Enclosure in No. 15.

STATEMENT of New Zealand Government Securities held by the Commissioners of the Public Debts Sinking Funds.

Loan.	Nominal Value.	Nature of Security.	Date of Issue.	Due Date.	Rate of Interest per cent.
	£				
Defence and Other Purposes Loan, 1870	50,000	Bonds Nos. 1 to 150, £500 each	1 Jan., 1872, to 24 July, 1873	31 Dec., 1878 ...	5½
Defence and Other Purposes Loan, 1870	20,000	Scrip	29 Oct., 1873, to 6 Nov., 1874	1 July, 1880 ...	4½
Immigration and Public Works Loan, 1870	1,000	Bonds Nos. 3426 to 3435, £100 each	15 April, 1873	15 April, 1913 ...	4
Immigration and Public Works Loan, 1870	1,000	Bonds Nos. 2080 to 2089, £100 each	13 Sept., 1876...	15 April, 1882 ...	4½
Treasury Bills, "Financial Arrangements Act, 1876"	25,000	Bills Nos. 2307, £23,900; 2309, £1200	9 Feb., 1878, and 12 March, 1877	£23,900, 1 Nov., 1881; £1,200, 1 Nov., 1880	3⅝d. per diem.
	97,100				

No. 16.

The Hon. Mr. BALLANCE to the LOAN AGENTS.

GENTLEMEN,— Treasury, Wellington, 5th April, 1878.

Referring to "The New Zealand Consolidated Stock Act, 1877," and to the powers conferred on you as Agents thereunder, I have the honor to request that you will be good enough to report fully by each mail the steps you have taken and may propose to take for giving practical effect to that enactment.

The points, amongst others, on which the Government desire to be particularly informed are,—

1. As to the conversion of the outstanding debentures:
   At what price the several descriptions of bonds are to be exchanged for consolidated stock.
   What arrangements you have adopted, or propose to adopt, in regard to the payment of interest to date of conversion.
2. As to the issue of consolidated stock:
   The terms and conditions made with the Bank of England for the conversion of original debentures into consolidated stock; whether in the form of inscribed stock, or of stock certificates to bearer.
   What arrangements you have made, or propose to make, as to the commutation of the stamp duty payable on transfers.
3. As to the provision to be made for payment of interest on consolidated stock:
   By what means the Government is to be advised of the amount to be remitted to the Bank to meet interest from time to time payable, seeing that the amount to be provided will necessarily increase as further conversions take place.
   Must remittances of interest on consolidated stock be made to the Bank so as to reach London a month prior to the due date of dividends, as set forth in the original negotiation with the Bank of England?
   Will interest on all consolidated stock be payable at fixed uniform dates, and will such dates be at quarterly or half-yearly intervals?

I have further to request that, as soon as the form of procedure for the conversion of the existing securities into consolidated stock shall have been arranged, you will be good enough to report at length upon the subject, setting forth in detail the precise formula by which the proposed conversion and inscription of New Zealand stock will be effectuated; the nature and amount of the fees payable on each operation, specifying which of such fees are payable to the Imperial Exchequer, and which to the Registrars.

As there appears to be some doubt whether the commutation of the stamp duty will exempt from duty all transfers of stock certificates to bearer by delivery, I shall be glad to be informed on that point. You will of course arrange for supplying periodical statements of all New Zealand stock from time to time issued or inscribed.

You will receive by this mail letters from the Hon. the Postmaster-General and the Government Insurance Commissioner, requesting you to arrange for the conversion of the securities held by those departments into New Zealand Consolidated Stock. I shall be glad to learn that you have been able to make arrangements for the conversion of those securities and other New Zealand securities held in the colony into consolidated stock, without incurring the risk and expense of forwarding such securities to London for cancellation.

With regard to the securities held by the Trustees of the Sinking Funds of the several New Zealand loans in London, I have to request that you will be good enough to confer with those