

No. 62.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

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

We expected to have been able to send you a full report by this mail on the subject of the large conversion operation which is now being carried out in addition to paying off the five-thirties. We have, however, found it impossible to do so, and must postpone our statement till next mail. In the meanwhile we enclose you a number of copies of the Bank of England prospectus. Copies of the telegrams which have passed between us since the last mail are also enclosed.

We have, &c.,

P. G. JULYAN,

F. D. BELL,

Loan and Stock Agents.

The Hon. the Colonial Treasurer, Wellington.

Copies of telegrams referred to in No. 62.

The LOAN AGENTS to the COLONIAL TREASURER.

Treasurer, New Zealand.

London, 29th January.

FOUR-AND-A-HALF-PER-CENT. 5-30s.—Notice pay off published to-night. Bank of England announces holders desiring exchange into inscribed stock instead of receiving their money August will have hundred and one inscribed stock for every hundred debentures, provided they surrender their bonds before March thirtieth. Inscription favourably received.

LOAN AGENTS.

The COLONIAL TREASURER to the LOAN AGENTS.

(Received 2nd February.)

Loan Agents, London.

FOUR-AND-A-HALF-PER-CENT. 5-30s.—When do you propose raise money found necessary after end option March? Would it not be well raise it and new loan together; and in that case, by what date ought authority raise new loan reach you?

Waiwera, 2nd.

Treasurer, New Zealand.

London, 2nd February.

FOUR-AND-A-HALF-PER-CENT. 5-30s.—Must await expiry option when know how much converted; shall thereupon consult you whether raise amount or arrange syndicate take firm; shall most likely advise latter course. Secondly, new loan; owing to time elapse before Act passed authority could not arrive before date you named, when impossible offer any new loan because people dispersed holidays; therefore we think October earliest month safe, so that authority would arrive ample time; this only applies new loan, not North Island million, supposing you decide upon raising before Parliament meets.

LOAN AGENTS.

Loan Agents, London.

Waiwera, 4th February.

FIRSTLY: your letter of 18th December about conversions has been received and considered. Secondly: referring to second paragraph, you must not give assurance against raising loan during present year. Thirdly: you need not take any steps with the holders of the guaranteed loan of 1856. Fourthly: consols, full discretion left you. Fifthly: in no case give more than equivalent based on actual, not market value—in other words, annual charge on converted stock, including provision for redeeming premium and expenses, must be less than existing annual charge. Sixthly: as regards the fives of 1914 (loan of 1863) you may offer a new seven years' five-per-cent. bond; you may fix the amount of stock to be inscribed at the end of the new bond at such amount as you think necessary to success, subject to fifthly. Seventhly: as regards the sixes of 1891 (loan of 1863), you may offer up to 112 stock if such price necessary. Eighthly: four-and-a-half-per-cent. 5-30s. settled. Ninthly: 10-40s better wait two years, unless you consider one hundred and three will bring in large amount. Tenthly: you are authorized to extend your February announcement so as to include all loans in which you think a successful operation can be made, subject to foregoing. Eleventhly: all foregoing subject your considering not interfere with raising million and a half this year. Twelfthly: hope options will be short. Thirteenth: syndicate you suggest for four-and-a-half-per-cent. 5-30s should be carefully concealed, fear encourage brokers crab conversion. Fourteenth: in fixing dates exchange securities avoid increasing amount interest payable next financial year. Fifteenth: such risk cable errors desirable in replying you indicate understand chief points this message.

Treasurer, New Zealand.

London, 4th February.

CONVERSIONS: Telegram perfectly clear.

Loan Agents, London.

(Received 6th February.)

SUGGEST for your consideration inscribed stock so high duration various options should be short; but leave you full discretion.

Waiwera, 6th.

Treasurer, New Zealand.

London, 8th February.

CONVERSION. Conference Bank of England terms announced to-night following loans: Consolidated Loan, 1867; five-per-cent. 10-40 Loan: New Zealand Loan, 1879; Loan of 1860 and Loan of 1863 at following rates: Firstly, Consolidated Loan, 1867; deference your wishes have reduced new bond one year, option given either five-per-cent. debenture six years converted then into hundred and seven inscribed stock, or take hundred and six inscribed stock immediately. Drawing fixed March 15th. Holders accepting before drawing unaffected. Secondly, fives Loan of 1863, option given either six years five-per-cent. debenture converted then into 110 inscribed stock, or take 112½ inscribed stock immediately. Thirdly, five-per-cent. 10-40s, 102 inscribed stock. Fourthly, New Zealand Loan, 1879, 103. Fifthly, sixes Loan of 1860 and Loan of 1863, 109 each series. Sixthly, every case existing rate interest paid until 30th April. Seventhly, latest time declaring option Consolidated Loan, 1867, and 4½-per-cent. 5-30s, 30th March; other loans 30th April.

LOAN AGENTS.

Enclosure in No. 62.

NEW ZEALAND.—FURTHER CONVERSIONS OF THE PUBLIC DEBT.

THE Governor and Company of the Bank of England give notice, that on behalf of the Agents appointed by the Governor of New Zealand in Council, under "The New Zealand Consolidated Stock Act, 1877," and Amendment Act, 1881, and "The Consolidated Stock Act, 1884" (Sir Francis Dillon Bell, K.C.M.G., and Sir Penrose Goodchild Julian, K.C.M.G., C.B.), they are authorised to invite holders of the debentures of the under-mentioned loans to bring in their debentures for conversion on the following terms:—

Five-per-cent. Consols (Annual Drawings).—For every £100 in consols debentures, from which the coupon due the 15th April next must be detached, a new debenture for the same amount, bearing interest payable quarterly at 5 per cent. for six years from the 15th April, 1886, to the 15th April, 1892, when it will be converted into £107 of 4-per-cent. inscribed stock: or, at the option of the holder, he may receive £106 of 4-per-cent. inscribed stock inscribable on or after the 2nd April next, and bearing interest from the 1st May. In the latter case, scrip certificates with coupon attached for the interest at 5 per cent. from the 15th April to the 30th April (payable the 1st May) will be issued in