

1890.

## NEW ZEALAND.

THREE AND A HALF PER CENT. CONVERSION  
LOAN OF 1889

(CORRESPONDENCE RELATIVE TO THE NEGOTIATION OF THE).

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

## No. 1.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 26th November, 1888.

It will no doubt be in your recollection that when the Five-million Loan of 1879 was issued one of the conditions was that the debentures then created were to be paid off in ten years—that is to say, on the 1st November, 1889. The aggregate sum of £4,612,000 out of the total of five millions having, however, been converted into 4-per-cent. inscribed stock under other conditions of the issue, debentures to the extent of £388,000 only have to be provided for in November next year. The unfavourable state of the market for our inscribed stock which has so long prevailed puts any present renewal of large conversion operations out of the question, and must therefore continue to necessitate the postponement of any fresh one in the ten-forties; but I venture to bring under your notice these outstanding debentures of the Five-million Loan, as provision will have to be made for them betimes. In all probability the Loan Agents will shortly address you with any suggestions they may be able to make on the subject. Meanwhile it may be convenient to enclose a copy of the debenture of 1879.

The Hon. the Colonial Treasurer, Wellington.

I have, &amp;c.,

F. D. BELL.

## No. 2.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 10th January, 1889.

Adverting to my letter of the 26th November, No. 1630, on the subject of the debentures for £388,000 of the Five-million Loan of 1879, I beg to be permitted to make the suggestion that, in the event of no general conversion including the ten-forties being practicable before the date when notice would have to be given for the latter series of bonds, it would be better to take up the £388,000 from the Bank of England and pay off the debentures of 1879. I have reason to believe that there would be no difficulty in doing this at 4 per cent., provided the bank-rate in October should not then be higher than it is now—namely, 4 per cent.

The Hon. the Colonial Treasurer, Wellington.

I have, &amp;c.,

F. D. BELL.

## No. 3.

The COLONIAL TREASURER to the AGENT-GENERAL.

SIR,—

The Treasury, Wellington, 23rd March, 1889.

In reply to your letter of the 10th January last, No. 33, which my absence from Wellington has prevented me from answering earlier, I have the honour to state that the Government approve your suggestion to obtain from the Bank of England the £388,000 required to pay off, on 1st November next, the outstanding debentures of the Five-million Loan of 1879, pending the renewal of conversion operations which would include the ten-forty debentures. I accordingly authorise the Loan Agents to give effect to the proposal, and to arrange fitting terms with the Bank.

I have, &amp;c.,

H. A. ATKINSON.

The Agent-General for New Zealand, London.