

No. 11.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
17th April, 1891.

SIR,—

The arrangements now in course of being effected for the conversion made it advisable to place on record what had been done in relation to the sinking fund of the loan of 1863. I therefore addressed a letter to the trustees, copy of which is annexed,* stating the progress made in the conversion, and showing that £50,100 of the loan had been converted and £108,300 paid off, the total being, accordingly, £158,400. I proposed to the Trustees that after the 15th June we should settle the proportion of sinking fund to be then retained in their hands, and the proportion to be released, in addition to the sum of £110,622 13s. already paid into the Public Account.

It has been agreed between Sir Penrose Julian and myself that I should now act as the Executive Trustee of the sinking fund, and I have given the necessary instructions (copy of which is annexed*) to the Crown Agents as to the way in which the account of the fund is to be made up for transmission to the Treasury.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

* Printed as enclosures to No. 13.

No. 12.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
17th April, 1891.

SIR,—

I beg to inform you that up to the 6th instant the following amounts of debentures of the provincial loans have been sent in to the Bank of England for conversion into $3\frac{1}{2}$ -per-cent. stock:—

	£	s.	d.
Lyttelton and Christchurch Railway Loan, series redeemable 1893	200	0	0
Auckland Loan, redeemable 1896	10,800	0	0
Otago Loan, redeemable 1898	20,100	0	0
Total	£31,100	0	0

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

No. 13.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
18th April, 1891.

SIR,—

I continue the report of the steps taken to carry out the arrangements I had provisionally made with the Bank of England with regard to advances and issue of $3\frac{1}{2}$ -per-cent. stock to pay off unconverted debentures.

On the 4th instant I cabled to you inquiring the amount of debentures created for the increases of the sinking fund belonging to the loans of 1860 and 1863, as it was necessary to assure the Bank that those debentures would be cancelled, pursuant to section 9 of "The Consolidated Stock Act, 1884." I also asked whether the debentures of the Westland Loan were to be sent to me for conversion, and whether I might purchase any bonds for the purpose of being converted. I was glad to receive your prompt reply of the 6th giving the particulars I had asked for.

The first thing being to provide a sufficient amount of stock as security to the Bank, I addressed a minute to the Stock Agents requesting them to authorise the inscription of £110,000 of stock. Thereupon the requisite letters passed with the Bank recording the arrangements for a first advance of £100,000. The £110,000 of stock to be inscribed by the Bank was a larger sum than would have been required as security, but, as the whole sum would have to be sold, it was as well to inscribe it at once. Interest on the advance is to be at bank rate of the day the advance is made.

It is understood that the stock is only to be sold gradually, so as not to press unduly upon the market, and the sales will be made under the Agent-General's direction. It is also understood that after the 15th June, when it is known how many debentures of the loans of 1860 and 1863 are converted, I shall apply to the Bank for a further advance on security of a fresh amount of stock.

The reason for the first advance of £100,000 not being made till the 2nd June is explained in a letter from the Stock Agents. If the advance had been made now a special creation of stock would have had to be made bearing interest from last January, and then there would have been two interests running, one on the debentures and another on the stock; whereas by postponing the inscription till the 2nd June the stock given as security only bears interest from the 1st July next.

You will find such of these arrangements as are important enough to be communicated to you at once recorded in the printed paper enclosed, viz.: (1.) Minute of the Agent-General to the Stock Agents. (2.) Letter from the Agent-General to the Bank of England. (3.) Letter from the Stock Agents to the Bank of England. (4.) Letter from the Bank of England to the Agent-General. (5.) Certificate by the Crown Agents of debentures paid off. (6.) Certificate by the Bank of England of debentures converted. (7.) Letter from the Trustees of the sinking fund of 1863 to the Crown Agents. (8.) Letter from the Crown Agents to the Trustees of the sinking fund of 1863. (9.) Letter from the Executive Trustee of the sinking fund of 1863 to the Crown Agents. (10.) Letter