

We have now, accordingly, to request that you will be pleased to take the necessary steps to announce the conversion, receive debentures sent in, and otherwise give effect to the operation.

It is understood that the same initial charge is to be paid to the bank as in the case of the conversion of the 5-30 debentures in September, 1883—namely, £600 per million, and that the charge to be paid to the bank for management is to be at the same rate as now exists for so much of the New Zealand 4-per-cent inscribed stock as exceeds ten millions sterling—that is to say, £550 per million on the amount converted.

As heretofore, brokerage of $\frac{1}{4}$ per cent. will be allowed to bankers, brokers, and agents upon the amount sent in by them for conversion.

We have, &c.,
F. D. BELL,
P. G. JULYAN,

The Governor and Company of the Bank of England.

Stock Agents of the New Zealand Government.

Enclosure 2 in No. 19.

GENTLEMEN,—

Bank of England, London, E.C., 6th March, 1885.

I am directed by the Governors to acknowledge the receipt of your letter of yesterday's date, with reference to the conversion of the £5-per-cent. Consolidated Loan of your Government, and enclosing the prospectus setting forth the terms of such conversion and a copy of "The Consolidated Loan Act, 1884."

In compliance with your wish the Governors have caused the necessary steps to be taken to announce the conversion, receive the debentures sent in, and otherwise give effect to the operation.

The initial charge to be paid to the bank will be as understood by you—viz., £600 per million of debentures converted, and the charge for management at the rate already agreed upon between your Government and the bank.

I have, &c.

F. MAY,
Chief Cashier.

Sir F. D. Bell, K.C.M.G., and Sir Penrose G. Julyan, K.C.M.G., C.B.,
Stock Agents of the New Zealand Government, 7, Westminster Chambers, S.W.

No. 20.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 27th June, 1885.

With reference to the charges of the Bank of England for management of inscribed stock, under the arrangement of November, 1875, I waited upon the Governors a few days ago to represent that New Zealand ought to be put on the same footing as New South Wales with respect to the time that moneys should be lodged for the payment of dividends—namely, ten days instead of a month.

The Governors agreed to do this, but pointed out that, on the same principle of uniformity of charge, an alteration ought to be made in the bank's favour by relieving them from that part of the cost of advertising which has hitherto been paid by the bank on bringing out our loans. To this, of course, I readily consented on behalf of the Government.

I now transmit to you copies of the correspondence describing the new arrangement.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

Copy of Telegram referred to in No. 20.

To Treasurer, New Zealand.

London, 24th June, 1885.

Dividends arranged Bank of England lodge moneys ten days instead month.

Enclosure 1 in No. 20.

SIR,—

7, Westminster Chambers, London, S.W., 24th June, 1885.

At the interview I had yesterday with the Governor of the bank respecting the arrangement under which the amount required for payment of dividends upon New Zealand consolidated stock inscribed at the bank has to be lodged with you one month before the date when the dividends are payable, I proposed that in future New Zealand should be placed on the same footing as New South Wales, and the time for lodging the moneys in question be fixed at ten days. I have now to express the thanks of my Government to the Governors for consenting to my request.

It is understood that on the same principle of uniformity of system in the business carried on by the bank for colonies whose loans are domiciled here, the custom is to be abrogated under which the bank has hitherto paid certain costs of advertising in the issue of loans for New Zealand, and such costs are in future to be defrayed by my Government.

The Chief Cashier, Bank of England.

I have, &c.,

F. D. BELL.

Enclosure 2 in No. 20.

SIR,—

Bank of England, London, E.C., 25th June, 1885.

I have to acknowledge the receipt of your letter of yesterday with reference to the subject of your interview with the Governor on the 23rd instant.

In reply, I am to say that the Governors fully concur in the view you take of the result arrived at verbally on Tuesday last, their desire being that the several Colonial Governments should be placed on an equal footing with respect to the issue and management of loans by the bank.

The arrangement of November, 1875, so far as it affects clause 3, will in future, therefore, be thus understood: "The Government of New Zealand will pay to the Bank of England the money required for dividends on their stocks or debentures ten days before such dividends are due" (instead of "at least one month," &c.).

With regard to the issue of loans, the following will be the terms, as now understood, in lieu of those set forth in my letter of 29th May, 1878, viz.: "For issuing stock, preparing stock- and transfer-books, and performing all the duties involved in placing such loans on the market (except the cost of advertising and stamping scrip), a charge of 10s. per cent. on the nominal amount of stock issued." The above charge is, of course, exclusive of the usual commission to bankers, brokers, and agents, but the bank undertakes the settlement of the claims.

I have, &c.,

F. MAY,
Chief Cashier.

Sir F. D. Bell, K.C.M.G., Agent-General for New Zealand,
7, Westminster Chambers, S.W.