1892.
NEW ZEALAND.

LOAN CONVERSIONS OF 1885 AND 1886.

(CORRESPONDENCE RELATING TO STAMP-DUTY ON STOCK INTO WHICH DEBENTURES MATURING 15TH JANUARY AND 15TH APRIL, 1892, ARE CONVERTIBLE.)

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

The Agent-General to the Premier.

(No. 249.)
Westminster Chambers, 13, Victoria Street, London, S.W.,
19th February, 1892.

Sir,—

Referring to the conversion operations which took place in the years 1885 and 1886, which (*inter alia*) provided for the conversion of 5-per-cent. Consol bonds, and 5-per-cent. bonds redeemable in 1914, into short-dated debentures, convertible in their turn during the present year into 4-per-cent. consolidated stock, I beg to inform you that it will shortly be necessary to provide funds sufficient to meet the stamp-duty payable on the stock thus required, on its being inscribed.

I am at present in communication with the Inland Revenue Office, the Bank of England, and Messrs. Mackrell as to the rate per cent. that will be chargeable; and at the outset I have been informed through the bank that the Inland Revenue, under the provisions of the Stamp Act of last year, consider they are unable to allow any rebate, and that therefore the full duty of 12s. 6d. per cent. will have to be paid. I shall, of course, endeavour to obtain some allowance, and will report later on when the question is settled.

In any case, whether the full rate is charged or not, a sum of from £20,000 to £25,000 will have to be provided to meet the payment of stamp duty, and this I assume will have to be done by a further issue and sale of 4-per-cent. consolidated stock sufficient to meet the amount required.

I have, &c.,
W. B. Perceval.

The Hon. the Premier, Wellington.

No. 2.

The Premier to the Agent-General.

(No. 17.)
Premier's Office, Wellington, 12th April, 1892.

Sir,—

I have the honour to acknowledge the receipt of your letter of the 19th February (No. 249), remarking upon the Consols debentures convertible into 4-per-cent. stock this year, and the stamp duty which will be payable thereon, and informing me that you were endeavouring to obtain a rebate off the duty of 12s. 6d. per cent., in which endeavour I hope you will be successful.

With regard to the means to pay the duty, I assume the Stock Agents will take the necessary steps to issue the required stock as a part of the amount provided to meet the expenses of the conversion operations.

I do not find in your recent letters any mention of the parcel of £43,600 of the consolidated stock debentures which fell due on the 15th January last, but presume they were in course of being converted, and that your next letters will supply the omission.

I have, &c.,
J. Ballance.

The Agent-General, London.

No. 3.

The Agent-General to the Premier.

(No. 395.)
Westminster Chambers, 13, Victoria Street, London, S.W.,
25th March, 1892.

Sir,—

Referring to my letter (No. 249) of the 19th February last, I have to inform you that the Inland Revenue Office has finally decided that no allowance can be made as regards the stamp duty on the 4-per-cent. stock into which the 5-per-cent. bonds are convertible during the present year.

It appears that section 53, subsection (3), of "The Imperial Revenue Act, 1880," under which the allowance in the analogous cases of municipal loans in this country was formerly made, has been repealed by the Stamp Act of 1891, and that therefore there is no analogy to support the continuance of the Treasury authority for a similar concession to debentures in a colonial loan cancelled and represented by stock inscribed at the Bank of England.