

4. To continue, if necessary, the same process until the remaining series of the same loan falling due in June and December were converted or paid off.

In accordance with these arrangements, a total sum of £110,622 13s. had been produced in cash by realisations up to the 10th instant, the accounts of which will be received by the Government in the usual course through the Crown Agents.

We now enclose copy of a letter\* from the Agent-General certifying to us that debentures to the amount of £50,100 of the loan of 1863 had been converted, and debentures to the amount of £108,300 paid off, making a total of £158,400. Accordingly, the sum of £110,622 13s., which had been realised as above stated, was paid by our direction into the Public Account at the Bank of New Zealand in part release of the sinking fund set free; and after the 15th of June, which is (at present) the latest date for sending in debentures of the various loans under the conversion, we shall be prepared to release such further amount as will be necessary in order to make up the proportion of sinking fund then set free, as required by the Act of 1884.

We have, &c.,

P. G. JULYAN,

F. D. BELL,

Trustees of the Sinking Fund of the Loan of 1863.

The Hon. the Premier, Wellington.

\* *Vide* Enclosure No. 10 to No. 13.

## No. 16.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,

29th April, 1891.

SIR,—

In continuation of my letter of the 15th instant, No. 588, I now enclose a print of the declaration for the Inland Revenue, setting forth the creation of the new 3½-per-cent. stock.

I also enclose copy of a letter of instructions from the Stock Agents to the Bank of England with respect to the issue and inscription of the stock.

With regard to the paragraph in those instructions relating to the allowance for stamps cancelled on the debentures sent in for conversion, I may remind the Government that, by a decision of the Inland Revenue Commissioners in 1885, no allowance is granted for stamps upon debentures that are actually paid off, but only for the stamps on debentures that are converted and cancelled at the Bank of England.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

### *Enclosure 1 in No. 16.*

#### DECLARATION FOR INLAND REVENUE COMMISSIONERS.

It is hereby declared that, by "The New Zealand Consolidated Stock Act, 1887," 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.