

appeal to Her Majesty's Government to allow the old rate of duty to apply to the stock issued to persons accepting the said option.

2. They ask that the 2s. 6d. duty already paid on debentures exchanged for Consolidated Stock may be returned.

3. They remonstrate generally against alteration of the composition rate.

I am to state generally, with regard to the third point, that Her Majesty's Government must regulate the duties levied here to meet the requirements of this country, and they cannot admit that Colonial Governments have any ground for remonstrance against an increase of a composition rate which the Treasury has ascertained to be inadequate, when the increased rate is applied equally to all classes of stocks, Home or colonial, entitled to compound.

Upon the first point my Lords think that the New Zealand Agents shew fair cause for an exception in favour of stock issued to persons accepting the option offered them in March last—that option being open for a year from the date of the offer being made, and expiring, therefore, on the 16th March next. They have, accordingly, placed an amendment on the Notice Paper to the following effect: "Insert at the end of clause 53, provided that where the holders of the debentures of the Government of a colony have, before the 1st of July, 1880, had an option given to them to exchange such debentures, within twelve months, for colonial stock, to which 'The Colonial Stock Act, 1877,' applies, the composition for the stamp duty on transfer of colonial stock issued in accordance with any option declared within the said twelve months, shall be the same as if this section had not been enacted."

My Lords regret that they cannot meet the wishes of the New Zealand Agents on the second point. The Colonial Government is under no obligation to compound for stock, and, if it suits them to do so, they must conform to the law which applies indifferently to all issues of stock, for no reason is adduced to show why a special exception should be made in their favour.

I have, &c.,

R. E. WILBY,
Pro Secretary.

Enclosure 4.

53. (1.) Where any debenture stock, corporation stock, municipal stock, or funded debt, by whatever name known, has been or shall be created and issued by the council of any municipal borough under the provisions of "The Local Loans Act, 1875," or of any other Act, the Council may, with the sanction of the Commissioners of Her Majesty's Treasury, agree with the Commissioners for the payment to them, by way of composition for the stamp duty on transfers of such stock, of a sum calculated (1) at the rate of one shilling and threepence for every full sum of ten pounds, and the like for every fraction of ten pounds of the nominal amount of such stock inscribed in the name of each and every stockholder at the date of the composition; with the addition (2), when the period within which the stock is to be redeemed or paid off, or during which annual or other payments in respect of the redemption or payment off of the same are required to be made, exceeds sixty years but does not exceed one hundred years from that date, of threepence for every such ten pounds or fraction of ten pounds; and (3) if the said period exceeds one hundred years, or no period is fixed for such redemption or payment off, or no such annual or other payments are required to be made, with the addition of the said sum of threepence, and a further sum of threepence for every such ten pounds or fraction of ten pounds; and in consideration of such payment transfers of the stock in respect of which such composition has been paid shall be exempt from stamp duty.

(2.) The provisions for composition contained in this section shall be substituted for any other enactments for a composition for the same duty, but shall not be applicable where any composition has been actually paid previously to the passing of this Act in respect of any stock then created and issued.

54. The sum to be paid by way of composition for stamp duty in the following cases, that is to say,

- (1.) Under sections three and four of "The Metropolitan Board of Works (Loans) Act, 1870, on transfers of metropolitan consolidated stock and metropolitan annuities from time to time issued or granted after the passing of this Act; or
- (2.) Under section four of "The Canadian Stock Stamp Act, 1874," on transfers of stock of the Government of Canada from time to time inscribed after the passing of this Act in books kept in the United Kingdom; or
- (3.) Under section three of "The Colonial Stock Act, 1877," on transfers of colonial stock to which from time to time that Act is made to apply after the passing of this Act, shall be calculated as if the rates enacted by this Act for the composition of the duty on transfers of stock created and issued by the council of any municipal borough were substituted for the rate or sum of seven shillings and sixpence in the said section respectively: Provided that where the holders of the debentures of the Government of a colony have, before the first day of July, one thousand eight hundred and eighty, had an option given to them to exchange such debentures within twelve months for colonial stock, to which "The Colonial Stock Act, 1877,"