIRECTORS OF THE UNION BANK OF AUSTRALIA.

Treasury Chambers,
10th January, 1861.

GENTLEMEN,—

With reference to your letter of the 31st ultimo, I am directed by the Lords Commissioners of Her Majesty's Treasury, to acquaint you that their Lordships will direct the

Governor and Deputy-Governor of the Bank of England to deliver to you Debentures of the Guaranteed Loan to New Zealand, to the amount of £10,000, Series E, dated 1st October, 1859, minus the Coupons for the Interest due to 31st March and 30th September, 1860, in return for the sum of £10,000, paid by the Bank's Manager at Auckland to the Colonial Treasurer, on 18th September, 1860, upon the understanding that in the Bank's account with the Colonial Government of New Zealand, interest will be charged from 18th June, 1860, three months prior to the date of actual payment by the Bank.

My Lords would observe that these Debentures will bear Guaranteed Interest at the rate of 4 per cent. from 1st October, 1860, and they apprehend that the interest due from the Colonial Government for the three months immediately preceding that date, viz., from 1st July to 30th September, should, in conformity with the terms of the contract, be charged at the same rate, leaving the question of the rate of interest from 18th to 30th June to be decided according to the arrangement that may have been made by the Union Bank with the Colonial Government in regard to the payments made by the Bank on account of this Loan, previously to the commencement of the Guaranteed Interest thereon.

I am, &c.,

G. A. HAMILTON.

The Directors of the
Union Bank of Australia.

No. 6.

COPY OF A DESPATCH FROM HIS GRACE THE DUKE OF NEWCASTLE TO GOVERNOR GORE
BROWNE, C.B.

Downing Street
9th March, 1861.

SIR,—

I forwarded to the Lords Commissioners of the Treasury, a copy of your Despatch, No. 111, of the 3rd of November, relative to the remittances of the Interest and Sinking Fund due on the Guaranteed Loan to New Zealand, and I transmit to you for your information and guidance a copy of the answer returned by their Lordship's direction.

NEW ZEALAND.

No. 28.

I have, &c.,

NEWCASTLE.

Governor Gore Browne, C.B.
&c., &c., &c.

Enclosure in No. 6.

MR. HAMILTON TO SIR F. ROGERS.

Treasury Chambers,
6th March 1861.

SIR,—

With reference to the letter from this Board of the 10th* (ultimo) I am directed by the Lords Commissioners of Her Majesty's Treasury, to transmit herewith the enclosed copy of a letter from the Union Bank of Australia dated 15th ultimo, with copy of their Lordship's Minute thereon, and am to request that you will move the Duke of Newcastle to communicate the same to the Governor of New Zealand, for the information and guidance of the Colonial Government, in reference to the remittance of the Interest and Sinking Fund due on the further portion of the Guaranteed Loan.

The observation contained in the last paragraph of their Lordship's letter of the 10th ultimo, in regard to the remittances for the Sinking Fund dating 1st October, 1859, will apply equally to the Debentures for £10,000 now delivered to the Union Bank of Australia.

I am, &c.,

GEORGE A. HAMILTON.

Sir F. Rogers, Baronet.
&c., &c., &c.

* January?

Sub-Enclosure 1, to Enclosure in No. 6.

MR. SAUNDERS TO THE SECRETARY, TREASURY.

Union Bank of Australia, 38 Old Broad Street,
London, E. C. 15th February, 1861.

SIR,—

In conformity with the arrangement of the Lords Commissioners of Her Majesty's Treasury, I am directed by the Directors of this Bank, to hand to you a receipt of the Colonial Treasurer of New

Zealand for a payment to him by the Bank's Manager at Auckland of £10,000 on 15th November, 1860, on account of the Guaranteed Loan to the above Colony under the Act 20 and 21st, Victoria, cap. 51; and to state that in lieu thereof, the Directors are willing to receive the Debentures remaining on hand as the balance of series E. after coupons for the expired interest shall have been cut off, and to settle in account with the Government of New Zealand for whatever subsequent interest shall be due to or by the Bank, such arrangement being in fulfilment of that already intimated by my letter of 31st December last.

The Secretary Her Majesty's Treasury,
Whitehall.

I have, &c.,

H. W. D. SAUNDERS.

Sub-Enclosure 2, to Enclosure in No. 6.

COPY OF TREASURY MINUTE DATED 5TH MARCH, 1861.

No. 2957.

Acquaint the Directors of the Union Bank of Australia with reference to this letter, that their Lordships will instruct the Governor and Deputy Governor of the Bank of England, to deliver to them Debentures of the Guaranteed Loan to New Zealand to the amount of £10,000, being the balance of Series E., dated 1st October, 1859, minus the Coupons for the Interest due to 31st March and 30th September 1860, in return for the sum of £10,000 paid by the Bank's Manager at Auckland, to the Colonial Treasurer on the 15th November, 1860, upon the understanding that the Union Bank will settle in account with the Colonial Government in regard to the interest that may be due to or by the Bank, in conformity, with the principle already laid down in the previous correspondence, relating to the delivery of the Debentures for this Loan.

Write to the Governor and Deputy Governor of the Bank of England with reference to the correspondence noted in the margin, and request that they will deliver to the Union Bank of Australia Debentures to the amount of £10,000 of the Guaranteed Loan to New Zealand being the balance, now in their hands, of the Debentures, Series E., dated 1st October, 1859, in return for a corresponding sum that has been paid by the Bank's Manager at Auckland to the Colonial Government of New Zealand.

Desire that they will detach from these Debentures the Coupons for the Interest due on the 1st April and 1st October, 1860, the Union Bank having consented to take the Debentures on those conditions.

Treasury to Bank,
20th April, 1860.

Treasury to Bank,
14th May, 1860.

Treasury to Bank,
10th January, 1861.