

Enclosure 3.

(Extract from the *Economist* of July 21st.)

THE TRANSFER OF COLONIAL STOCK.

A BILL of great practical importance to buyers and holders of Colonial Stocks has just been brought into the House of Commons by the Government. It provides for registration of bonds in the United Kingdom, at the option of the various Colonial Governments, enabling, at a very moderate charge, those Governments to free the stock from costs of transfer (excepting of course the broker's fee), and to put their stocks on the same footing as Consols for this purpose. Much in the same manner as the Metropolitan Board of Works have already compounded with the Inland Revenue for free transfer of their stock, this Bill now proposes to allow the various colonies to pay 7s. 6d. per cent. as a composition for transfer fees; in other words, on payment of this composition, the stock would be clear of stamp duty in perpetuity. The advantage to trustees of thus widening their selection of inscribed stock is obvious, and the cost to the issuing Governments would be, doubtless, far more than covered by the rise in market-value of the stocks. A further provision allows of reconversion into stock certificates to bearer, in the same way as Consols may be treated, and this will probably satisfy the class of bankers, &c., who prefer to retain the bonds to bearer, as being easy to turn into money. As in the case of the Funds, no trust will be recognized, which, as it conforms with the Bank's practice with regard to British stock, cannot on the whole be called a disadvantage. To section 18 of the Bill, however, which enables persons, on payment of a certain fee, to examine the list of stockholders, we must take strong exception, as being unnecessary on all grounds, and inconvenient to holders. This same section also provides that a list of holders of stock for ten years unclaimed should be open to inspection at a small charge; but as the Consols register is found to be a dead-letter in this respect, there seems no good reason for the provision in the present Bill, and some ground for objecting to it. Transfers might be fished up, and perhaps forged, fictitious owners might be brought forward; and, as returned emigrants are very likely to hold Colonial Stock, and are not difficult to personate, the danger would be a real one. But with some alterations in these particulars, the Bill will be of great public service. It may be, and indeed is, asked why other stocks, such as those of our own railways, are not equally favored, now that the attention of the Government is directed to the subject. The heavy stamp duties on the transfer of Home railway stocks are a great bar to free dealing in them, and it remains to be shown that the advantage in the one case would not also be obtained in the other.

No. 2.

The AGENT-GENERAL to the Hon. the PREMIER.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

3rd August, 1877.

SIR,—

I have the honor, in continuation of my letter of the 26th of July, to inform you that the Colonial Inscribed Stock Bill has not passed beyond the first reading. I am glad, however, to be able to add that Mr. Parnell, on representations which I caused to be made to him as to the nature of the Bill, has withdrawn his notice of opposition to it; and now that it is an unopposed Bill, there is good reason to hope it will yet pass this session.

The work of the session has been greatly delayed by proceedings of which you will see full accounts in the newspapers.

I enclose you two copies of the Bill. The amendments which it is proposed to insert in Committee are not material. They relate, I believe, to the 18th clause.

I have, &c.,

The Hon. the Premier, Wellington.

JULIUS VOGEL, Agent-General.

No. 3.

The AGENT-GENERAL to the Hon. the PREMIER.

7, Westminster Chambers, Victoria Street, Westminster,

S.W., 23rd August, 1877.

SIR,—

In continuation of my letter of 3rd August, No. 725, I have the honor to inform you that the Colonial Stocks Bill (Inscription of Stock) has passed its third reading and received the Royal assent. I forward you a copy of the report from the *Times* of the remarks made by Lord Carnarvon in moving the second reading of the Bill. I also forward copies of the various telegrams on the subject which I have sent to you, and copy of one received from you.

2. In respect to the last-named, I thank you for sending it. I am gratified to find that the Government recognize my exertions in connection with the measure.

3. After the Bill passed, I had an interview with the Governor and Deputy-Governor of the Bank of England. I asked them if I was at liberty to conclude, now that the Bill had passed, that they were ready to carry out the provisional agreement which the Bank had entered into with the Government. In reply, they said they knew of no reason to the contrary, and left me to conclude that if you arm an agent with sufficient power, he will be able to conclude an arrangement with the Bank on the basis already agreed on.

4. I have had a long conversation with Mr. J. Scrimgeour, of the firm of Messrs. J. and A. Scrimgeour. We both concurred in the opinion that the Government would secure a better price for inscribed stock if issued as a 4 per cent. stock than if issued at a higher rate of interest, and also that, with the lower rate, there would be a better prospect of profitable conversion of existing securities to inscribed stock. Subsequent to the conversation, I telegraphed you the words on the subject contained