

New Zealand, to be Agents, with full power and authority for them in and during the year one thousand eight hundred and eighty-three to borrow and raise or obtain as an advance the sum of one million pounds sterling, and to take up the same sum in short-dated debentures from time to time, either by the sale, hypothecation, or mortgage of such short-dated debentures as the said Agents shall deem expedient, and with all the powers and authorities conferred on or vested in such Agents by the said Act for the purposes aforesaid, so far as respects the said sum of one million pounds sterling; and, with the like advice and consent as aforesaid, doth hereby direct and determine that the sum of one million pounds sterling shall be borrowed and raised, or obtained as an advance, under the sixth section of the said Act.

No. 4.

The AGENT-GENERAL to the Hon. the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 17th November, 1882.

I received last night your letter of the 5th October, addressed to Sir P. Julian and myself, informing us that we had been appointed Agents for the raising of loan of £1,000,000, and enclosing the Order in Council authorizing the issue of the loan, together with another Order in Council providing for the creation, in case of need, of short-dated debentures in anticipation of the issue of long-dated bonds.

The formal acknowledgment from Sir P. Julian and myself will go by next mail, but you will desire to know by the earliest opportunity of the safe arrival of the above instruments.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

F. D. BELL.

No. 5.

The Hon. the PREMIER to the AGENT-GENERAL.

OFFER loan as soon as market favourable. Julian and yourself have been appointed Agents. Delay after January seriously retard public works.

Wellington, 17th November.

No. 6.

The AGENT-GENERAL to the Hon. the PREMIER.

SIR,—

7, Westminster Chambers, London, S.W., 17th November, 1882.

I received at 10 a.m. this morning your cablegram, dated Wellington, 17th November, 12.20 p.m., instructing me that the million loan was to be offered as soon as the market was favourable, as any delay after January would seriously retard public works. I am now consulting with Sir Penrose Julian on the subject, and you will have the result through the cable in a day or two.

The Hon. the Premier, Wellington.

I have, &c.,

F. D. BELL.

No. 7.

The LOAN AGENTS to the Hon. the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, 28th November, 1882.

We have the honour to acknowledge the receipt of your letter of the 5th October last, transmitting to us copies of "The New Zealand Loan Act, 1882," and of the Order in Council authorizing the raising of £1,000,000 sterling, and appointing us Agents for that purpose; together with the further Order in Council empowering us to raise £1,000,000 by the issue of short-dated debentures, such power, however, to be only used in case of necessity.

We have devoted ourselves to the consideration of the steps necessary to give effect to these commands, and we fully recognize the great responsibility placed upon us by the discretionary powers which the Government have been pleased to confide to us. We may say at once that, in the present state of the money market, and bearing in mind that the credit of the colony stands fairly well with the British public, we fully concur in the preference expressed by you for borrowing on 4-per-cent. stock, rather than on any other form of security; and we shall avail ourselves of the first favourable moment that offers to invite public tenders for a million of such stock, through the Bank of England.

Irrespective of the importance of maintaining perfect uniformity in New Zealand stocks, the adoption of any rate of interest that would have the effect of raising the issue price to an appreciable premium would diminish the chance of a successful operation by rendering the loan less popular both with investors and with speculators—neither of whom can be with advantage dispensed with—to the former, because they would sustain an ultimate loss of capital; and to the latter, because premium-bearing securities do not so certainly find a market, and command comparatively lower rates. In the long run, the results would be disadvantageous to the borrowers, although, for the moment—without incurring a greater nominal amount of debt—they would find themselves in possession of a somewhat larger amount of cash.

The partial failure last week on the part of the Government of South Australia to place a million of 4 per cents on this market at a net price of 99½, and the knowledge that Victoria is also