

1880.

NEW ZEALAND.

FIVE-MILLION LOAN.

PAPERS RELATING TO ITS NEGOTIATION, ETC.

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

No. 1.

The COLONIAL TREASURER to the AGENT-GENERAL.

SIR,—

Treasury, New Zealand, Wellington, 21st June, 1879.

I have the honor to inform you that it is the intention of the Government, as early as possible after the assembling of Parliament on the 11th of July, to introduce a Bill authorizing a loan of £5,000,000, which it is hoped will pass through both Houses, and receive the assent of His Excellency the Governor, in sufficient time to admit of the appointment of Agents before the 19th of July, so as to enable me by the San Francisco mail of that date to forward to the gentlemen who may be so appointed all the documents necessary for negotiating the loan.

The maximum rate of interest will be fixed, as on former occasions, at 6 per cent.; but the views of the Government as to the actual rate which the loan should bear will be intimated to the Agents by next opportunity. The usual power will be taken to raise moneys by the sale or hypothecation of short-dated debentures; and, after a careful consideration of the matter, the Government are of opinion that, as regards the interest to be paid on such short-dated debentures, no limit should be named in the Bill.

It is proposed to draw on the Crown Agents from time to time against the proceeds of the new loan, to provide funds for Public Works expenditure in the colony. These drafts will be at sixty days' sight, and probably to the extent of £150,000 by the same mail which conveys the authority to raise the loan. Subsequently, they will not exceed £100,000 per month until advice is received of the successful floating of the loan; and it is believed that, from the present improved condition of the money market in England, no difficulty will be experienced in raising, by means of short-dated debentures, not only the amount required to meet the drafts referred to, but also funds sufficient to cover the demands on the New Zealand Public Account in London until the loan is raised.

Although it is proposed to obtain authority for a loan of £5,000,000, it is not the absolute wish of the Government that the whole of that amount should be borrowed at once, unless circumstances should be eminently favourable. It will be left to the Agents to exercise their discretion as to the portion it would be prudent to put on the market at any one time.

The schedule to the Bill will include the following purposes and amounts:—

Public Works and Immigration	£4,100,000
Lyttelton Harbour Works	100,000
Redemption of guaranteed debentures	800,000
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			£5,000,000

It is proposed to appoint as Agents for the negotiation of the loan, yourself, Sir P. G. Julian, and Mr. Ommanney.

The Agent-General for New Zealand, London.

I have, &c.,

J. BALLANCE.

[Like letters, of same date, to Sir P. G. Julian and Mr. Ommanney.]

No. 2.

The COLONIAL TREASURER to the AGENT-GENERAL.

SIR,—

Treasury, New Zealand, Wellington, 7th July, 1879.

In my letter of the 21st ult. you were advised of the intention of the Government to introduce, as early as possible after the meeting of Parliament, a Bill authorizing a loan of £5,000,000, which it was hoped would be passed in sufficient time to enable me to despatch by the mail of this date all the documents necessary for the negotiation of the loan.

I have now the honor to inform you that the anticipations to which I gave expression in the letter referred to have not been realized; but I fully expect that I shall be in a position to forward the necessary powers and instructions by the Suez mail of the 27th instant.

The Agent-General for New Zealand, London.

I have, &c.,

G. GREY.