

## No. 24.

The New Zealand Government AGENT to the Hon. the COLONIAL SECRETARY.

Office of the New Zealand Government Agency,

SIR,— 3, Adelaide Place, King William Street, London, E.C., 26th January, 1865.

I had the honor to report to you on the 26th ultimo relative to the state of the English money market. Since then a further decline has taken place in the value of money. The Directors of the Bank of England, at their weekly meeting, reduced the minimum rate of discount from 6 per cent., at which it was fixed on the 15th ultimo, to  $5\frac{1}{2}$ , and the tendencies of the market is still to greater ease. This favorable turn however is no sooner manifest than financial undertakings of almost every form and character are brought forward, whereby the market is kept sensitive, and its future bearing rendered extremely doubtful.

During the past month the event of the greatest magnitude is the Italian 5 per cent. Sale Domain Loan of Eight Millions. The General Credit Company are the negotiators in this country. The bonds of £20 each and of larger amounts are redeemable in fifteen years. The issue price for the redeemable bond at £100 is £77 10s., and taking into consideration the period of redemption, together with the issue price and date of call, the investment is calculated to pay over 10 per cent. to the allottee.

The Crown Agents for the Colonies invited tenders for Cape of Good Hope Government 5 per cent. debentures to the extent of £234,000, in sums of £100, £200, and £500 each, and redeemable on the 31st December, 1900; interest equal to about  $1\frac{1}{4}$  per cent. had accrued on these securities. On the 17th instant the total amount applied for was £307,700, at prices varying from 81 to 105. The minimum was fixed by the Crown agents at 90. Tenders above £91 0s. 6d. received in full, whilst those below that price were rejected. The average rate at which the £234,000 was placed was about £91 12s. 3d. per cent.

The readiness with which the above loan was floated may be attributed to the following circumstances:—

1st. The loan in question was brought out for the purpose of paying off a like amount of 6 per cent. debentures falling due; it did not therefore create additional debt on the Colony.

2nd. No money was required or withdrawn from the market to take up this loan; the tenders received were chiefly from holders of the old debentures, who purchased and paid in those securities for the new ones.

3rd. The much more favorable state of the money market rate of discount, being  $5\frac{1}{2}$  per cent., or quite  $2\frac{1}{2}$  per cent. lower than when the New Zealand 5 per cent. loan was offered in July last.

These circumstances, so far as I am able to ascertain, acted much in favor of the Cape Loan realising the price it did, which is considered to be higher than what New Zealand securities of like per centage would at present realise.

The only New Zealand securities for which tenders have been publicly invited during the past month are the 8 per cent. debentures of the Dunedin Gaslight and Coke Company, Limited. These have been advertised by the New Zealand Banking Corporation, the amount required being £15,000. It has not transpired what has been applied for, or the price at which the tenders, if any, have been made.

I have, &c.,

JOHN MORRISON.

P.S.—Since writing the foregoing, the Bank of England rate of discount has this afternoon been reduced to 5 per cent.

J. M.

The Hon. the Colonial Secretary, Auckland, New Zealand.

## No. 25.

The Hon. the COLONIAL TREASURER to the INSPECTOR, Bank of New Zealand.

SIR,— Treasury, Wellington, 10th April, 1865.

The pass-book of your Bank, which I have just received, has informed me, to my very great surprise, that you have debited my account as Colonial Treasurer, with the sums named in the enclosed schedule, amounting to £23,620 2s. 6d.

I must most respectfully but earnestly protest against such a mode of procedure; it not only usurps, but goes far beyond my power, as I make no payments except on warrant.

I am far from saying that the items are not correct, or that they will not be approved when submitted, but still until they have been laid before me, I cannot make the payment, nor sanction its being charged in my account with the bank; I must therefore request that a full statement of the various charges may be supplied, supported by the daily statement of balances with accruing interest thereon, and that until such has been examined and sanctioned, the items be eliminated from the account.

I have, &c.,

D. L. Murdoch, Esq.,

Inspector of Bank of New Zealand, Auckland.

WILLIAM FITZHERBERT.

## No. 26.

The Hon. the COLONIAL SECRETARY to the CROWN AGENTS.

GENTLEMEN,— Colonial Secretary's Office, Wellington, 13th April, 1865.

I have the honor, by the direction of Mr. Weld, to transmit to you a bank draft, noted in the margin, for the sum of twenty-five thousand pounds (£25,000,) being a remittance to provide for interest at 5 per cent. on debentures for one million (1,000,000,) issued under "The New Zealand Loan Act, 1863," for the current half-year. I also send a statement of particulars of the remittance.

I have, &c.,

W. GISBORNE,

Under Secretary.

Messrs. Julyan and Sargeant, Spring Gardens, London.