you will say if you advise that we should by legislation name a time, or leave the matter in abeyance. You might consult the authorities of the Bank of England on the subject if you should think it advisable to do so.

I have, &c.,
ROBERT STOUT,
(For the Colonial Treasurer.)

The Agent General for New Zealand, London.

No. 4.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 29th December, 1886.

I have to acknowledge the receipt of your letter of the 18th ultimo in reference to the question of unclaimed dividends, and will take an early opportunity of seeing the Governors of the Bank of England thereon. Unless they raise an unexpected objection I do not see why a short Act should not be passed limiting the time during which such dividends should be held in reserve, as is the case here.

I have, &c.,
F. D. BELL.

The Hon. the Colonial Treasurer, Wellington.

No. 5.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 30th March, 1887.

Adverting to the subject of unclaimed dividends, I lately consulted Messrs. Mackrell on the legal points connected with any proposed legislation, and I now beg to enclose copy of a letter containing their opinion. It would seem to be necessary, in any case, to have an amendment of the Imperial Stock Act; and, as such an amended Act would affect all the Australasian Colonies, I propose to bring the matter before the Conference now about to assemble.

I have, &c.,
F. D. BELL.

The Hon. the Colonial Treasurer.

Enclosure in No. 5.

DEAR SIR FRANCIS,— 21, Cannon Street, London, 29th March, 1887.

Unclaimed Dividends.—We have perused the papers (which we return herewith) which accompanied your letter of the 16th ultimo, and have referred to the Acts which are mentioned in Mr. Gray's letter.

The question may, we think, be looked at from two points of view: first, as between the Government and the Crown Agents or the Bank of England, as the case may be; and, secondly, as between the Government and the holders of the debentures or stock.

On the first point, the Government are under an engagement to provide either the Crown Agents or the Bank of England, as the case may be, with sufficient funds from time to time to meet the accruing dividend; and, when these funds are once in the hands of the Agents for payment of the dividend, there may be a nice question whether a trust is created in favour of the persons entitled to the dividend, or whether the money is simply held by the Agents for the Government till the Government, when they think fit, ask for a return of it. A somewhat similar question was raised quite recently in an action against Messrs. Rothschild in connection with the Egyptian loans, and from the short report of the case to which we have access we gather that the Court inclined to the opinion that in that case the money was not impressed in the hands of the Agents with any trust for the parties entitled to the dividend. If this were so it would, we think, be competent for the Government to ask their Agents to return to them, certainly after a period of six years, any of the moneys remaining in their hands for which no application had been made during that period. This part of the question, however, is a matter which is capable of being the subject of an agreement between the Government and its Agents without the aid of any Act of Parliament if the Bank or the Agents should be advised that they are not trustees of the money for the stockholders, though we gather from the Bank's letter that they would probably put forward the contention that they were not justified in parting with the money, after it had once been placed in their hands, except on the authority of an Act of Parliament.

On the second point, however—viz., as between the Government and the stockholders—we are of opinion that an Imperial Act would be necessary to enable the Government to transfer unclaimed dividends after certain advertisements had been made; and, looking at the provisions which have been made as regards other unclaimed dividends upon East India and other stocks, we think that ten years would have to elapse before Parliament would sanction the transfer of the fund, or of the dividend unclaimed upon it, to the Government.

We think it will be necessary that there should be an Imperial Act supplementary to the Colonial Stock Act, dealing with unclaimed dividends and the stock from which they result, containing somewhat similar provisions to those contained in "The East India Unclaimed Stock Act, 1885;" but it may be that Parliament would require that the stock itself should be retained in this country, and transferred to the name of some public official appointed by the Colonial Government, and against whom proceedings might be taken by any stockholder who might consider that he was entitled to make good his claim in respect of any stock which had been transferred. This of course will raise a wide question as to the proceedings which it would be open to a stockholder to take in the event of such official not being appointed, and we think that Parliament would not be ready to leave a stockholder to a possible remedy against the Colonial Government by some action in the colonial Court. The Imperial Act, if passed, would, in our opinion, have to be adopted in the same mode as the Colonial Stock Act by the separate Legislature of each colony, and, if any public official was appointed as the person to whom the stock should be transferred, we presume that the stock agents of the particular colony would be made a *quasi*-corporate body for the purpose.

We have, &c.,
MACKRELL, MATON, AND GODLEE.

The Agent-General for New Zealand.

No. 6.

The COLONIAL TREASURER to the AGENT-GENERAL.

SIR,— The Treasury, Wellington, 17th June, 1887.

I have the honour to acknowledge the receipt of your letter of the 30th March last, No. 496, enclosing copy of Messrs. Mackrell and Co.'s written opinion upon the question of legislation required to enable the Government of this colony to deal with unclaimed dividends on its stock or debentures.