

portions of the loans authorized by (1) "The Defence and other Purposes Loan Act, 1870," £250,000; (2) "The Immigration and Public Works Loan Act, 1873," £500,000; and (3) by "The General Purposes Loan Act, 1873," £500,000, amounting altogether to £1,250,000.

On the 1st instant, we felt that the time had arrived when we should be warranted in making the attempt: not that we expected the whole amount would be immediately applied for; but we were of opinion that the general public would subscribe for sufficient to enable us to get a Stock Exchange quotation, and create a demand for these particular securities, which might induce speculators—and especially those who are still large holders of the last £4,000,000—to come in and take up the balance; and we accordingly issued an advertisement, of which a copy is enclosed. * * *

In short, everything finally turned in our favour. There was, and still is, a complete plethora of money; investors are afraid to touch foreign stocks; Colonial Government securities generally are excessively dear, and but few offering; and a speech most opportunely made by the Secretary of State for Foreign Affairs three days before our lists closed, removed all apprehensions of war for the present; and with this combination of most fortunate circumstances, a 5 per cent. security became irresistible, and the whole £1,250,000 was disposed of for £1,250,516 13s.

The full details of the operation will be found in the schedule of tenders which accompanies this, and we cannot doubt but that the result will be highly satisfactory to your Government.

We have in a previous letter explained the necessity of making this a 5 per cent. loan. It was largely owing to that circumstance that success was due; and by reserving to your Government the power of redeeming the bonds at any time after the lapse of five years, you can at no very distant date substitute for them securities bearing a lower rate of interest, if it should be found profitable to do so. * * *

The issue of this new loan renders it necessary that the Crown Agents for the Colonies should be placed in funds half-yearly—on the 15th January and 15th July—for the payment of the interest, amounting altogether to £62,500 per annum.

Although the present Agent-General for New Zealand is not, of course, associated with us by warrant for carrying out these operations, yet we thought it desirable that he should, as your representative, be made cognizant of the various features of our negotiations, and thus participate to a certain extent in them.

Sir William Power's extensive experience, and general capacity for business, rendered this course doubly valuable; and we may add that he entirely concurred in the various steps we took to raise the money.

We have, &c.,

P. G. JULYAN,

W. C. SARGEANT,

Agents for New Zealand Government Loans.

The Hon. the Colonial Treasurer,
Wellington, New Zealand.

Enclosure 1.

NEW ZEALAND GOVERNMENT FIVE PER CENT. $\frac{5}{8}$ LOAN, £1,250,000;

Forming the last issues under "The Defence and Other Purposes Loan Act, 1870," "The Immigration and Public Works Loan Act, 1873," and "The General Purposes Loan Act, 1873."

THE undersigned, Agents for raising and managing the loans authorized under the above-cited Acts, hereby give notice that they are prepared to receive tenders on behalf of the Government of New Zealand for debentures bearing interest at the rate of 5 per cent. per annum, and representing altogether £1,250,000.

The loan is secured on the Consolidated Revenues of New Zealand, and will be raised on debentures of £1,000, £500, £200, and £100 respectively, bearing interest from the 16th July, 1876.

The principal will be repaid at par, at the offices of the Crown Agents for the Colonies in London, not earlier than five years and not later than thirty years from the 16th July, 1876, the Government reserving to itself the right of paying it off on the 15th January or the 15th July of any intermediate year, upon giving six months' notice in the *London Gazette* and the *Times* newspaper, of its intention to do so.

Interest will be paid at the same place half-yearly, on the 15th January and 15th July of every year.

Applications in accordance with the annexed form, addressed "Tender for New Zealand Loan," will be received by the undersigned, until 1 p.m. on Saturday, the 8th July proximo, and will be then opened at their offices, in the presence of the Agent-General for New Zealand, and of any applicants who may be pleased to attend.

Tenders at a price including a fraction of a shilling other than 6d. will not be preferentially accepted, and in the event of an equality of tenders beyond the amount to be disposed of, a *pro rata* distribution on such tenders will be made.

The debentures will be allotted to the highest bidders, provided the price offered be not less than £100 in money for every £100 in debentures, payable as follows:—

£5 per cent. on application; £10 per cent. on allotment; and so much on the 25th July as will leave £30 per cent. to be paid on the 25th August, and £30 per cent. on the 25th September next.

Payments may be made in full on any of the foregoing dates, at a discount equal to that charged by the Bank of England at the time being.

The first payment to accompany the application, and the subsequent payments to be made at the London and Westminster Bank, Lothbury, not later than the several dates above named.