1889.

NEW ZEALAND.

THE TWO-MILLION LOAN

(PAPERS RELATING TO THE RAISING OF).

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

No. 1.

The Colonial Treasurer to the Loan and Stock Agents.

Gentlemen,— The Treasury, Wellington, 19th May, 1888.

I have the honour to inform you that Parliament has repealed "The New Zealand Loan Act, 1887," and passed a new Act authorising the raising of a loan of one million.

I enclose herewith copies of the repealing Act and of "The New Zealand Loan Act, 1888," together with an Order in Council authorising the raising of the loan and appointing yourselves Agents for the purpose; also another Order in Council authorising you to raise the amount of the loan by short-dated debentures.

A telegraphic message is being despatched advising you of the passing of the Acts, and posting of the Orders in Council.

I have, &c.,
H. A. Atkinson.

Sir Penrose G. Julyan, K.C.M.G., C.B., and
Sir Francis Dillon Bell, K.C.M.G., C.B.,
New Zealand Loan and Stock Agents, London.

Enclosure 1 in No. 1.

Wm. F. Drummond Jervois, Governor.

ORDER IN COUNCIL.

At the Government House, at Wellington, this nineteenth day of May, 1888.

Present: His Excellency the Governor in Council.

Whereas by "The New Zealand Loan Act, 1888" (hereinafter called "the said Act"), it is, among other things, 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 thereby authorised to be raised, with all such powers as may be necessary to carry into effect the purposes thereof, 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 by the issue of inscribed stock under "The New Zealand Consolidated Stock Act, 1877," or otherwise, such sum or sums not exceeding one million pounds sterling in the whole, as the Governor in Council may from time to time or at any time direct and determine, for all or 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 authorised thereby: And whereas it is expedient that the said loan so authorised 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 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 Julyan, 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 said loan hereby ordered and determined to be raised; with full power and authority to such Agents 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 authorised to be borrowed and raised.

Forster Goring, Clerk of the Executive Council.

Enclosure 2 in No. 1.

WM. F. DRUMMOND JERVOIS, Governor.

ORDER IN COUNCIL.

At the Government House, at Wellington, this nineteenth day of May, 1888.

Present: HIS EXCELLENCY THE GOVERNOR IN COUNCIL.

WHEREAS by the sixth section of "The New Zealand Loan Act, 1888" (hereinafter called "the said Act"), it is enacted that, pending the raising of moneys authorised 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 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 last-mentioned 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 Julyan, 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 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. 2.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 1st June, 1888.

Upon receiving your telegraphic intimation (on the 19th instant) of the new Loan Act having been passed, and the necessary powers having been sent to us, we proceeded with the necessary preparations for bringing out the loan of £2,000,000.

After repeated consultations we were satisfied that no advantage would be gained in delaying the issue. Although money was easy, and there was not any immediate danger of political complications or financial trouble, the New Zealand Inscribed Stock had been put down to 96; and, although it revived to 96½ and 97½, the market seemed quite determined to keep it down till the loan was out, nor did there appear to be any prospect of such improvement as would justify us in running the risk of a postponement. We accordingly had a conference with the Governors of the Bank yesterday to fix the minimum and other particulars of the issue. These are stated in the enclosed copy of the prospectus, which appears in this morning's papers.

We sent you yesterday a telegram (copy annexed) containing the main points in the prospectus.

So far as we have the means of forming a judgment at the present moment, we see no reason to doubt that the loan will go off well, as upon its being announced in the market it was immediately quoted at 1 premium.

We have, &c.,

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

The Hon. the Colonial Treasurer, Wellington.

Enclosure 1 in No 2.

NEW ZEALAND GOVERNMENT LOAN OF £2,000,000.—(For the North Island Main Trunk Railway, £1,000,000; for Railways and other Purposes, £1,000,000.)

OF the £2,000,000 now to be raised, one million consists of the loan which was authorised in 1882 for the construction of the Main Trunk Railway through the centre of the North Island. Temporary debentures of that loan to the extent of £500,000 have been issued during the progress of constructing the line, which will be paid off out of the loan now to be raised. The other million is to be applied—one-half to railways, and about £420,000 to roads, purchase of Native lands, telegraph extension, and the completion of harbour defences, leaving about £80,000 to be allocated. After these two millions are raised, no further new loan will come upon the London market for three years from the 31st March, 1888.

(1.) AS TO REVENUE AND EXPENDITURE.

In the last session of the New Zealand Parliament it was decided to make large retrenchments in the public expenditure, as well in the ordinary cost of government as in the outlay for railways and other public works. The savings to be made for a full year in the ordinary expenditure of administration were to amount in round numbers to £300,000. Subsidies hitherto granted to local governing bodies out of loan were to be reduced in amount, and were in future to be borne by the revenue of the year. The Property-tax was raised to 1d. in the pound. The tariff was to be revised, with the view of improving the Customs revenue without undue interference with trade. The administration of the railways was placed under an independent Board as in Victoria, where that system has been attended with marked success and improvement in the net revenue. Maori lands, which had hitherto escaped taxation almost entirely, were made subject to rates and taxes as well as land owned by the European population. A new Land Act was passed, with the object of encouraging settlement and improving the land revenue.

The following are the chief figures of revenue and expenditure to the 31st of March, 1888 :—

	£
Total revenue from all sources—	
Estimated, £3,962,000 ; actual	3,859,000
(So that the receipts fell short of the estimate by £183,000.)	
Customs duties, stamps, and property-tax, each slightly in excess of the estimate.	
Railway receipts, less than the estimate by	68,000
Railway working-expenses, below estimate	26,000
Surplus railway revenue over working-expenses	282,000
Land sales, less than the estimate by	29,000
(But there had been no time for sales under the new Land Act.)	
Total expenditure of the year chargeable to revenue, including £115,000 increase in the interest of the public debt	4,241,000
The general result for the year was a deficiency of	382,000
(To this had to be added the deficit of £146,500 from the previous year, making £528,600, partly covered by debentures for £400,000, having five years' currency, leaving £128,600 outstanding.)	
Total amount of deficiency bills extant 31st March	778,000
Against which there was cash in hand	649,4000

The Financial Statement for the current year 1888–89 has just been delivered. With reference to the deficiency of £128,600 above mentioned, it is proposed to raise a special duty of 1 per cent. on imports for two years to provide for it. As regards the expenditure for the current year, retrenchments have already been effected to the amount of £233,000. The estimated expenditure for the year, including six months' interest on the present loan, is £4,061,000 ; the estimated revenue, on the present basis of taxation, is £4,016,000. To meet this difference, and to provide £60,000 for school and other buildings (hitherto charged on loan), as well as subsidies to local governing bodies, it is proposed to raise an additional revenue of £207,000 through the Customs.

(2.) As to the Public Debt.

The gross amount of the public debt on the 31st March, 1888, including all deficiency bills, short-dated debentures, and temporary advances, was £37,536,000. Accrued sinking funds amounted to £1,222,000, and there was £649,400 cash in hand to the credit of the consolidated revenue, and £468,600 to the credit of the Public Works Fund, making together £2,340,000. The net indebtedness of the colony on the 31st March was accordingly £35,196,000, and of this amount £500,000 temporary debentures for the North Island Railway will, as above stated, be paid off out of the present loan.

Several operations have taken place since 1883 for converting loans bearing a higher interest into 4-per-cent. inscribed stock ; nearly eleven millions being already inscribed, with an addition of only £308,000 to the aggregate total of the debt, and four millions more converted which will automatically change into stock in 1892. The saving already made is considerable, about £600,000 having been kept in the colonial Treasury which would otherwise have gone in higher interest and in sinking fund. The operation of all the sinking funds has been practically stopped since 1884, when an Act was passed authorising the creation of securities equal in amount to the annual increases of the funds ; but, of course, no change is made in the position of the bondholder. As sinking fund becomes released these securities are paid off.

(3.) As to Railways and Public Works.

1. Railways.—1,734 miles were opened up to the end of 1887, and 176 miles were under construction, making a total of 1,910 miles. The total expenditure on construction was £14,570,000.

North Island.—There is now complete railway-communication between Wellington and the West Coast ; part of this line was made by, and still belongs to, the Wellington and Manawatu Railway Company. On the East Coast a gap of only a few miles has to be filled up to complete the communication. The two coasts will soon be united by a short line running across the centre of the Island. In the north, in order to complete through communication, the colony decided in 1882 to construct the Main Trunk Railway, authorising for it the loan of £1,000,000, which forms half of the amount to be now raised. When this line is finished through railway-communication will exist from north to south and from east to west, and will open the central country in the Island to settlement.

Middle Island.—The chain of railway-communication in the Middle Island is complete from Foveaux Strait to a point about forty miles north of Christchurch, embracing all the settled country on that part of the East Coast. The extension of the chain, so as to unite the southern settlements with Nelson and the goldfields of the West Coast, has been undertaken by the New Zealand Midland Railway Company in consideration of a grant of about two million acres. There will then be through communication from north to south, and across the centre of the Island from east to west. Another line connecting Dunedin with the lake country of the interior has been making slow progress, and its completion will perhaps be confided to private enterprise, in the same way as the Midland line, by means of grants of land.

Railway Revenue.—The net railway revenue for the financial year ending the 31st March was £282,000, against £299,000 of the year before. The railways do Government work to the amount of £35,000 a year, which properly belongs to the revenue of the lines. The administration of the railway system having been placed under the control of an independent Board a fair increase in the net yield is expected to result, as has been the case in Victoria. But the railways in New Zealand cannot be controlled as Australian railways are. The power which can be directed from a great city like Melbourne or Sydney over an inland-railway system upon a vast continent can never be exercised over a system extending over two islands, with an immense line of sea-coast and a great number of harbours. No part of New Zealand is a hundred miles from the sea, and if railway-rates are raised competition by steamer immediately arises.

2. Roads.—The colony has made more than 4,300 miles of dray-roads and 3,600 miles of horse-roads ; altogether 8,000 miles, exclusive of a large mileage of roads made by local authorities. It has built nearly 800 bridges. All this has been done to open the country for settlement and occupation. The result is that there are nearly 37,000 separate holdings above one acre, 24,000 of which are freehold.

3. Harbour Defences.—The duty of taking part with the rest of Australasia in naval defence has imposed a heavy cost of more than £400,000 for harbour defences, £200,000 being for heavy guns and armament sent out from England ; and, under the naval agreement between the Imperial Government and the Australasian Governments arranged at the Colonial Conference, New Zealand will pay during the next ten years its due share of contribution to Her Majesty's fleet in Australian and New Zealand waters.

Conclusion.

It has been the fashion of late to cry down New Zealand as a country that was retrograding fast, and, in fact, being ruined. Now the "depression," of which so much has been made, has lasted ever since 1882, and, according to what the enemies of the colony have said, there ought to have been no progress, but a great falling-off in capacity to bear the debt. But these statements do not bear the test of official facts.

There has been, it is true, an augmentation of the net public debt to £35,000,000 ; an increase in banking advances and discounts from £13,000,000 to £17,000,000 ; an increase in mortgages from £30,000,000 to £32,000,000, £15,000,000 of which, however, are colonial capital ; a diminution in the net earnings of the railways to less than 2½ per cent. ; and a serious fall in the saleable value of landed property, which will reflect itself in the next triennial property-tax valuations. But, on the other hand, population and wealth have augmented, as shown by the following figures :—

	1881-82.		1886-87.
The population has increased from	545,000	to	630,000
The value of real and personal property from	£151,000,000	"	£179,000,000
The value of freehold farms from	£34,000,000	"	£40,000,000
The value of houses from	£31,000,000	"	£37,000,000
The value of real property from	£87,000,000	"	£97,000,000
The value of personal property from	£64,000,000	"	£83,000,000
Value of Government and corporate property is ..	..		£20,000,000
Separate holdings have increased in number from ..	30,000	"	37,000
Freehold holdings have increased in number from ..	19,000	"	24,000
Payers of property-tax have increased in number from ..	22,000	"	28,000
Banking deposits have increased from	£9,000,000	"	£10,500,000
Deposits in savings banks have increased from	£1,500,000	"	£2,000,000
Cattle have increased in number from	700,000	"	850,000
Sheep have increased in number from	13,000,000	"	16,500,000
Acreage in cereals, green crops, and sown grasses has increased from	5,000,000 acres	"	7,000,000 acres.
The produce of wool has increased from..	60,000,000 lb.	"	90,000,000 lb.
Butter and cheese have increased from..	12,000,000 lb.	"	17,000,000 lb.
Frozen sheep exported to London	None.	"	800,000
The output of coal has increased from	278,000 tons	"	534,000 tons.
Manufactories have increased in number from	1,600	"	2,200
The value of land, buildings, and machinery in manufactories has increased from	£3,600,000	"	£6,000,000
The value of manufactured products has risen to ..	..	"	£7,500,000
Imports have fallen from	£7,400,000	"	£6,700,000
Exports have increased from	£6,000,000	"	£6,700,000
[Thus, while in 1881 the imports exceeded the exports by £1,400,000 in 1887 they were practically level.]			
The mileage of railways open and under construction has increased from	1,333 miles	"	1,910 miles.

The least ratio of increase in the list here enumerated has been 10 per cent., and in the greater number it ranges from 20 per cent. upwards.

The Government have authorised the Loan Agents to give a pledge that after the present loan of two millions has been raised no further new loan shall come upon the London market for three years from the 31st March, 1888; and, unless some entirely unforeseen and unexpected drop in the revenue takes place, they will not want to borrow locally any large sum during those three years. The right is reserved of raising money to pay off a security already in existence, as well as of going on with the conversion of any outstanding loan into stock.

Westminster Chambers, 31st May, 1888. F. D. Bell, Agent-General.

Enclosure 2 in No. 2.

New Zealand Government £4-per-cent. Consolidated Stock.—Issue of £2,000,000.—Minimum Price of Issue, £96½ per Cent.—First Dividend, being Six Months' Interest, payable 1st November, 1888.—Authorised by the Colonial "North Island Main Trunk Railway Loan Act, 1882," and the "New Zealand Loan Act, 1888:" For the North Island Railway, and to pay off £500,000 Temporary Debentures issued during the progress of constructing the Line, £1,000,000; for Railways, Roads, Purchase of Native Lands, and other Public Works, £1,000,000.

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 Acts (Sir Penrose Goodchild Julyan, K.C.M.G., C.B., and Sir Francis Dillon Bell, K.C.M.G.), they are authorised to receive tenders for £2,000,000 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, the dividends on which are payable half-yearly at the Bank of England, on the 1st May and 1st November. 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 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 must be delivered at the Chief Cashier's Office, Bank of England, before 2 o'clock on Thursday, the 7th June, 1888. 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 £96½ 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 ratâ* diminution.

The dates at which the further payments on account of the said loan will be required are as follows: On Tuesday, the 19th June, 1888, so much of the amount tendered and accepted as, when added to the deposit, will leave eighty pounds sterling to be paid for each hundred pounds of stock; on Tuesday, the 24th July, 1888, £20 per cent.; on Tuesday, the 4th September, 1888, £30 per cent.; on Tuesday, the 2nd October, 1888, £30 per cent. The instalments may be paid in full on or after the 19th June, 1888, 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 2nd October, 1888, but scrip paid up in full, in anticipation, may be inscribed forthwith.

The Government of New Zealand have authorised the Loan Agents to notify that after the present loan of £2,000,000 has been raised no new loan will come upon the London market for three years from the 31st March, 1888; but the right is reserved of raising money for the redemption of securities already in existence, and of carrying on the conversion of any outstanding loan.

Applications must be upon the printed forms, which 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 Acts authorising the loan may be seen.

Bank of England, 31st May, 1888.

Enclosure 3 in No 2.

No.

NEW ZEALAND GOVERNMENT £4-PER-CENT. CONSOLIDATED STOCK.—Issue of £2,000,000 Stock—Minimum Price, £96½ per cent.

To the Governor and Company of the Bank of England, London.

HAVING paid to you the sum of £ , being a deposit of £5* per cent. on this application, hereby tender for £† , say pounds of the above stock, for every hundred pounds of which willing to give the sum of pounds shillings and pence (£); and hereby engage to pay the several instalments, as they shall become due, on any allotment that may be made in respect of this tender, in accordance with the terms of the prospectus dated the 31st May, 1888.

Name in full:

Address:

Date:

N.B.—*Tenders will not be received after 2 o'clock on Thursday, the 7th June, 1888.*

No. 3.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 8th June, 1888.

The issue of your Two-million Loan was successfully made yesterday, in spite of a series of violent attacks by financial papers. There were about six hundred tenders, and the total sum offered amounted to £8,024,400. Tenders at £97 13s. receive 76 per cent., and those above that price will be allotted in full. The average price is £97 15s. 7d.

We sent you a telegram yesterday—copy of which is annexed—to acquaint you with this result, upon which we now beg to congratulate the Government.

The new stock was immediately quoted 2 premium, and the old and new stocks are to-day respectively 98¼ and 2¼ @ ⅜ premium.

We have, &c.,

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

The Hon. the Colonial Treasurer, Wellington.

No. 4.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,— 7, Westminister Chambers, London, S.W., 8th June, 1888.

The result of yesterday's tenders for the Two-million Loan will, I trust, have been learnt with satisfaction by the Government. So many furious attacks had been made upon it in several quarters—though chiefly in a second-class portion of the financial press—and such persistent efforts had been made within the market itself to keep the price down, that the large subscription of £8,024,400, as well as the average price of £97 15s. 7d. realised, made the issue an unexpected success.

I beg to enclose copy of a letter from the Bank of England to the Loan Agents, notifying the allotments made at various prices.

The public subscribed largely, but, as usual, got very little. The "bears" had tried very hard to get up syndicates to work in concert for securing the stock at the lowest possible price; but at the last moment there was a split between them, with the result that one of the syndicates determined to secure the control of the market, and thereupon bid a sufficient price to effect its object. Immediately the opening of the tenders showed that the loan had been subscribed four times over the price of both the new and old stock went up 2 per cent., and it is said to-day in the market that the price will be put up to par in a few days. It will go higher than that, indeed, if the Bill (referred to in another letter) for investing trust moneys in colonial inscribed stocks should pass, for the difference now existing between the prices of New Zealand and other stocks is sure to diminish very rapidly then.

I take the opportunity of enclosing some extracts which will show you the kind of opposition we had to encounter in bringing out the loan.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington. F. D. BELL.

Enclosure in No. 4.

GENTLEMEN,— Bank of England, E.C., 8th June, 1888.

I am directed to inform you that in accordance with the terms of the advertisement dated the 31st May, 1888, tenders were received yesterday at the Bank of England for the further issue of £2,000,000 New Zealand Government Consolidated Stock.

The applications amounted to £8,024,400, at prices varying from £98 10s. to £96 10s., the minimum. Tenders at £97 13s. receive about 76 per cent. of the amount applied for, those above that price being allotted in full. I forward herewith a statement of the amounts allotted at the various prices.

The deposit of 5 per cent.—viz., £100,000—shall be paid to-day to the Bank of New Zealand for the credit of the Public Account of the Government of New Zealand.

I am, &c.,

Sir P. G. Julyan, K.C.M.G., C.B., and E. E. BALY, Deputy Chief Cashier.

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

Agents under the New Zealand Loan Acts 1882 and 1888.

* The deposit must not be enclosed.

† Tenders to be for even hundreds of stock, and at prices that do not include fractions of a shilling other than sixpence.

Sub-enclosure to Enclosure in No. 4.

NEW ZEALAND 4-PER-CENT. LOAN OF 1888 FOR £2,000,000.—STATEMENT OF AMOUNTS SUBSCRIBED AT THE VARIOUS ACCEPTED PRICES.

Subscription.	Price.	Amount payable.
£	£ s. d.	£ s. d.
300	98 10 0	295 10 0
700	98 2 6	686 17 6
3,900	98 0 0	3,822 0 0
500,100	97 17 6	489,472 17 6
8,000	97 16 6	7,826 0 0
10,000	97 16 0	9,780 0 0
900,000	97 15 6	879,975 0 0
167,200	97 15 0	163,438 0 0
15,000	97 14 6	14,658 15 0
223,000	97 14 0	217,871 0 0
171,800	97 13 0	167,762 14 0
£2,000,000	..	£1,955,588 14 0

Average price, £97 15s. 7d.

Bank of England, 8th June, 1888. E. E. BALY.

No. 5.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 14th June, 1888.

We transmit to you herewith six copies of the deed-poll by which we have created the new stock of £2,000,000, together with the declaration we have enrolled at the Inland Revenue. A copy of a letter addressed by us to the Bank of England is also enclosed.

We have, &c.,
(For the Stock Agents),
F. D. BELL.

The Hon. the Colonial Treasurer, Wellington.

Enclosure 1 in No. 5.

GENTLEMEN,— 7, Westminster Chambers, S.W., 13th June, 1888.

We have now to acquaint you that by a deed-poll dated the 30th May, 1888, under our hands and seals, a printed copy of which we send herewith, and which has been duly enrolled, we have set forth the terms and conditions which were arranged with you, and described in the prospectus of the loan for two millions sterling just issued by you on behalf of the New Zealand Government.

We have made the declaration required under "The Colonial Stock Act, 1877," under the authority of the seal of the colony, and have lodged the same with the Commissioners of Inland Revenue so as to bring the stock under the provisions of that Act; a printed copy of which declaration we also send herewith. You are therefore duly enabled to carry out the arrangements made with you by us on behalf of our Government for the inscription of the stock.

We have accordingly to request you to pay to the Commissioners of Inland Revenue the composition for stamp duty, so as to enable the stock after inscription to be be transferred free of duty, as in the previous issues of the same stock by our Government. We also authorise you to issue to the holders of this stock who may desire the same from time to time, stock-certificates to bearer, in pusuance of the provisions of "The Colonial Stock Act, 1877." We also authorise and request that the same fees shall be charged for the issue of stock-certificates to bearer as are charged in like cases for the issue of certificates for Metropolitan Board of Works Stock. And we also authorise you to transmit dividend-warrants by post, in the same manner and on the same conditions as the warrants for dividends on the Government stocks are sent out. We have further to request that you will be good enough to pay to the credit of the New Zealand Public Account, at the Bank of New Zealand, such amounts as are from time to time received on account of the subscriptions, retaining in your hands, until the accounts are closed, a sufficient amount to meet the charges which have been usually paid by you out of the proceeds of previous loans.

We have, &c.,
P. G. JULYAN,
F. D. BELL,
Stock Agents of the New Zealand Government.

The Governor and Company of the Bank of England.

Enclosure 2 in No 5.

IT is hereby declared that, by "The New Zealand Consolidated Stock Act, 1877," being Act 41 Vict., No. 33, of the Legislature of the Colony of New Zealand, provision is made in the terms following, that is to say,—

Section 2. Whenever in any Act heretofore passed by the General Assembly, or that may be passed in the present or any future session of the General Assembly, authority is given to the Governor, or to the Governor in Council, to raise by way of loan any sum of money for the public service of the colony, then, unless there be some provision to the contrary in the Act by which such authority is given, such sum may be raised in the manner hereinafter provided.

Section 3. For the purpose of raising such sum or sums of money under the authority of any such Act as aforesaid, it shall be lawful for the Governor in Council to create capital stock, to be called "The New Zealand Consolidated Stock" (hereinafter referred to as "stock"), subject to the provisions of this Act, to be issued in such amounts and manner, at such price and times, on such terms, and subject to such conditions, with such dividends, and redeemable at par at such times and on such conditions as the Governor in Council may before the creation thereof from time to time determine.

Section 4. The Governor in Council shall have and may exercise the following powers and authorities, or any of them: (1) He may from time to time declare all or any of the New Zealand loans, whether existing in the form of stock or not, to be convertible into stock, of such denominations, with such conditions and with such dividends and redeemable at par at such times and on such conditions, as he may before the creation thereof from time to time determine: (2) He may authorise the creation and issue of such an amount of such stock in exchange for the securities held for such loans as may be necessary: (3) He may authorise the creation and sale of any such stock for the purpose of raising money for redeeming any outstanding stock or securities and of paying any expenses in the creation of stock and otherwise carrying out the provisions of this Act on such conditions as he may determine: (4) Any conversion so authorised may be effected either by arrangement with the holders of existing securities or by purchase thereof out of moneys raised by a sale of new stock, or partly in one way and partly in the other.

Section 7. The Governor in Council may from time to time enter into any such agreement with the Bank of England as to the Governor in Council seems fit, providing for all or any of the following things (*inter alia*): (1) For inscribing in the books of the bank any stock: (2) For managing the creation, inscription, and issue of stock: (3) For effecting the conversion of loans into stock and managing transfers of stock: (5) For issuing stock-certificates to bearer, and as often as occasion shall require reissuing or reinscribing stock and reissuing stock-certificates: (10) Generally conducting all business connected with stock or loans. For the purposes of this Act the expression "Bank of England" means the Governor and Company of the Bank of England, and includes their successors.

Section 8. Every agreement made with the Bank of England in pursuance of this Act shall be as valid and effectual as if the terms thereof had been set forth in and enacted by this Act.

Section 9. The Governor in Council shall have the powers and duties, and may do the following things (*inter alia*) for the purposes of this Act: (1) He may from time to time appoint three or more persons in England to be Agents for the purposes of this Act (which Agents for the time being are in this Act referred to as "the Agents"), and may empower such agents, or any three or more of them, to exercise all or any of the powers by this Act exercisable by the Governor in Council.

Section 14. This Act shall not come into operation nor be of any force or effect whatever until it shall be declared to be so in operation by a Proclamation issued by the Governor in Council, and published in the New Zealand Government *Gazette*:

And it is hereby further declared that by a Proclamation made and issued by the Governor in Council on the 9th day of February, 1878, and published in a Supplement to the New Zealand Government *Gazette* of the same date, it was declared that the said Act should be and come into operation on and after the said 9th day of February, 1878:

And it is hereby further declared that under and by virtue of the said Act, New Zealand Consolidated Stock was created and issued to the amount of £5,371,200, which was duly inscribed in the books of the Bank of England, in the names of the several persons respectively entitled thereto, on the terms and conditions mentioned in a certain deed-poll bearing date the 1st day of December, 1879, under the hands and seals of Sir Penrose Goodchild Julyan, K.C.M.G., C.B., Sir Julius Vogel, K.C.M.G., and Montague Frederic Ommanney, Esquire, who had been duly appointed Agents in England for the purposes of the said Act, and had been duly empowered to exercise all the powers by the said Act exercisable by the Governor in Council, such stock bearing interest at the rate of 4 per cent. per annum, payable half-yearly at the Bank of England on the 1st day of May and the 1st day of November in each year until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place:

And it is hereby further declared that by "The New Zealand Consolidated Stock Act 1877 Amendment Act 1881," being Act 45 Vict., No. 44, of the said Legislature, it was enacted that notwithstanding anything in "The New Zealand Consolidated Stock Act, 1877," contained, the Governor in Council might appoint only two persons to be the Agents for the purposes of such Act, who should have, exercise, and perform all the powers, authorities, or duties by such Act given to, vested in, or imposed upon the Agents appointed under the ninth section of such Act; and that throughout such Act the words "the Agents" should be deemed to refer to and include the two persons authorised by the Act now in recital to be appointed to be the Agents for the purpose of "The New Zealand Consolidated Stock Act 1877:"

And it is hereby further declared that in pursuance of the power and authority vested in him by the said Acts (all previous appointments of Agents having been revoked), the Governor of New Zealand did, by an Order in Council bearing date the 5th day of November, 1881, appoint Sir Francis Dillon Bell, of No. 7, Westminster Chambers, Victoria Street, Westminster, K.C.M.G., the Agent-General for the Colony of New Zealand, and the said Sir Penrose Goodchild Julyan, to be Agents in England for the purposes of the said Acts of 1877 and 1881, with full power and authority to them as such Agents to exercise all the powers by such Acts exercisable by the Governor in Council:

And it is hereby further declared that the Governor of New Zealand did, by another Order in Council also bearing date the 5th day of November, 1881, and issued under the seal of the said colony, empower the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan as and to be the Agents to make the declaration required by the provisions of "The Colonial Stock Act 1877," and in and about such declaration, and the leaving and record thereof with the Commissioners of Inland Revenue, to do all such necessary acts as might or could have been done by or on behalf of the Government of the said colony to give effect to the provisions of the last-mentioned Act:

And it is hereby further declared that various further amounts of New Zealand Consolidated Stock have from time to time been duly created by the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, acting as such Agents, and duly empowered as aforesaid, upon the terms and conditions respectively mentioned in certain deeds-poll under their hands and seals, and bearing date respectively the 1st day of January, 1883, the 30th day of October, 1883, the 1st day of January, 1884, the 30th day of December, 1884, the 1st day of January, 1885, the 1st day of June, 1885, the 20th day of May, 1886, and the 6th day of October, 1886, such amounts of stock being in addition to and ranking *pari passu* with the said amount of £5,371,200 of New Zealand Consolidated Stock so created and issued as aforesaid, and bearing interest at the rate and payable half-yearly at the Bank of England as aforesaid until the 1st day of November, 1929, on which date the capital is to be repaid at par at the same place, but the whole amount of New Zealand Consolidated Stock thus created by them has not yet been issued:

And it is hereby further declared that of New Zealand Consolidated Stock so created as aforesaid there has been issued the total amount of £22,564,255 of such stock and no more:

And it is hereby further declared that by another Act of the said Legislature, intituled "The North Island Main Trunk Railway Loan Act, 1882" (hereinafter called "the Act of 1882"), it was enacted that it should be lawful for the Governor in Council to appoint any two or more persons he might think fit to be Agents for the purpose of raising and managing the loan thereby authorised to be raised, with all such powers as might be necessary to carry into effect the purposes of such Act, and that such Agents should 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 £1,000,000 sterling in the whole as the Governor in Council might from time to time or at any time direct and determine for the purpose of constructing the Main Trunk Railway of the North Island, or the payment or repurchase of short-dated debentures issued under the provisions of such Act, provided that the said sum of £1,000,000 sterling, or any part thereof, should not be raised until the line on which the same was to be expended had been surveyed and approved by Parliament: And it was further provided that such Agents should 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 it is hereby further declared that by virtue of another Act of the said Legislature, intituled "The Railways Authorisation Act, 1884," the line on which the said sum of £1,000,000 authorised by the said last-mentioned Act to be raised was to be expended, and the construction of the said railway on such line, was duly approved by Parliament:

And it is hereby further declared that Sir William Francis Drummond Jervois, a Knight Grand Cross of the said Most Distinguished Order of Saint Michael and Saint George, and a Companion of the Most Honourable Order of the Bath, the Governor of the said colony, by an Order in Council made and issued on the 24th day of February, 1886, did, in exercise and pursuance of the powers and authorities vested in him by the Act of 1882, and by and with the advice and consent of the Executive Council of the said colony, direct and determine that the sum of £1,000,000 sterling should be borrowed and raised under the provisions of that Act, and in further exercise and pursuance of the powers and authorities aforesaid, and with the like advice and consent as aforesaid, he did thereby appoint the said Sir Penrose Goodchild Julyan and Sir Francis Dillon Bell to be Agents for the purpose of raising and managing the said loan thereby ordered and determined to be raised, with full power and authority to such Agents to borrow and raise by bonds, debentures, scrip, or otherwise, the said sum of £1,000,000 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 same Act, the rate of interest thereon, and the time and place or places when and where such principal and interest should be made payable, and generally to have, hold, and exercise all such powers and authorities as by the same Act might be had, held, and exercised by

the Agents appointed thereunder in respect of the moneys authorised by the Order in Council now in recital to be borrowed and raised:

And it is hereby further declared that by another Act of the said Legislature, intituled "The New Zealand Loan Act, 1888" (hereinafter called "the Loan Act"), it was enacted that it should be lawful for the Governor in Council to appoint any two or more persons he might think fit to be Agents for the purpose of raising and managing the loan thereby authorised to be raised, with all such powers as might be necessary to carry into effect the purposes of such Act, and that such Agents should have full power and authority to borrow and raise, in Great Britain and elsewhere, by bonds, debentures, scrip, or by the issue of inscribed stock under "The New Zealand Consolidated Stock Act, 1877," or otherwise, such sum or sums, not exceeding £1,000,000 sterling in the whole, as the Governor in Council might from time to time or at any time direct and determine, for all and any of the purposes expressed in the schedule to such Act, or the payment or repurchase of short-dated debentures issued under the now reciting Act, or any other purposes thereby authorised; and that such Agents should 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 should be made payable:

And it is hereby further declared that the said Sir William Francis Drummond Jervois, as such Governor of the said colony as aforesaid, by an Order in Council made and issued on the 19th day of May, 1888, did, in exercise and pursuance of the powers and authorities vested in him by the said last-mentioned Act, and by and with the advice and consent of the Executive Council of the said colony, direct and determine that the sum of £1,000,000 sterling should be borrowed and raised under the provisions of that Act, and in further exercise and pursuance of the powers and authorities aforesaid, and with the like advice and consent as aforesaid, he did thereby appoint the said Sir Penrose Goodchild Julyan and Sir Francis Dillon Bell to be Agents for the purpose of raising and managing the said loan thereby ordered and determined to be raised, with full power and authority to such Agents to borrow and raise by bonds, debentures, scrip, or otherwise, the said sum of £1,000,000 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 same Act, the rate of interest thereon, and the time and place or places when and where such principal and interest should be made payable, and generally to have, hold, and exercise all such powers and authorities as by the same Act might be had, held, and exercised by the Agents appointed thereunder in respect of the moneys authorised by the Order in Council now in recital to be borrowed and raised:

And it is hereby further declared that by a deed-poll bearing date the 30th day of May, 1888, under the hands and seals of the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, after reciting the effect hereinbefore mentioned, and that in exercise and in pursuance of the powers and authorities in that behalf conferred on them, they were about to borrow a sum of money by the creation and issue of a further amount of not exceeding £2,000,000 sterling of New Zealand Consolidated Stock, they, in exercise and pursuance of the powers by the said Orders in Council vested in them, did by the same deed-poll declare that they had created a further amount of £2,000,000 sterling of capital stock, to be called "New Zealand Consolidated Stock," in addition to and to rank *pari passu* with the amounts of New Zealand Consolidated Stock theretofore created as aforesaid, and which had been or might be thereafter issued, and had determined that so much of the same capital stock as it should be necessary to issue to subscribers for any part of the said sum or sums about to be borrowed and raised as aforesaid, should be issued to such subscribers at the rate of £100 of stock for every nominal amount of £100 which should be represented by the scrip-certificates or letters of allotment respectively to be issued to them when the instalments payable thereon should have been fully paid, and that the interest or dividend to be paid on the said further amount of £2,000,000 sterling of stock so created by them as last aforesaid, or any lesser amount which should be issued, should be at the rate of £4 per centum per annum, and should be payable half-yearly at the Bank of England, on the 1st day of May and the 1st day of November in each year until the 1st day of November, 1929, on which day the capital should be repaid at par at the same place:

And it is hereby further declared that in further pursuance of the said "New Zealand Consolidated Stock Act, 1877," and "New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," and of the said Order in Council of the 5th November, 1881, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan have entered into an agreement with the Governor and Company of the Bank of England, providing (among other things) for the inscription in a register kept in England by the said bank, of the said stock mentioned in the said last-mentioned deed-poll to have been created, and for the transfer of such stock:

And it is hereby further declared that the stock to be inscribed and transferred in conformity with such provision is New Zealand Consolidated Stock, mentioned in the said last-mentioned deed-poll:

And it is hereby further declared that the revenues of the Colony of New Zealand alone are liable in respect of the stock hereinbefore described and the dividends thereon, and that the Consolidated Fund of the United Kingdom, and the Commissioners of Her Majesty's Treasury, are not directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

In witness whereof the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan have hereunto set their hands this 1st day of June, 1888.

F. D. Bell.
P. G. Julyan.

Witness—Leonard J. Maton, Solicitor, 21, Cannon Street, London.

Enclosure 3 in No. 5.

To all to whom these presents shall come, we, Sir Francis Dillon Bell, a Knight Commander of the Most Distinguished Order of St. Michael and St. George, and a Companion of the Most Honourable Order of the Bath, the Agent-General for the Colony of New Zealand, and Sir Penrose Goodchild Julyan, a Knight Commander of the said Most Distinguished Order of St. Michael and St. George, and a Companion of the Most Honourable Order of the Bath, send greeting:

Whereas by an Act of the Legislature of New Zealand, intituled "The New Zealand Consolidated Stock Act, 1877," it was among other things enacted that, for the purpose of raising any sum or sums of money under the authority of any Act that might be passed by the General Assembly in any future session of the General Assembly authorising the Governor in Council to raise by way of loan any sum of money for the public service of the colony, it should be lawful for the Governor in Council to create capital stock, to be called "New Zealand Consolidated Stock," such stock to be issued in such amounts and manner, at such prices and times, on such terms and subject to such conditions, with such dividends, and redeemable at par at such times and on such conditions, as the Governor in Council might before the creation thereof from time to time determine: And by the said Act it was further enacted that the Governor in Council might from time to time declare all or any of the New Zealand loans, whether existing in the form of stock or not, to be convertible into stock of such denominations with such conditions and with such dividends and redeemable at par at such times and on such conditions as he might before the creation thereof from time to time determine, and might authorise the creation and issue of such an amount of such stock in exchange for the securities held for such loans as might be necessary, and might authorise the creation and sale of any such stock for the purpose of paying any expenses in the creation of stock, and otherwise carrying out the provisions of the said Act on such conditions as he might determine: And by the said Act it was further enacted that the Governor in Council might from time to time appoint three or more persons in England to be Agents for the purposes of the said Act, and might empower such Agents or any three or more of them to exercise all or any of the powers by the said Act exercisable by the Governor in Council; and, further, that the said Act should not come into operation nor be of any force and effect whatever until it should be declared to be so in operation by a Proclamation issued by the Governor in Council and published in the *New Zealand Gazette:*

And whereas by a Proclamation made and issued by the Governor in Council on the 9th day of February, 1878, and published in a Supplement to the *New Zealand Gazette* of the same date, the Governor, with the advice and

consent of the Executive Council of the said colony, did proclaim and declare that "The New Zealand Consolidated Stock Act, 1877," should be and come into operation on and after the 9th day of February, 1878:

And whereas under and by virtue of the said Act, New Zealand Consolidated Stock was created and issued to the amount of £5,371,200, which was duly inscribed in the books of the Governor and Company of the Bank of England in the names of the several persons respectively entitled thereto, on the terms and conditions mentioned in a certain deed-poll bearing date the 1st day of December, 1879, under the hands and seals of me the said Sir Penrose Goodchild Julyan, and of Sir Julius Vogel, a Knight Commander of the said Most Distinguished Order of St. Michael and St. George, and of Montagu Frederic Ommanney, Esquire, who had been duly appointed Agents in England for the purposes of the said Act, and had been duly empowered to exercise all the powers by the said Act exercisable by the Governor in Council, such stock bearing interest at the rate of 4 per cent. per annum, payable half-yearly at the Bank of England on the 1st day of May and the 1st day of November in each year, until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place:

And whereas by another Act of the said Legislature, intituled "The New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," it was enacted that, notwithstanding anything in "The New Zealand Consolidated Stock Act, 1877," contained, the Governor in Council might appoint only two persons to be the Agents for the purposes of such Act, who should have, exercise, and perform all the powers, authorities, or duties by such Act given to, vested in, or imposed upon the Agents appointed under such Act, and that throughout such Act the words "the Agents" should be deemed to refer to and include the two persons by the now reciting Act authorised to be appointed to be the Agents for the purposes of "The New Zealand Consolidated Stock Act, 1877:"

And whereas in pursuance of the power and authority vested in him by the said Acts (all previous appointments of Agents having been revoked), the Governor of New Zealand did, by an Order in Council bearing date the 5th day of November, 1881, appoint us, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, to be Agents in England for the purposes of the said Acts of 1877 and 1881, with full power and authority to us as such Agents to exercise all the powers by such Acts exercisable by the Governor in Council:

And whereas various further amounts of New Zealand Consolidated Stock have from time to time been duly created by us the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, acting as such Agents, and duly empowered as aforesaid, upon the terms and conditions respectively mentioned in certain deeds-poll under our hands and seals, and bearing date respectively the 1st day of January, 1883, the 30th day of October, 1883, the 1st day of January, 1884, the 30th day of December, 1884, the 1st day of January, 1885, the 1st day of June, 1885, the 20th day of May, 1886, and the 6th day of October, 1886, such amounts of stock being in addition to and ranking *pari passu* with the said amount of £5,371,200 of New Zealand Consolidated Stock so created and issued as aforesaid, and bearing interest at the rate and payable half-yearly at the Bank of England as aforesaid until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place, but the whole amount of New Zealand Consolidated Stock thus created by us has not been issued:

And whereas of New Zealand Consolidated Stock so created as aforesaid there has been issued the total amount of £22,564,255 of such stock and no more:

And whereas by another Act of the said Legislature, intituled "The North Island Main Trunk Railway Loan Act, 1882" (hereinafter called "the Act of 1882"), it is enacted that it should be lawful for the Governor in Council to appoint any two or more persons he might think fit to be Agents for the purpose of raising and managing the loan thereby authorised to be raised, with all such powers as might be necessary to carry into effect the purposes of such Act, and that such Agents should 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 £1,000,000 sterling in the whole, as the Governor in Council might from time to time or at any time direct and determine, for the purpose of constructing the Main Trunk Railway of the North Island or the payment or repurchase of short-dated debentures issued under the provisions of the now reciting Act, provided that the said sum of £1,000,000 sterling or any part thereof should not be raised until the line on which the same was to be expended had been surveyed and approved by Parliament: And it was further provided that such Agents should 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 should be made payable:

And whereas by virtue of another Act of the said Legislature, intituled "The Railways Authorisation Act, 1884," the line on which the said sum of £1,000,000, authorised by the said last-mentioned Act to be raised, was to be expended, and the construction of the said railway on such line, was duly approved by Parliament:

And whereas Sir William Francis Drummond Jervois, a Knight Grand Cross of the said Most Distinguished Order of St. Michael and St. George, and a Companion of the Most Honourable Order of the Bath, the Governor of the said colony, by an Order in Council made and issued on the 24th day of February, 1886, did in exercise and in pursuance of the powers and authorities vested in him by the Act of 1882, and by and with the advice and consent of the Executive Council of the said colony, direct and determine that the sum of £1,000,000 sterling should be borrowed and raised under the provisions of that Act, and in further exercise and pursuance of the powers and authorities aforesaid, and with the like advice and consent as aforesaid, he did thereby appoint us, the said Sir Penrose Goodchild Julyan and Sir Francis Dillon Bell, to be Agents for the purpose of raising and managing the said loan thereby ordered and determined to be raised, with full power and authority to us as such Agents to borrow and raise by bonds, debentures, scrip, or otherwise, the said sum of £1,000,000 sterling as aforesaid, and with full power and authority to us as 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 same Act, the rate of interest thereon, and the time and place or places when and where such principal and interest should be made payable, and generally to have, hold, and exercise all such powers and authorities as by the same Act might be had, held, and exercised by the Agents appointed thereunder in respect of the moneys authorised by the Order in Council now in recital to be borrowed and raised:

And whereas by another Act of the said Legislature, intituled "The New Zealand Loan Act, 1888" (hereinafter called "the Loan Act"), it was enacted that it should be lawful for the Governor in Council to appoint any two or more persons he might think fit to be Agents for the purpose of raising and managing the loan thereby authorised to be raised, with all such powers as might be necessary to carry into effect the purposes of such Act, and that such Agents should have full power and authority to borrow and raise, in Great Britain and elsewhere, by bonds, debentures, scrip, or by the issue of inscribed stock under "The New Zealand Consolidated Stock Act, 1877," or otherwise, such sum or sums, not exceeding £1,000,000 sterling in the whole, as the Governor in Council might from time to time or at any time direct and determine, for all and any of the purposes expressed in the schedule to such Act, or the payment or repurchase of short-dated debentures issued under the now reciting Act, or any other purposes thereby authorised; and that such Agents should 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 should be made payable:

And whereas the said Sir William Francis Drummond Jervois, as such Governor of the said colony as aforesaid, by an Order in Council made and issued on the 19th day of May, 1888, did in exercise and pursuance of the powers and authorities vested in him by the said last-mentioned Act, and by and with the advice and consent of the Executive Council of the said colony, direct and determine that the sum of £1,000,000 sterling should be borrowed and raised under the provisions of that Act; and in further exercise and pursuance of the powers and authorities aforesaid, and with the like advice and consent as aforesaid, he did thereby appoint us, the said Sir Penrose Goodchild Julyan and Sir Francis Dillon Bell, to be Agents for the purpose of raising and managing the said loan thereby ordered and determined to be raised, with full power and authority to us as such Agents to borrow and raise by bonds, debentures, scrip, or otherwise, the said sum of £1,000,000 sterling as aforesaid, and with full power and authority to us as 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 same Act, the rate of interest thereon, and the time and place or places when and where such principal and interest should be made payable, and generally to have, hold, and exercise all such powers and authorities as by the same Act might be had, held, and exercised by the Agents appointed thereunder in respect of the moneys authorised by the Order in Council now in recital to be borrowed and raised:

And whereas we, the said Sir Penrose Goodchild Julyan and Sir Francis Dillon Bell, intend and are about, under and in pursuance of the powers and authorities in that behalf conferred on us by the hereinbefore-recited Orders in Council of the 24th day of February, 1886, and the 19th day of May, 1888, respectively, to borrow and raise in Great Britain a sum not exceeding £1,000,000 for the purposes of the Act of 1882, and a further sum not exceeding £1,000,000 for the purposes expressed in the schedule to the Loan Act, by the creation and issue of a further amount of not exceeding £2,000,000 sterling of New Zealand Consolidated Stock, to be in addition to and to rank *pari passu* with the New Zealand Consolidated Stock which has been already issued and which may be issued as hereinbefore mentioned:

And whereas we have further determined that such further amounts of £1,000,000 and £1,000,000 of stock as aforesaid, making together £2,000,000 of stock, shall be created, issued, and inscribed under the said "New Zealand Consolidated Stock Act, 1877;" and we have also determined the amount, manner, price, time, terms, and conditions on, at, and subject to which such stock shall be issued and inscribed, and the dividends thereon be payable, and the principal thereof be redeemable, such amount, manner, price, time, terms, dividends, and conditions being those hereinafter mentioned:

And whereas we deem it expedient that our determination to create such additional amount of £2,000,000 of New Zealand Consolidated Stock, to be so issued and so redeemable, shall be declared and manifested under our hands and seals:

Now therefore these presents witness, and we, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, in exercise and in pursuance of the powers by the said Orders in Council or either of them vested in us, do by these presents declare that we have created a further amount of £2,000,000 sterling of capital stock, to be called "New Zealand Consolidated Stock," in addition to and to rank *pari passu* with the said New Zealand Consolidated Stock heretofore issued as aforesaid, as also to and with such further amount of New Zealand Consolidated Stock as may be issued in pursuance of or as mentioned in the said deeds-poll or any or either of them, and also with any further amount of the like New Zealand Consolidated Stock which shall be hereafter created and issued and be inscribed in the books of the Governor and Company of the Bank of England: And we have determined that so much of the same capital stock as it shall be necessary to issue to subscribers for any part of the said sum or sums intended to be and about to be borrowed and raised by us the said Sir Penrose Goodchild Julyan and Sir Francis Dillon Bell as aforesaid, shall be issued to such subscribers at the rate of £100 of stock for every nominal amount of £100 which shall be represented by the scrip-certificates or letters of allotment respectively to be issued to them when the instalments payable thereon shall have been fully paid: And that the interest or dividend to be paid on the said further amount of £2,000,000 sterling of stock so created by us as last aforesaid shall be at the rate of £4 per centum per annum, and shall be payable half-yearly at the Bank of England on the 1st day of May and the 1st day of November in each year until the 1st day of November, 1929, and that the first half of a year's interest or dividend shall be payable on the 1st day of November, 1888: And, further, that on the said 1st day of November, 1929, the capital shall be repaid at par at the same place:

And, lastly, we do further declare that the revenues of the Colony of New Zealand alone are liable in respect of the stock hereinbefore described and the dividends thereon, and that the Consolidated Fund of the United Kingdom, and the Commissioners of Her Majesty's Treasury, are not directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

In witness whereof we have hereunto set our hands and seals this 30th day of May, 1888.

Signed, sealed, and delivered by the aboved-named Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan in the presence of LEONARD J. MATON, Solicitor, 21, Cannon Street, London. (L.S.) F. D. BELL. (L.S.) P. G. JULYAN.

No. 6.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

GENTLEMEN,— The Treasury, Wellington, New Zealand, 10th August, 1888.

I have the honour to acknowledge the receipt of your letters No. 816, of the 1st June, stating that you had made final arrangements for floating the loans for two millions; No. 858, of the 8th idem, reporting the successful negotiations of the loans; and No. 887, of the 14th idem, enclosing copies of the deed-poll and declaration and of your letter to the Governors of the Bank of England enclosing the same.

I have much pleasure in thanking you, on behalf of the Government, for your zealous exertions in launching the loan, and beg to congratulate you on the success which attended your efforts.

I have, &c.,

The New Zealand Loan and Stock Agents, London. H. A. ATKINSON.

No. 7.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 9th October, 1888.

We beg leave to enclose copy of a letter from the Bank of England, containing a statement of the receipts and payments by the bank on account of the Two-million Loan. The following is a summary:—

	£	s.	d.
Total amount received	1,955,610	19	3
Payments:—			
To credit of Public Account	1,922,861	1	1
Discount on instalments	4,675	16	9
Allowances of ¼ per cent. to bankers and brokers ...	4,988	5	0
Inland Revenue—Stamp duty	12,500	0	0
Advertisements	563	7	6
Petty expenses	22	8	11
Bank of England, ½ per cent. on issue	10,000	0	0
	1,955,610	19	3

We have, &c.,

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

The Colonial Treasurer, Wellington.

Enclosure in No. 7

GENTLEMEN,— Bank of England, E.C., 8th October, 1888.

The whole of the subscriptions to the New Zealand Government £4-per-cent. loan of 1888 for £2,000,000 having been received, I have now the pleasure to forward you herein a statement of the receipts and payments in connection therewith, in which is included the bank's charge for management.

I have, &c.,
E. E. BALY, Deputy Chief Cashier.

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

Sub-enclosure to Enclosure in No. 7.

The GOVERNOR and COMPANY of the BANK of ENGLAND in Account with the LOAN AGENTS for the GOVERNMENT of NEW ZEALAND.—An Account of the Receipts and Payments in respect of the New Zealand Government £4-per-cent. Consolidated Stock Loan of 1888 for £2,000,000.

1888.	*Receipts.*	£	s.	d.	1888.	*Expenditure.*	£	s.	d.
June 7.	To Cash received for allotments at the various prices accepted				June 8.	By Cash paid to the credit of the New Zealand Government with the Bank of New Zealand			
Oct. 4.		1,955,588	14	0	Oct. 8.		1,922,861	1	1
	Interest received on instalments not paid on due dates	22	5	3		Discount allowed on instalments paid in anticipation	4,675	16	9
						Cash paid to brokers and others for commission—viz., ¼ per cent. on £1,995,300 ..	4,988	5	0
						Cash paid to the Receiver-General of Inland Revenue for composition for stamp duty on transfers ..	12,500	0	0
						Cash paid for advertisements	563	7	6
						Cash paid for stamping scrip, postages, &c.	22	8	11
						Cash paid to the Bank of England for management..	10,000	0	0
		£1,955,610	19	3			£1,955,610	19	3

Bank of England, 8th October, 1888. E. E. BALY.

No. 8.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 3rd November, 1888.

We have the honour to enclose an account current between the New Zealand Government and ourselves, showing the sums received on account of the Two-million Loan issued under the provisions of "The North Island Main Trunk Railway Loan Act, 1882," and "The New Zealand Loan Act, 1888," and the payments made from time to time on the same account.

We have, &c.,
(For the Loan Agents),
F. D. BELL.

The Hon. the Colonial Treasurer, Wellington.

The LOAN AGENTS of NEW ZEALAND in Account with the NEW ZEALAND GOVERNMENT on account of the £2,000,000 Loan raised under the Provisions of "The North Island Main Trunk Railway Loan Act, 1882," and "The New Zealand Loan Act, 1888."

1888.	*Receipts.*	£	s.	d.	1888.	*Expenditure.*	£	s.	d.
June 7.	To Cash received for allotments at the various prices accepted	1,955,588	14	0	June 8.	By Amount paid into the New Zealand Public Account..	1,922,861	1	1
Oct. 4.	Interest received on instalments not paid on due dates	22	5	3	Oct. 8.	Discounts allowed on instalments paid in anticipation	4,675	16	9
						Amount paid to brokers and others for commission—viz., ¼ per cent. on £1,995,300	4,988	5	0
						Amount paid to Receiver-General of Inland Revenue for composition for stamp duty on transfers—			
						July 4 .. 1,462 10 0			
						Aug. 1 .. 1,268 15 0			
						Sept. 3 .. 815 0 0			
						Oct. 1 .. 928 2 6			
						Oct. 2 .. 8,025 12 6	12,500	0	0
						Amount paid by Bank of England for advertisements	563	7	6
						Amount paid for stamping scrip, postages, &c. ..	22	8	11
						Bank of England, for management	10,000	0	0
		£1,955,610	19	3			£1,955,610	19	3

London, 8th October, 1888. (For the Loan Agents),
F. D. BELL.

[*Approximate Cost of Paper.*—Preparation, nil; printing (1,300 copies), £8 12s. 6d.]

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1889.