

1875.

## NEW ZEALAND.

INSTRUCTIONS FROM THE GOVERNMENT TO THE  
LATE COLONIAL TREASURER,

(COPIES OF, ISSUED SINCE LAST SESSION OF PARLIAMENT).

*Being Return to an Order of the House of Representatives, dated 3rd August, 1875,**"That copies of all Letters of Instruction from the Government to the late Colonial Treasurer, since the last Session of Parliament, be laid upon the Table."—(Mr. Rolleston.)*

## No. 1.

The Hon. the COLONIAL TREASURER to the Hon. Sir JULIUS VOGEL, K.C.M.G.

(No. 128.)

SIR,—

Treasury, Wellington, 5th July, 1875.

I have the honor to enclose a memorandum by the Secretary to the Treasury, calling attention to the approaching maturity of certain bonds of the Otago Public Buildings Loan, and suggesting the probability of an application being made by the province that these bonds may be consolidated.

As there is no doubt that such an application will be made, I have the honor to request that you will be good enough, should it appear to you desirable to do so, to negotiate £40,000 bonds of the Consolidated Loan, with a view to the desired conversion.

The enclosed copy of a letter addressed to the Superintendent of Otago will apprise you of the position taken by the Colonial Government in this matter as regards the province.

My attention has also been called to the balance of the Nelson Waterworks Loan, amounting to £8,000, which matures on the 1st January, 1876. The sinking fund of this loan to date amounts to £3,842 8s. 7d., to be increased by accretions to the 1st January to, say, £4,240.

The Treasury has received no communication from the Nelson Provincial Government in respect to this loan; but in view of such a request being made, it would be desirable, in the event of your being able or of its being expedient to make an issue of Consolidated Loan Bonds, to negotiate the further sum of £10,000, to provide for the conversion of the Nelson bonds.

It is proposed to obtain an Order in Council authorizing the raising of £50,000 by Consolidated Loan Debentures, and appointing yourself, in conjunction with Sir P. G. Julian, Mr. Sargeant, and Dr. Featherston, to be agents for the purpose. It is possible that the Order in Council and Warrant of Appointment may not be ready for transmission by this mail; but if not, they shall be sent by the one following.

I may state that, in appointing you to be one of the Agents for the raising of this loan, and placing in your hands the requisite authorities, the Government is actuated by a desire to commit to your decision the question whether the proposed operation should be proceeded with or not.

In the meantime the Crown Agents have been instructed to notify by advertisement that the bonds of the Otago Public Buildings Loan Ordinance will be paid off on the 1st October, and to pay off such as may be presented in London (estimated at £24,250) accordingly.

I have, &amp;c.,

H. A. ATKINSON,

Acting Colonial Treasurer.

The Hon. Sir Julius Vogel, London.

## Enclosure 1 in No. 1.

MEMORANDUM by Mr. BATKIN.

Treasury, Wellington, 3rd July, 1875.

It is reported, for the information of the Hon. the Colonial Treasurer, that the bonds issued by the Provincial Government of Otago under "The Otago Public Buildings Loan Ordinance, 1862," mature on the 1st October next.

The amount of these bonds outstanding is £40,075, and the sinking funds accrued to date amount to £15,629 3s. 3d., invested as follows:—

	£	s.	d.
In Defence Loan Bonds ... ..	9,610	0	0
„ Canterbury Rivers Bonds ... ..	3,900	0	0
„ Otago Public Buildings Loan Bonds ... ..	1,525	0	0
„ General Purposes Loan Bonds ... ..	300	0	0
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	£15,335	0	0
Cash in hand ... ..	294	3	3
	<hr/>		
	£15,629	3	3

The amount of this sinking fund will be augmented by accretions of interest between this date and the 1st October to, say, £17,250.

By section 2 of “The Public Debts Act, 1867,” it is provided that the interest and sinking fund of all loans specified in Schedule A to that Act shall be paid out of the Consolidated Fund; and it further enacts that, from and after a date to be fixed by Proclamation, in respect of the debentures of any province, the Colonial Treasurer shall pay all interest and sinking fund falling due on such loans.

The Otago Public Buildings Loan is one of the loans specified in the Schedule; but no Proclamation in respect of these loans of the Province of Otago has been issued, and the interest and sinking fund falling due thereon has up to this date been, and will no doubt continue to be, paid by the province.

On the approaching maturity of the bonds of the Otago Loan of 1861–62, and the Otago Harbour Loan of 1862, the Superintendent of that province requested (papers attached) that those loans falling due in July and November, 1874, should be taken up by an issue of bonds under “The Consolidated Loan Act, 1867,” and that the sinking funds accrued in respect of them should be released and paid over to the province. The request of the Superintendent of the province was complied with. The bonds as they came due were paid off, and the relative sinking funds released, except as respects a parcel of £6,000 bonds not due till the 31st December next.

No similar request has (as yet) been made by the Provincial Government in respect of the bonds of the Public Buildings Loan falling due on the 1st October next. It is, however, observed that an item of £24,000—for “Sinking Funds to be released”—appears in the estimated revenue of the Province of Otago for the current year, and it may be anticipated that such a request may yet be preferred.

As, however, only three months have now to elapse before the bonds become payable, it is necessary, if any steps are to be taken by the Colonial Government, that immediate consideration be given to the matter, as the major part of the bonds (£24,250) are payable in London, and instructions in respect of them should be sent Home by the mail leaving on the 6th instant.

I have, &c.,

C. T. BATKIN,

Secretary to the Treasury.

The Hon. the Colonial Treasurer.

### Enclosure 2 in No. 1.

The Hon. the COLONIAL SECRETARY to His Honor the SUPERINTENDENT, Otago.

SIR,—

Colonial Secretary's Office, 5th July, 1875.

Referring to the debentures of the Otago Public Buildings Loan of 1862, I have the honor to remind your Honor that these bonds, aggregating £40,075, will mature on the 1st October next, and that, as regards the redemption of that portion of the issue on which interest has been paid in London, and which will probably be presented for payment there, it will be necessary to make arrangements by the San Francisco Mail leaving here on the 6th instant.

By “The Public Debts Act, 1867,” section 2, the redemption of these bonds is made, in the first instance, a colonial obligation; and it is accordingly proposed, by the outgoing mail, to instruct the Crown Agents to notify by advertisement that they are prepared to pay off these bonds on presentation, and to pay them off accordingly.

The only sum at present available for the redemption of the bonds is the sinking fund in the hands of the Commissioners of the Public Debts Sinking Fund, amounting at this date to £15,629 3s. 3d. This amount will be augmented by accretions between this date and the 1st October to, say, £17,250, leaving a sum of £22,805 to be provided out of the revenue of the colony. Perceiving that a sum of £24,000 is set down in the estimated revenue of the province for the present year as probably receivable on account of sinking funds to be released, it is presumed to be the intention of your Honor's Government to propose that the bonds of the Otago Public Buildings Loan shall be converted into New Zealand Stock by exchanging them for Consolidated Loan Bonds, and that the sinking fund accrued in respect of them shall thereupon be released to the province. The Government proposes to communicate immediately with the Hon. Sir J. Vogel, with a view to ascertain the probability of his being able to dispose of a sufficient amount of Consolidated Loan Bonds to take up these debentures. Looking, however, to the large amount of New Zealand Debentures which have recently been placed upon the London market, it may be found inexpedient to negotiate a further issue of New Zealand Stock.

The accrued sinking funds, supplemented by an advance from the Consolidated Fund, will in the meantime be applied to the redemption of the bonds.

In the event of the report of Sir J. Vogel being unfavourable to a further issue of New Zealand Bonds, I shall be glad to be informed as to the arrangements which your Honor proposes to make for the repayment of the advance of £22,825 above referred to.

His Honor the Superintendent, Dunedin.

I have, &c.,  
DANIEL POLLEN.

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No. 2.

The Hon. the COLONIAL TREASURER to the Hon. Sir JULIUS VOGEL, K.C.M.G.

SIR,—

Treasury, Wellington, 2nd August, 1875.

Referring to my letter of the 5th ultimo, on the subject of the redemption of certain bonds of the Otago Public Buildings Loan, I have now the honor to enclose the Order in Council and Warrant of Appointment therein mentioned.

The Hon. Sir Julius Vogel, K.C.M.G., London.

I have, &c.,  
H. A. ATKINSON.

By Authority: GEORGE DIDSBUXY, Government Printer, Wellington.—1875.

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