

The first half-year's dividend on this issue, calculated upon the nominal amount of stock, will be payable on the 1st November 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 reinscribed 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 preferentially accepted. Tenders are to be delivered at the Chief Cashier's Office, Bank of England, before two o'clock, on Thursday, 4th June, 1885. Tenders at different prices must be on separate forms. The amount of stock applied for must be written on the outside of the tender.

The minimum price, below which no tender will be accepted, has been fixed at £97 10s. for every £100 of stock.

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.

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.

The dates at which the further payments on account of the said loan will be required are as follows: On Thursday, 11th June, 1885, so much of the amount tendered and accepted as, when added to the deposit, will leave £80 sterling to be paid for each £100 of stock; on Friday, 10th July, 1885, £20 per cent.; on Friday, 7th August, 1885, £20 per cent.; on Tuesday, 1st September, 1885, £20 per cent.; on Thursday, 1st October, 1885, £20 per cent.

The instalments may be paid in full on or after 11th June, 1885, 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 will be issued in exchange for the provisional receipts.

The stock will be inscribed in the bank books on or after the 1st October, 1885, but scrip paid up in full, in anticipation, may be inscribed forthwith.

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.

Bank of England, 28th May, 1885.

Enclosure 2 in No. 6.

NEW ZEALAND LOAN of £1,500,000. (Issued May, 1885.)

THE full details given in the statement which accompanied the prospectus of the million loan last January, make it unnecessary to repeat here the particulars of the public debt of the colony.

The New Zealand financial year 1884-85 had commenced, as stated by me in January, with a deficiency of £152,000. At the termination of the same financial year on the 31st March last, there was a surplus upon the transactions of the year of about £20,000.

The railway traffic, as shown by the latest returns, dated 1st April, 1885, and made up for the eleven months ended the 28th February, was as follows: The number of miles open for traffic had increased from 1,396 to 1,469. The total cost of construction was £12,226,000. The revenue from the railways was: North Island, £264,713; Middle Island, £688,130; total, £952,843. From which had to be deducted working railway expenditure, £632,780; leaving net revenue, £320,063.

Thus the net revenue had risen from £305,000 for the financial twelve months ending the 31st March, 1884, to £320,000 for the eleven months ending the 28th February, 1885.

The proportion of working expenses to revenue, which had decreased nearly 8 per cent. in the financial year ending the 31st March, 1884, as compared with 1880, was again reduced during the eleven months ending the 28th February, 1885, the percentage being now under 66½ per cent.

There was a decrease in the passenger traffic of some classes, and an increase in that of others. In the goods traffic there was an increase of 63,000 tons.

The loan now to be raised is appropriated by the Loan Act to the following purposes: Immigration, £30,000; railways, £700,000; roads, bridges, and public buildings, £620,000; telegraph extension, £30,000; goldfields, roads, and water-races, £40,000; lighthouses and harbour works, £40,000; charges upon raising loans, £40,000; total, £1,500,000.

In accordance with the intimation made by me last January, the conversion of the 4½-per-cent. and 5-per-cent. 5-30 debentures has been followed by the conversion of the greater part of the outstanding 5-per-cent. consolidated drawing loan (known in this market as New Zealand consols). The total amount of that loan outstanding before the annual drawing on the 31st March last was £5,772,500, bonds having been drawn and paid off to the amount of £1,510,600 out of the original total of £7,283,100. Of this outstanding amount of £5,772,500, £3,656,800 have been sent in for conversion, and £77,400 will be paid off.

The annual reduction in charge to the colony effected by this conversion has been actuarially determined as follows: For the first seven years, £100,593; eight and subsequent years, £125,977. Adding this reduction in charge to the saving effected by the conversion of the 5-30s, and by Her Majesty's Government having released the colony from further contribution to the sinking fund of the Imperial Guaranteed Loan of 1856, the colony is now relieved to the extent of about £146,000 a year in interest and sinking fund, and in seven years more will be relieved to the extent of £172,000 a year.

7, Westminster Chambers, 28th May, 1885.

F. D. BELL,

Agent-General.

No. 7.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 5th June, 1885.

We have the honour to state that the tenders for the million and a half loan were opened at the Bank of England yesterday. There were 796 tenders, ranging from the minimum up to £100 15s. 6d. The total amount applied for was £6,796,100, of which £5,554,000 was at and above par. Tenders at £100 3s. 6d. receive 34 per cent. of their applications, and those above that price get allotments in full. The average price at which the loan is placed is £100 6s. 2d.