

No. 18.

The PREMIER to the AGENT-GENERAL.

(No. 46.)

SIR,—

Premier's Office, Wellington, 6th October, 1892.

With reference to the telegrams which have recently passed between us (copies herewith)* in connection with the conversion into 3½-per-cent. Inscribed Stock, of the £64,000 Consolidated Loan Act 1867 debentures falling due on the 1st January next, I have the honour to inform you that the Bank of New Zealand has been requested to make provision to retire the same as they are presented, and to forward them uncanceled to your office by first outgoing mails. It has not yet been definitely settled whether the Bank shall be repaid in London or in the colony the advance they will make for the purpose of taking up these debentures. This part of the matter is still under consideration by the Bank. So soon after the conversion has been effected and the market is favourable, you will sell the stock, so as to provide funds to repay the Bank; and if the Bank decides to be repaid here you will in consequence receive so much less by way of the usual remittances. It will be necessary for you to keep me advised by cable of the sales you effect.

I have, &c.,

The Agent-General for New Zealand, London.

P. A. BUCKLEY (for the Premier).

No. 19.

The BANK OF NEW ZEALAND, Wellington, to the SECRETARY to the TREASURY.

SIR,—

Bank of New Zealand, Wellington, 10th October, 1892.

Continuing my letter to you dated the 4th instant, on the subject of payment by the Bank in Sydney of £64,000 to retire debentures, I have the honour to say that I am directed by the General Manager to ask whether you will prefer the advance to stand on the Wellington or on the London books. It is not material to the Bank, but we shall prefer to have the interest paid in the colony, and it will run from the date of advance in Sydney to the date of repayment in London.

There will probably not be particular risk in transmitting uncanceled debentures through the post from Sydney to London, but it is understood that whatever the risk may be it falls upon the Government and not upon the Bank. Do you wish the parcel despatched by registered post from Sydney?

I am further directed to draw your attention to an article dealing with stamp duties on Treasury bills, published on page 138 of the *Bankers' Magazine*, dated London, August, 1892, and I enclose an extract therefrom, which may be of use as well as of interest to you.

I have, &c.,

The Secretary to the Treasury, Wellington.

P. T. J. PARFITT, Manager.

Enclosure in No. 19.

MR. GOSCHEN'S STAMP DUTIES.

MR. MONTAGU, on the 16th May, 1892, rose to suggest to the Chancellor of the Exchequer the advisability of reducing the value of the stamps on foreign bills of exchange and similar documents, which were used in our foreign trade. It was, he said, entirely in consequence of the excessive stamp duties of this country that the negotiations for a Norwegian loan had fallen through in England, and had been carried to a successful issue in Germany. At the beginning of this year New South Wales and Victoria issued each about £1,000,000 Treasury bonds or bills. Both securities were similar in their form and wording, excepting in one word. New South Wales printed "Treasury bill," and affixed a 1s. per cent. bill-stamp. Victoria printed "Treasury bond," and issued with 2s. 6d. per £100 impressed stamp, and 1s. Goschen stamp for 1892; and the holder, if he sells in 1893, must affix another 1s. per cent. stamp. Thus, by reason of the printing of the word "bill," in the case of New South Wales, only £500—on the £1,000,000—was paid to the Exchequer; while by putting the word "bond," the Victorian entailed an outlay for stamps of 4s. 6d. per £100—or £2,250 per million.—*Vide "Banker's Magazine,"* August, 1892, page 138.

No. 20.

The SECRETARY to the TREASURY to the MANAGER, Bank of New Zealand, Wellington.

(No. 450.)

SIR,—

13th October, 1892.

In reply to your letter of the 10th instant, I am instructed by the Colonial Treasurer to state that, as the money will require to be paid in Sydney as the debentures are taken up, and as the advance is to be repaid in London, the Treasury has no preference in connection with the mere book-keeping part of the transaction. The interest can be paid in the colony as you wish, upon telegraphic advice from the Agent-General when the advance has been repaid.

I am further desired to say that the uncanceled debentures should be sent to the Agent-General in post-registered parcels, the Treasury of course taking the risk of safe delivery.

Hon. Mr. Ballance desires me to thank you for the excerpt relating to the stamp duty imposed in London on the Treasury bills and bonds of the Victorian and New South Wales Governments.

I have, &c.,

The Manager, Bank of New Zealand, Wellington.

JAS. B. HEYWOOD,

Secretary to the Treasury.

* Nos. 12 to 15 *supra*.