

No. 68.

The COLONIAL TREASURER to the AGENT-GENERAL.

SIR,—

Treasury, Wellington, 8th April, 1886.

WITH reference to your letters of the 3rd June last, No. 465, and 14th January, No. 36, with which you forwarded copies of correspondence with Messrs. Marshall, Paine, and Co., respecting an application made by them for payment of the amount of a bond for £200 which they had lost, I have the honour to inform you that it was found there was no legal authority under which a new bond could be issued, and steps were taken to bring in a Bill last session to remedy the defect, but it was not found possible to carry the matter through. It is now proposed to introduce a Bill early in the coming session, and I do not anticipate any difficulty in carrying the measure.

The Agent-General, London.

I have, &c.,
JULIUS VOGEL.

No. 69.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

GENTLEMEN,—

The Treasury, Wellington, 21st April, 1886.

I have the honour to acknowledge the receipt of your letter dated the 20th February last, No. 220, giving particulars of your proceedings in connection with the conversion operations recently sanctioned by the New Zealand Government, and have much pleasure in conveying to you the thanks of the Government for the able and satisfactory manner in which you have carried out the important duties devolving upon you.

I have examined the various tables of calculations you enclose, and fully appreciate their usefulness and value, and realize the object of the apparent anomalies to which you draw attention.

The New Zealand Loan and Stock Agents, London.

I have, &c.,
JULIUS VOGEL.

No. 70.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 12th March, 1886.

A letter signed "Mercator" appeared in yesterday's city article of the *Times* imputing to you the intention of raising a loan of eight or ten millions for three new lines of railway. It being necessary to take immediate notice of this statement, I wrote a letter to the *Times*, which you will find annexed. But I telegraphed to you strongly advising you to let me contradict "Mercator's" statement, as if left uncontradicted it would certainly do the colony great harm; for I did not feel justified in making public, without your leave, what you had telegraphed to the Stock Agents some time ago, about the amount to be raised when Parliament should have considered your financial proposals.

I had the satisfaction to receive your answering message this morning, and beg permission to express my thanks for so prompt a reply. You will see from to-day's city article that the *Times* expects "Mercator" to take up my challenge; and your message will enable me to make a statement which I feel sure will be well received by the market. I had interpreted, and, indeed had frequently explained in a private manner, your intended policy in exactly the sense you describe; and I hope I shall not be stepping beyond my province if, in the further letter which I shall no doubt have to write to the *Times* presently, I say that personally I entirely concur with it.

Copies of the telegrams are annexed.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,
F. D. BELL.*Copies of Telegrams referred to in No. 70.*

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 12th March, 1886.)

LETTER *Times* you intend proposing new loan eight to ten millions. Strongly advise permission contradict immediately. London, 11th.

The COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

(Received 12th March, 1886.)

HAVE spoken favour deciding railways for eight or ten years authorizing loan negotiable as required. Objects avoid yearly capricious changes, altering purposes, delayed returns, and spending money unproductively. If borrow this year not exceed million and a half, including Trunk Loan. Above outline my views, which English lenders should prefer to present desultory operations. Other colonies adopt similar plans. Inform me further course correspondence.

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 13th March, 1886.)

THANKS prompt message: had understood and frequently explained your intentions exactly that sense.

London, 12th.

Enclosures in No. 70.[Extract from the *Times*, Thursday, 11th March, 1886.]

THE following refers to the finances of New Zealand: "SIR,—The Colonial Treasurer of New Zealand has foreshadowed the intention of raising a new loan of from £8,000,000 to £10,000,000, to construct, he states, three new lines of railway and to pay the interest thereon while the railways are in process of construction. I think, Sir, you and the investing public will agree with me that the colony is not warranted in doing anything of the sort. The Government debt exceeds already £30,000,000, or £58 per head for every colonist, young or old, in the country—four times that of Egypt, five times that of Turkey, and twice that of Spain—and the colony enjoys the unenviable distinction of being the most indebted country under the sun. To meet its present engagements taxation has reached the tensile point.