

SESS. II.—1884.
NEW ZEALAND.

THE THREE-MILLION LOAN.

(PAPERS IN CONNECTION WITH THE NEGOTIATION OF THE SECOND INSTALMENT OF ONE MILLION.)

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

No. 1.

WM. F. DRUMMOND JERVOIS, Governor.
ORDER IN COUNCIL.

At the Government House, at Wellington, this 5th day of October, 1883.

Present: HIS EXCELLENCY THE GOVERNOR IN COUNCIL.

WHEREAS by "The New Zealand Loan Act, 1882" (hereinafter called "the said Act") it is enacted that it shall be lawful for the Governor in Council to appoint any two or more persons he may think fit to be Agents for the purpose of raising and managing the loan authorized to be raised under the said Act, and in their appointments to define the relative powers of such Agents, and that such Agents shall have full power and authority to borrow and raise, in Great Britain or elsewhere, by bonds, debentures, scrip, or otherwise, such sum or sums, not exceeding three million pounds sterling in the whole, as the Governor in Council may from time to time or at any time direct or determine, for all and any of the purposes expressed in the Schedule thereto, or the payment or repurchase of short-dated debentures issued under the said Act, or any other purposes authorized by the said Act; provided that no greater sum than one million pounds sterling of the said three million pounds sterling shall be raised in any one year, commencing with the year one thousand eight hundred and eighty-three: And that such Agents shall have full power and authority to prescribe the mode and conditions of repayment of such loan, and the time of such repayment, and the rate of interest thereon, and the time and place or places when and where such principal and interest shall be made payable: And that no bond, debenture, or other security issued under the said Act shall be sold at a price which will yield to the purchaser thereof a higher rate of interest by the year than five pounds for every hundred pounds of the purchase-money given for such bond, debenture, or other security: And that all the powers which may be vested in any Agents appointed under the said Act may by such Agents be wholly or partly delegated to any two or more other Agents, subject to such conditions as the Agents delegating such powers shall think fit: And whereas the sum of one million pounds sterling of the said three million pounds sterling has been raised under the authority of an Order in Council, made on the third day of October, one thousand eight hundred and eighty-two; and it has been deemed expedient that a further portion of the said loan so authorized to be raised should be raised under the said Act for the purposes therein mentioned, and that Agents should be appointed for the purpose, as hereinafter provided:

Now, therefore, I, Sir William Francis Drummond Jervois, the Governor of the Colony of New Zealand, in exercise and pursuance of the powers and authorities vested in me by the said in part recited Act, and by and with the advice and consent of the Executive Council of the said colony, do hereby direct and determine that the sum of one million pounds sterling (being a further portion of the said loan of three million pounds sterling authorized to be raised under the said Act) shall be borrowed and raised under the provisions of the said Act; and in further exercise and pursuance of the powers and authorities aforesaid, and with the like advice and consent as aforesaid, I do hereby appoint Sir Penrose Goodchild Julian, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, and a Companion of the Most Honourable Order of the Bath, late one of the Crown Agents for the Colonies, and Sir Francis Dillon Bell, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, the Agent-General for the Colony of New Zealand, to be Agents for the purpose of raising and managing the portion of the said loan hereby ordered and determined to be raised, with full power and authority to such Agents, in and during the year one thousand eight hundred and eighty-four, to borrow and raise, by bonds, debentures, scrip, or otherwise, the said sum of one million pounds sterling as aforesaid, and with full power and authority to such Agents to prescribe the mode and conditions of the repayment of such sum, and the time of such repayment, and, subject to the provisions of the said Act, the rate of interest thereon, and the time and place or places when and where such principal and interest shall be made payable, and with full power and authority to such Agents to agree, as often as occasion may require, that debentures issued by them shall be converted into stock created or issued under "The New Zealand

Consolidated Stock Act, 1877," and either to specify the terms of such conversion or arrange that such terms shall be subsequently agreed upon, and also with full power and authority to such Agents to delegate wholly or partly to any two or more other Agents the powers hereby and by the said Act vested in the said Agents, subject, however, to such conditions as the Agents delegating such powers shall think fit, and generally to have, hold, and exercise all such powers and authorities as by the said Act may be had, held, and exercised by the Agents appointed thereunder in respect of the moneys hereby authorized to be borrowed and raised.

FORSTER GORING,
Clerk of the Executive Council.

No. 2.

WM. F. DRUMMOND JERVOIS, Governor.

ORDER IN COUNCIL.

At the Government House, at Wellington, this 5th day of October, 1883.

Present: HIS EXCELLENCY THE GOVERNOR IN COUNCIL.

WHEREAS by the sixth section of "The New Zealand Loan Act, 1882" (hereinafter called "the said Act"), it is enacted that, pending the raising of moneys thereinbefore authorized to be raised under the said Act, it shall be lawful for the Governor in Council to appoint any two or more persons he may think fit to be Agents, and in their appointments to define the relative powers of such Agents, who shall have full power and authority, from time to time, to borrow and raise, or obtain as an advance, such sum or sums of money as the Governor in Council may from time to time direct and determine, and to take up the same sum or sums of money from time to time by the sale, hypothecation, or mortgage of debentures (thereinafter and hereinafter referred to as short-dated debentures), as such Agents may deem expedient: And whereas by the seventh section it is also enacted that every such short-dated debenture shall bear interest after such rate, and be for such sum and in such form, and with or without coupons attached, and, subject to the said Act, shall be signed on behalf of the colony, and be transferable and negotiable in such manner as such Agents shall prescribe: And by the eighth section it is also enacted that the interest and principal of every such short-dated debenture shall be payable at such times and places as such Agents shall prescribe, provided that the principal moneys secured by any such debenture shall not be made payable at a later period than seven years after the date of issue thereof:

Now, therefore, I, Sir William Francis Drummond Jervois, the Governor of the Colony of New Zealand, in exercise and pursuance of the power conferred upon me by the sixth section of the said Act, and with the advice and consent of the Executive Council of the said colony, do hereby appoint Sir Penrose Goodchild Julian, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, a Companion of the Most Honourable Order of the Bath, late one of the Crown Agents for the Colonies, and Sir Francis Dillon Bell, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, the Agent-General for the Colony of New Zealand, to be Agents, with full power and authority for them, in and during the year one thousand eight hundred and eighty-four, 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, do 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.

FORSTER GORING,
Clerk of the Executive Council.

No. 3.

The Hon. the COLONIAL TREASURER to the LOAN AGENTS.

GENTLEMEN,—

The Treasury, New Zealand, Wellington, 6th October, 1883.

I have the honour to forward to you herewith an Order in Council, under the hand of His Excellency the Governor, authorizing the raising of one million pounds sterling, under "The New Zealand Loan Act, 1882" (being the second instalment of the three millions thereby authorized), and appointing you Agents for that purpose.

I also forward a separate Order in Council, empowering you, as in the case of the Orders in Council relating to the first instalment of the loan of three millions, to raise one million pounds by the issue of short dated debentures, should it be found necessary to resort to that method of temporarily raising the loan—a necessity which, however, the Government do not at all anticipate.

The instructions issued to you in my letter of the 5th October, 1882, when forwarding the Orders in Council relating to the raising of the first million of the loan, apply equally to the Orders in Council now being sent to you; and I need only say that the Government would gladly avail themselves of the co-operation of the Bank of England, as before, in placing the loan on the market in the form of 4-per-cent. inscribed stock.

It is the desire of the Government that the loan should be raised as early as possible in the month of January, 1884.

The Audit Officer of the colony resident in London has been appointed by the Controller and Auditor-General, under the provision of the 13th section of "The New Zealand Loan Act, 1882," to countersign debentures, scrip, or other securities issued thereunder.

Sir P. G. Julian, K.C.M.G., C.B.,

I have, &c.,

Sir F. D. Bell, K.C.M.G.,

H. A. ATKINSON.

Agents under "The New Zealand Loan Act, 1882," London.

No. 4.

The AGENT-GENERAL to the Hon. the PREMIER.

SECOND million will be announced next week. Tenders, week after.
London, 28th December, 1883.

No. 5.

The AGENT-GENERAL to the Hon. the PREMIER.

LOAN announced to-night. Minimum, ninety-eight half. Tenders, January eleventh.
London, 3rd January, 1884.

No. 6.

The AGENT-GENERAL to the Hon. the PREMIER.

TENDERS very numerous. Loan all placed above par. Details presently.
London, 11th January, 1884.

No. 7.

The AGENT-GENERAL to the Hon. the PREMIER.

SIX HUNDRED tenders. Total tendered, five millions seventy thousand. Tenders at hundred five six received fifty-four per cent., remainder above.
London, 11th January, 1884.

No. 8.

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

£1,000,000. Result very satisfactory. Congratulate Loan Agents.
Wellington, 12th January.

No. 9. -

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

SIR,—

7, Westminster Chambers, London, S.W., 30th November, 1883.

I duly acknowledged by last mail, on behalf of the Loan Agents, the receipt of your letter of the 6th October, enclosing the Orders in Council empowering us to raise the second million of the loan, and instructing us to take the necessary steps for raising the same as early as possible in January, 1884.

It is necessary for me to say that I think a very grave difficulty has occurred in the way of bringing out the loan at that time. The Cape Government is going to bring out a loan immediately for five millions, and I have reason to know that their necessities are such as not only to admit of no delay in raising the whole sum at once, but to require, as the only means of obtaining it, a 5-per-cent. rate of interest and a subscription price below par. The loan will be brought out by the Bank of England, to which institution the Cape business has now been taken; and I am looking daily for its announcement. It is (at present) my opinion that a 5-per-cent. loan of that magnitude, issued at a fixed subscription price and below par, will sweep the market of colonial-investment money; and that to bring one out at 4 per cent. for ourselves immediately afterwards would make a success extremely difficult. But then Victoria is coming out too with a loan of nearly four millions in January; and if we put off our own operations we may fall into another difficulty from the absorption of investment money by Victoria. Altogether the state of things causes me much anxiety. I am bound, however, to say that Sir Penrose Julyan does not think the outlook is as bad as I do, and as he is advising the Cape Government you may be sure that their operation will be guided so as to do us the least harm that he can help.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

No. 10.

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

SIR,—

7, Westminster Chambers, London, S.W., 6th December, 1883.

In continuation of my letter of the 30th November, No. 346, relating to the raising of the second million of the loan, I now transmit to you the announcement, which appeared in yesterday's papers, of the issue of a Cape loan for £4,837,500.

You will see that the loan is announced by the London and Westminster Bank. When I last wrote the Bank of England had agreed to take over the Cape business; but, owing to a series of complications, to which I need not here allude, the Bank authorities changed their mind, and declined to bring out the loan, whereupon the Cape Government took their business to the London and Westminster.

This Cape loan is to be raised in 5-per-cent. 10/40 debentures, issued at a minimum price of £98, and convertible into £115 of 4-per-cent. inscribed stock for every £100 in debentures. The

currency of the loan is forty years, the Government reserving to itself the right to pay off at any time after ten years on giving six months' notice from dividend-day. Tenders are to be received on Tuesday, the 18th instant.

Under the conditions stated in the prospectus, I am still of opinion that if the loan is subscribed in full, or to a large extent, it will go far to sweep the market of colonial-investment money, and must proportionately injure the prospect of our own second million. I have, however, not been able to see Sir Penrose Julian to consult with him before this mail goes, as he has been extremely occupied by the original negotiations with the Bank of England, and now by those with the London and Westminster Bank.

Upon the announcement of the loan being published, Cape issues fell sharply $3\frac{1}{2}$ per cent., and dragged down our own fours $\frac{1}{2}$ per cent.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

F. D. BELL.

No. 11.

The LOAN AGENTS to the Hon. the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 14th December, 1883.

We duly received, through the Agent-General, the Orders in Council relating to the issue of the second million of the loan, together with instructions for our guidance, and we are taking the necessary preliminary steps for the purpose of carrying those instructions into effect.

You will probably have been made aware by Press telegrams, that the Cape Government are bringing out a loan of nearly five millions, and the New South Wales Government one of three millions. We propose to wait for the result of these operations before deciding as to the time when the New Zealand second million shall be announced by the Bank of England.

We have, &c.,

P. G. JULYAN, }
F. D. BELL, } Loan Agents.

No. 12.

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

SIR,— 7, Westminster Chambers, London, S.W., 21st December, 1883.

In continuation of my letter of the 6th instant (No. 362), I have the honour to inform you that the tenders for the Cape Government loan of £4,837,500 were opened on the 18th instant, when tenders to the amount of £6,500,000 were received. The loan was not only a success in regard to the amount required being covered by subscriptions, but it was quite an unusual success in regard to the number of tenders. There were 1,300 tenders sent in, and 1,100 acceptances, which I think is quite unprecedented in a colonial loan; showing, in fact, that the loan has nearly gone into investment already. It was quoted immediately afterwards at $1\frac{1}{2}$ to 2 premium, and the average price of it was £98 4s.

With regard to the New South Wales loan, the tenders for which were opened yesterday, an even greater success has been achieved. The amount offered for subscription was £7,593,100, the average of the tenders being £100 12s. 6d. There were 673 tenders, at prices ranging from the minimum of par to £101. Tenders at and above £100 13s. receive allotments in full, and those at £100 12s. 6d. about 96 per cent.

The success of these two loans is much beyond what had been expected, and is of good augury for your second million next month.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

F. D. BELL.

No. 13.

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

SIR,— 7, Westminster Chambers, London, S.W., 27th December, 1883.

The Loan Agents informed you, in their letter of the 14th instant (No. 387), that they proposed to wait the result of the Cape and New South Wales loans before deciding upon the time at which they would bring out your second million; and in my own letter of the 21st instant (No. 398) I acquainted you with the success that had attended both the loans in question.

That success has been particularly marked in the case of the Cape loan, not only by the advance of that stock to 4 premium, but by the circumstance that the loan was largely written for by numerous *bond fide* investors direct. In the case of the New South Wales loan, I believe that nearly the whole of it went to six large tenders, which had been syndicated, and only an insignificant amount fell to smaller investors.

Under these circumstances, Sir Penrose Julian and I, having consulted together with much care throughout, arrived at the conclusion that we could safely bring out your second million at the time you wished—namely, early in January. It will be in your recollection that when we brought out the first million, some part of the failure of the Victorian loan was attributed by the Melbourne Press to my having “jostled” my colleague, the Agent-General for Victoria. Although this was of course pure nonsense, I thought it well to prevent any repetition of a similar accusation by taking care that the issue of our second million should not clash with the larger Victorian operation now impending: indeed, it ought obviously to be the policy of the Australasian Colonies to arrange, if possible, that a loan for one colony should not be in immediate competition with that for another. Mr. Murray Smith met me in this matter in the same spirit with which I approached him; and this being arranged, Sir Penrose Julian and I made up our minds to act at once.

Accordingly, I had a conference at the Bank of England to-day, and arranged all the preliminaries. The loan will be announced on the 4th January, and the tenders will come in on the 11th; and another conference will take place at the Bank on the 3rd, to determine the minimum. This minimum is likely to be the same as in the case of the first million, namely, 98½; and I have good reason to think the issue will be successfully made.

I have, &c.,

F. D. BELL.

The Hon. the Colonial Treasurer, Wellington.

No. 14.

The LOAN AGENTS to the Hon. the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 4th January, 1884.

In the Agent-General's letter of the 27th ultimo (No. 409), he informed you that we had decided to bring out the second million of the loan at once; and we have now to enclose a copy of the announcement by the Bank of England, which will be published to-morrow morning, together with copies of the correspondence that took place between the Bank and ourselves.

At a conference which took place at the Bank to-day, the minimum price was fixed at 98½; tenders will be received on Friday, the 11th. You will observe that we have made the dates for payment of instalments easy; this will reflect itself in the price. Most likely a considerable proportion will be paid up under discount.

We have, &c.,

The Hon. the Colonial Treasurer, Wellington.

P. G. JULYAN, }
F. D. BELL, } Loan Agents.

Enclosure No. 1 in No. 14.

The NEW ZEALAND LOAN AGENTS to the GOVERNOR and COMPANY of the BANK of ENGLAND.

GENTLEMEN,— 7, Westminster Chambers, 31st December, 1883.

It will be in your recollection that last January the Bank of England, at our request, invited subscriptions for the first million of a Three-Million 4-per-cent. Inscribed Stock for the New Zealand Government, one of the conditions of the loan being that it should be raised at the rate of not more than one million in each year. We now wait upon you with the request that, in like manner as was then followed, you will be pleased to bring out the second million of the same loan.

Although we had the honour to notify to you, in our letter of the 12th December, 1882, the several Acts and Orders in Council under which we were then acting, it may be convenient that we should again transmit to you herewith a copy of the Loan Act of 1882, to which we further append authentic copies of the Orders in Council, bearing date 5th October last, by which we are again appointed Agents for the particular purpose of raising the second million of the loan.

We have prepared, and shall in due course execute, the necessary instruments for creating the new stock for the second million, and for making the declaration required by the Imperial Act for the Inland Revenue.

We propose that the prospectus of this issue should (*mutatis mutandis*) be in the same terms as the one published for the first million, and that the loan should be announced on Friday, the 4th January, 1884, fixing the 11th as the day of receiving tenders; and we request that the necessary steps may be taken to that end.

We also propose to attend at the Bank on Thursday next, 4th January, at 12.30 p.m., to fix the minimum price of issue.

It is understood by us that the Bank's terms for the issue of this stock will be similar to those of the first issue in January last, as laid down in the Chief Cashier's letter of the 18th December, 1882.

We hereby convey to you the requisite authority for the Bank to pay out of the moneys that will come into their hands from the loan, a commission to bankers and brokers of ¼ per cent. on the amount of allotments on tenders sent in by them.

We have, &c.,

P. G. JULYAN,
F. D. BELL.

The Governor and Company of the Bank of England.

Enclosure 2 in No. 14.

NEW ZEALAND GOVERNMENT £4-PER-CENT. CONSOLIDATED STOCK.

Issue of £1,000,000.—Minimum price of issue £98 10s. per cent. First dividend, being six months' interest, payable 1st May, 1884.—Authorized by "The New Zealand Loan Act, 1882," for Public Works, and Immigration and other Purposes.

THE Governor and Company of the Bank of England give notice that, on behalf of the Agents appointed for raising and managing the loan under the above Act (Sir Penrose Goodchild Julian, K.C.M.G., C.B., and Sir Francis Dillon Bell, K.C.M.G.), they are authorized to receive tenders for £1,000,000 New Zealand Government £4-per-cent. Consolidated Stock, repayable at par on the 1st November, 1929.

This stock will be in addition to, and will rank *pari passu* with, the New Zealand £4-per-cent. Consolidated Stock previously created and issued.

The interest will be payable half-yearly at the Bank of England, on the 1st May and 1st November in each year, and six months' interest, calculated upon the nominal amount of stock, will be payable on the 1st May next.

The books of the stock are kept at the Bank of England, where all assignments and transfers are made; and holders of the stock are able, on payment of the usual fees, to take out stock certificates to bearer with coupons attached, which certificates may be re-inscribed into stock at the will of the holder.

All transfers and stock-certificates are free of stamp duty. Dividend warrants are transmitted by post if desired.

The loan is secured on the Consolidated Fund of the Colony of New Zealand, which includes the revenue derived from the railways, and from the sales and leases of public lands.

By the Act 40 and 41 Vict., ch. 59, the revenues of the Colony of New Zealand alone will be liable in respect of the stock and the dividends thereon, and the Consolidated Fund of the United Kingdom and the Commissioners of Her Majesty's Treasury will not be directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

Tenders may be for the whole or any part of the stock, and must state what amount of money will be given for every £100 of the stock. Tenders for other than even hundreds of stock, or at a price including fractions of a shilling other than sixpence, will not be accepted. Tenders are to be delivered at the Chief Cashier's Office, Bank of England, before two o'clock, on Friday, 11th January, 1884. Tenders at different prices must be on separate forms. The amount of stock applied for must be written on the outside of the tender.

A deposit of 5 per cent. on the amount of stock tendered for must be paid at the same office at the time of the delivery of the tender, and the deposit must not be enclosed in the tender. Where no allotment is made the deposit will be returned, and in case of partial allotment the balance of the deposit will be applied towards the first instalment.

The dates at which the further payments on account of the said loan will be required, are as follow: On Tuesday, the 22nd January, 1884, so much of the amount tendered and accepted as, when added to the deposit, will leave £75 (sterling) to be paid for each £100 of stock; on Monday, the 3rd March, 1884, £25 per cent.; on Monday, the 7th April, 1884, £25 per cent.; on Monday, the 5th May, 1884, £25 per cent.

The instalments may be paid in full on or after the 22nd January, 1884, under discount at the rate of 3 per cent. per annum. In case of default in the payment of any instalment at its proper date, the deposit and instalments previously paid will be liable to forfeiture.

Scrip certificates to bearer, with a coupon for the half-year's interest due 1st May, 1884, will be issued in exchange for the provisional receipts.

The stock will be inscribed in the Bank books on or after the 5th May, 1884, but scrip paid up in full, in anticipation, may be inscribed forthwith.

In the event of the receipt of tenders for a larger amount of stock than that proposed to be issued at or above the minimum price, the tenders at the lowest price accepted will be subject to a *pro rata* diminution.

Applications must be upon the printed forms which, together with a statement showing the condition and prospects of the colony, may be obtained at the Chief Cashier's Office, Bank of England; of Messrs. Mullens, Marshall and Co., 4, Lombard Street; of Messrs J. and A. Scrimgeour, 18, Old Broad Street; and at the office of the Agent-General of New Zealand, 7, Westminster Chambers, S.W., where also copies of the Act authorizing the loan may be seen.

4th January, 1884.

No. 15.

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

SIR,—

7, Westminster Chambers, London, S.W., 5th January, 1884.

Adverting to the Loan Agents' letter of the 3rd instant, in which they transmitted to you copy of the Bank of England's prospectus of the second million of the loan, I now enclose a number of copies of a statement prepared by me, as Agent-General, to accompany that prospectus.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

Enclosure in No. 15.

NEW ZEALAND GOVERNMENT 4-PER-CENT. LOAN OF £1,000,000.

THE following statement as to the financial condition of New Zealand is published for the information of investors and capitalists who are disposed to subscribe for the second issue of £1,000,000 4-per-cent. stock, to be inscribed at the Bank of England.

The information here given is entirely taken from the Financial Statement and Public Works Statement respectively made by Ministers of the Crown in the New Zealand Parliament during the session of 1883, from official statistics published by authority of the Government of New Zealand, or from other authentic sources.

I. THE PUBLIC DEBT.

In the Treasurer's Financial Statement on the 27th June, 1883, the debt is described as follows: Gross total, £30,357,111; less Sinking Funds accrued, £2,571,830; net indebtedness of the colony, £27,785,281; being £104,989 more than it was the year before.

The operation recently effected by the Bank of England for the New Zealand Government, in the conversion of more than five millions of the debenture debt, bearing $4\frac{1}{2}$ per cent. and 5 per cent. interest, into 4-per-cent. Inscribed Stock, has been eminently successful. The Government were unwilling to exercise their power of paying off the debentures commonly known as the "Fifty-thirties," without giving an opportunity to exchange the same for stock on terms favourable to the bondholders. These terms were: to give £103 10s. of stock for a £100 5-per-cent. Bond, and £103 for a £100 $4\frac{1}{2}$ -per-cent. Bond. Holders availed themselves of the conversion to the extent of nearly £5,400,000. The financial value of the operation to the colony was investigated by the well-known actuaries, Mr. A. H. Bailey and Mr. Ralph P. Hardy, who made an actuarial computation of the same. This computation shows that the net annual saving to the colony is £29,669. The annual charge prior to the conversion was £247,992; it will now be only £218,253. The total of the savings in yearly outlay will amount in all to £303,778, and the present value capitalized of these savings is £175,557. After making complete provision for the redemption of the slight increase in the capital of the debt caused by the terms offered to the holders, the balance in favour of the conversion is £108,298.

II. THE REVENUE.

In the same Financial Statement (27th June, 1883) the Treasurer stated that the ordinary revenue of the financial year ending 31st March, 1883, exclusive of land sales, had amounted to £3,470,250, being £76,750 above the estimate. The revenue from land sales was £272,305. The total revenue of the year, ordinary and territorial, adding the surplus of 1882, amounted to £3,957,599. The net revenue from the railways was £360,000. The surplus on the 31st March, 1883, was £122,000, after remitting taxation to the extent of £80,000, charging £75,000 to revenue for defence purposes, which had been formerly paid out of loan, providing for £96,000 of increased charges for education and interest, and contributing £270,000 out of revenue to the Sinking Funds of the debt.

The ordinary revenue, exclusive of land sales, has risen as follows since 1871: For the financial year 1871, £936,000; 1874, £1,420,000; 1878, £2,328,000; 1883, £3,470,000. In the first three years it had risen £480,000, in the next four years £900,000, in the last five years £1,140,000; it is now £2,500,000 a year more than it was twelve years ago, when immigration was renewed and the railways were begun.

III. APPLICATION OF THE LOAN.

The total loan authorized by the New Zealand Government is for £3,000,000, but to be only raised and expended at the rate of £1,000,000 a year. The first million was raised in January, 1883.

The application of the money is strictly limited to certain specific purposes named in the Act, and its schedule defines these appropriations as follows: (1) Railways, £1,650,000; (2) purchase of Native lands, £200,000; (3) public buildings, £300,000; (4) immigration, £200,000; (5) roads and bridges, £400,000; (6) gold fields, £100,000; (7) harbour works, £100,000; (8) telegraph extension, £50,000: total, £3,000,000.

IV. STATISTICS.

The following information will be found of interest:—

(i.) *Population.*

The population of New Zealand at the census of 1874 was 342,000 (exclusive of Maoris); in 1878, 432,000; and on the 30th September, 1883, 532,000, or 100,000 more. Counting the Maoris, who numbered 44,000 at the census of 1880, and adding emigrants who have gone out since September, the total present population is about 580,000.

(ii.) *Railways.*

The total length of Government railways open for traffic to June, 1883, was 1,370 miles, of which 459 miles were in the North Island, and 911 miles in the Middle Island. There were about 80 miles of private lines worked by the Railway Department, bringing up the total to 1,443 miles of railway open for traffic.

The total expenditure in building the railways has been about £11,000,000. The revenue of the past financial year, notwithstanding large reductions in the tariff (the change in the rate for grain alone making a difference of £90,000), exceeded the estimate, owing to a considerable increase in both passenger traffic and tonnage of goods, as well as a large live-stock traffic from the activity of the new refrigerated meat trade. The gross railway revenue increased from £892,000 in 1882, to £953,000 in 1883: the increase in passengers being 372,000, and in goods carried 127,000 tons. The increased expenditure, however, absorbed the increased revenue, chiefly for maintenance of permanent way consequent on the growth of the traffic.

The net railway revenue of the North Island, on a capital expenditure of £3,475,000 was £2 1s. 1d. per cent.; of the Middle Island, on a capital expenditure of £7,000,000, £4 2s. 6d. per cent. In 1880 the railway revenue was only £762,000, and the expenditure £580,000; in 1883 the revenue had grown to £953,000, while the expenditure had only grown by £12,800, although the lines were doing 50 per cent. more work.

(iii.) *Frozen Meat.*

This trade is assuming dimensions which were hardly foreseen by any one. In 1882 not so many as 9,000 sheep were sent home in the refrigerators of the various ships; in 1883 more than 120,000. For 1884 contracts have already been entered into by the New Zealand Shipping Company to bring over 220,000 sheep, and by the Shaw-Savill-Albion Company 200,000; this will be

equal to more than 30,000,000lb. of mutton alone; and the steamships trading to New Zealand are being fitted with engines and freezing chambers capable of bringing home half a million sheep each year. Now it is little more than a year since the *Times* spoke of the first 5,000 that were sent over as a "prodigious fact."

(iv.) *Direct Steam Service.*

When the first million of the loan was raised a year ago, there was no direct steam service to New Zealand. There are now two lines of first-class steamers, belonging to the New Zealand Shipping Company and Shaw-Savill-Albion Company, which will soon be running a regular fortnightly service. The following ships, aggregating nearly 68,000 tons are now running, or being built: (1) "Tongariro," 4,300 tons; (2) "Aorangi," 4,600 tons; (3) "Ruapehu," 4,170 tons; (4) Unnamed (building), 4,500 tons; (5) Unnamed (building), 4,500 tons; (6) "British King," 3,559 tons; (7) "British Queen," 3,558 tons; (8) "Fenstanton," 2,465 tons; (9) "Tainui" (building), 5,250 tons; (10) "Arawa," 5,250 tons; (11) "Doric," 4,744 tons; (12) "Ionic," 4,753 tons; (13) "Coptic," 4,367 tons; (14) "Bombay," 3,133 tons; (15) "Florida," 3,138 tons; (16) "Tenas-serim," 2,693 tons; (17) "Victory," 2,848 tons.

(v.) *Trade.*

For the twelve months ending 31st March, 1883, the imports were £8,721,000, and the exports £6,844,000. Among the exports were 10,000 tons of flour and 4,112,000 bushels of grain, valued at £1,003,000; 69,101,000lbs of wool, valued at £3,193,000; and 233,651 ounces of gold, valued at £932,600.

(vi.) *Agriculture.*

The Registrar-General's returns of February, 1883, gave a total of more than 27,000 holdings, of which 19,000 were entirely freehold. The area of land under grain crop was 739,000 acres; in green crop, 393,000 acres; in artificial grasses, 4,321,000 acres. The total area of land under all crops, including sown grasses, and of land broken up but not under crop, was 5,516,000 acres. The produce of grain in 1883 was 21,528,000 bushels.

(vii.) *Pastoral Industry.*

The colony contained, at the time of the latest official statistics being published, about 13,000,000 sheep, 700,000 head of cattle, and 162,000 horses. The clip of wool, as above stated, was valued in 1883 at upwards of £3,000,000.

7, Westminster Chambers, 4th January, 1884.

F. D. BELL,
Agent-General.

No. 16.

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

SIR,— 7, Westminster Chambers, London, S.W., 11th January, 1884.

I am glad to inform you that the tenders for the second million of the loan were opened at the Bank of England to-day, when about six hundred tenders were received, to the aggregate amount of £5,073,000. Tenders at £100 5s. 6d. receive about 54 per cent.; the remainder will be at a higher price. The average cannot be got out at the Bank in time for this mail, owing to the large number of tenders. The prices ranged from 98½ to £100 16s. 6d.

The Loan Agents will presently transmit full particulars to you, with a list of the tenders. In the meantime I have sent you the two cablegrams, copies of which are enclosed.* The scene at the opening of the tenders was amusing, as few persons among the crowd present expected such high prices to be offered. We had to give up the reading out of any tenders below par, as the loan was written for so largely, and at a higher price; and when the Governor of the Bank of England read out a single tender of "One million at £100 5s. 6d.," the smaller subscribers knew it was all up, and hurried out of the place.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,
F. D. BELL.

No. 17.

The LOAN AGENTS to the Hon. the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 15th January, 1884.

With reference to our letter of the 4th instant (No. 2), transmitting a copy of the Bank of England's prospectus for the issue of the second million of the loan, we have now the honour to state that the tenders were opened on the 11th instant at the Bank, when 607 tenders were received, amounting in all to the sum of £5,073,000, at prices varying from the minimum of £98 10s. up to £100 16s. 6d. Tenders at £100 5s. 6d. receive about 54 per cent. of the amounts applied for, and those above that price in full. We transmit herewith a statement of the allotments made by the Bank, showing that the average price is close on £100 6s. 6d.

* Nos. 6 and 7.

The Agent General sent you cablegrams, immediately after the tenders were opened, informing you of the result, and we received with much pleasure the congratulations which the Government were pleased to send us in reply upon the success which has attended the operation.

We have, &c.,

P. G. JULYAN, }
F. D. BELL, } Loan Agents.

Enclosure in No. 17.

NEW ZEALAND GOVERNMENT 4-PER-CENT. CONSOLIDATED STOCK ISSUE, 1884.—Statement of the Amounts allotted at the various prices.

Amount of Allotment.				Price.			Amount to be paid.		
				£	s.	d.	£	s.	d.
£27,000	...	...	...	100	16	6	27,222	15	0
14,000	...	...	...	100	15	6	14,108	10	0
20,000	...	...	...	100	13	6	20,135	0	0
14,000	...	...	...	100	11	6	14,080	10	0
5,000	...	...	...	100	10	6	5,026	5	0
5,000	...	...	...	100	10	0	5,025	0	0
14,000	...	...	...	100	8	6	14,059	10	0
5,000	...	...	...	100	8	0	5,020	0	0
50,000	...	...	...	100	7	6	50,187	10	0
1,000	...	...	...	100	7	0	1,003	10	0
25,000	...	...	...	100	6	6	25,081	5	0
166,000	...	...	...	100	6	0	166,498	0	0
654,000	...	...	...	100	5	6	655,798	10	0
£1,000,000	...	...	...				£1,003,246	5	0

Average price, £100 6s. 5-916d.

Bank of England, 12th January, 1884.

F. MAY, Chief Cashier.

No. 18.

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

SIR,—

7, Westminster Chambers, London, S.W., 6th March, 1884.

I have the honour to inform you that up to the present time the following sums have been credited to the Loan Agents' account by the Bank of England, on account of the second million of the loan: On the 16th January, £50,000; 23rd January, £455,000; 1st February, £108,000; 28th February, £20,000; 5th March, £125,000. And the following sums have been transferred by the Loan Agents to the credit of the Public Account: On the 16th January, £45,000; 23rd January, £450,000; 2nd February, £8,000; 4th February, £108,000; 3rd March, £20,000; 6th March, £125,000.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

No. 19.

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

SIR,—

7, Westminster Chambers, London, S.W., 1st May, 1884.

Since writing to you on the 6th March (No. 136), informing you of the amounts which had been credited to the Loan Agents by the Bank of England on account of the second million, the following sums have also been credited—viz.: 17th March, £28,000; 27th March, £40,000; 8th April, £100,000; 22nd April, £20,000; 30th April, £10,000. And the following sums have been transferred to the credit of the Public Account—viz.: 18th March, £25,000; 28th March, £40,000; 9th April, £100,000; 23rd April, £20,000; 1st May, £10,000.

The total amount of the loan received into the Public Account to this date is therefore £941,000.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

No. 20.

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

(Memorandum.)

7, Westminster Chambers, London, S.W., 22nd May, 1884.

HEREWITH I transmit copy of a letter from the Bank of England enclosing an account (copy also enclosed) of the subscriptions for the One-Million Loan, and the payments made by the Bank on account thereof.

With reference to the Balance of £7,191 2s. 6d., standing to the credit of the Loan Agent's Account at the Bank of England, I have to state that I am in communication with the Bank respecting the payment thereof of the commutation of stamp duty, and so soon as that matter is settled, the remaining balance (if any) will be paid into the Public Account.

F. D. BELL.

Enclosure in No. 20.

GENTLEMEN,—

Bank of England, London, E.C., 10th May, 1884.

I beg to inform you that the whole of the subscriptions to the New Zealand Government 4-per-cent. loan, issue of 1884, having been received, the balance in the hands of the Bank, £2,191 4s. 7d., was yesterday transferred to the credit of your account, and I now have the pleasure of forwarding to you a detailed statement of the receipts and payments of the loan, in which is included the Bank's charge for management.

I have, &c.,

F. MAX, Chief Cashier.

The Loan Agents for the Government of New Zealand,
7, Westminster Chambers, S.W.

Sub-Enclosure in No. 20.

The GOVERNOR and COMPANY of the BANK of ENGLAND in account with the LOAN AGENTS for the NEW ZEALAND GOVERNMENT.—An account of the subscriptions for the sum of £1,000,000, New Zealand Government 4-per-cent. Consolidated Stock.

1884.	Dr.	£	s.	d.	1884.	Cr.	£	s.	d.
Jan. 11 To Cash received for—					Jan. 11 By Cash paid to the credit of the				
to £27,000 stock, @ £100	16 6..	27,222	15	0	to Loan Agents' account ..	993,191	4	7	
May 5. 14,000 "	100 15 6..	14,108	10	0	May 9. Discounts allowed on instal-				
20,000 "	100 13 6..	20,135	0	0	ments paid in anticipation.	2,561	9	10	
14,000 "	100 11 6..	14,080	10	0	Cash paid to brokers and				
5,000 "	100 10 6..	5,026	5	0	others for commission, viz.,				
5,000 "	100 10 0..	5,025	0	0	½ per cent. on £999,500 ..	2,498	15	0	
14,000 "	100 8 6..	14,059	10	0	Cash paid to the Bank of				
5,000 "	100 8 0..	5,020	0	0	England for commission..	5,000	0	0	
50,000 "	100 7 6..	50,187	10	0					
1,000 "	100 7 0..	1,003	10	0					
25,000 "	100 6 6..	25,081	5	0					
166,000 "	100 6 0..	166,498	0	0					
654,000 "	100 5 6..	655,798	0	0					
Interest on instalments not									
paid on due dates ..			5	4					
		£1,003,251	9	5			£1,003,251	9	

Bank of England, 10th May, 1884.

F. MAX, Chief Cashier.

No. 21.

The LOAN AGENTS to the Hon. the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 26th June, 1884.

We have the honour to enclose an account current between the New Zealand Government and ourselves, showing the sums received on account of the second million loan raised under the provisions of "The New Zealand Loan Act, 1882," and the payments made from time to time on the same account.

You will observe that the total moneys received for subscriptions to the loan is £1,003,246 5s. The discounts on the instalments paid up by anticipation came to £2,561 9s. 10d., and the allowance of ½ per cent. to bankers and brokers (upon £999,500 subscribed through them) is £2,498 15s. The Bank's commission for bringing out the loan (½ per cent.) is £5,000; and the amount paid to the Inland Revenue for composition of stamp duty is £6,250. The net amount received by the colony is (including a small amount of interest on instalments not paid on due dates) £986,941 2s. 6d.

We have, &c.,

The Hon. the Colonial Treasurer, Wellington.

P. G. JULYAN, }
F. D. BELL, } Loan Agents.

Enclosure in No. 21.

The LOAN AGENTS for NEW ZEALAND in account with the NEW ZEALAND GOVERNMENT on account of the Second Million Loan raised under the provisions of "The New Zealand Loan Act, 1882."

1884.	Dr.	£	s.	d.	1884.	Cr.	£	s.	d.
Jan. 11	To Cash received for—				Jan. 16	By payment into Public Account	45,000	0	0
to	£27,000 stock, @ £100	16	6..	27,222 15 0	" 23	"	450,000	0	0
May 5.	14,000 "	100 15	6..	14,108 10 0	Feb. 2	"	8,000	0	0
	20,000 "	100 13	6..	20,185 0 0	" 4	"	108,000	0	0
	14,000 "	100 11	6..	14,080 10 0	Mar. 3	"	20,000	0	0
	5,000 "	100 10	6..	5,026 5 0	" 7	"	125,000	0	0
	5,000 "	100 10	0..	5,025 0 0	" 18	"	25,000	0	0
	14,000 "	100 8	6..	14,059 10 0	" 28	"	40,000	0	0
	5,000 "	100 8	0..	5,020 0 0	April 9	"	100,000	0	0
	50,000 "	100 7	6..	50,187 10 0	" 23	"	20,000	0	0
	1,000 "	100 7	0..	1,003 10 0	May 1	"	10,000	0	0
	25,000 "	100 6	6..	25,081 5 0	" 7	"	35,000	0	0
	166,000 "	100 6	0..	166,498 0 0	June 9	Receiver-General of Inland Revenue, for commutation of stamp duty	1,846	17	6
	654,000 "	100 5	6..	655,798 10 0	" 13	Ditto	4,403	2	6
	Interest on instalments not paid on due dates			5 4 5	" 21	Payment into Public Account	941	2	6
						Cheque-book	0	2	1
						Discounts allowed on instalments paid in anticipation	2,561	9	10
						Cash paid to brokers and others for commission — viz., $\frac{1}{2}$ per cent. on £999,500	2,498	15	0
						Cash paid to the Bank of England for commission ..	5,000	0	0
							<u>£1,003,251</u>	<u>9</u>	<u>5</u>

F. D. BELL, }
P. G. JULYAN. } Loan Agents.

