

1892.  
NEW ZEALAND.

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# 3½-PER-CENT. CONVERSION LOAN, 1891

(FURTHER CORRESPONDENCE RELATING TO THE).

[In Continuation of B.-14A, 1891.]

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

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No. 1.

The STOCK AGENTS to the PREMIER.

(No. 815.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

19th May, 1891.

We had the honour to inform you, by our letter of 9th April (No. 584), of the circumstances under which we had authorised the Bank of England to inscribe 3½-per-cent. stock to the amount of £110,000 as security for an advance of £100,000 to be made to the Government on the requisition of the Agent-General.

We have now to transmit copies of a further minute addressed to us by the Agent-General with regard to a second advance of not exceeding £150,000, to be also made to the Government on his requisition after the 15th June, and of a letter from ourselves to the Bank of England authorising the inscription of a further amount of £200,000 3½-per-cent. stock as security for the advance.

The stock to be inscribed in the present case, as in the first, will only bear interest from the 1st July next.

We have, &c.,

The Hon. the Premier, Wellington.

P. G. JULYAN, }  
F. D. BELL, } Stock Agents.

*Enclosure 1 in No. 1.*

13, Victoria Street, S.W., 4th May, 1891.

MINUTE FOR THE STOCK AGENTS.

With further reference to the subject of my minute of the 7th April, and in continuation of the steps necessary to carry out the instructions I had received from the Government, directing me to proceed with the arrangement I had made with the Bank of England for the advance of such sums as might be necessary for paying off unconverted debentures of the loans of 1860 and 1863, I have now applied to the Bank for a second advance of £150,000 to be made on the 15th June, in part preparation for the amount estimated to be payable in respect of the unconverted debentures of the second series of the loan of 1863 falling due at that date, such advance to be made on security of a further amount of £200,000 of 3½-per-cent. stock to be inscribed in the name of the Bank.

I have accordingly prepared a letter from the Stock Agents to the Bank, in similar terms to their previous one of the 8th April relating to the first advance of £100,000, authorising the inscription of the further amount of £200,000 stock; and I have to request the same may be signed by the Stock Agents for transmission to the Bank.

F. D. BELL, Agent General.

*Enclosure 2 in No. 1.*

GENTLEMEN,—

13, Victoria Street, S.W., 6th May, 1891.

In continuation of our letter of the 8th April, authorising you to inscribe £110,000 of New Zealand 3½-per-cent. stock in the name of the Bank, we are informed by the Agent-General that he has applied to the Governor for a second advance of £150,000 on security of £200,000 further stock. We have accordingly to request and authorise you to inscribe on the 15th June, in the names of the Governor and Company of the Bank of England, a further amount of £200,000 of New Zealand 3½-per-cent. consolidated stock, being part of the amount of £1,000,000 stock created by us by deed-poll dated the 12th March, 1891, for the purposes of the conversion of New Zealand loans now in course of being effected.

We are, &c.,

F. D. BELL,  
P. G. JULYAN,

The Governor and Company of the Bank of England.

Stock Agents of the New Zealand Government.

1—B. 14A.

## No. 2.

The AGENT-GENERAL to the PREMIER.

(No. 845.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

29th May, 1891.

Since my last letter on the subject of the conversion the markets have continued to be so depressed that no further sales of stock have been possible at any price. The collapse of the Queensland loan for £2,500,000, even at a minimum which counting allowances was practically under 92, accentuated the fall that had already taken place; and, although a large influx of gold has taken place during the last fortnight, bank rate continues at 5 per cent., and the financial inquietude is still great, because the bulk of the gold must go to Russia, and the harvest prospects throughout Europe are so poor that a great drain of gold to the United States is sure to happen in the autumn.

Under these circumstances, you will no doubt be glad that the measures reported in my letter of the 15th instant (No. 785) were taken in time. In one respect I have had to make a slight change since, by reducing the amount of stock to be sold out of the sinking fund of 1863 from £130,000 to £100,000; the position of the fund having been altered by transfers of stock from the 1891 fund to the 1914 and 1915 funds, and the accruing contribution to the 1891 fund (due 15th June) having also to be taken into account. The Crown Agents have accordingly been instructed only to sell £100,000 between now and the 25th July, as will be seen from the annexed correspondence. But unless a revival takes place soon it may not be possible to sell even that amount, and I may have to reconstruct the financial arrangements that had been contemplated.

I have, &amp;c.,

The Hon. the Premier, Wellington.

F. D. BELL.

*Enclosure 1 in No. 2.*

SIR,—

Crown Agents for the Colonies, Downing Street, 15th May, 1891.

I have to acknowledge the receipt of your letter dated the 11th instant, requesting us to make gradual sales of New Zealand 4-per-cent. inscribed stock on account of this fund to the extent of, say, £130,000, to be spread over the Stock Exchange settlements which will occur between this time and the 25th July next.

On reference to the account, it appears that at present there is on deposit £115,036, made up as follows:—

	£	s.	d.
Proceeds of stock sold to 1914 and 1915 sinking funds .. .. .	12,912	0	0
Proceeds of £100,000 stock sold .. .. .	102,124	0	0

115,036 0 0

And a contribution will be due to the 1891 fund on the 15th June next of .. 2,622 0 0

117,658 0 0

Add already paid to the Agent-General .. .. . 110,817 0 0

£228,475 0 0

which, in regard to the sum of £348,200 required, would leave only about £114,725 to be provided by further sales of New Zealand inscribed stock.

We shall be glad to have your confirmation of this view, and would point out that the 15th June next is the date of redemption of £188,400, and not the 25th July, the date referred to at the close of your letter under reply.

Sir Francis Dillon Bell, K.C.M.G., C.B.,

I am, &amp;c.,

Executive Trustee of the Sinking Fund of Loan of 1863.

M. F. OMMANNEY.

*Enclosure 2 in No. 2.*

GENTLEMEN,—

13, Victoria Street, 19th May, 1891.

I have to acknowledge the receipt of your letter of the 15th instant, in reply to mine of the 11th, on the subject of making a further sale of £130,000 stock from the sinking fund of the loan of 1863.

In writing to you on the 11th instant I had not taken into account the two sums of £12,912 and £2,622, making together £15,534, which have to be added to the proceeds of the sale of £100,000 stock last sold; and you rightly point out that, as the account now stands, we should be selling out more stock than is wanted if £130,000 were disposed of. I have accordingly to request that the amount to be sold may be reduced to only £100,000 for the present.

With regard to the last portion of your letter, it will be desirable not to make any change in the period over which the sales should be spread—viz., up to the 25th July—unless a favourable turn takes place in the market meanwhile. Provision has been made by the New Zealand Government for paying off the unconverted bonds of the June series, and it is better not to press sales at the low prices now ruling.

I have, &amp;c.,

F. D. BELL,

Executive Trustee of the Sinking Fund of 1863 Loan.

The Crown Agents for the Colonies, Downing Street.

## No. 3.

The AGENT-GENERAL to the PREMIER.

(No. 902.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

10th June, 1891.

I have to acknowledge the receipt of your letter of the 16th April (No. 16), and of the debenture for £50,000 issued under the Westland Loan Act. In compliance with your directions, the certificate you sent of the due receipt of the debenture has been signed by the Audit officer and myself, and is returned herewith.

On receiving your letter, I cabled to you on the 1st June that there was a difficulty, because a debenture, to be convertible under the conversion prospectus of the 13th February, must have been then in existence, and the Bank of England would want to know why the original debentures were not surrendered with coupons attached, as required by the prospectus. Your reply of the 2nd June informed me that only scrip had been issued, without coupons, and that if a difficulty arose with the

Bank of England it would be better not to convert. I answered the same day, asking whether there would be any objection to sending the original scrip, and was glad of your message of the 3rd June saying that the scrip would be sent.

In one or two of the former parliamentary returns the investment of £50,000 made for the Post Office had been described as in "scrip," but the paper of last session—B.-9, 1890—described it as in "debentures of the Westland Loan." The original scrip will, however, do as well, having been actually existent before the conversion prospectus.

In the last paragraph of your letter you point out that the interest on the  $3\frac{1}{2}$ -per-cent. stock into which the scrip will be converted must be paid in the colony. This interest will, in the first instance, be collected here at the Bank of England, but on its payment into the Public Account the necessary credit can be passed to the Post Office Account at the Treasury.

I have, &c.,

F. D. BELL.

The Hon. the Premier, Wellington.

#### No. 4.

The AGENT-GENERAL to the PREMIER.

(No. 922.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

12th June, 1891.

Notwithstanding continued large arrivals of gold upon bank rate being raised to 5 per cent., the kind of panic which existed when I last wrote became aggravated for a few days, and prices collapsed in every stock market. For the first time for many years New Zealand 4-per-cent. were quoted during twenty-four hours at 99 to 101, while the  $3\frac{1}{2}$ -per-cent. went down to 91–93, even these quotations being merely nominal, and sales of any but trifling amounts being impossible. I enclose a statement of highest and lowest prices this year, which will be found interesting.

The gold, however, came in so fast that enough had been accumulated last week to allow of bank rate being put down to 4 per cent. The sinister rumours which had been afloat as to the stability of eminent houses died out, while the prospects of the Baring liquidation became much improved; and a better tone has been established in all markets. The change, unfortunately, comes too late to affect the amount of New Zealand debentures converted, as there would be a loss in converting at present prices; and debentures for more than £111,000 have already been sent in for payment.

My letter of the 29th May said that unless a revival took place soon, it might be necessary to reconstruct the financial arrangements I had made; but at the first sign of improvement the Trustees of the sinking fund of 1863 went on with their sales, though at the very low prices of 101 and  $101\frac{1}{2}$ , as will be seen by the enclosed copies of letters from the Crown Agents. There is no need, therefore, to disturb any of the arrangements that had been made. An offer of 102 for some more of the 4-per-cent. stock was received, but the brokers have been instructed to wait a little. I expect to be able to sell enough  $3\frac{1}{2}$ -per-cent. stock to recoup the Public Account for paying off the unconverted bonds of the loan of 1860, but shall have to be content with about 94 as price.

No further debentures of either loan have been purchased. Those for £30,000 already bought have been duly sent in for conversion, so that there is already enough  $3\frac{1}{2}$ -per-cent. stock inscribed in the names of the Audit officer and myself to begin selling when the price reaches 94.

The improvement in the markets has enabled the Queensland Government to place the remainder of their  $3\frac{1}{2}$ -per-cent. loan of £2,500,000 not applied for, though I hear this had to be done below 90. Subscribers who received allotments on the tendering-day will now have an allowance made to them, bringing their subscriptions down to the price at which the rest of the loan has been arranged for. Two days ago the Indian Government placed a new 3-per-cent. loan for £2,600,000, at an average of £94 10s. 2d.

I have, &c.,

F. D. BELL.

The Hon. the Premier, Wellington.

#### Enclosure 1 in No. 4.

STATEMENT showing the Highest and Lowest and Present Prices of Inscribed Stocks in 1891.

Stock.	Highest in 1891.	Lowest up to 30th May.	Present, June 11.
Canada 4 per cent. .. .. .	108 $\frac{5}{8}$	102	102
Canada $3\frac{1}{2}$ per cent. .. .. .	..	100	100 $\frac{1}{2}$
New South Wales 4 per cent. .. .. .	114 $\frac{1}{2}$	110	108
New South Wales $3\frac{1}{2}$ per cent. .. .. .	103 $\frac{1}{2}$	98	100
Victoria 4 per cent. .. .. .	109 $\frac{1}{2}$	104	104 $\frac{1}{2}$
Victoria $3\frac{1}{2}$ per cent. .. .. .	100 $\frac{1}{2}$	96	97 $\frac{1}{2}$
Queensland 4 per cent. .. .. .	109 $\frac{1}{2}$	104	104
Queensland $3\frac{1}{2}$ per cent. .. .. .	98 $\frac{1}{2}$	93 $\frac{1}{2}$	91 $\frac{1}{2}$
South Australia 4 per cent. .. .. .	109 $\frac{1}{2}$	103	104 $\frac{1}{2}$
South Australia $3\frac{1}{2}$ per cent. .. .. .	100 $\frac{1}{2}$	96 $\frac{1}{2}$	97 $\frac{1}{2}$
Tasmania 4 per cent. .. .. .	..	..	..
Tasmania $3\frac{1}{2}$ per cent. .. .. .	..	96	96 $\frac{5}{8}$
Western Australia 4 per cent. .. .. .	108 $\frac{3}{4}$	106	104
Western Australia $3\frac{1}{2}$ per cent. .. .. .	..	..	..
New Zealand 4 per cent. .. .. .	107 $\frac{1}{2}$	101 x d.	102 x d.
New Zealand $3\frac{1}{2}$ per cent. .. .. .	98 $\frac{1}{2}$	94	93 $\frac{1}{2}$ , 94, 93 $\frac{1}{2}$ x d.
Cape 4 per cent. .. .. .	110 $\frac{1}{2}$	104	104 $\frac{1}{2}$
Cape $3\frac{1}{2}$ per cent. .. .. .	..	98	98
Natal 4 per cent. .. .. .	109 $\frac{1}{2}$	104	103
Natal $3\frac{1}{2}$ per cent. .. .. .	98 $\frac{5}{8}$	91 $\frac{1}{2}$	91 $\frac{1}{2}$

*Enclosure 2 in No. 4.*

SIR,—

Downing Street, 6th June, 1891.

Referring to your letter of the 19th ultimo, I have to inform you that we have sold £15,000 New Zealand 4-per-cent. inscribed stock at 101 for cash on 11th instant, viz.: £15,000 at 101, £15,150; brokerage and stamp, £37 10s. 6d.: £15,112 9s. 6d.

Be so good as to inform us whether the proceeds, as above, are to be placed on deposit as before.

Sir Francis Dillon Bell, K.C.M.G.,

I am, &c.,

Executive Trustee of Sinking Fund of Loan of 1863.

M. F. OMMANNEY.

*Enclosure 3 in No. 4.*

SIR,—

Downing Street, S.W., 8th June, 1891.

Referring to our letter of the 6th instant, I have to advise further sales of New Zealand 4-per-cent. inscribed stock on account of sinking fund 1891 as follows, for cash, on the 11th instant:—

	£	s.	d.	£	s.	d.
£35,000, at 101 .. .. .	35,350	0	0			
Brokerage and stamp .. .. .	87	10	6			
				35,262	9	6
£10,000, at 101½ .. .. .	10,150	0	0			
Brokerage and stamp .. .. .	25	0	6			
				10,124	19	6
Total .. .. .				£45,387	9	0

Be so good as to inform us whether the proceeds, as above, are to be placed on deposit as before.

I enclose, for transmission to Sir Penrose Julyan, and for your own signature, a power of attorney in favour of Messrs. J. and A. Seringeour, to enable them to transfer £100,000 stock, of which to date £60,000 have been sold, and have to request that it may be returned to this office completed as soon as possible.

As requested in your letter of the 6th instant, deposit receipts of the London and Westminster Bank for £12,912 19s. 9d. and £102,124 8s. were sent down to Sir Penrose Julyan for his signature, and have been returned by him, signed in blank, and we hold them pending your instructions as to their disposal.

Sir Francis Dillon Bell, K.C.M.G., C.B.,

I am, &c.,

Executive Trustee of the Sinking Fund of Loan of 1863.

E. E. BLAKE.

*Enclosure 4 in No. 4.*

SIR,—

Downing Street, S.W., 10th June, 1891.

I have to acknowledge the receipt of your letters dated the 8th and 9th instant, and in reply to inform you that the deposit receipts of the London and Westminster Bank for £12,912 19s. 9d. and £102,124 8s. were, as requested, sent to that bank yesterday, together with the notices of withdrawal for the 16th instant, and the bank was asked to retain the above amounts, when available, on deposit at interest at call, together with a further sum of £75,687 8s., which will be paid to the bank for the credit of the same account on or about the 11th instant.

I have to advise the further sale of—£15,000 stock at 101½, £15,225; brokerage and stamp, £37 10s. 6d.: £15,187 9s. 6d., for the 11th instant, which is included in the £75,687 8s. referred to above.

Sir Francis Dillon Bell, K.C.M.G., C.B.,

I am, &c.,

Executive Trustee of the Sinking Fund of Loan of 1863.

M. F. OMMANNEY.

## No. 5.

The AGENT-GENERAL to the PREMIER.

(No. 944.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

12th June, 1891.

It may be convenient to the Treasury if I mention by anticipation the steps that will be taken in regard to the unconverted 6-per-cent. debentures of the 1863 and 1860 loans falling due up to the 1st July.

In accordance with the arrangements already reported to you the Bank of England placed £100,000 to credit of the Stock Agents' account on the 2nd instant, and will place further sums to the same account as required. The Trustees of the Sinking Fund of 1863 have meanwhile gone on with sales of 4-per-cent. stock, and the proceeds are being added to the other cash already on deposit.

The money for paying off the unconverted bonds of 1860 and 1863 will be provided by Commissioners' orders on the Public Account, upon requisitions from the Crown Agents, transfers being made from time to time from the Stock Agents' account to recoup the Public Account, pending the sale of 3½-per-cent. conversion stock.

As soon as practicable after the 15th instant, the Trustees of the 1863 Sinking Fund will estimate the amount to be retained in their hands for securing the redemption of the December series, and thereupon a further interim release will be made out of the fund.

Upon the money from the Trustees being paid into the Public Account, it will be applied in the first place to repaying the Bank of England advances.

In due time the proper debit and credit entries for interest and other charges will be passed through the Stock Agents' accounts, on the same principle as was followed for the conversion loan of 1889.

The Hon. the Premier, Wellington.

I have, &c.,

F. D. BELL.

## No. 6.

The PREMIER to the AGENT-GENERAL.

(No. 36.)

SIR,—

The Premier's Office, Wellington, 12th August, 1891.

With reference to my telegrams asking what amount of new 3½-per-cent. inscribed stock had been sold and the proceeds credited to the Public Account, I learn from your replies that on the 15th ultimo £80,100 was paid into the Public Account, being the proceeds of the sale of

£85,000 of stock, and that no further sales had been effected. Of course I fully recognise that your financial arrangements connected with the present conversion were founded upon a gradual sale of stock, so as not to press unduly upon the market; at the same time I think it is right to inform you that at the present moment the "Conversion Account" in our books stands overdrawn to the amount of £259,286, and the Audit Office are anxious to know when this large overdraft is likely to be extinguished.

The Agent-General for New Zealand, London.

I have, &c.,

J. BALLANCE.

### No. 7.

The AGENT-GENERAL to the PREMIER.

(Memorandum 961.)

Westminster Chambers, 13, Victoria-street, London, S.W.,  
23rd June, 1891.

#### STOCK AGENTS' CONVERSION ACCOUNTS.

In the Stock Agents' letter to the Colonial Treasurer of the 15th July, 1885 (No. 867), they forwarded a correspondence with the Bank of England respecting a sum of £556 which had been paid to the Bank on account of £13,900 consol debentures drawn at that year's annual drawing, but converted under the condition of paying £4 per cent. in cash under the conversion prospectus of the 6th March, 1885. This sum of £556 was placed by the Bank to the credit of an old account opened by the former Stock Agents in 1880, where it has been lying ever since. It ought, of course, to have been seen at the time that the cash had not been passed to the credit of the present Stock Agents' account, and, above all, this ought to have been seen and corrected when the Stock Agents' accounts were transmitted to you last March. The amount will now be transferred to the credit of the proper account, and will appear in the next accounts of the Stock Agents.

F. D. BELL.

### No. 8.

The AGENT-GENERAL to the PREMIER.

(No. 1009.)

Westminster Chambers, 13, Victoria Street, London, S.W.,  
26th June, 1891.

SIR,—

You will have been glad to find from the message I sent you on the 22nd instant that the arrangements connected with the conversion are progressing satisfactorily; the details are given in a separate letter by this mail.

On receiving your telegram of the 22nd, inquiring as to the results of the conversion up to the 15th June, I replied giving you in round numbers the amounts respectively converted and paid off, and the amount realised from sales of 4-per-cent. stock in the sinking fund of the loan of 1863. It seemed a good opportunity to remind the Government that, as the Treasury will ultimately get back the whole sinking fund accretions of the loans included in the conversion, it is really immaterial how much of each loan is paid off or how much is converted, the result being the same in the long run.

The fall in the prices of all colonial stocks, and the langour in the market, have unavoidably prevented sales being made yet of the 3½-per-cent. conversion stock; but the improvement reported last mail has gone on during the last fortnight, so that I hope it will not be long before a beginning can be made in the sales. Bank rate was put down a week ago to 3 per cent. upon a further large influx of gold; in fact, more than eight millions of gold have come into the Bank since the middle of May, and less has been sent away than was expected. The markets have revived, New Zealand 4-per-cent. stock having come back to 103-104, and 3½-per-cent. to 93½-94½.

It would be very desirable if the Treasury arrangements in regard to investment of moneys belonging to the trust funds would allow of part of the conversion stock being taken up for a time. Naturally, after such a large amount of 4-per-cent. stock being sold by the Sinking Fund Trustees, the market for New Zealand securities is heavy, and if a portion of the conversion stock could be locked up even for a year the price for whatever is now sold would be better.

I have, &c.,

F. D. BELL.

The Hon. the Premier, Wellington.

### No. 9.

The PREMIER to the AGENT-GENERAL.

(No. 41.)

SIR,—

Premier's Office, Wellington, 7th September, 1891.

With reference to the suggestion in your letter of the 26th June, No. 1009, that investment of moneys belonging to the trust funds might be made in the 3½-per-cent. stock, I have the honour to inform you that it would be difficult to persuade the Boards having the control of the funds of the Government Life Insurance Department and the Public Trust Office to accept such a low rate of interest, even temporarily, while, as the Post-Office Savings-bank continues to pay interest at 4½ per cent. on deposits, it is obvious the Postmaster-General would hesitate to invest in a 3½-per-cent. stock, even at a buying-rate of 94.

I have, &c.,

J. BALLANCE.

The Agent-General for New Zealand, London.

## No. 10.

The AGENT-GENERAL to the PREMIER.

(No. 1010.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

26th June, 1891.

The date fixed by the conversion prospectus for sending in debentures having expired, I have now to report the progress made in the various loans up to this time.

When writing on the 13th May (No. 776), the amount converted or known to be in for conversion was £171,900. The total (counting Westland scrip as before) is now increased to £198,800, or £26,900 more. These are the details:—

	£	£
Loan of 1863, March series ... ..	42,400	
"    June series ... ..	28,700	
"    December series ... ..	4,400	
	<hr/>	75,500
Loan of 1860, sent in to bank as per narration annexed ...	21,000	
"    still to be sent in ... ..	4,800	
	<hr/>	25,800
Provincial loans,—		
Lyttelton and Christchurch ... ..	6,200	
Auckland ... ..	11,800	
Otago ... ..	23,700	
Canterbury ... ..	5,800	
Westland ... ..	50,000	
Nelson ... ..	Nil	
	<hr/>	97,500
		<hr/>
		£198,800

To this amount will presently have to be added the remaining debentures of the loan of 1860, which will be sent in for conversion as they come to me from the Union Bank of Australia.

In accordance with the arrangements already reported to you, I have applied to the Bank of England for further advances to the amount of £75,000, and have paid off their first advance of £100,000, directions being given to transfer the £110,000 of 3½-per-cent. conversion stock (security for that advance) into the names of myself and the Audit officer. On the 1st July £50,000 more will be paid off, if not the £75,000.

The Trustees of the Sinking Fund of the 1863 loan have paid over the sum of £193,763 10s. 6d. in further part release from that fund, and a summary is annexed showing how that amount is made up. Adding the same to the £110,817 13s. already paid over, the total released by the Trustees to date is £304,581 3s. 6d.

In compliance with my promise to the Sinking Fund Trustees last April, it was necessary to consider what proposal should be made to them for a further release of sinking fund after the 15th June. When writing to you on the 30th April (No. 638) it had not been settled whether the Trustees should make a formal decision now, under section 8 of "The Consolidated Stock Act, 1884," of the amount to be retained in their hands, or whether they should wait till the last series of the sixes of 1863 was paid off. Further consideration of the matter has been in favour of the latter course. It will perhaps be in the recollection of the Treasury that when the first release was made, in 1886–87, a question arose as to whether, for the purposes of section 8, the sinking fund could be separated into the subdivisions allocated to the various issues, or whether it ought not to be treated as one entity. My view was that it ought to be so treated, and that the subdivisions ought to be taken only as convenient allocations for purposes of account, but not as finally binding in case the safety of the fund should become endangered; and the result was that the subdivisions were not then disturbed, and a large margin for safety was left in the subdivisions of the fives and of the guaranteed half-million. But no formal determination was then made under section 8, and if the Trustees had decided to make one now the effect might have been to disturb the existing allocations. On the whole it seemed best only to make another interim release until all the sixes are extinguished; and accordingly I proposed to the Trustees to value the 4-per-cent. stock left in the fund at par, reserving £100 of stock against each £100 of debentures still outstanding, and going on with sales until the limit of £100 for £100 was reached. Sir Penrose Julyan assented to this plan, but, as he thought it would be more prudent not to value the stock above 95, the proposal will be carried out with that alteration.

In consequence of the conversion of parts of the Lyttelton and Christchurch, Canterbury, and Otago provincial loans, the interest on which is paid through the Crown Agents to the Union Bank of Australia and the Bank of New Zealand, it has been necessary to adjust the payments for the next half-yearly dividends on those loans.

The conversion prospectus having reserved the right to bring in debentures not converted up to the 15th June, I have instructed the Bank of England to continue receiving debentures on the same terms for the present. The equivalents will, however, have to be revised after the next dividends of any loan are paid, and the actuaries will be directed to make the proper computations accordingly.

You will doubtless observe from the present report that the second stage of the conversion is passing over satisfactorily, and the third stage will also be completed on the 1st July by the extinguishment of the 1860 loan. The following papers are now transmitted, recording the transactions above mentioned:

1. Proposal by the Agent-General as to a Further Release of the Sinking Fund of 1863.

2. Instructions to the Crown Agents as to release of the Sinking Fund.
  3. Further Correspondence with the Bank of England as to the Conversion and Advances.
  4. Narrations of Debentures converted at the Bank of England.
  5. Narrations of Debentures paid off by the Crown Agents.
  6. Narrations of Debentures still to be sent in for Conversion.
  7. Correspondence with Crown Agents as to Provincial Loans.
  8. Statement showing how the Amount of £193,763 10s. 6d., released from the Sinking Fund of 1863, is made up.
- I have, &c.,  
F. D. BELL.
- The Hon. the Premier, Wellington.

*Enclosure 1 in No. 10.*

PROPOSAL BY THE AGENT-GENERAL AS TO RELEASE OF SINKING FUND OF 1863.

The AGENT-GENERAL to the TRUSTEES of the SINKING FUND of the New Zealand Loan of 1863.

GENTLEMEN,—Westminster Chambers, 19th June, 1891.  
In my letter of the 10th April last I informed you of the progress then made in the conversion of the New Zealand loan of 1863, and engaged to make a further proposal to you at this time.

The amount of 6-per-cent. debentures of the loan sent in for conversion to this date is as follows:—

Of the March series	..	..	..	..	..	..	..	£42,400
Of the June series	..	..	..	..	..	..	..	28,700
Of the December series	..	..	..	..	..	..	..	4,400
								£75,500

And the Crown Agents have paid off the following:—

	..	..	..	..	..	..	..	£
Of the March Series	..	..	..	..	..	..	..	110,700
Of the June series	..	..	..	..	..	..	..	138,300
								249,000

Making the aggregate amount paid off and converted .. .. £324,500

In part release of the amount of sinking fund to be ultimately set free, corresponding to the amount of debentures converted and paid off, interim payments in cash were made in March by the Trustees out of the 1891 fund to the amount of £110,817; and I have now to request that such further interim release may be made as appears expedient.

According to the statutes constituting their trust, the Trustees are always to retain a sufficient amount in the fund to secure the due redemption of all outstanding debentures of the loan. It has not been deemed necessary, when a particular portion of the loan has been converted, to make a formal determination under the Stock Act of 1884 of the specific amount to be retained or released from any subdivision of the fund, because, according to the general principles agreed upon between the Trustees and myself in 1886 and 1887, it was held that, as the entire loan was one entity under the Loan Act of 1863, so the entire sinking fund should be looked at as one entity also, its various subdivisions being treated as convenient allocations for purposes of account, but not as finally binding upon the Trustees in case the safety of the fund as one entity should happen to become endangered. Thus, in making the first interim release in 1887, an ample margin was reserved, enough being left in the subdivision of the fives to insure the redemption of that series in 1914, with a margin added of £20,000, and enough being left in the subdivision of the guaranteed half-million to produce more than £600,000 in 1915. In the present state of the sixes, no such margin is required in their case.

Nothing having happened since 1887 to recommend any change in these principles, I have now to make the following proposal in relation to the sixes:—

Deducting from the total of £417,000 outstanding on the 13th February last the debentures for £324,500, converted and paid off as above recited, the total now outstanding is £92,500, but this will be quickly reduced as more debentures of the June series come in to be paid off. It would be prudent not to value the 4-per-cent. stock above par, but as the last of the sixes will be extinguished in less than six months, and an ample margin is left in the other subdivisions, an estimate at par ought to be ample for the 1891 subdivision. In that case the matter would be very simple: £100 of stock should be kept in the 1891 fund against each £100 of outstanding debentures, and the rest should be released, the cash now at deposit being paid into the Public Account, and the Crown Agents being instructed to go on with gradual sales until the limit was reached of the amount of stock to be kept in the fund, the proceeds of such sales being paid into the Public Account.

If the Trustees concur in this proposal the necessary details can be arranged between the Crown Agents and the Executive Trustee, and no formal determination need be made at present under section 8 of the Stock Act of 1884.

The Trustees of the Sinking Fund of the Loan of 1863.

I am, &c.,  
F. D. BELL, Agent-General.

*Enclosure 2 in No. 10.*

INSTRUCTIONS TO THE CROWN AGENTS AS TO RELEASE OF SINKING FUND OF 1863.

The AGENT-GENERAL to the CROWN AGENTS for the Colonies.

GENTLEMEN,—Westminster Chambers, 22nd June, 1891.

On the 19th instant the Agent-General addressed the Trustees of the Sinking Fund of the 1863 loan with a proposal, printed copy of which is annexed. On consulting my co-Trustee I learn that, while he assents generally to that proposal, he recommends that the 4-per-cent. stock in the fund should not be valued above 95, and I am willing that this should be done.

Subject, therefore, to this alteration, I have to request that you will take the steps necessary for carrying the Agent-General's proposal into effect.

The Crown Agents for the Colonies.

I have, &c.,  
F. D. BELL,  
Executive Trustee of the 1863 Loan.

*Enclosure 3 in No. 10.*

CORRESPONDENCE WITH THE BANK OF ENGLAND AS TO THE CONVERSION AND ADVANCES.

The BANK OF ENGLAND to the AGENT-GENERAL.

SIR,—Bank of England, 24th June, 1891.

With reference to your letter of the 19th and Mr. Kennaway's of the 22nd instant, I beg to inform you, as regards the New Zealand 6-per-cent. debentures of the loan of 1863 (March series), that no further bonds have been received for conversion since the 31st March last, and that the total amount received is therefore the same as that mentioned in my letter of the 9th April last—viz., £42,400.

As desired, I forward herewith lists showing the numbers and values of the debentures of the other loans embraced in the conversion received up to the 23rd instant inclusive.

I shall feel obliged if you will inform me whether it is desired that the Bank should continue, until further notice, to receive bonds for conversion in terms of the prospectus, although the prescribed period expired on the 15th instant.

The Agent-General for New Zealand,  
Westminster Chambers, 13, Victoria Street, S.W.

I am, &c.,  
F. MAY, Chief Cashier.

The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,— 13, Victoria Street, 25th June, 1891.

I have to acknowledge the receipt of your letter of yesterday, enclosing lists of debentures sent into the Bank for conversion up to the 23rd instant.

In reply to the last paragraph of your letter, I have to request that the Bank will continue, until further notice, to receive bonds for conversion on the same terms as contained in the prospectus.

The Chief Cashier, Bank of England.

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

The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,— 13, Victoria Street, S.W., 11th June, 1891.

With reference to my letter of the 6th May, and your reply of the 8th, on the subject of a second advance not exceeding £150,000, I have now to request that the Bank will place the sum of £50,000 to the credit of the Stock Agents' account on the 15th instant.

The Chief Cashier, Bank of England.

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

The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,— 13, Victoria Street, S.W., 24th June, 1891.

I beg to state that the Bank of New Zealand has been instructed to pay you to-day the sum of £100,000, being in repayment of the first advance to that amount made to my Government on the 2nd instant; and I have accordingly to request that the necessary instructions may be given by the Bank to transfer the sum of £110,000 3½-per-cent. conversion stock—given to the Bank as security for that advance—into the names of myself and Mr. Charles Wray Palliser.

The Chief Cashier, Bank of England.

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

The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,— 13, Victoria Street, S.W., 24th June, 1891.

With reference to the correspondence between us at the beginning of May on the subject of an advance not exceeding £150,000, I have now to request that the Bank will place the further sum of £25,000 to the credit of the Stock Agents' conversion account to-morrow, 25th instant.

I take the opportunity of mentioning that the advance of £50,000 made by the Bank on the 15th instant will be repaid by me immediately after the 30th June.

The Chief Cashier, Bank of England.

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

Enclosure 4 in No. 10.

NARRATION OF DEBENTURES SENT IN TO THE BANK OF ENGLAND FOR CONVERSION.

I. LOAN OF 1863—June Series.

New Zealand Government 6-per-cent. Debentures, authorised by the Loan Act of 1863, falling due 15th June, 1891, lodged with the Bank of England for Conversion up to the Evening of the 23rd June, 1891.

Thirteen Debentures of £1,000 each.									
378	397	425	438	439	442	446	459	465	470
496	505								494
Sixteen Debentures of £500 each.									
1725	1746	1747	1757	1803	1820	1831	1848	1851	1854
1913	1928	1967	2030	2032					1880
Twenty Debentures of £200 each.									
3002	3038	3046	3162	3163	3171	3178	3190	3196	3197
3210	3233	3234	3241	3248	3268	3279	3325	3336	3198
Thirty-seven Debentures of £100 each.									
2006	2042	2045	2046	2047	2067	2106	2110	2111	2127
2202	2229	2230	2231	2232	2253	2268	2285	2311	2330
2359	2360	2362	2366	2425	2428	2437	2455	2456	2356
2484	2528	2529	2530					2469	2473

Summary.		
13	debentures of £1,000 each	= £13,000
16	" " 500 "	= 8,000
20	" " 200 "	= 4,000
37	" " 100 "	= 3,700

86 £28,700

Bank of England, 24th June, 1891.

F. MAY, Chief Cashier.

LOAN OF 1863—December Series.

New Zealand Government 6-per-cent. Debentures, authorised by the Loan Act of 1863, falling due 15th December, 1891, lodged with the Bank of England for Conversion up to the 23rd June, 1891, inclusive.

One Debenture of £1,000.  
650

Twelve Debentures of £200 each.									
3368	3379	3380	3397	3457	3548	3549	3581	3582	3604
3848									3847
Ten Debentures of £100 each.									
2804	2823	3021	3022	3023	3024	3027	3028	3039	3040



Summary.		
1 debenture of	£1,000	= £1,000
12 debentures of	£200 each	= 2,400
10	£100 "	= 1,000
23		£4,400

Bank of England, 24th June, 1891.

F. MAX, Chief Cashier.

## II. LOAN OF 1860.

New Zealand Government 6-per-cent. Debentures, authorised by the Loan Act of 1860, falling due 1st July 1891, lodged with the Bank of England for Conversion up to the Evening of the 23rd June, 1891.

Two hundred and ten Debentures of £100 each.										
17	18	66	67	68	69	91	117	118	119	258
259	265	266	267	269	270	306	307	354	366	367
368	374	390	391	392	487	488	489	490	491	492
493	494	506	507	508	509	522	555	619	620	621
622	623	624	631	632	633	634	635	640	706	707
708	709	710	711	712	713	714	715	716	717	718
719	720	721	722	723	724	725	726	727	728	729
730	731	732	733	734	735	736	737	738	739	740
741	742	743	744	745	746	747	748	749	750	751
752	753	754	755	756	757	758	759	760	761	762
763	764	765	776	777	778	779	780	781	782	783
784	785	887	905	926	928	953	954	955	956	957
958	959	960	969	970	971	972	973	996	997	998
999	1000	1027	1038	1042	1043	1044	1045	1046	1049	1050
1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085
1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096
1097	1098	1099	1201	1202	1203	1204	1205	1206	1207	1208
1209	1210	1215	1216	1220	1248	1280	1283	1295	1296	1297
1298	1299	1300	1301	1303	1324	1363	1364	1367	1368	1471
1472										

## Summary.

Two hundred and ten debentures of £100 each = £21,000.

Bank of England, 24th June, 1891.

F. MAX, Chief Cashier.

## III. PROVINCIAL LOANS.

## 1. LYTTTELTON AND CHRISTCHURCH LOAN.

Province of Canterbury 6-per-cent. Debentures, Lyttelton and Christchurch Railway Loan Ordinance, Sess. XIII., No. 1, falling due 1st July, 1894, lodged with the Bank of England for Conversion up to the Evening of the 23rd June, 1891.

20th June, 1951.

Sixty Debentures of £100 each.										
1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161
1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172
1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183
1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194
1195	1196	1197	1198	1199	1200	1256	1257	1258	1259	1260
1261	1262	1263	1264	1265						

## Summary.

Sixty debentures of £100 each = £6,000.

Bank of England, 24th June, 1891.

F. MAX, Chief Cashier.

Province of Canterbury 6-per-cent. Debentures, Lyttelton and Christchurch Railway Loan Ordinance, Sess. XIII., No. 1, falling due 1st July, 1893, lodged with the Bank of England for Conversion up to the Evening of the 23rd June, 1891.

Two Debentures of £100 each.  
819 820

## Summary.

Two debentures of £100 each = £200.

Bank of England, 26th June, 1891.

F. MAX, Chief Cashier.

## 2. AUCKLAND LOAN.

Province of Auckland Government 6-per-cent. Debentures, authorised by the Auckland Loan Act of 1863, falling due 1st June, 1896, lodged with the Bank of England for Conversion up to the Evening of the 23rd June, 1891.

Eight Debentures of £100 each.  
57 58 59 1007 1008 1009 1010 1011

Two Debentures of £250 each.  
2006 2007

One Debenture of £500.  
2338

Ten Debentures of £1,000 each.  
12 13 14 15 16 17 18 19 20 21

## Summary.

8 debentures of	£100 each	=	£800
2	250 "	=	500
1 debenture of	500 "	=	500
10 debentures of	1,000 "	=	10,000
21			£11,800

Bank of England, 24th June, 1891.

F. MAX, Chief Cashier.

## 3. OTAGO LOAN.

Province of Otago 6-per-cent. Debentures, secured by "The Otago Loan Ordinance, 1862," falling due 1st July, 1898, lodged with the Bank of England for Conversion up to the Evening of the 23rd June, 1891.

*Two hundred and thirty-seven Debentures of £100 each.*

1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211
1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	1222
1223	1224	1225	1226	1227	1228	1229	1230	1231	1232	1233
1234	1235	1236	1237	1238	1239	1240	1241	1242	1243	1244
1245	1246	1247	1248	1249	1250	1251	1252	1253	1254	1255
1256	1257	1258	1259	1260	1261	1262	1263	1264	1265	1266
1267	1268	1269	1270	1271	1272	1273	1274	1275	1276	1277
1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288
1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299
1300	1816	1817	1818	1819	1820	1821	1822	1823	1824	1825
1826	1827	1877	1878	1879	1880	1881	1882	1883	1884	1885
1886	1887	1888	1889	1890	1891	1892	1893	3452	3623	3624
3647	3703	3704	3705	4192	4201	4202	4203	4204	4205	4206
4207	4208	4209	4210	4211	4212	4213	4214	4215	4216	4217
4218	4219	4220	4221	4222	4223	4224	4225	4226	4227	4228
4229	4230	4231	4232	4233	4234	4235	4236	4237	4238	4239
4240	4241	4242	4243	4244	4245	4246	4247	4248	4249	4250
4251	4252	4253	4254	4255	4256	4257	4258	4259	4260	4261
4262	4263	4264	4265	4266	4267	4268	4269	4270	4271	4272
4273	4274	4275	4276	4277	4278	4279	4280	4281	4282	4283
4284	4285	4286	4287	4288	4289	4290	4291	4292	4293	4294
4295	4296	4297	4298	4299	4300					

*Summary.*

Two hundred and thirty-seven debentures of £100 each = £23,700.

Bank of England, 24th June, 1891.

F. MAY, Chief Cashier.

## 4. CANTERBURY LOAN.

Province of Canterbury 6-per-cent. Debentures, "The Canterbury Loan Ordinance, 1862," falling due 11th September, 1913, lodged with the Bank of England for Conversion up to the Evening of the 23rd June, 1891.

*Fifty-eight Debentures of £100 each.*

443	444	445	446	447	448	449	450	451	452	453	454
455	456	457	458	459	460	461	462	463	464	465	466
467	468	469	470	471	472	473	474	475	476	477	478
479	480	481	482	483	484	485	486	487	488	489	490
491	492	493	494	495	496	497	498	499	500		

*Summary.*

Fifty-eight debentures of £100 each = £5,800.

Bank of England, 24th June, 1891.

F. MAY, Chief Cashier.

*Enclosure 5 in No. 10.*

## NARRATIONS OF DEBENTURES OF THE LOAN OF 1863 PAID OFF BY THE CROWN AGENTS.

Certificate by the Crown Agents of Debentures paid off.—Series 15th March, 1891.—(In continuation of Statement dated 10th April, 1891.)

It is hereby certified that the debentures of the following amounts and denominations of the New Zealand 6-per-cent. loan of 1863 have been presented for payment at the domicile of the loan, and have been duly paid off by us and cancelled, and the debentures de-registered in the register of the loan.

*Three Bonds of £500 each.*

1308 1426 1489

*Three Bonds of £200 each.*

2632 2877 2922

*Four Bonds of £100 each.*

1384 1395 1514 1655

*Summary.*

4 debentures of £100 each = £400  
3 " 200 " = 600  
3 " 500 " = 1,500

£2,500

Downing Street, 24th June, 1891.

E. E. BLAKE, Crown Agent for the Colonies.

Certificate by the Crown Agents of Debentures paid off.—Series 15th June, 1891.

It is hereby certified that the debentures of the following amounts and denominations of the New Zealand 6-per-cent. loan of 1863 have been presented for payment at the domicile of the loan, and have been duly paid off by us, and the debentures de-registered and cancelled in the register of the loan.

*Sixty-one Bonds of £1,000 each.*

353	355	356	360	364	365	366	367	368	369	379
380	381	385	388	390	394	399	400	401	402	403
404	405	406	407	408	409	410	411	412	413	414
415	416	417	418	419	420	421	434	448	452	453
454	455	456	457	458	467	472	474	476	487	493
495	514	516	517	527	529					

*Ninety-three Bonds of £500 each.*

1706	1711	1715	1716	1722	1724	1734	1735	1740	1748	1749
1751	1768	1772	1773	1775	1776	1781	1785	1787	1788	1793
1794	1795	1797	1815	1817	1836	1838	1839	1845	1847	1850
1855	1859	1862	1865	1866	1867	1869	1873	1875	1876	1877
1878	1879	1882	1883	1884	1896	1897	1898	1904	1909	1910
1919	1923	1925	1926	1929	1944	1949	1951	1953	1954	1955
1976	1977	1978	1979	1983	1986	1987	2005	2006	2009	2010
2023	2024	2025	2031	2036	2037	2046	2049	2050	2061	2062
2067	2070	2071	2077	2080						

*Ninety-six Bonds of £200 each.*

3007	3015	3016	3023	3024	3025	3032	3033	3034	3036	3040
3041	3049	3052	3058	3059	3060	3061	3062	3063	3066	3069
3071	3077	3089	3090	3092	3093	3096	3100	3103	3104	3105
3106	3112	3115	3118	3120	3122	3127	3128	3131	3132	3134
3135	3139	3144	3153	3154	3155	3156	3157	3158	3159	3160
3179	3180	3181	3183	3188	3192	3202	3203	3205	3206	3209
3223	3224	3235	3236	3237	3243	3244	3245	3247	3250	3252
3253	3254	3255	3267	3270	3276	3278	3280	3301	3308	3309
3312	3320	3328	3331	3332	3347	3348	3349			

*One hundred and sixty-nine Bonds of £100 each.*

2002	2004	2008	2009	2014	2015	2016	2027	2028	2034	2035
2037	2041	2043	2051	2055	2061	2068	2078	2084	2085	2095
2096	2097	2099	2100	2105	2112	2113	2114	2117	2118	2119
2120	2124	2129	2132	2134	2136	2137	2141	2142	2145	2155
2157	2164	2165	2173	2176	2186	2187	2189	2191	2193	2194
2195	2200	2201	2206	2207	2209	2210	2216	2217	2218	2220
2221	2226	2227	2228	2233	2237	2240	2241	2245	2246	2248
2249	2251	2252	2273	2275	2286	2288	2298	2299	2300	2302
2303	2309	2310	2312	2313	2314	2315	2319	2320	2324	2325
2336	2337	2339	2340	2341	2342	2343	2344	2347	2348	2349
2350	2357	2358	2368	2371	2372	2374	2375	2379	2380	2382
2386	2389	2404	2405	2415	2420	2421	2422	2423	2424	2429
2433	2434	2435	2436	2445	2449	2451	2452	2453	2454	2457
2470	2475	2476	2477	2478	2480	2482	2485	2486	2487	2493
2494	2506	2507	2508	2510	2511	2516	2517	2518	2527	2531
2535	2541	2542	2545							

*Summary.*

169	debentures of £100 each	=	£16,900
96	"	200	" = 19,200
93	"	500	" = 46,500
61	"	1,000	" = 61,000
419			£143,600

Downing Street, 24th June, 1891.

E. E. BLAKE, Crown Agent for the Colonies.

*Enclosure 6 in No. 10.*

NARRATION of 6-per-cent. Debentures of the Loan of 1860, redeemable July, 1891, purchased in London by the Agent-General.—(In Continuation of Narration dated 12th May, 1891.)

*Forty-eight Bonds of £100 each.*

397	413	425	474	510	511	512	513	514	515	516
517	518	519	525	556	557	558	559	560	561	562
563	610	888	902	903	904	965	966	967	989	1240
1241	1242	1243	1244	1309	1310	1311	1326	1366	1436	1437
1438	1439	1440	1493							

*Summary.*

Forty-eight bonds of £100 each = £4,800.

Westminster Chambers, 24th June, 1891.

F. D. BELL.

*Enclosure 7 in No. 10.*

CORRESPONDENCE WITH THE CROWN AGENTS AS TO PROVINCIAL LOANS.

The CROWN AGENTS to the AGENT-GENERAL.

SIR,—

Downing Street, 17th June, 1891.

On the 30th of the present month the following warrants on the Bank of New Zealand are due for payments of interest: £2,331 for payment to Union Bank of Australia on account of Lyttelton and Christchurch Railway Loan, £534 for payment to Bank of New Zealand on account of Canterbury Loan; and, on the 1st proximo, £3,501 for which we do not at present hold a warrant, for payment to Bank of New Zealand on account of Otago Loan.

As, however, these loans are included in the conversion scheme, we shall be glad to be informed whether the above payments are to be made on the due dates as usual, and, if not, to receive an intimation of your wishes in regard to them.

The Agent-General for New Zealand.

I have, &amp;c.,

E. E. BLAKE.

The AGENT-GENERAL to the CROWN AGENTS.

GENTLEMEN,—

Westminster Chambers, 19th June, 1891.

I am obliged by your letter of the 17th instant, and in reply beg to inform you that up to this time debentures of the three loans you mention have been sent into the Bank of England for conversion to the following amounts:—

	£
Lyttelton and Christchurch Loan	6,200
Canterbury Loan	5,800
Otago Loan	23,700

Under the prospectus of the conversion the bonds of provincial loans have to be deposited with all undue coupons attached, and the Bank has been asked to supply a narration of the debentures sent in, when the proper amount payable for interest on unconverted bonds will be seen, and you can return to the Public Account what is not wanted out of the warrants you hold.

The Crown Agents for the Colonies.

I am, &amp;c.,

F. D. BELL.

*Enclosure 8 in No. 10.*

STATEMENT showing how the Amount of £193,763 10s. 6d. released from the Sinking Fund of the Loan of 1863, paid into the Public Account on the 23rd June, 1891, is made up.

	£	s.	d.
Proceeds of sale of 4-per-cent. stock to 1914 and 1915 sinking funds .. ..	12,912	19	9
Proceeds of sale of £100,000 4-per-cent. stock .. ..	102,124	8	0
" £15,000 " .. ..	15,112	9	6
" £35,000 " .. ..	35,262	9	6
" £10,000 " .. ..	10,124	19	6
" £15,000 " .. ..	15,187	9	6
Cash in hand—Amount received 15th June .. ..	2,622	0	0
Interest on deposit .. ..	£368	19	5
" .. ..	47	15	4
	416	14	9
	£193,763	10	6

Westminster Chambers, 24th June, 1891.

F. D. BELL.

## No. 11.

The TRUSTEES of the SINKING FUND of the Loan of 1863 to the PREMIER.

(No. 1013.) Westminster Chambers, 13, Victoria-Street, London, S.W.,  
6th July, 1891.

SIR,— In continuation of our letter of the 11th April, No. 585, we resume the report of the steps we have taken since then as Trustees of the Sinking Fund of the loan of 1863.

Up to that time we had realised £110,622 13s. from sales of 4-per-cent stock in the fund, to which was added on the 5th May the sum of £195, being the May dividend on £10,000 of the stock sold; making a total of £110,817 13s. We then continued making sales of stock to be prepared for the further release corresponding to the amount of debentures of the loan respectively paid off and converted, the proceeds being placed as before on deposit; and on the 23rd June a sum of £193,763 10s. 6d. had become thereby accumulated in cash, the particulars of which will be duly received by the Government in the usual periodical accounts of the sinking funds.

We now enclose copy of a further letter from the Agent-General [see Enclosure 1 in No. 10], in continuation of his previous one of the 10th April, certifying to us that the total amount of debentures of the loan converted up to the 24th June was £75,500, and the total amount paid off was £249,000, making an aggregate amount of £324,500 of debentures extinguished. Accordingly we paid over to the Agent-General the above-mentioned sum of £193,763 10s. 6d., bringing up the aggregate amount released up to this time to £304,581 3s. 6d.

In the same letter the Agent-General made us a proposal to the effect that £100 of stock should be retained in the fund against each £100 of debentures of the loan still outstanding, and that the Crown Agents should be instructed to go on with further gradual sales of the stock until this limit should be reached. On consideration it was thought more prudent not to value the stock still left in the fund above 95; but subject to this we adopted the Agent-General's proposal, and the necessary steps are being taken accordingly between the Crown agents and the Executive Trustee.

We have not deemed it necessary to make any formal determination yet under section 8 of "The Consolidated Stock Act, 1884." Although the sinking fund of the loan has been separated into subdivisions allocated to the various issues—namely, the five-per-cents, the six-per-cents, and the guaranteed half-million—the Trustees who were acting in 1887 were of opinion that, as the loan was one entity, the sinking fund should be treated as one entity also. Agreeing with them in that view, we think it will be more convenient, for the present at any rate, and until the six-per-cents are finally extinguished, in December, to continue making only interim releases out of the fund corresponding approximately to the amount of debentures that may be from time to time paid off and converted.

We have, &c.,

P. G. JULYAN,

F. D. BELL,

The Hon. the Premier, Wellington.

Trustees of the Sinking Fund of the Loan of 1863.

## No. 12.

The PREMIER to the TRUSTEES of the SINKING FUND of the Loan of 1863.

(No. 40.)  
GENTLEMEN,— Premier's Office, Wellington, 7th September, 1891.

Referring to your letter, No. 1013, of the 6th July last, in which you resume the report of the steps you have taken in connection with the release of the sinking fund, I have the honour to inform you that the arrangements which have been made are entirely satisfactory to the Government.

The Trustees of the Sinking Fund of the Loan of 1863.

I have, &c.,

J. BALLANCE.

## No. 13.

The STOCK AGENTS to the PREMIER.

(No. 1014.) Westminster Chambers, 13, Victoria Street, London, S.W.,  
6th July, 1891.

Resuming our report of the progress made in the conversion from the date of our last report on the 21st March last, No. 501, we now beg to state as follows:—

The amount of 6-per-cent. debentures of the various loans sent in or ready to be sent in to the Bank of England for conversion up to the 23rd June was as follows:—

	£	£
Loan of 1863, March series ... ..	42,400	
"    June series ... ..	28,700	
"    December series ... ..	4,400	
		75,500
Loan of 1860, sent into bank ... ..	21,000	
"    to be sent in ... ..	4,800	
		25,800
		101,300
Provincial loans,—		
Lyttelton and Christchurch ... ..	6,200	
Auckland ... ..	11,800	
Otago ... ..	23,700	
Canterbury ... ..	5,800	
Westland (to be sent in) ... ..	50,000	
Nelson ... ..	Nil	
		97,500
		£198,800

And to this amount will have to be added the remaining debentures of the loan of 1860 as they come in to the Agent-General from the Union Bank of Australia.

The amount of debentures of the loan of 1863 paid off by the Crown Agents to the 24th June is as follows :—

	£	£
March series ... ..	110,800	
June series ... ..	143,600	
		254,400

The funds for paying off these debentures have been provided in the first instance (as reported in our letter of the 21st March above mentioned) by Commissioners' orders on the Public Account issued upon requisitions from the Crown Agents; and the Trustees of the Sinking Fund of the loan have paid into the Public Account the aggregate sum of £304,581 3s. 6d., in part release of that fund, as is separately reported by them to the Government.

The aggregate amount of advances made by the Bank of England up to this date, under the arrangements reported to you in our letters of the 9th April (No. 584), and the 19th May (No. 815), is £200,000, of which £175,000 has now been repaid to the Bank. The amount of  $3\frac{1}{2}$ -per-cent. conversion stock which the bank was authorised by us to inscribe as security for their advances was, as you are aware, £310,000. Out of this amount a transfer of £110,000 has now been made into the names of the Agent-General and the Audit officer, and the rest will be transferred in due course when all the advances are repaid and the accounts completed, as will be duly reported to the Government by us later on.

The prospectus of the conversion having reserved the right to bring in debentures after the 15th June, it has not been necessary to close the conversion at that date, and instructions have been given to the Bank of England to continue receiving debentures for the present on the same terms as are specified in the prospectus.

We have, &c.,

The Hon. the Premier, Wellington.

P. G. JULYAN, } Stock Agents.  
F. D. BELL, }

#### No. 14.

The AGENT-GENERAL to the PREMIER.

(No. 1016.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

10th July, 1891.

You will receive with this letter two formal reports from the Stock Agents and the Sinking Fund Trustees respectively on the progress made in the conversion.

Since I last wrote, on the 26th June (No. 1010), a further addition of £51,600 has been made to the £198,800 of debentures then sent in (or to be sent in), and the aggregate amount now stands at £250,400, as follows :—

	Last Letter.	Additions.	Totals.	£
	£	£	£	£
1. Loan of 1860 ... ..	25,800	42,100	...	67,900
2. Loan of 1863,—				
March series ... ..	42,400	...	42,400	
June series ... ..	28,700	...	28,700	
December series ... ..	4,400	9,500	13,900	
				85,000
3. Provincial loans,—				
Lyttelton and Christchurch (as before) ... ..	...	...	6,200	
Auckland ... ..	...	...	11,800	
Otago ... ..	...	...	23,700	
Canterbury ... ..	...	...	5,800	
Westland ... ..	...	...	50,000	
Nelson ... ..	...	...	Nil	
				97,500
				£250,400

The addition of £42,100 in the case of the loan of 1860 consists of debentures which fell due this month, and were sent to me pursuant to instructions by the Union Bank of Australia. The addition of £9,500 to the loan of 1863 (December series) consists of debentures bought by me at par with the December coupon detached. There are now accordingly outstanding of those two loans (1860 and 1863) debentures as follows:—

	£	£
1863 loan, March series ... ..	1,600	
" June series ... ..	11,000	
" December series ... ..	59,900	
		72,500
And 1860 loan ... ..		6,200
		<u>£78,700</u>

During the last fortnight a change has come over all the markets upon bank rate being put down to  $2\frac{1}{2}$  per cent., and there has been a marked revival of investment in colonial stocks; and the Victorian Government were able to place the last million of their recent loan. The rise has been greatest in our 4-per-cents, which are now at 105-6, and the  $3\frac{1}{2}$ -per-cents have also risen to  $94\frac{1}{2}$ . As soon as my limit of 94 for the latter stock was reached I began selling, and the following amounts have been sold for the 15th instant Stock Exchange Account:—

	£
2nd July ... ..	25,000 at 94
3rd July ... ..	5,000 at 94
3rd July ... ..	25,000 at $94\frac{1}{4}$
3rd July ... ..	5,000 at $94\frac{1}{4}$
6th July ... ..	25,000 at $94\frac{1}{2}$
	<u>£85,000</u>

Copies of the contracts of sale are annexed.

Up to the present time the following amounts of  $3\frac{1}{2}$ -per-cent conversion stock have been inscribed in the names of the Agent-General and Audit officer, namely:—

	£
Amount originally placed in security to the Bank of England for first advance of £100,000 arranged in April ... ..	110,000
For conversion of 1860 bonds sent in ... ..	63,544
" 1863 " ... ..	16,432
	<u>£189,976</u>

To this will presently have to be added the greater part of the £200,000 stock placed in security to the Bank of England for the second advance arranged for in May, a small sum being kept in reserve to be utilised from time to time for further temporary advances as the conversion progresses, supposing the Government not to desire any change in the scheme as already reported.

No further sale of 4-per-cent. stock has been made by the Sinking Fund Trustees since my letter of 26th June, but £25,000 still remains to be sold out of the last £100,000 ordered. Since then it has been settled that £20,000 should be released and sold, and now a further amount of about £9,500 has to be added, on account of the December series bonds purchased as above mentioned.

Although your Treasury officers have probably made calculations already of the total amount of  $3\frac{1}{2}$ -per-cent. conversion stock issuable under the prospectus, it may be convenient to supply one from this side. Including an estimate for stamp duty and other expenses, about £951,000 may be issued for the conversion of all the loans, of which about £261,000 is already engaged for debentures actually converted, while about £269,000 will be wanted for debentures of 1863, paid off by the Crown Agents. In a short time the Bank of England Advances Account will be practically closed, and I shall be able to send you a more complete statement on the subject.

The conversion prospectus having reserved the right of bringing in bonds not now converted it becomes necessary to revise the equivalents in the case of the 1867 loan and provincial loans, to provide for the bonds being hereafter sent in. It was, however, sufficient to do this for half-yearly periods up to 1898, and the actuaries are accordingly preparing the revised tables.

The following papers are now enclosed:—

1. Statement showing what the Ultimate Result of the Conversion would be in the Issue of  $3\frac{1}{2}$ -per-cent. Stock.
2. Statement showing the Amount of Debentures converted up to 10th July, and the Amount of Stock to be inscribed for the same.
3. Statement showing the Amount of Debentures of the 1863 Loan paid off by the Crown Agents.
4. Statement showing the Dates and Amounts of Advances by the Bank of England on Conversion Account.
5. Correspondence between the Executive Trustee of the 1863 Sinking Fund and the Crown Agents as to Further Sale of £20,000 4-per-cent. Stock.
6. Requisitions to Bank of England for Further Conversion Advances of £20,000 (29th June) and £5,000 (2nd July).
7. Instructions to the Actuaries for revising Tables of Equivalents.

The Hon. the Premier, Wellington.

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

*Enclosure 1 in No. 14.*

CONVERSION OF 1891.—Statement showing what the Ultimate Result of the Conversion would be in the Issue of 3½-per-cent. Stock if all the Debentures were converted.

	£	£	£
1. Loan of 1863:—			
March series .. .. .	154,800		
June series .. .. .	188,400		
December series .. .. .	73,800		
	<u>417,000</u>		
Add 4 per cent. for conversion .. .. .	16,680		
Total for loan of 1863 .. .. .		<u>433,680</u>	
2. Loan of 1860:—			
July series .. .. .	74,100		
Add 4 per cent. for conversion .. .. .	2,964		
Total for loan of 1860 .. .. .		<u>77,064</u>	
3. Loan of 1867:—			
Amount to be converted .. .. .	64,000		
Add 6 per cent. for conversion .. .. .	3,840		
Total for loan of 1867 .. .. .		<u>67,840</u>	
4. Provincial loans:—			
(a.) Lyttelton and Christchurch, £77,700,—	£		
Series 1893 .. .. .	28,700		
Add 9 per cent. for conversion .. .. .	2,583		
	<u>31,283</u>		
Series 1894 .. .. .	21,300		
Add 11 per cent. for conversion .. .. .	2,343		
	<u>23,643</u>		
Series 1896 .. .. .	18,500		
Add 13½ per cent. for conversion .. .. .	2,497		
	<u>20,997</u>		
Series 1897 .. .. .	9,200		
Add 15 per cent. for conversion .. .. .	1,380		
	<u>10,580</u>		
Total Lyttelton and Christchurch .. .. .		<u>86,503</u>	
(b.) Westland, £50,000,—			
To be converted .. .. .	50,000		
Add 7½ per cent. for conversion .. .. .	3,750		
Total Westland .. .. .		<u>53,750</u>	
(c.) Auckland, £31,600,—			
To be converted .. .. .	31,600		
Add 14 per cent. for conversion .. .. .	4,424		
Total Auckland .. .. .		<u>36,024</u>	
(d.) Nelson, £15,000,—			
To be converted .. .. .	15,000		
Add 19½ per cent. for conversion .. .. .	2,925		
Total Nelson .. .. .		<u>17,925</u>	
(e.) Otago, £116,700,—			
To be converted .. .. .	116,700		
Add 17½ per cent. for conversion .. .. .	20,422		
Total Otago .. .. .		<u>137,122</u>	
(f.) Canterbury, £22,800,—			
To be converted .. .. .	22,800		
Add 36 per cent. for conversion .. .. .	8,208		
Total Canterbury .. .. .		<u>31,008</u>	
Total for provincial loans .. .. .		<u>362,332</u>	
Total stock issuable in converting all the debentures .. .. .			<u>940,916</u>
5. Expenses of conversion:—			
Estimate on the assumption of the whole amount being ultimately issued,—			
Stamp duty, after deducting allowance for cancelled debenture stamps, say .. .. .	5,000		
Bank of England initial charge, Crown Agents' commission on paying off unconverted debentures, commissions to bankers and brokers, say .. .. .	3,000		
Contingencies, say .. .. .	2,000		
	<u>10,000</u>		
Say .. .. .		<u>10,084</u>	
Estimated total amount of stock to be issued .. .. .			<u>£951,000</u>

Westminster Chambers, 30th June, 1891.

F. D. BELL.

*Enclosure 2 in No. 14.*

## CONVERSION OF 1891.

STATEMENT showing the Amount of Debentures converted or to be converted, and the Amount of Stock to be inscribed.

DEBENTURES sent in for conversion to the Bank of England:—

					Amount of Debentures. £	£	Amount of Stock. £
1. Loan of 1863,—							
March series (to 23rd June)	..	..	..	..	42,400		
June series	"	..	..	..	28,700		
December series	"	..	..	..	4,400		
						75,500	
Add 4 per cent for conversion	..	..	..	..	..	3,020	
							78,520
2. Loan of 1860,—							
July series (to 23rd June)	..	..	..	..	21,000		
July series (to 10th July)	..	..	..	..	46,900		
						67,900	
Add 4 per cent for conversion	..	..	..	..	..	2,716	
							70,616
3. Provincial loans (to 23rd June),—							
(a.) Lyttelton and Christchurch (1893)	..	..	..	£200			
Add 9 per cent. for conversion	..	..	..	18			
					218		
Lyttelton and Christchurch (1894)	..	..	..	6,000			
Add 11 per cent. for conversion	..	..	..	660			
					6,660		
						6,878	
(b.) Auckland	..	..	..	..	11,800		
Add 14 per cent. for conversion	..	..	..	..	1,652		
						13,452	
(c.) Otago	..	..	..	..	23,700		
Add 17½ per cent. for conversion	..	..	..	..	4,147		
						27,847	
(d.) Canterbury	..	..	..	..	5,800		
Add 36 per cent. for conversion	..	..	..	..	2,088		
						7,888	
Total to 23rd June	..	..	..	..			56,065
(e.) Westland (still to be sent in)	..	..	..	..		50,000	
Add 7½ per cent. for conversion	..	..	..	..		3,750	
							53,750
							258,951
4. Proportion of expenses,—							
Estimate, to be added, say	..	..	..	..	..	..	2,589
Total stock to be inscribed to 10th July	..	..	..	..	..	..	£261,540

*Enclosure 3 in No. 14.*

STATEMENT showing the Amount of Debentures of the Loan of 1863 paid off by the Crown Agents up to 10th July, 1891.

						£	£
1. March series,—							
Narration of 10th April	..	..	..	..	..	108,300	
Narration of 24th June	..	..	..	..	..	2,500	
							110,800
2. June series,—							
Narration of 24th June	..	..	..	..	..	143,600	
From 24th June to 10th July	..	..	..	..	..	5,100	
							148,700
							259,500
Add 4 per cent. for conversion	..	..	..	..	..		10,380
Amount of stock to be inscribed to 10th July	..	..	..	..	..		£269,880

Westminster Chambers, 10th July, 1891.

F. D. BELL.

*Enclosure 4 in No. 14.*

STATEMENT showing the Dates and Amounts of Advances by the Bank of England on Conversion Account.

June 2, 1891—Advance	..	..	..	..	..	..	£100,000
" 15, "	"	..	..	..	..	..	50,000
" 25, "	"	..	..	..	..	..	25,000
" 30, "	"	..	..	..	..	..	20,000
July 3, "	"	..	..	..	..	..	5,000
							£200,000

*Enclosure 5 in No. 14.*

SIR,—

Downing Street, 27th June, 1891.

In reply to your letter of the 22nd instant I enclose a statement showing the total amount of New Zealand 4-per-cent. inscribed stock remaining in the sinking fund of those series of the New Zealand loan of 1863 which fall due for repayment in 1891, from which it appears that, deducting the £25,000 of stock which remains to be sold out of the last £100,000 which we were authorised to sell, there is in the fund stock to the nominal amount of £92,663 19s. 2d.

On the 24th instant the bonds outstanding amounted to £87,100, the equivalent of which, in stock at 95, is £91,684 4s. 3d. Deducting this from the total stock in the fund leaves £979 17s. 11d. of stock available for release. The cash on deposit has already been paid to the Public Account.



Of the £87,100 of debentures outstanding on the 24th instant, £1,600 belong to the March series, and £16,100 to the June series, and may be presented for payment at any moment. It appears to us that it will be convenient to have a power of attorney prepared for the sale of £20,000, to be acted upon to the extent necessary to provide funds for the release, and to meet these repayments.

No account has been taken in the above figures of our commission on the repayment of the outstanding debentures.

Sir Francis Dillon Bell, K.C.M.G., C.B., &c.

I am, &c.,

M. F. OMMANNEY.

#### NEW ZEALAND SINKING FUND, 1891.

	£	s.	d.
Stock, as on 1st January, 1891 .. .. .	385,930	1	3
Transfer and sales ordered by Sir P. G. Julyan .. .. .	51,778	8	0
Stock transferred to new trustees .. .. .	334,151	13	3
Transfer and sales ordered by present Trustees—			
Effectuated .. .. .	216,487	14	1
Yet to complete .. .. .	25,000	0	0
	241,487	14	1
	92,663	19	2

  

	£	s.	d.
Bonds outstanding, 24th June, 1891.			
Redeemable March .. .. .	1,600		
June .. .. .	16,100		
December .. .. .	69,400		
	87,100		
Balance of stock in fund .. .. .			
	91,684	4	3
	979	14	11
	£92,663	19	2

#### Enclosure 6 in No. 14.

GENTLEMEN,—

13, Victoria Street, 29th June, 1891.

I have the honour to acknowledge the receipt, with thanks, of your letter of the 27th instant. The figures therein given show that, in addition to the £25,000 4-per-cent. stock of the sinking fund of the 1863 loan still remaining to be sold of the £100,000 last authorised, a further sale can be made from time to time to the aggregate amount of £20,000, and I concur in your proposal to prepare a power of attorney to sell out that amount as the residue of the bonds of March and June series come in for payment.

The proceeds should, as before, be placed on deposit at call.

I am, &c.,

F. D. BELL,

The Crown Agents for the Colonies.

Executive Trustee of the Sinking Fund of 1863 Loan.

#### Enclosure 7 in No. 14.

SIR,—

Downing Street, 4th July, 1891.

Referring to your letter of the 29th ultimo, I now enclose a power of attorney in favour of Messrs. J. and A. Scrimgeour for the sale of £20,000 New Zealand 4-per-cent. inscribed stock for your signature and that of Sir Penrose Julyan; and I have to request that you will forward it to him, and return it to this office when completed.

I am, &c.,

E. E. BLAKE.

Sir F. D. Bell, K.C.M.G., C.B., Executive Trustee of Loan of 1863.

#### Enclosure 8 in No. 14.

GENTLEMEN,—

13, Victoria Street, 8th July, 1891.

Referring to your letter of the 4th instant, I am directed by Sir F. D. Bell to return to you herewith power of attorney, signed by Sir Penrose G. Julyan and himself.

I am, &c.,

WALTER KENNAWAY.

The Crown Agents for the Colonies.

#### Enclosure 9 in No. 14.

SIR,—

13, Victoria Street, 29th June, 1891.

In accordance with my letter of the 24th instant, I beg to inform you that the Bank of New Zealand has been instructed to pay you on the 1st July the sum of £75,000, being in repayment of the advances of £50,000 made to my Government on the 15th instant, and £25,000 on the 25th instant.

I have now to request that the bank will place the further sum of £20,000 to the credit of the Stock Agents' Conversion Account to-morrow, 30th instant.

I am, &c.,

F. D. BELL.

The Chief Cashier, Bank of England.

#### Enclosure 10 in No. 14.

SIR,—

13, Victoria Street, 2nd July, 1891.

With reference to the correspondence between us at the beginning of May on the subject of an advance not exceeding £150,000, I have now to request that the Bank will place the further sum of £5,000 to the credit of the Stock Agents' Conversion Account to-morrow, on the 3rd instant.

I am, &c.,

F. D. BELL.

The Chief Cashier, Bank of England.

#### Enclosure 11 in No. 14.

The AGENT-GENERAL to the ACTUARIES.

GENTLEMEN,—

13, Victoria Street, S.W., 1st July, 1891.

I enclose you the table of equivalents constructed by you last January for the consolidated loan of 1867 (not annual drawing) and the provincial loans, and shall be obliged by your revising it as follows:—

The right having been reserved to continue the conversion of any debentures of these loans not yet sent in, it is necessary to fix new equivalents according to the time when the debentures may be presented; but as it will suffice for the new equivalents to be computed at half-yearly periods, this should be done for July 1891, and onwards for the half-yearly periods of January and July, up to the six months next preceding the maturity of each loan.

In order to keep the computations in the present convenient form, there should be separate tables comprising such loans as are outstanding at each half-yearly period. For example, the first table will give the equivalents at July, 1891, for all the loans in the enclosed print, omitting only Westland; the second table will also give the equivalents of all at January, 1892; and the third at July, 1892. But as the consolidated loan (see first column of print) falls due in January, 1893, it will drop out of the fourth table; the first series (£28,700) of the Lyttelton and Christchurch Loan will drop out of the fifth table; and soon, till the last table will only contain the Otago Loan maturing in 1898, and the Canterbury Loan maturing in 1915 and 1916.

When you send me the tables in manuscript I will have them set up in type for your final revision.

A. H. Bailey, Esq.,

I am, &c.,

Ralph P. Hardy, Esq.

F. D. BELL.

## No. 15.

The PREMIER to the AGENT-GENERAL.

(No. 38.)

Premier's Office, Wellington,  
7th September, 1891.

SIR,—

Your letter, No. 1016, dated the 10th July last, relating to the result so far of the conversion operations, proved very interesting, and I have to thank you for the exceedingly full information contained therein.

With reference to the purchase of £9,500 debentures of the December series of the loan of 1863, I do not find that Commissioners' orders have been issued for the purchase-money, but I assume such will be found in the next account.

I am glad that you have been able to effect some sales of the 3½-per-cent. stock, and trust you will succeed in disposing of further parcels at similar satisfactory rates at an early date. The position of the Conversion Account in our books causes some little anxiety, as it shows an overdraft of over £323,000, and the Controller and Auditor-General is naturally inquiring when this large overdraft will be extinguished. I agree, however, with you that it will not be wise to force sales, so we must be content to wait for a favourable turn of the market.

I have, &amp;c.,

The Agent-General for New Zealand, London.

J. BALLANCE.

## No. 16.

The AGENT-GENERAL to the PREMIER.

(No. 1106.)

Westminster Chambers, 13, Victoria Street, London, S.W.,  
20th July, 1891.

SIR,—

I beg to enclose copy of a correspondence with the Bank of England respecting certain discrepancies which appear to exist between the amounts outstanding, as stated by Mr. Burdett in the *Official Intelligence*, and by the Treasurer, respectively, of the Lyttelton and Christchurch Railway Loan and the Canterbury Loan. It will be very desirable that if these discrepancies can be explained by the Treasury the particulars should be sent to this office for communication to the Bank of England and Mr. Burdett.

I have, &amp;c.,

The Hon. the Premier, Wellington.

F. D. BELL.

*Enclosure 1 in No. 16.*

SIR,—

Bank of England, E.C., 13th July, 1891.

In the course of a correspondence the Bank have had with share and loan department of the Stock Exchange, Mr. Burdett writes:—

"With reference to your circular of the 13th February, I observe that it is stated that the amount outstanding (presumably in this country) of the Lyttelton and Christchurch Railway Loan is £77,700, and that this amount is redeemable between 1893 and 1897. According to Burdett's *Official Intelligence*, the £77,000 in circulation in this country is redeemable on the 1st July, 1893. In the case of the Canterbury Loan, the amount outstanding is given in your circular as £22,800, and the dates of redemption are stated to be 1915 and 1916. According to the *Official Intelligence*, the amount outstanding in this country is £17,800, and the date of redemption is the 2nd January, 1915.

"If you could see your way to clear up these discrepancies at the same time I should be much obliged, and it would probably save trouble in the future. Perhaps it would be well to let me have a statement setting forth the amount of each class of debentures now outstanding—(a) in this country, and (b) abroad."

If you are able to furnish the information asked for I shall be much obliged.

I am, &amp;c.,

Sir Francis Dillon Bell, K.C.M.G., &amp;c.

H. J. BOWEN, Chief Accountant.

*Enclosure 2 in No. 16.*

SIR,—

13, Victoria Street, 14th July, 1891.

I beg to acknowledge the receipt of your letter of the 13th instant; and, in reference to the remarks made by Mr. Burdett respecting the Lyttelton and Christchurch Railway Loan and the Canterbury Loan, I beg to inform you that the particulars relating thereto, as given in the Bank prospectus of the 13th February last, were taken from the latest statement issued by the New Zealand Government Treasury, printed extract of which I transmit herewith in triplicate.

With regard to the discrepancies which Mr. Burdett points out as existing between what is stated in the prospectus and the particulars given in the *Official Intelligence*, I will bring the matter under notice of the Treasury in New Zealand, and request them to furnish full and definite information on the points raised, which will be sent on to you for Mr. Burdett's information as soon as received.

I am, &amp;c.,

The Chief Accountant, Bank of England.

F. D. BELL.

## No. 17.

The PREMIER to the AGENT-GENERAL.

(No. 46.)

Premier's Office, Wellington, 6th October, 1891.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 20th July last, No. 1106, respecting discrepancies between the amounts outstanding of the Lyttelton and Christchurch Railway and the Canterbury Loans, as stated by the Treasury, and in Burdett's *Official Intelligence*.

The information given in the Public Debt table was arrived at after long and careful research. The debentures were issued by the late Province of Canterbury, and were never registered in the books of the colonial Treasury. The amount outstanding is what is left after the conversion of numerous small parcels, and, as the original issues matured at a variety of dates, it was extremely difficult to ascertain the due dates of those left unconverted. It was intended to ask you to make inquiries of the holders through the bank where the interest is paid. £77,000 is the correct amount of the loan of 1860, and all the interest is payable in London. £22,800 is the correct amount of the loan of 1862, and £5,000 is held in the colony; and an endeavour is now being made to ascertain the precise due date of the bonds, the result of which I will communicate to you.

I have, &amp;c.,

The Agent-General for New Zealand, London.

P. A. BUCKLEY,  
(For the Premier.)

The PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 8th October, 1891.

In continuation of my letter of the 6th instant, No. 46, I have now to inform you that it has been ascertained that the parcel of £5,000 of debentures of the Canterbury Loan of 1862 held in Christchurch are payable in London on the 2nd July, 1916.

I have, &c.,

R. J. SEDDON,  
(For the Premier.)

The Agent-General for New Zealand, London.

The AGENT-GENERAL to the PREMIER.

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,

24th July, 1891.

Since my letter of the 10th instant, No. 1016, the only addition to the debentures then sent in (or to be sent in) for conversion has been £3,300 of the loan of 1860, under my instructions to the Union Bank of Australia. The aggregate amount is increased accordingly from £250,400 (as last reported) to £253,700, and the amounts of each loan are now as follows:—

		Last Letter.	Addition.	Totals.	
		£	£	£	£
1. Loan of 1860,—	...	67,900	3,300	...	71,200
2. Loan of 1863,—					
March series	...	42,400	...	42,400	
June series	...	28,700	...	28,700	
December series	...	13,900	...	13,900	
				<hr/>	85,000
3. Provincial loans,—					
Lyttelton and Christchurch (as before)	...	...	...	6,200	
Auckland	...	...	...	11,800	
Otago	...	...	...	23,700	
Canterbury	...	...	...	5,800	
Westland	...	...	...	50,000	
Nelson	...	...	...	Nil	
				<hr/>	97,500
					<hr/>
	Total	...	...	...	£253,700

The £9,500 bonds lately bought by me of the loan of 1863 (December series) have not been sent in to the Bank of England for conversion, as special instructions must be given to the Bank in respect to them. Having been bought at par with the December coupon detached, they will have to be treated under the special provision in the conversion prospectus relating to bonds deposited after the 15th June; and, if they were to be now converted into stock bearing interest from the 1st July, there would be two interests running. The course, therefore, which I propose taking is to retain them till the 1st December, when the stock will be inscribable ex. div., and they can be converted then. The loss of interest at the public account in the meantime, together with brokerage, &c., will form part of the charges debited to the conversion.

The Trustees of the Sinking Fund of 1863 have sold £10,000 more 4-per-cent. stock out of the fund at 105. Copy of the Crown Agents' letter reporting the sale is annexed. The proceeds have been placed, as on previous occasions, on deposit at call. The contribution of £1,894 made to the 1914 fund (fives of 1914, loan of 1863) has been applied to the transfer of stock from the 1891 fund (sixes of 1891, loan of 1863) to the same amount at the market price of the day, the cash being placed, with the proceeds of sale of £10,000 just mentioned, on deposit at call.

In accordance with my letter of the 10th instant, No. 1015, the balance of £25,000 then due to the Bank of England for advances on Conversion Account was paid off on the 16th, together with the further advance of £15,000 which the Bank made on the 14th instant. The Bank made a further advance yesterday of £5,000, and this also will be paid off in a few days.

On the 15th instant (Stock Exchange settlement day) the  $3\frac{1}{2}$ -per-cent conversion stock which had been sold to the amount of £85,000 was paid for, and the proceeds thereof, £80,100, paid into the Public Account. Copies of the contracts went to you last mail. On the same day I paid for the £9,500 bonds of the 1863 loan (December series) bought for the Government.

No further sales of 3½-per-cent. stock have since been made, as the markets had fallen again all round, owing to various causes having created fresh financial anxiety; and our 3½-per-cent. stock went below my limit of 94. A rather better tone now exists, and the quotation is back to 94; but the market is very weak, and sales could not be made yet at that price. Contrary to expectations, a good deal of the gold that had been sent to Russia has returned from that country, and it is not now thought that there will be such a drain of gold to America in the autumn as was looked for a few weeks ago.

The actuaries have completed the new tables of equivalents for the loan of 1867 (not drawing) and the provincial loans, to which I referred in my letter of the 26th June last (No. 1010); and the measures of value being now fixed for each succeeding half-year up to 1896, new instructions can

be given at the proper time to the Bank of England as to the terms on which bonds may be brought in for conversion from period to period. Copies of the tables will be sent next mail.

The following papers are now enclosed :—

1. Letter from the Crown Agents to the Executive Trustee of the 1863 Sinking Fund reporting Further Sale of £10,000 4-per-cent. stock.

2. Narration by the Bank of England of Debentures sent in for Conversion since their Last Narration on the 24th June.

3. Narration by the Crown Agents of Debentures paid off by them since their Last Narration of the 24th June.

The Hon. the Premier, Wellington.

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

*Enclosure 1 in No. 19.*

SIR,—

Downing Street, 15th July, 1891.

I have to advise the sale of £10,000 New Zealand 4-per-cent. inscribed stock on account of the sinking fund 1891, for cash, on the 25th instant, as follows :—

	£	s.	d.	£	s.	d.
£10,000 at 105 .. .. .	10,500	0	0			
Power of attorney and stamp.. ..	0	12	0			
Brokerage .. .. .	25	0	0			
				25	12	0
				£10,474	8	0

In compliance with the request contained in your letter of the 29th ultimo, the above proceeds will be placed on deposit at call at the London and Westminster Bank, in the joint names of Sir Penrose G. Julian and yourself.

Sir F. D. Bell, K.C.M.G., C.B.,  
Executive Trustee of the Sinking Fund of Loan 1863.

I am, &c.,  
M. F. OMMANNEY.

*Enclosure 2 in No. 19.*

NARRATION OF DEBENTURES SENT INTO THE BANK OF ENGLAND FOR CONVERSION.—(In Continuation of Statement dated 24th June, 1891.)

New Zealand Government 6-per-cent Debentures, authorised by the Loan Act of 1860, falling due 1st July, 1891, lodged with the Bank of England for Conversion from 24th June to 20th July, 1891.

*Five hundred and two Debentures at £100 each*

3	4	5	6	7	8	19	55	56	57	58	61
62	63	64	65	70	71	72	73	74	75	76	77
78	79	80	81	82	109	111	112	113	114	115	120
121	122	123	124	251	252	255	256	260	261	262	263
264	299	310	311	342	343	344	349	351	352	353	355
365	373	375	377	378	379	380	381	382	383	384	385
397	401	402	403	404	405	406	407	408	409	410	411
412	413	425	426	449	450	452	454	455	456	457	458
459	474	475	481	482	483	498	499	500	510	511	512
513	514	515	516	517	518	519	520	521	523	524	525
526	528	529	530	533	536	537	540	541	542	543	556
557	558	559	560	561	562	563	564	565	572	573	575
576	577	578	579	580	581	582	583	584	585	606	607
608	609	610	611	612	638	639	641	642	643	644	645
646	647	648	649	650	651	652	653	654	655	656	657
658	659	660	661	662	663	664	665	666	667	668	669
670	671	672	673	674	675	676	677	678	679	680	681
682	683	684	685	686	687	688	689	690	691	692	693
694	695	696	697	698	699	700	701	702	703	704	705
766	767	768	769	770	771	772	773	774	775	786	787
788	789	790	791	792	793	794	795	796	797	798	799
800	801	802	803	804	805	806	807	808	809	810	811
812	813	814	815	816	817	818	819	820	821	822	823
824	825	826	827	828	829	830	831	832	833	834	835
836	837	838	839	840	841	842	843	844	845	846	847
848	849	850	851	872	876	877	878	879	880	884	885
886	888	890	891	892	893	894	895	896	897	898	899
900	902	903	904	906	907	908	913	914	915	939	941
942	943	944	947	948	949	950	951	952	961	962	963
964	965	966	967	978	979	980	981	982	989	991	992
993	994	995	1031	1032	1033	1034	1041	1063	1064	1065	1066
1068	1069	1070	1124	1125	1126	1127	1128	1129	1130	1131	1132
1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144
1145	1146	1147	1148	1167	1168	1169	1170	1171	1172	1173	1174
1175	1176	1196	1197	1198	1199	1200	1211	1212	1213	1214	1217
1218	1219	1227	1228	1236	1237	1238	1239	1240	1241	1242	1243
1244	1246	1247	1253	1254	1281	1282	1284	1285	1286	1287	1288
1289	1290	1291	1292	1293	1294	1302	1307	1308	1309	1310	1311
1318	1319	1320	1321	1322	1326	1361	1366	1401	1402	1403	1404
1405	1406	1407	1408	1409	1410	1421	1422	1423	1424	1425	1426
1427	1428	1429	1430	1436	1437	1438	1439	1440	1473	1475	1479
1480	1481	1482	1483	1484	1485	1486	1493	1494	1495		

*Summary.*

Five hundred and two debentures of £100 each = £50,200.  
Bank of England, 21st July, 1891.

F. MAY.



to give them instructions respecting the £200,000 of 3½-per-cent. stock placed in security under my arrangement of last May; and I am now considering the question of how much stock it may be necessary to hold in reserve to provide for the advances which will be wanted when the last debentures of the loan of 1863 are paid off in December. When this point is settled the rest of the stock will be transferred to the Agent-General and Audit officer, and added to the amount of stock now standing in their names.

I regret that copies of the actuaries' new tables, referred to in the last part of my letter of 24th July, are not yet ready, but they will go to you by next mail.

The Hon. the Premier, Wellington.

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

*Enclosure in No. 20.*

SIR,— Downing Street, London, 27th July, 1891.  
I have to inform you that we have sold £15,000 New Zealand 4-per-cent. inscribed stock on account of the Sinking Fund, 1891, for cash, on the 30th instant, as follows:—

£15,000 at 104½	£	s.	d.
Brokerage and stamp	15,675	0	0
	37	10	6
	£15,637	9	6

The above proceeds will be placed on deposit, at call, at the London and Westminster Bank, in the joint names of Sir Penrose G. Julyan and yourself, as requested in your letter of the 29th ultimo.

This sale completes the £100,000 authorised to be sold by your letter of the 19th May last.

Sir Francis Dillon Bell, K.C.M.G., C.B.,

Executive Trustee of the Sinking Fund of Loan of 1863.

I am, &c.,  
M. F. OMMANNEY.

No. 21.

The AGENT-GENERAL to the PREMIER.

(No. 1229.) Westminister Chambers, 13, Victoria Street, London, S.W.,  
20th August, 1891.

SIR,— The only alteration in the figures of the conversion given in my last letter of the 7th August, No. 1148, is an addition of £200 to the amount of debentures of the loan of 1860, whereby the aggregate amount converted is increased from £255,900 to £256,100.

The figures now stand as follows:—

	Last Letter.	Addition.	Total.	
	£	£	£	£
1. Loan of 1860	73,400	200	73,600	
2. Loan of 1863,—				
March series	42,400	...	42,400	
June series	28,700	...	28,700	
December series	13,900	...	13,900	
				85,000
3. Provincial loans,—				
Lyttelton and Christchurch	...	...	6,200	
Auckland	...	...	11,800	
Otago	...	...	23,700	
Canterbury	...	...	5,800	
Westland	...	...	50,000	
Nelson	...	...	Nil	
				97,500
Total	...	...	£256,100	

The Westland scrip debenture for £50,000 was sent in on the 11th instant to the Bank of England with instructions to convert the same, and the stock certificate, showing that £53,750 3½-per-cent. stock has been inscribed in the names of myself and the Audit officer, has since been received.

On the 18th instant the £200 debentures of the loan of 1860, handed to me by the Union Bank of Australia under standing instructions, were sent in to the Bank of England for conversion.

On the 21st the Crown Agents pay off £400 more debentures of the June series of the loan of 1863.

In my letter above quoted you were informed that questions were still under consideration as to how the £200,000 3½-per-cent. stock, placed last May in security to the Bank of England, should be dealt with, and how much of it should be kept in reserve for further advances, on the supposition of the same process being applied to the December bonds of the 1863 loan as to the bonds already extinguished.

All the advances made by the Bank on Conversion Account having been paid off, while only £110,000 out of the £310,000 stock placed in security had been transferred back to the Government, the effect was to leave a large amount of money which had been paid out of the Public Account unrepresented by the transfer of a corresponding amount of stock. Of course, the Public Account had practically been recouped by the moneys received from the Trustees of the Sinking Fund of 1863, but I need not remind the Government that the principle carried out all through has been to keep the two things entirely distinct.

Upon a computation being made of the additional amount of stock that should now be inscribed for the Government, it appeared that, if about £170,000 more (in round numbers) were added to the £110,000 already inscribed, it would represent the transactions completed up to the present

time. This computation has been checked in various ways, and I annex two statements showing the methods by which the same figures are brought out.

In addition, however, to this £170,000 for completed transactions, it had to be kept in mind that provision would have to be made sooner or later for winding up incomplete matters such as—(a) the outstanding debentures of 1860 and 1863, and (b) the expenses of the conversion. It was in contemplation of such a provision being necessary that £310,000 of stock was created last May as security to the bank, because on the supposition of the process being a continuous one, until at any rate the loan of 1863 was all extinguished, further advances would be required at the end of this year.

Under these circumstances, the Stock Agents had to consider whether they should make provision now by anticipation for such future advances; but, having regard to the fact that their functions were on the point of termination, they came to the conclusion that in the absence of instructions they ought not to forestall the decision of the Government by any arrangement not immediately necessary. On the other hand, as the £310,000 of stock had been actually created and issued, and as in any case the whole of it would soon be wanted, it has been decided simply to transfer £170,000 more into the names of the Agent-General and the Audit officer now, in addition to the £110,000 already inscribed, leaving the balance of £30,000 to be dealt with later on as might be directed by the Government. This decision was recorded in a minute for the Stock Agents, and thereupon the necessary instructions were sent to the Bank of England, in accordance with which the £170,000 stock has been transferred.

Copies of the following documents are now annexed:—

1. Computations by Mr. Kennaway and Mr. Palliser of the Further Amount of Stock that should now be transferred by the Bank of England to the Agent-General and Audit Officer.

2. Minute by the Agent-General for the Stock Agents recording their Decision in Conference, 12th August.

3. Instructions to the Bank of England to transfer £170,000 Stock into the Names of the Agent-General and Audit Officer, and Chief Cashier's Reply.

4. Instructions to the Bank of England to convert the £50,000 Westland Scrip into £53,750 of 3½-per-cent. Stock, and the Chief Cashier's Reply.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

*Enclosure 1 in No. 21.*

STATEMENT showing—(1) The Total Amount of Stock required in respect to the Debentures of the 1860 and 1863 Loans; (2) the Amounts of Stock representing Debentures sent into the Bank of England for Conversion, and of that required to meet Debentures still outstanding; and (3) the Amount of Stock which should now be inscribed in the Names of Sir F. D. Bell and Mr. Palliser, holding the same on behalf of the Government.

	£	s.	d.	£	s.	d.
1. Amount of 1863 debentures .. .. .	417,000	0	0			
Add 4 per cent. for conversion .. .. .	16,680	0	0			
				433,680	0	0
Amount of 1860 debentures .. .. .	74,100	0	0			
Add 4 per cent. for conversion .. .. .	2,964	0	0			
				77,064	0	0
Total amount of stock required .. .. .				510,744	0	0
2. Stock representing debentures (1863) sent in to Bank of England .. .. .				78,520	0	0
Stock representing debentures 1860 sent in to Bank of England .. .. .				76,336	0	0
Stock required to meet debentures 1863 and 1860 outstanding .. .. .				76,544	0	0
				231,400	0	0
3. Total stock required .. .. .				510,744	0	0
Less stock (No. 2) .. .. .				231,400	0	0
				279,344	0	0
Less stock already transferred to Sir F. D. Bell and Mr. Palliser .. .. .				110,000	0	0
				169,344	0	0
Stock representing £1,285, Crown Agents' commission .. .. .				1,336	8	0
Amounts which should now be inscribed in the names of Sir F. D. Bell and Mr. Palliser .. .. .				£170,680	8	0

10th August, 1891.

STATEMENT showing the Amount of Stock required to be held on behalf of the Government on account of the Conversion of the 1863 Debentures.

	£	s.	d.
Total amount of debentures (1863) to be converted .. .. .	417,000	0	0
Debentures not yet come in .. .. .	72,900	0	0
	344,100	0	0
Debentures sent in direct to the Bank of England for conversion .. .. .	75,500	0	0
	268,600	0	0
Add 4 per cent. for conversion .. .. .	10,744	0	0
	279,344	0	0
Stock already inscribed in the names of Sir F. D. Bell and Mr. Palliser .. .. .	110,000	0	0
	169,344	0	0
Stock to represent amount (£1,285) paid to Crown Agents for commission .. .. .	1,336	8	0
	£170,680	8	0

10th August, 1891.

*Enclosure 2 in No. 21.*

## CONVERSION OF 1891.—MINUTE FOR THE STOCK AGENTS.

THE arrangements made with the Bank of England last April and May provided that, for the objects then set forth, the Bank should make a first advance to the Government of £100,000 on security of £110,000 3½-per-cent. conversion stock, and a second advance, in sums from time to time as required, to an amount not exceeding £150,000 on security of £200,000 more of the same stock.

Upon the first advance of £100,000 being paid off on the 24th June, the £110,000 stock given in security was transferred into the names of the Agent-General and Audit officer. The second advance, made at various times and in various sums, and amounting in the aggregate to £125,000, has also been all paid off, the last repayment being made on the 4th instant; and the question now is how to deal with the £200,000 stock given in security for that advance.

The annexed computation shows that, taking the transactions connected with the loans of 1860 and 1863 as the same are actually completed up to the present time, a further amount of £170,000 3½-per-cent. stock should now be added to the £110,000 already transferred; and the Stock Agents in conference to-day decided that instructions should be given to the Bank accordingly.

The loan of 1860 is practically extinguished, there being only £700 of debentures now outstanding. But the December series of the loan of 1863 has still to be provided for to the extent of £69,400, and if the Government should decide to apply to that series the same process as for the March and June series it will be necessary to obtain fresh advances from the Bank before that series falls due. The Stock Agents accordingly considered whether provision should be now made in anticipation of such advances being required in December; but, having regard to the approaching termination of their engagements as Stock Agents, they came to the conclusion that, in the absence of instructions, they ought not to forestall the action of the Government by making any arrangement with the Bank for possible future advances. On the other hand—as in any case the whole £200,000 of stock already created will be required when the December series is extinguished—they considered that it would be expedient to keep in reserve the residue of £30,000 stock, after transferring the £170,000 as above mentioned, the same to be dealt with as the Government may direct later on, and that the Bank should be instructed accordingly.

Westminster Chambers, 12th August, 1891.

F. D. BELL, Agent-General.

STATEMENT showing the Amounts drawn from the Public Account on account of the March and June Series of the 1863 Loan, and of the Loan of 1860, and the Amount of Stock which should be held on behalf of the New Zealand Government in respect thereto.

	£	s.	d.
On account of the March series, 1863 loan .. .. .	110,800	0	0
" June series, 1863 loan .. .. .	157,800	0	0
" July series, 1860 loan .. .. .	66,600	0	0
	335,200	0	0
Add 4 per cent. for conversion.. .. .	13,408	0	0
Amount of stock required .. .. .	348,608	0	0
Amount already inscribed on behalf of the New Zealand Government, 1860 loan .. .. .	£ 69,264		
Amount already inscribed on behalf of the New Zealand Government, 1863 loan .. .. .	110,000		
	179,264	0	0
Balance .. .. .	169,344	0	0
Add stock representing £1,285, commission paid to Crown Agents .. .. .	1,336	8	0
Amount of stock still required .. .. .	£170,680	8	0

12th August, 1891.

F. D. BELL.

*Enclosure 3 in No. 21.*

## The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,—

Westminster Chambers, 12th August, 1891.

The particular transactions connected with the present conversion of the New Zealand loans, to provide for which the Bank of England lately made certain advances to the New Zealand Government, have now been brought to a point when an interim arrangement can be made in regard to the £200,000 3½-per-cent. New Zealand stock still in the hands of the Bank as part security for those advances.

The first advance of £100,000 was made on security of £110,000 of 3½-per-cent. stock, and upon that advance being paid off the stock was transferred into the names of Sir Francis Bell and C. Wray Palliser. The second advance, made at various times and in various sums on security of £200,000 3½-per-cent. stock, has also been now paid off, but none of the stock has been transferred.

A computation of the amount of stock to be inscribed in respect of various transactions, so far as the same have been completed up to the present time, shows that a further amount of about £170,000 stock should now be added to the £110,000 already transferred as above mentioned, pending the final adjustment that will have to be made in due course.

I have accordingly to request, on behalf of my Government, that, out of the £200,000 stock still in the hands of the Bank, £170,000 may be transferred into the same names of Sir Francis Dillon Bell and Charles Wray Palliser. As to the remaining £30,000, I shall address you again later on, but it will not be necessary to take any step at present.

The Chief Cashier, Bank of England.

I am, &c.,

F. D. BELL.

*Enclosure 4 in No. 21.*

## The BANK OF ENGLAND to the AGENT-GENERAL.

SIR,—

Bank of England, 13th August, 1891.

I beg to acknowledge the receipt of your letter of yesterday's date, and to inform you that, in compliance with the request contained therein, £170,000 New Zealand 3½-per-cent. stock has been transferred into the names of Sir Francis Dillon Bell and Charles Wray Palliser.

The Agent-General for New Zealand.

I am, &c.,

E. E. BALY, Deputy Chief Cashier.

*Enclosure 5 in No. 21.*

## The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,—

Westminster Chambers, 11th August, 1891.

With reference to the Westland Provincial Loan of £50,000, which, as you are aware, is one of the loans comprised in the conversion, I requested my Government last April to send the debentures to me for conversion. It turned out, however, that only scrip had been issued under "The Westland Loan Act, 1873," and thereupon a debenture



ture for the £50,000 was signed, in substitution for the scrip, on the 15th April last. On learning this I cabled to my Government that there was a difficulty, because any debentures brought in for conversion should have been in actual existence prior to the 13th February, the date of the conversion prospectus; and I asked that the original scrip should be sent to me, in order to satisfy the Bank as to the intent and identity of the debenture. But the scrip itself was cancelled by the Controller-General in the colony upon the debenture being issued in its stead, as otherwise there would have been two securities in existence for the same sum; and, under these circumstances, the proper course seems to be for the Bank to have both the scrip and the debenture.

I now attach the same accordingly, and certify that the debenture was issued in simple substitution for the original scrip; and, on behalf of my Government, I request and authorise the Bank to receive the same for conversion into £53,750 of 3½-per-cent. stock, according to the application also annexed in the usual form.

The Chief Cashier, Bank of England.

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

*Enclosure 6 in No. 21.*

The BANK OF ENGLAND to the AGENT-GENERAL.

SIR,—

I beg to acknowledge the receipt of your letter of the 11th instant, enclosing debenture of the Westland Provincial Loan, redeemable 1894, for £50,000, with scrip certificate representing the same, and requesting and authorising the Bank to receive the debenture for conversion into £53,750 New Zealand 3½-per-cent. stock, in terms of the formal request which you also enclosed. The usual certificate of inscription will be forwarded in the course of a few days.

Agent-General for New Zealand.

I am, &c.,  
E. F. BAYLY, Deputy Chief Cashier.

No. 22.

The AGENT-GENERAL to the PREMIER.

(No. 1293.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

4th September, 1891.

SIR,—

No alteration has taken place in the figures of the conversion since I last wrote on the 20th August (No. 1229), and the totals remain as they were at that date. On the 27th August I telegraphed to you with reference to your message of the 13th August, stating that further sales of 3½-per-cent. conversion stock were not practicable at present at the limit I had fixed, of 94, and that I was unwilling to fix any other limit without knowing whether the Treasury were making further remittances to meet the October payments, or what other minimum than 94 the Government would be willing to accept. Since then, however, I have been able to sell £10,000 more at 94, and, as it seemed possible that an offer of 93½ might be got for £100,000 in one line, I decided to accept it if made; but the market continues to be so weak that I think it unlikely a sale will be effected.

The Crown Agents have paid off £500 more of the 6-per-cent. loan of 1863, June series.

I have paid the Union Bank of Australia £264, their commission on the £52,800 debentures of the loan of 1860, which were handed over to me by that bank, and sent in for conversion.

The actuaries have completed the calculations to which I referred in previous letters, which are required in the case of the provincial loans and the consolidated loan of 1867 (not drawing) for the half-yearly periods extending up to the 1st July, 1896; and I now enclose copies of the tables which will accordingly regulate the terms on which debentures not yet sent in for conversion may be accepted by the Bank of England from time to time, in accordance with instructions which will have to be given as each case arises.

The Hon. the Premier, Wellington.

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

*Enclosure 1 in No. 22.*

CONVERSION OF 1891.—Table showing the Equivalent in 3½-per-cent. Stock of a £100 Debenture of the Under-mentioned Loans for the Half-yearly Period 1st July, 1891.

Market Price of 3½-per-cent. Stock.	Amount of 3½-per-cent. Inscribed Stock, equivalent to each £100 Debenture of the Stocks indicated, taken at the Market Prices of 3½-per-cent. Stock, as shown.										
	Consolidated Loan, 1867.	Auckland Loan, 1863.	Lyttelton and Christchurch Railway Loan, 1860.				Canterbury Loan, 1862.		Otago Loan, 1862.	Nelson Loan, 1874.	
	Valued at £101 8s. 10d.	Valued at £108 19s. 8d.	£23,700. Valued at £108 16s. 2d.	£21,300. Valued at £105 12s. 0d.	£18,500. Valued at £108 3s. 3d.	£9,200. Valued at £109 15s. 9d.	£10,600. Valued at £130 5s. 9d.	£12,200. Valued at £131 8s. 6d.	Valued at £112 2s. 2d.	Valued at £113 9s. 6d.	
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
93	109 1 7	117 3 8	111 12 5	113 11 0	116 6 1	118 1 0	140 1 10	141 6 4	120 10 11	122 0 4	
93½	108 9 11	116 11 2	111 0 6	112 18 10	115 13 6	117 8 5	139 6 11	140 11 2	119 18 0	121 7 3	
94	107 18 4	115 18 9	110 8 8	112 6 10	115 1 4	116 15 11	138 12 1	139 16 3	119 5 3	120 14 4	
94½	107 6 11	115 6 6	109 17 0	111 14 11	114 9 2	116 3 6	137 17 5	139 1 6	118 12 8	120 1 7	
95	106 15 8	114 14 4	109 5 5	111 3 2	113 17 1	115 11 4	137 2 10	138 6 10	118 0 2	119 8 11	
95½	106 4 5	114 2 4	108 14 0	110 11 7	113 5 2	114 19 2	136 8 6	137 12 4	117 7 9	118 16 5	
96	105 13 5	113 10 6	108 2 8	110 0 0	112 13 5	114 7 3	135 14 3	136 18 0	116 15 7	118 4 1	
96½	105 2 5	112 18 8	107 11 6	109 8 8	112 1 8	113 15 5	135 0 3	136 3 10	116 3 5	117 11 9	
97	104 11 7	112 7 1	107 0 4	108 17 4	111 10 2	113 3 8	134 6 4	135 9 9	115 11 6	116 19 8	
97½	104 0 10	111 15 7	106 9 5	108 6 2	110 18 9	112 12 1	133 12 7	134 15 10	114 19 8	116 7 8	
98	103 10 3	111 4 2	105 18 6	107 15 2	110 7 5	112 0 7	132 18 11	134 2 2	114 7 11	115 15 10	

*Example:* Thus, if the value of £100 debenture of the Otago Loan is £112 2s. 2d. (taken at 4 per cent. interest), and that of the 3½-per-cent. inscribed stock is £94, then £119 5s. 3d. of 3½-per-cent. inscribed stock (repayable at par forty-nine years hence) is the equivalent of £100 debenture of the Otago Loan.

15th July, 1891.

A. H. BAILEY.  
RALPH P. HARDY.

## Enclosure 2 in No. 22.

CONVERSION OF 1892.—Table showing the Equivalent in  $\frac{3}{4}$ -per-cent. Stock of a £100 Debenture of the Under-mentioned Loans for the Half-yearly Period 1st January, 1892.

Market Price of $\frac{3}{4}$ -per-cent. Stock.	Amount of $\frac{3}{4}$ -per-cent. Inscribed Stock, equivalent to each £100 Debenture of the Stocks indicated, taken at the Market Prices of $\frac{3}{4}$ -per-cent. Stock, as shown.									
	Consolidated Loan, 1867.	Auckland Loan, 1863.	Lyttelton and Christchurch Railway Loan, 1860.				Canterbury Loan, 1862.		Otago Loan, 1862.	Nelson Loan, 1874.
	Valued at £100 19s. 5d.	Valued at £108 3s. 3d.	£28,700. Valued at £102 17s. 8d.	£21,300. Valued at £104 14s. 3d.	£18,500. Valued at £107 6s. 6d.	£9,200. Valued at £108 19s. 8d.	£10,600. Valued at £129 17s. 10d.	£12,200. Valued at £131 1s. 1d.	Valued at £111 7s.	Valued at £112 4s. 10d.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
93	108 11 5	116 6 1	110 12 7	112 11 11	115 8 1	117 3 8	139 13 5	140 18 4	119 14 7	120 13 10
93½	107 19 10	115 13 6	110 0 9	111 19 10	114 15 9	116 11 2	138 18 5	140 3 3	119 1 9	120 0 11
94	107 8 4	115 1 4	109 9 0	111 8 0	114 3 6	115 18 9	138 3 8	139 8 4	118 9 2	119 8 2
94½	106 16 11	114 9 2	108 17 5	110 16 2	113 11 5	115 6 6	137 9 1	138 13 7	117 16 7	118 15 6
95	106 5 8	113 17 1	108 6 0	110 4 6	112 19 6	114 14 4	136 14 7	137 19 0	117 4 2	118 3 0
95½	105 14 7	113 5 2	107 14 8	109 12 11	112 7 8	114 2 4	136 0 3	137 4 7	116 11 11	117 10 8
96	105 3 7	112 13 5	107 3 5	109 1 7	111 15 11	113 10 6	135 6 1	136 10 3	115 19 9	116 18 5
96½	104 12 8	112 1 8	106 12 4	108 10 3	111 4 4	112 18 8	134 12 1	135 16 1	115 7 9	116 6 3
97	104 1 11	111 10 2	106 1 4	107 19 1	110 12 11	112 7 1	133 18 2	135 2 1	114 15 10	115 14 3
97½	103 11 2	110 18 9	105 10 5	107 8 0	110 1 7	111 15 7	133 4 6	134 8 3	114 4 1	115 2 5
98	103 0 8	110 7 5	104 19 8	106 17 0	109 10 4	111 4 2	132 10 10	133 14 7	113 12 5	114 10 8

Example : Thus, if the value of £100 debenture of the Otago Loan is £111 7s. (taken at 4 per cent. interest), and that of the  $\frac{3}{4}$ -per-cent. inscribed stock is 94, then £118 9s. 2d. of  $\frac{3}{4}$ -per-cent. inscribed stock (repayable at par forty-nine years hence) is the equivalent of £100 debenture of the Otago Loan.

A. H. BAILEY.  
RALPH P. HARDY.

## Enclosure 3 in No. 22.

CONVERSION OF 1892.—Table showing the Equivalent in  $\frac{3}{4}$ -per-cent. Stock of a £100 Debenture of the Under-mentioned Loans for the Half-yearly Period 1st July, 1892.

Market Price of $\frac{3}{4}$ -per-cent. Stock.	Amount of $\frac{3}{4}$ -per-cent. Inscribed Stock, equivalent to each £100 Debenture of the Stocks indicated, taken at the Market Prices of $\frac{3}{4}$ -per-cent. Stock, as shown.									
	Consolidated Loan, 1867.	Auckland Loan, 1863.	Lyttelton and Christchurch Railway Loan, 1860.				Canterbury Loan, 1862.		Otago Loan, 1862.	Nelson Loan, 1874.
	Valued at £100 9s. 10d.	Valued at £107 6s. 6d.	£28,700. Valued at £101 18s. 10d.	£21,300. Valued at £103 16s. 2d.	£18,500. Valued at £106 9s. 5d.	£9,200. Valued at £108 3s. 3d.	£10,600. Valued at £123 9s. 10d.	£12,200. Valued at £130 13s. 6d.	Valued at £110 11s. 6d.	Valued at £110 19s. 9d.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
93	108 1 1	115 8 1	109 12 3	111 12 5	114 9 9	116 6 1	139 4 9	140 10 2	118 18 0	119 6 10
93½	107 9 6	114 15 9	109 0 7	111 0 6	113 17 6	115 13 6	138 9 10	139 15 2	118 5 3	118 14 1
94	106 18 1	114 3 6	108 9 0	110 8 8	113 5 4	115 1 4	137 15 1	139 0 3	117 12 8	118 1 5
94½	106 6 9	113 11 5	107 17 6	109 17 0	112 13 5	114 9 2	137 0 7	138 5 7	117 0 3	117 9 0
95	105 15 7	112 19 6	107 6 2	109 5 5	112 1 6	113 17 1	136 6 1	137 10 10	116 7 11	116 16 7
95½	105 4 6	112 7 8	106 14 11	108 14 0	111 9 9	113 5 2	135 11 10	136 16 8	115 15 8	116 4 4
96	104 13 7	111 15 11	106 3 9	108 2 8	110 18 2	112 13 5	134 17 9	136 2 4	115 3 8	115 12 3
96½	104 2 8	111 4 4	105 12 9	107 11 6	110 6 8	112 1 8	134 3 9	135 8 3	114 11 9	115 0 3
97	103 12 0	110 12 11	105 1 11	107 0 4	109 15 4	111 10 2	133 9 11	134 14 4	113 19 11	114 8 5
97½	103 1 4	110 1 7	104 11 2	106 9 5	109 4 1	110 18 9	132 16 3	134 0 6	113 8 3	113 16 8
98	102 10 10	109 10 4	104 0 5	105 18 6	108 12 11	110 7 5	132 2 8	133 6 10	112 16 8	113 5 1

Example : Thus, if the value of £100 debenture of the Otago Loan is £110 11s. 6d. (taken at 4 per cent. interest), and that of the  $\frac{3}{4}$ -per-cent. inscribed stock is 94, then £117 12s. 8d. of  $\frac{3}{4}$ -per-cent. inscribed stock (repayable at par forty-nine years hence) is the equivalent of £100 debenture of the Otago Loan.

A. H. BAILEY.  
RALPH P. HARDY.

## Enclosure 4 in No. 22.

CONVERSION OF 1893.—Table showing the Equivalent in  $\frac{3}{4}$ -per-cent. Stock of a £100 Debenture of the Under-mentioned Loans for the Half-yearly Period 1st January, 1893.

Market Price of $\frac{3}{4}$ -per-cent. Stock.	Amount of $\frac{3}{4}$ -per-cent. Inscribed Stock, equivalent to each £100 Debenture of the Stocks indicated, taken at the Market Prices of $\frac{3}{4}$ -per-cent. Stock, as shown.									
	Consolidated Loan, 1867.	Auckland Loan, 1863.	Lyttelton and Christchurch Railway Loan, 1860.				Canterbury Loan, 1862.		Otago Loan, 1862.	Nelson Loan, 1874.
	Valued at	Valued at £106 9s. 5d.	£28,700. Valued at £100 19s. 7d.	£21,300. Valued at £102 17s. 8d.	£18,500. Valued at £105 12s. 0d.	£9,200. Valued at £107 6s. 6d.	£10,600. Valued at £129 1s. 7d.	£12,200. Valued at £130 5s. 9d.	Valued at £109 15s. 9d.	Valued at £109 14s. 2d.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
93		114 9 9	108 11 8	110 12 7	113 11 0	115 8 1	138 15 11	140 1 10	118 1 0	117 19 4
93½		113 17 6	108 0 0	110 0 9	112 18 10	114 15 9	138 1 1	139 6 11	117 8 5	117 6 8
94		113 5 4	107 8 6	109 9 0	112 6 10	114 3 6	137 6 4	138 12 1	116 15 11	116 14 3
94½		112 13 5	106 17 2	108 17 5	111 14 11	113 11 5	136 11 10	137 17 5	116 3 6	116 1 10
95		112 1 6	106 5 11	108 6 0	111 3 2	112 19 6	135 17 6	137 2 10	115 11 4	115 9 8
95½		111 9 9	105 14 9	107 14 8	110 11 7	112 7 8	135 3 3	136 8 6	114 19 2	114 17 7
96		110 18 2	105 3 9	107 3 5	110 0 0	111 15 11	134 9 2	135 14 3	114 7 3	114 5 7
96½		110 6 8	104 12 10	106 12 4	109 8 8	111 4 4	133 15 3	135 0 3	113 15 5	113 13 9
97		109 15 4	104 2 1	106 1 4	108 17 4	110 12 11	133 1 5	134 6 4	113 3 8	113 2 0
97½		109 4 1	103 11 5	105 10 5	108 6 2	110 1 7	132 7 10	133 12 7	112 12 1	112 10 5
98		108 12 11	103 0 10	104 19 8	107 15 2	109 10 4	131 14 3	132 18 11	112 0 7	111 18 11

Example : Thus, if the value of £100 debenture of the Otago Loan is £109 15s. 9d. (taken at 4 per cent. interest), and that of the  $\frac{3}{4}$ -per-cent. inscribed stock is 94, then £116 15s. 11d. of  $\frac{3}{4}$ -per-cent. inscribed stock (repayable at par forty-nine years hence) is the equivalent of £100 debenture of the Otago Loan.

A. H. BAILEY.  
RALPH P. HARDY.

## Enclosure 5 in No. 22.

CONVERSION OF 1893.—Table showing the Equivalent in  $\frac{3}{4}$ -per-cent. Stock of a £100 Debenture of the Under-mentioned Loans for the Half-yearly Period 1st July, 1893.

Market Price of $\frac{3}{4}$ -per-cent. Stock.	Amount of $\frac{3}{4}$ -per-cent. Inscribed Stock, equivalent to each £100 Debenture of the Stocks indicated, taken at the Market Prices of $\frac{3}{4}$ -per-cent. Stock, as shown.									
	Consolidated Loan, 1867.	Auckland Loan, 1863.	Lyttelton and Christchurch Railway Loan, 1860.				Canterbury Loan, 1862.		Otago Loan, 1862.	Nelson Loan, 1874.
	Valued at	Valued at £105 12s. 0d.	£28,700. Valued at	£21,300. Valued at £101 18s. 10d.	£18,500. Valued at £104 14s. 3d.	£9,200. Valued at £106 9s. 5d.	£10,600. Valued at £128 13s. 5d.	£12,200. Valued at £129 17s. 10d.	Valued at £108 19s. 8d.	Valued at £108 8s. 1d.
		£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
93	Paid off.	113 11 0	Paid off.	109 12 3	112 11 11	114 9 9	138 6 11	139 13 5	117 3 8	116 11 3
93 $\frac{1}{2}$		112 18 10		109 0 7	111 19 10	113 17 6	137 12 2	138 18 5	116 11 2	115 18 9
94		112 6 10		108 9 0	111 8 0	113 5 4	136 17 6	138 3 8	115 18 9	115 6 5
94 $\frac{1}{2}$		111 14 11		107 17 6	110 16 2	112 13 5	136 3 0	137 9 1	115 6 6	114 14 3
95		111 3 2		107 6 2	110 4 6	112 1 6	135 8 8	136 14 7	114 14 4	114 2 2
95 $\frac{1}{2}$		110 11 7		106 14 11	109 12 11	111 9 9	134 14 6	136 0 3	114 2 4	113 10 2
96		110 0 0		106 3 9	109 1 7	110 18 2	134 0 5	135 6 1	113 10 6	112 18 5
96 $\frac{1}{2}$		109 8 8		105 12 9	108 10 3	110 6 8	133 6 7	134 12 1	112 18 8	112 6 8
97		108 17 4		105 1 11	107 19 1	109 15 4	132 12 10	133 18 2	112 7 1	111 15 1
97 $\frac{1}{2}$		108 6 2		104 11 2	107 8 0	109 4 1	131 19 3	133 4 6	111 15 7	111 3 8
98		107 15 2		104 0 5	106 17 0	108 12 11	131 5 9	132 10 10	111 4 2	110 12 3

*Example:* Thus, if the value of £100 debenture of the Otago Loan is £108 19s. 8d. (taken at 4 per cent. interest), and that of the  $\frac{3}{4}$ -per-cent. inscribed stock is 94, then £115 18s. 9d. of  $\frac{3}{4}$ -per-cent. inscribed stock (repayable at par forty-nine years hence) is the equivalent of £100 debenture of the Otago Loan.  
A. H. BAILEY.  
15th July, 1891.  
RALPH P. HARDY.

## Enclosure 6 in No. 22.

CONVERSION OF 1894.—Table showing the Equivalent in  $\frac{3}{4}$ -per-cent. Stock of a £100 Debenture of the Under-mentioned Loans for the Half-yearly Period 1st January, 1894.

Market Price of $\frac{3}{4}$ -per-cent. Stock.	Amount of $\frac{3}{4}$ -per-cent. Inscribed Stock, equivalent to each £100 Debenture of the Stocks indicated, taken at the Market Prices of $\frac{3}{4}$ -per-cent. Stock, as shown.									
	Consolidated Loan, 1867.	Auckland Loan, 1863.	Lyttelton and Christchurch Railway Loan, 1860.				Canterbury Loan, 1862.		Otago Loan, 1862.	Nelson Loan, 1874.
	Valued at	Valued at £104 14s. 3d.	£28,700. Valued at	£21,300. Valued at £100 19s. 7d.	£18,500. Valued at £103 16s. 2d.	£9,200. Valued at £105 12s. 0d.	£10,600. Valued at £128 4s. 8d.	£12,200. Valued at £129 9s. 10d.	Valued at £108 3s. 3d.	Valued at £107 1s. 5d.
		£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
93	Paid off.	112 11 11	Paid off.	108 11 8	111 12 5	113 11 0	137 17 9	139 4 9	116 6 1	115 2 7
93 $\frac{1}{2}$		111 19 10		108 0 0	111 0 6	112 18 10	137 3 0	138 9 10	115 13 6	114 10 3
94		111 8 0		107 8 6	110 8 8	112 6 10	136 8 5	137 15 1	115 1 4	113 18 1
94 $\frac{1}{2}$		110 16 2		106 17 2	109 17 0	111 14 11	135 14 0	137 0 7	114 9 2	113 6 1
95		110 4 6		106 5 11	109 5 5	111 3 2	134 19 8	136 6 1	113 17 1	112 14 2
95 $\frac{1}{2}$		109 12 11		105 14 9	108 14 0	110 11 7	134 5 7	135 11 10	113 5 2	112 2 4
96		109 1 7		105 3 9	108 2 8	110 0 0	133 11 7	134 17 9	112 13 5	111 10 8
96 $\frac{1}{2}$		108 10 3		104 12 10	107 11 6	109 8 8	132 17 9	134 3 9	112 1 8	110 19 1
97		107 19 1		104 2 1	107 0 4	108 17 4	132 4 0	133 9 11	111 10 2	110 7 8
97 $\frac{1}{2}$		107 8 0		103 11 5	106 9 5	108 6 2	131 10 6	132 16 3	110 18 9	109 16 4
98		106 17 0		103 0 10	105 18 6	107 15 2	130 17 1	132 2 8	110 7 5	109 5 1

*Example:* Thus, if the value of £100 debenture of the Otago Loan is £108 3s. 3d. (taken at 4 per cent. interest), and that of the  $\frac{3}{4}$ -per-cent. inscribed stock is 94, then £115 1s. 4d. of  $\frac{3}{4}$ -per-cent. inscribed stock (repayable at par forty-nine years hence) is the equivalent of £100 debenture of the Otago Loan.  
A. H. BAILEY.  
15th July, 1891.  
RALPH P. HARDY.

## Enclosure 7 in No. 22.

CONVERSION OF 1894.—Table showing the Equivalent in  $\frac{3}{4}$ -per-cent. Stock of a £100 Debenture of the Under-mentioned Loans for the Half-yearly Period 1st July, 1894.

Market Price of $\frac{3}{4}$ -per-cent. Stock.	Amount of $\frac{3}{4}$ -per-cent. Inscribed Stock, equivalent to each £100 debenture of the Stocks indicated, taken at the Market Prices of $\frac{3}{4}$ -per-cent. Stock, as shown.									
	Consolidated Loan, 1867.	Auckland Loan, 1863.	Lyttelton and Christchurch Railway Loan, 1860.				Canterbury Loan, 1862.		Otago Loan, 1862.	Nelson Loan, 1874.
	Valued at	Valued at £103 16s. 2d.	£28,700. Valued at	£21,300. Valued at	£18,500. Valued at £102 17s. 8d.	£9,200. Valued at £104 14s. 3d.	£10,600. Valued at £127 16s. 0d.	£12,200. Valued at £129 1s. 7d.	Valued at £107 6s. 6d.	Valued at £105 14s. 3d.
		£ s. d.			£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
93	Paid off.	111 12 5	Paid off.	Paid off.	110 12 7	112 11 11	137 8 5	138 15 11	115 8 1	113 13 4
93 $\frac{1}{2}$		111 0 6			110 0 9	111 19 10	136 13 8	138 1 1	114 15 9	113 1 3
94		110 8 8			109 9 0	111 8 0	135 19 2	137 6 4	114 3 6	112 9 2
94 $\frac{1}{2}$		109 17 0			108 17 5	110 16 2	135 4 9	136 11 10	113 11 5	111 17 3
95		109 5 5			108 6 0	110 4 6	134 10 6	135 17 6	112 19 6	111 5 6
95 $\frac{1}{2}$		108 14 0			107 14 8	109 12 11	133 16 5	135 3 3	112 7 8	110 13 10
96		108 2 8			107 3 5	109 1 7	133 2 6	134 9 2	111 15 11	110 2 4
96 $\frac{1}{2}$		107 11 6			106 12 4	108 10 3	132 8 8	133 15 3	111 4 4	109 10 11
97		107 0 4			106 1 4	107 19 1	131 15 1	133 1 5	110 12 11	108 19 8
97 $\frac{1}{2}$		106 9 5			105 10 5	107 8 0	131 1 6	132 7 10	110 1 7	108 8 5
98		105 18 6			104 19 8	106 17 0	130 8 2	131 14 3	109 10 4	107 17 5

*Example:* Thus, if the value of £100 debenture of the Otago Loan is £107 6s. 6d. (taken at 4 per cent. interest), and that of the  $\frac{3}{4}$ -per-cent. inscribed stock is 94, then £114 3s. 6d. of  $\frac{3}{4}$ -per-cent. inscribed stock (repayable at par forty-nine years hence) is the equivalent of £100 debenture of the Otago Loan.  
A. H. BAILEY.  
15th July, 1891.  
RALPH P. HARDY.

Enclosure 8 in No. 22.

CONVERSION OF 1895.—Table showing the Equivalent in  $3\frac{1}{2}$ -per-cent. Stock of a £100 Debenture of the Under-mentioned Loans for the Half-yearly Period 1st January, 1895.

Market Price of $3\frac{1}{2}$ -per-cent. Stock.	Amount of $3\frac{1}{2}$ -per-cent. Inscribed Stock, equivalent to each £100 Debenture of the Stocks indicated, taken at the Market Prices of $3\frac{1}{2}$ -per-cent. Stock, as shown.									
	Consolidated Loan, 1867.	Auckland Loan, 1863.	Lyttelton and Christchurch Railway Loan, 1860.				Canterbury Loan, 1862.		Otago Loan, 1862.	Nelson Loan, 1874.
	Valued at	Valued at £102 17s. 8d.	£28,700. Valued at	£21,300. Valued at	£18,500. Valued at £101 18s. 10d.	£9,200. Valued at £103 16s. 2d.	£10,600. Valued at £127 7s. 1d.	£12,200. Valued at £128 13s. 3d.	Valued at £106 9s. 5d.	Valued at £104 6s. 6d.
93	Paid off.	£ s. d. 110 12 7	Paid off.	Paid off.	£ s. d. 109 12 3	£ s. d. 111 12 5	£ s. d. 136 18 10	£ s. d. 138 6 11	£ s. d. 114 9 9	£ s. d. 112 3 7
93½		110 0 9			109 0 7	111 0 6	136 4 2	137 12 2	113 17 6	111 11 7
94		109 9 0			108 9 0	110 8 8	135 9 8	136 17 6	113 5 4	110 19 8
94½		108 17 5			107 17 6	109 17 0	134 15 4	136 3 0	112 13 5	110 8 0
95		108 6 0			107 6 2	109 5 5	134 1 2	135 8 8	112 1 6	109 16 4
95½		107 14 8			106 14 11	108 14 0	133 7 2	134 14 6	111 9 9	109 4 10
96		107 3 5			106 3 9	108 2 8	132 13 3	134 0 5	110 18 2	108 13 6
96½		106 12 4			105 12 9	107 11 6	131 19 6	133 6 7	110 6 8	108 2 2
97		106 1 4			105 1 11	107 0 4	131 5 11	132 12 10	109 15 4	107 11 1
97½		105 10 5			104 11 2	106 9 5	130 12 5	131 19 3	109 4 1	107 0 0
98		104 19 8			104 0 5	105 18 6	129 19 1	131 5 9	108 12 11	106 9 1

Example: Thus, if the value of the £100 debenture of Otago Loan is £106 9s. 5d. (taken at 4 per cent. interest), and that of the  $3\frac{1}{2}$ -per-cent. inscribed stock is 94, then £113 5s. 4d. of  $3\frac{1}{2}$ -per-cent. inscribed stock (repayable at par forty-nine years hence) is the equivalent of £100 debenture of the Otago Loan.

A. H. BAILEY.  
RALPH P. HARDY.

15th July, 1891.

Enclosure 9 in No. 22.

CONVERSION OF 1895.—Table showing the Equivalent in  $3\frac{1}{2}$ -per-cent. Stock of a £100 Debenture of the Under-mentioned Loans for the Half-yearly Period 1st July, 1895.

Market Price of $3\frac{1}{2}$ -per-cent. Stock.	Amount of $3\frac{1}{2}$ -per-cent. Inscribed Stock, equivalent to each £100 Debenture of the Stocks indicated, taken at the Market Prices of $3\frac{1}{2}$ -per-cent. Stock as shown.									
	Consolidated Loan, 1867.	Auckland Loan, 1863.	Lyttelton and Christchurch Railway Loan, 1860.				Canterbury Loan, 1862.		Otago Loan, 1862.	Nelson Loan, 1874.
	Valued at	Valued at £101 18s. 10d.	£28,700. Valued at	£21,300. Valued at	£18,500. Valued at £100 19s. 7d.	£9,200. Valued at £102 17s. 8d.	£10,600. Valued at £126 18s. 1d.	£12,200. Valued at £128 4s. 8d.	Valued at £105 12s. 0d.	Valued at £102 18s. 3d.
93	Paid off.	£ s. d. 109 12 3	Paid off.	Paid off.	£ s. d. 108 11 8	£ s. d. 110 12 7	£ s. d. 136 9 1	£ s. d. 137 17 9	£ s. d. 113 11 0	£ s. d. 110 13 2
93½		109 0 7			108 0 0	110 0 9	135 14 6	137 3 0	112 18 10	110 1 4
94		108 9 0			107 8 6	109 9 0	135 0 1	136 8 5	112 6 10	109 9 8
94½		107 17 6			106 17 2	108 17 5	134 5 9	135 14 0	111 14 11	108 18 1
95		107 6 2			106 5 11	108 6 0	133 11 8	134 19 8	111 3 2	108 6 7
95½		106 14 11			105 14 9	107 14 8	132 17 8	134 5 7	110 11 7	107 15 3
96		106 3 9			105 3 9	107 3 5	132 3 10	133 11 7	110 0 0	107 4 0
96½		105 12 9			104 12 10	106 12 4	131 10 1	132 17 9	109 8 8	106 12 11
97		105 1 11			104 2 1	106 1 4	130 16 7	132 4 0	108 17 4	106 1 11
97½		104 11 2			103 11 5	105 10 5	130 3 2	131 10 6	108 6 2	105 11 0
98		104 0 5			103 0 10	104 19 8	129 9 10	130 17 1	107 15 2	105 0 3

Example: Thus, if the value of £100 debenture of the Otago Loan is £105 12s. (taken at 4 per cent. interest), and that of the  $3\frac{1}{2}$ -per-cent. inscribed stock is 94, then £112 6s. 10d. of  $3\frac{1}{2}$ -per-cent. inscribed stock (repayable at par forty-nine years hence) is the equivalent of £100 debenture of the Otago Loan.

A. H. BAILEY.  
RALPH P. HARDY.

15th July, 1891.

Enclosure 10 in No. 22.

CONVERSION OF 1896.—Table showing the Equivalent in  $3\frac{1}{2}$ -per-cent. Stock of a £100 Debenture of the Under-mentioned Loans for the Half-yearly Period 1st January, 1896.

Market Price of 3½-per-cent. Stock.	Amount of 3½-per-cent. Inscribed Stock, equivalent to each £100 Debenture of the Stocks indicated, taken at the Market Prices of 3½-per-cent. Stock, as shown.									
	Consoli- dated Loan, 1867.	Auckland Loan, 1863.	Lyttelton and Christchurch Railway Loan, 1860.				Canterbury Loan, 1862.		Otago Loan, 1862.	Nelson Loan, 1874.
	— Valued at	Valued at £100 19s. 7d.	£28,700. Valued at	£21,300. Valued at	£18,500. Valued at	£9,200. Valued at £101 18s. 10d.	£10,600. Valued at £126 8s. 10d.	£12,200. Valued at £127 16s. 0d.	Valued at £104 14s. 3d.	Valued at £101 9s. 5d.
93	Paid off.	£ s. d.	Paid off.	Paid off.	Paid off.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
93½		108 11 8				109 12 3	135 19 2	137 8 5	112 11 11	109 2 2
94		108 0 0				109 0 7	135 4 7	136 13 8	111 19 10	108 10 6
94½		107 8 6				108 9 0	134 10 3	135 19 2	111 8 0	107 18 11
95		106 17 2				107 17 6	133 16 0	135 4 9	110 16 2	107 7 6
95½		106 5 11				107 6 2	133 1 11	134 10 6	110 4 6	106 16 3
96		105 14 9				106 14 11	132 8 0	133 16 5	109 12 11	106 5 1
96½		105 3 9				106 3 9	131 14 2	133 2 6	109 1 7	105 14 0
97		104 12 10				105 12 9	131 0 7	132 8 8	108 10 3	105 3 0
97½		104 2 1				105 1 11	130 7 1	131 15 1	107 19 1	104 12 2
98		103 11 5				104 11 2	129 13 8	131 1 6	107 8 0	104 1 6
		103 0 10			104 0 5	129 0 5	130 8 2	106 17 0	103 10 10	

Example: Thus, if the value of £100 debenture of the Otago Loan is £104 14s. 3d. (taken at 4 per cent. interest), and that of the  $3\frac{1}{2}$ -per-cent. inscribed stock is 94, then £111 8s. of  $3\frac{1}{2}$ -per-cent. inscribed stock (repayable at par forty-nine years hence) is the equivalent of £100 debenture of the Otago Loan.

A. H. BAILEY.  
RALPH P. HARDY.

15th July, 1891.

## Enclosure 11 in No. 22.

CONVERSION OF 1896.—Table showing the Equivalent in  $3\frac{1}{2}$ -per-cent. Stock of a £100 Debenture of the Under-mentioned Loans for the Half-yearly Period 1st July, 1896.

Market Price of $3\frac{1}{2}$ -per-cent. Stock.	Amount of $3\frac{1}{2}$ -per-cent. Inscribed Stock, equivalent to each £100 Debenture of the Stocks indicated, taken at the Market Prices of $3\frac{1}{2}$ -per-cent. Stock, as shown.									
	Consolidated Loan, 1867.	Auckland Loan, 1863.	Lyttelton and Christchurch Railway Loan, 1860.			Canterbury Loan, 1862.			Otago Loan, 1862.	Nelson Loan, 1874.
	Valued at	Valued at	£28,700. Valued at	£21,300. Valued at	£18,500. Valued at	£9,200. Valued at £100 19s. 7d.	£10,600. Valued at £125 19s. 5d.	£12,200. Valued at £127 7s. 1d.	Valued at £103 16s. 2d.	Valued at
						£ s. d.	£ s. d.	£ s. d.	£ s. d.	
93						108 11 8	135 9 0	136 18 10	111 12 5	
93 $\frac{1}{2}$						108 0 0	134 14 7	136 4 2	111 0 6	
94						107 8 6	134 0 3	135 9 8	110 8 8	
94 $\frac{1}{2}$						106 17 2	133 6 0	134 15 4	109 17 0	
95						106 5 11	132 12 0	134 1 2	109 5 5	
95 $\frac{1}{2}$						105 14 9	131 18 1	133 7 2	108 14 0	
96						105 3 9	131 4 4	132 13 3	108 2 8	
96 $\frac{1}{2}$						104 12 10	130 10 9	131 19 6	107 11 6	
97						104 2 1	129 17 4	131 5 11	107 0 4	
97 $\frac{1}{2}$						103 11 5	129 4 0	130 12 5	106 9 5	
98						103 0 10	128 10 10	129 19 1	105 18 6	

*Example :* Thus, if the value of £100 debenture of the Otago Loan is £103 16s. 2d. (taken at 4 per cent. interest), and that of the  $3\frac{1}{2}$ -per-cent. inscribed stock is 94, then £110 8s. 8d. of  $3\frac{1}{2}$ -per-cent. inscribed stock (repayable at par forty-nine years hence) is the equivalent of £100 debenture of the Otago Loan.  
15th July, 1891.

A. H. BAILEY.  
RALPH P. HARDY.

## No. 23.

The PREMIER to the AGENT-GENERAL.

(No. 54.)

SIR,—

Premier's Office, Wellington,  
26th October, 1891.

Referring to your No. 1229, of 20th August last, I am glad to find that steps have been taken to inscribe stock so as to represent the amount of money which had been paid out of the Public Account for conversion purposes. In this connection you have therefore further inscribed £170,000 of  $3\frac{1}{2}$ -per-cent. stock at the Bank of England, making a total sum of £334,654 lying in the names of yourself and the Audit Officer, and you have left a balance of £30,000 (out of £310,000 created) to be dealt with later on.

Accompanying your letter is a statement, dated the 12th August, showing the amounts drawn from the Public Account. With respect to the June series of the 1863 loan, it is stated that the sum of £157,800 had been drawn. In the Treasury books, however, the amount is set down at £173,600, or a difference of £15,800 between us, which appears to be represented by Commissioners' Orders Nos. 391, 392, and 394.

In addition to this £15,800, there is also Commissioners' Order No. 432 for purchase of £9,500 of the December series of the loan of 1863, which is also omitted from the statement of moneys drawn from the Public Account, and which should be provided for by inscription of equivalent stock.

As the turn of the market for the sale of colonial stocks does not appear to be favourable just now it is the more important that a proper margin of inscribed stock should be held against the moneys which have been taken out of the Public Account from time to time for conversion purposes. I therefore enclose for your information a statement showing the cash which has been advanced, and the amount of stock which I think ought at once to be inscribed, so as to show collateral security for the existing overdraft in the Conversion Account. If you coincide with the view I have taken of the matter, and also with my figures, I shall be glad if you will have the necessary inscription effected before the 31st December next so as to be able to advise me by cable of what you have done. I have taken the selling-price of the stock you hold at 92 $\frac{1}{4}$ , which is the quoted price in to-day's telegrams of our  $3\frac{1}{2}$ -per-cent. inscribed stock. I have not taken into account the outstanding debentures of the 1860 loan, nor of the the balances of the March and June series of the 1863 loan. These, together with the balance of the December series, you will of course make further provision for.

I have, &c.,

A. J. CADMAN.  
(For the Premier.)

The Agent-General for New Zealand, London.

Enclosure in No. 23.  
CONVERSION OPERATIONS, showing Balance of the Conversion Account.

Loan.	Bonds for Conversion.	Converted.			Outstanding.	3½-per-cent. Inscribed Stock.		
		Purchased.	Exchanged.	Total.		Agent-General.	Public.	Total.
New Zealand loan, 1860 .. ..	£ 74,100	£ 66,800 s. d. 0 0	£ 6,800	£ 73,600	£ 500	£ 69,472	£ 7,072	£ 76,544
"    1863, March .. ..	154,800	110,800 0 0	42,400	153,200	1,600	211,712	(44,096)	
"    1863, June .. ..	188,400	174,500 0 0	12,900	187,400	1,000		85,000	354,224
"    1863, December .. ..	73,800	9,500 0 0	4,400	13,900	59,900	9,880	4,576	14,456
Westland 1873 Loan .. ..	50,000	.. ..	50,000	50,000	..	53,750	..	53,750
Auckland 1863 Loan .. ..	31,600	.. ..	11,800	11,800	19,800	..	13,452	13,452
Canterbury 1862 Loan .. ..	22,800	.. ..	5,800	5,800	17,000	..	7,888	7,888
Lyttelton and Christchurch Ry., 1860 .. ..	77,700	.. ..	6,200	6,200	71,500	..	6,878	6,878
Otago 1862 Loan .. ..	116,700	.. ..	23,700	23,700	93,000	..	27,847	27,847
	789,900	361,600 0 0	164,000	525,600	264,300	344,814*	210,225	555,039
Deduct :—								
Sales of parcel of stock .. ..	£ 68,000							
Less already credited .. ..	65,620							
	2,380							
Add :—								
Proceeds of parcel of £85,000 .. ..	80,100							
		82,480 0 0						
Overdraft, 31st March, 1891 .. ..		279,120 0 0						
Expenses, 1st April to 24th October, 1891 .. ..		5,375 12 9						
5-per-cent. 10-40 debentures redeemed .. ..		5,276 12 5						
Westland Loan debentures .. ..		700 0 0						
Stock Agents' advances outstanding .. ..		50,000 0 0						
		2,991 0 10						
Overdrawn balance at date .. ..		343,463 6 0						
£334,654 of stock at 92½ .. ..		310,391 11 9						
Stock held by Agent-General insufficient by .. ..		33,071 14 3						

\* £10,160 of this amount was held by the Agent-General for inscription.

The Treasury, Wellington. 26th October, 1891.

R. J. COLLINS,  
Accountant to the Treasury.

No. 24.

The COLONIAL TREASURER to the SINKING FUNDS COMMISSIONERS.

(No. 400.)  
SIR,—  
The Treasury, New Zealand, Wellington,  
26th October, 1891.  
With reference to the loan of 1860, the debentures of which, amounting to £74,100, fell due on the 1st July last, I am informed, through the latest advices received from the Agent-General, that these debentures, with the exception of £500, have been duly redeemed. Under these circumstances, I beg to apply for the release of the sinking funds of this loan now in your hands, and for the transfer of the securities to the Treasury, and payment of any cash into the Public Account in respect of the said sinking fund.  
I have, &c.,  
A. J. CADMAN,  
(For the Colonial Treasurer.)  
The Chairman, Public Debts Sinking Funds Commissioners, Wellington.

No. 25.

MEMORANDUM by the CHAIRMAN of the SINKING FUND COMMISSIONERS in reply to Treasury Letter of the 26th October, No. 400 (No. 24).  
New Zealand Loan 1860.—£74,100.—Matured 1st July, 1891.  
THE securities belonging to the New Zealand Loan of 1860 in the hands of the Commissioners are as follows :—

	£	s.	d.	£	s.	d.
4½-per-cent. consolidated stock as on 1st April ..	51,000	0	0			
Less redeemed by Treasury ...	9,900	0	0			
	41,100	0	0			
4½-per-cent. consolidated stock purchased since 1st April ...	1,710	0	0			
Total 4½-per-cent. stock ...				42,810	0	0
5-per-cent. consolidated stock ...				19,549	0	0
4½-per-cent. Local Bodies' Loans debentures ...				9,900	0	0
Waitara Harbour Board debentures—	£	s.	d.			
Due July, 1897 ...	8,760	0	0			
Overdue coupons ...	1,260	0	0			
	10,020	0	0			
Due 1st August, 1897 ...	5,910	0	0			
Overdue coupons ...	1,073	2	0			
	6,983	2	0			
Due 1st April, 1897 ...	650	0	0			
Total Waitara Harbour Board securities				17,653	2	0
Total securities ...				89,912	2	0
Cash to 29th October ...				726	11	8
				£90,638	13	8

N.B.—£500 cash to be returned to meet unconverted bond.

In addition there is about £1,157 interest accrued to date on consolidated stock.

These securities can be transferred at any time, but as it is, I understand, proposed to invest them for the Public Works, there should be two forms sent up, one to draw them from Sinking Funds, the other to deposit in Public Works. A cheque for £726 11s. 8d. will be sent as soon as Mr. Ballance returns.

10th November, 1891.

J. E. FITZGERALD,  
Chairman of Commissioners.

### No. 26.

The AGENT-GENERAL to the PREMIER.

(No. 1379.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

18th September, 1891.

SIR,—

The figures of the conversion still remain the same as they were at the date of my last letter, 4th September, No. 1293.

The Crown Agents have paid off a £100 debenture of the 10-40 loan, which nearly brings that series to a close.

No further sales of conversion 3½-per-cent. stock have been made since I last wrote.

I instructed the Bank of England to accept ten bonds of the Otago Provincial Loan which were likely to be offered for conversion at the price of £116 15s. of stock for £100 bond; and I have now also instructed the Bank to receive any debentures of the old provincial loans which may be brought in for conversion up to the 31st December next, at prices specified in each case in accordance with the actuaries' equivalents, tables of which went to you last mail. A copy of these last-mentioned instructions is annexed. Similar instructions should now be repeated for each succeeding half-yearly period.

Having regard to the fact that the debentures of the last series of the loan of 1863 mature on the 15th December next, when that loan will be extinguished, I was anxious to make provision, by arrangement with the Bank of England before my retirement from office, for the same process to be applied to that series as had been followed in the case of the two previous series of March and June. I accordingly made a proposal to the Bank, which is explained in the letter copy whereof is enclosed, and am glad to say the proposal met with their entire approval. The final conversion of the loan of 1863 is therefore assured in the manner originally devised by me.

The Hon. the Premier, Wellington.

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

Enclosure 1 in No. 26.

The AGENT-GENERAL to the CHIEF CASHIER, Bank of England.

SIR,—

13, Victoria Street, 14th September, 1891.

I am desirous before leaving England to make provision, by arrangement with the Bank, for the same course being taken with regard to the December series of the 6-per-cent. debentures of the New Zealand loan of 1863 as was taken for the March and June series of that loan.

The principle of my arrangement with the Bank last April and May was that temporary advances should be made on security of 3½-per-cent. stock for the purpose of paying off any debentures of the March and June series which should not be brought in for conversion; and it would be very desirable that the same process should be now adopted for the December series.

A sufficient amount of 3½-per-cent. stock would again be handed to the Bank as security for the advance that would be necessary for this purpose, the advance to bear interest, as on the previous occasion, at bank rate of the day when the advance was made. The advance will not be required until about the 15th December next, as and when the unconverted debentures come in to be paid off. The amount that will be required cannot be exactly stated until it is known how many debentures are converted; but in any case the total will not exceed £70,000. The advances would be quickly repaid, as was done in the previous case. The Bank has still £30,000 of 3½-per-cent. stock left out of the £200,000 placed in security last May, and if an additional amount of security has to be given the

Stock Agents will in due course authorise the banks to inscribe such further amount of stock as may be necessary. But as in all probability the repayments will proceed, as before, almost *pari passu* with the advances, the £30,000 now in security will most likely be sufficient.

I should be very glad if the Bank would assent to this proposal, as it would then enable the conversion of the loan of 1863 to be finally completed in the manner originally contemplated by me. In that case all necessary details would be carried out by Mr. Kennaway.

The Chief Cashier, Bank of England.

I am, &c.,

F. D. BELL.

Enclosure 2 in No. 26.

The CHIEF CASHIER, Bank of England, to the AGENT-GENERAL.

SIR,—

Bank of England, 15th September, 1891.

I beg to acknowledge the receipt of your letter of yesterday, with reference to the provision which you desire to make with regard to the redemption on the 15th December next of the then outstanding 6-per-cent. debentures of the December series of the New Zealand loan of 1863, and, in reply, to state that the proposal therein contained meets with the entire approval of the Bank.

I am, &c.,

Sir F. D. Bell, K.C.M.G., C.B., Agent-General for New Zealand.

F. MAY, Chief Cashier.

Enclosure 3 in No. 26.

The AGENT-GENERAL to the CHIEF CASHIER, Bank of England.

SIR,—

13, Victoria Street, 14th September, 1891.

In the conversion prospectus issued by the Bank on the 13th February last the right was reserved to convert any debentures not brought in on the 15th June into 3½-per-cent. inscribed stock on terms to be notified from time to time at the Bank.

In accordance with this reservation, I have to request that the Bank will accept any debentures of the provincial loans which may be sent in for conversion up to the 31st December next at the rates named in the list now enclosed. The stock to be inscribed in exchange for any such debentures would be inscribable on or after the 2nd December, 1891, and bear interest from the 1st January, 1892.

I have, &c.,

The Chief Cashier, Bank of England.

F. D. BELL.

Sub-enclosure.

#### CONVERSION OF NEW ZEALAND GOVERNMENT LOANS.

LIST of Provincial Loans, specifying the Terms on which the Debentures thereof may be converted into 3½-per-cent. Inscribed Stock during the Period ending the 31st December, 1891.

(a.) LYTTLETON AND CHRISTCHURCH RAILWAY LOAN—Redeemable 1893 to 1897.—For every £100 in debentures, with all undue coupons attached, the following amounts of 3½-per-cent. inscribed stock, inscribable on or after the 2nd December, 1891, and bearing interest from the 1st January, 1892, namely:—

Series redeemable 1893	..	..	..	..	..	..	..	£107	of stock.
" 1894	..	..	..	..	..	..	..	109	"
" 1896	..	..	..	..	..	..	..	111 15s.	"
" 1897	..	..	..	..	..	..	..	113 10s.	"

(b.) AUCKLAND LOAN—Redeemable 1896.—For every £100 in debentures, with all undue coupons attached, £112 10s. of 3½-per-cent. inscribed stock, inscribable on or after the 2nd December, 1891, and bearing interest from the 1st January, 1892.

(c.) NELSON LOAN—Redeemable 1896.—For every £100 in debentures, with all undue coupons attached, £117 of 3½-per-cent. inscribed stock, inscribable on or after the 2nd December, 1891, and bearing interest from the 1st January, 1892.

(d.) OTAGO LOAN—Redeemable 1898.—For every £100 in debentures, with all undue coupons attached, £116 of 3½-per-cent. inscribed stock, inscribable on or after the 2nd December, 1891, and bearing interest from the 1st January, 1892.

(e.) CANTERBURY LOAN—Redeemable 1915 and 1916.—For every £100 in debentures, with all undue coupons attached, £135 of 3½-per-cent. inscribed stock, inscribable on or after the 2nd December, 1891, and bearing interest from the 1st January, 1892.

F. D. BELL.

Enclosure 4 in No. 26.

The CHIEF CASHIER, Bank of England, to the AGENT-GENERAL.

SIR,—

Bank of England, 15th September, 1891.

I beg to acknowledge the receipt of your letter of yesterday's date, enclosing a list of the rates at which you request the Bank will accept any debentures of the provincial loans which may be sent in for conversion up to the 31st December next, which has attention.

I have, &c.,

Sir F. D. Bell, K.C.M.G., C.B., Agent-General for New Zealand.

F. MAY, Chief Cashier.

#### No. 27.

The PREMIER to the AGENT-GENERAL.

(No. 57.)

Premier's Office, Wellington,  
3rd December, 1891.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 18th September last, No. 1379, in continuation of previous letters on the subject of the conversion operations, and, in reply, to thank you for making satisfactory arrangements with the Bank of England in connection with the last series of the loan of 1863, maturing on the 15th instant.

I have, &c.,

The Agent-General for New Zealand, London.

J. BALLANCE.

#### No. 28.

The AGENT-GENERAL to the PREMIER.

(No. 1413.)

Westminster Chambers, 13, Victoria Street, London, S.W.,  
22nd September, 1891.

SIR,—

I have to acknowledge the receipt of your letter of 12th August, No. 36, stating that the Conversion Account in the Treasury books stands overdrawn to the amount of £259,286, and that the Audit Office is anxious to know when so large an overdraft is likely to be extinguished.

In reply I beg to state that the accounts between the Stock Agents and the Public Account going to you by the next mail will show that, so far as the Stock Agents are concerned, they are not cognisant of the overdraft in question. Their part in relation to the 3½-per-cent. conversion stock accrued and accruing to the Government under the conversion is fulfilled when they hand



over the stock to be inscribed in the names of the Agent-General and Audit Officer. Once the stock is so inscribed the Stock Agents have no further control of it, and it passes, in fact, into the control of the Audit, since no sale can be made by the Agent-General without the participation of the Audit Office, and the Audit Officer is responsible that when a sale takes place the proceeds go into the Public Account. The stock is taken over by the executive authorities of the Government, and the Stock Agents are then relieved from responsibility in regard to its disposal.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

### No. 29.

The AGENT-GENERAL to the PREMIER.

(No. 1432.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

25th September, 1891.

It was indispensable for the work of the successive conversions that all the important despatches and other documents connected with each operation should be set up in type at the time, as it would have been quite impossible to carry on the details safely and correctly if these papers had only been in manuscript. Year after year I have wished to put the matter so set up in type into a connected shape for record, dividing them into appropriate classes, and prefixing to each class an explanatory minute, but year after year the incessant pressure of work has prevented me from doing it. At last, however, the papers set up in type from year to year since 1881 have been brought together and classed into definite parts, numbered from I. to VIII., as mentioned in the list annexed; but, still, I have not had time to prepare the explanatory record before my departure from England. I have therefore requested Mr. Kennaway to send the last revises of all the parts to me, on the supposition that, although the offices I hold will all be vacated by the expiration of my term of office as Agent-General, the Government may perhaps deem it advisable that I should be allowed, as a private person, to complete in the way I had originally designed the record of operations which have had so important a bearing on the public debt of the colony.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

*Enclosure in No. 29.*

LIST of papers now in type relating to the conversions of the public debt of New Zealand, dating from 1881: Part I. Proposals and Suggestions; Part II., Conversion of 1883; Part III., Conversion of 1885; Part IV., Conversion of 1886; Part V., Conversion of Debentures issued under the District Railways Purchasing Acts, 1885 and 1886; Part VI., Release of Sinking Funds (1886 and 1889); Part VII., Conversion of 1889; Part VIII., Conversion of 1891.

### No. 30.

The PREMIER to Sir F. D. BELL.

(No. 430.)

SIR,—

Premier's Office, Wellington, 17th November, 1891.

With reference to the papers you had originally designed as a record of the conversion operations which have had so important a bearing on the public debt of the colony, and which you have very kindly offered to complete, I shall be much pleased if you will carry out your intentions, and shall be happy to afford you every assistance you may require to complete so desirable a work.

I have, &c.,

Sir F. D. Bell, K.C.M.G., C.B., Wellington.

J. BALLANCE.

### No. 31.

The PREMIER to the AGENT-GENERAL.

(No. 58.)

SIR,—

Premier's Office, Wellington, 3rd December, 1891.

Referring to Sir F. D. Bell's letter of the 25th September last (No. 1432), stating that for the work of the successive conversions it was indispensable that all the important despatches and other documents connected with each operation should be set up in type, also that Sir Francis had kindly offered to arrange and complete, on his return to the colony, the record of conversion operations in the manner suggested by himself, I have in reply to inform you that the Government quite concur in the course suggested by Sir F. D. Bell, and accept with pleasure his offer to complete the record. I have written a letter to Sir Francis on the subject, which was delivered to him on his arrival in New Zealand, and shall be glad if you will afford him any assistance he may require of the London office towards completing so desirable an object.

I have, &c.,

The Agent-General for New Zealand, London.

J. BALLANCE.

### No. 32.

The AGENT-GENERAL to the PREMIER.

(No. 1434.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

28th September, 1891.

I herewith transmit the under-mentioned statements of account, together with an explanatory memorandum relating to the account between the Stock Agents and the Public Account:—

1. Statement showing the Financial Result of the various transactions which have passed between the Stock Agents and the Public Account from the 31st January, 1891, to the 25th September, 1891, with respect to the Conversion of the Public Debt. (In continuation of statement transmitted with my letter No. 466, of the 21st March last.)

5—B. 14A.



*Enclosure 2 in No. 32.*

A.—STATEMENT showing—(1) The Amount of Debentures converted into 3½-per-cent Stock; (2) the Amount of Stock which should be inscribed in the Names of the Agent-General and Audit Officer in respect thereto; (3) the Actual Amount thus inscribed; and (4) the Balance still required to be inscribed.

<i>Dr.</i>	£	£	<i>Cr.</i>	£	£
Commissioners' orders issued on account of debentures of the March series of the 1863 loan .. ..	110,900		Amount of stock inscribed representing debentures of 6-per-cent. 1863 loan .. ..	16,432	
Commissioners' orders issued on account of debentures of the June series of the 1863 loan .. ..	174,500		Amount of stock inscribed representing debentures of the 6-per-cent. 1860 loan .. ..	69,472	
Commissioners' orders issued on account of the 6-per-cent. (1860) debentures .. ..	66,800		Amount of stock transferred by Stock Agents .. ..	110,000	
			Amount of stock transferred by Stock Agents .. ..	170,000	
	352,200				365,904
Add 4 per cent. on £352,100 .. ..	14,088	366,288	Amount of stock inscribed representing £50,000 Westland Loan scrip .. ..		53,750
£50,000 Westland Loan scrip .. ..	50,000		Balance of stock required to be inscribed at this date.. ..		384
Add 7½ per cent. on £50,000 .. ..	3,750				
		53,750			
		<u>£420,038</u>			<u>£420,038</u>

London, 25th September, 1891.

For the Stock Agents,  
F. D. BELL.  
Examined,  
C. WRAY PALLISER, Audit Officer.

*Enclosure 3 in No. 32.*

EXPLANATORY MEMORANDA relating to the Statement showing the Financial Result of the Various Transactions which have passed between the Stock Agents and the Public Account from the 31st January, 1891, to the 25th September, 1891, with respect to the Conversion of the Public Debt.

*Debit Side.*

Item £3,100: For part of the 10-40 debentures outstanding at date (31st January, 1891) of preceding account; leaving £700 outstanding, £500 of which has been dealt with under the Lost Debentures Act.

Item £1,500: Drawn by Stock Agents to provide for sundry conversion expenses.

Item £146,600: This amount represents the Sinking Fund set free on account of drawn Consol 5-per-cent. bonds, which had been converted into 5-per-cent. bonds, convertible in 1892 into 4-per-cent. stock.

Item £510 12s.: The actual sale of the £68,000 stock realised £510 12s. less than the estimated amount as credited on the preceding account. This is now adjusted.

Item £110,900: This is the amount of 1863 debentures (March series) sent in up to the present date to the Crown Agents for payment, as distinguished from those sent in to the Bank of England for direct conversion into 3½-per-cent. stock.

Item £554: This is part of a Commissioners' order for £1,285, being payment of the Crown Agents' commission (½ per cent.) for paying off £110,800 of the 1863 debentures (March series).

Item £15,800: This amount was provided out of the Public Account to meet the payments in respect to the purchase in the open market of 1863 debentures (June series), the debentures being then sent in to the Bank of England for conversion into 3½-per-cent. stock inscribed in the names of the Agent-General and Audit officer.

Item £158,700: This is the amount of 1863 debentures (June series) sent in up to the present date to the Crown Agents for payment, as distinguished from those sent in to the Bank of England for direct conversion into 3½-per-cent. stock.

Item £731: This is part of the Commissioners' order for £1,285 referred to above, and provides for payment of the Crown Agents' commission (½ per cent.) for paying off £146,200 of the 1863 debentures (June series).

Item £228,000: This amount represents the repayment of the advances made to the Stock Agents by the Bank of England on the security of 3½-per-cent. stock, which, on being released by such repayment, became available for inscription in the names of the Agent-General and Audit Officer.

Item £52,800: This is the amount of debentures of the 1860 loan received through the Union Bank of Australia, the debentures being sent in to the Bank of England for conversion into 3½-per-cent. stock, inscribed in the names of the Agent-General and Audit Officer.

Item £264: This is the amount of commission (½ per cent.) payable to the Union Bank of Australia in respect of the £52,800 1860 debentures mentioned in the preceding paragraph.

Item £14,000: This amount was provided out of the Public Account to meet the payments in respect to the purchase in the open market of 1860 debentures, the debentures being then sent to the Bank of England for conversion into 3½-per-cent. stock, inscribed in the names of the Agent-General and Audit Officer.

Item £3,822 1s. 3d.: This is a payment on account for commutation of stamp duty, payable to the Imperial Inland Revenue on the inscription of the 3½-per-cent. stock.

*Credit Side.*

Item £146,600: This is the amount of the Sinking Fund set free on account of drawn Consol 5-per-cent. bonds.

Items from £100,000 to £7,700, both inclusive: These amounts were provided out of the advances made to the Stock Agents by the Bank of England on the security of 3½-per-cent. stock.

Item £831 16s. 3d.: Balance of interest due to Stock Agents, such interest having been computed on daily balances at 1½ per cent. per annum below bank rate varying.

Items from £10,400 to £100 (19th September) both inclusive: These amounts were provided out of the advances made to the Stock Agents by the Bank of England.

Item £352,200: This amount, on account of which stock has been inscribed in the names of the Agent-General and Audit Officer, holding the same on behalf of the Government, represents the following amounts of debentures:—

	£
Debentures of 1863 (March series) .. ..	110,900
" 1863 (June series) .. ..	15,800
" 1863 (June series) .. ..	158,700
" 1860 .. ..	52,800
" 1860 .. ..	14,000
	<u>£352,200</u>

Item £5,921 11s. 7d.: This amount is the balance payable in cash to the Public Account by the Stock Agents, who will provide the same in due course by the sale of 3½-per-cent. stock.

London, 25th September, 1891.

For the Stock Agents,  
F. D. BELL.

*Enclosure 4 in No. 32.*

B.—STATEMENT showing—(1) The amount of 3½-per-cent. New Zealand Government Stock inscribed in the names of the Agent-General and Audit Officer in respect of Debentures on account of which Payments have been made out of the Public Account; and (2) the Amount of Stock sold up to Date.

1891.	Dr.	£	1891.	Cr.	£
	Amount of stock inscribed to meet payments made out of Public Account on account of the 1879 and 10-40 5-per-cent. debentures .. .. .	68,000	May 13	Amount of stock sold, and proceeds of same paid into the Public Account ..	68,000
	Amount of stock inscribed to meet payments made out of Public Account on account of the debentures of the March and June series of the loan of 1863, £16,432, £110,000, 170,000 .. ..	296,432	July 15	Amount of stock sold, and proceeds of same paid into the Public Account ..	85,000
	Amount of stock inscribed to meet payments made out of Public Account on account of the debentures of the loan of 1860 .. .. .	69,472	Sept. 16	Amount of stock sold, and proceeds of same paid into the Public Account ..	10,000
	Amount of stock inscribed in exchange for the £50,000 scrip of the Westland Loan Act .. .. .	53,750	Sept. 25	Balance of stock inscribed at date in the names of the Agent-General and Audit Officer .. .. .	324,654
		<u>£487,654</u>			<u>£487,654</u>

25th September, 1891.

Examined,  
F. D. BELL.  
C. WRAY PALLISER.

## No. 33.

## MEMORANDUM BY THE ASSISTANT CONTROLLER AND AUDITOR.

CONVERSION Account and the Public Account: Reconciliation of Stock Agents' Statement of the 25th September, 1891, with Accounts in the Colony at the 5th December, 1891.

	£	s.	d.
Stock Agents' Conversion Account, Dr., September 25, 1891 ..	358,121	11	7
And accounts in the colony, December 5, 1891 ..	337,188	18	0
Difference .. .. .	<u>£20,932</u>	<u>13</u>	<u>7</u>
Sums credited by Stock Agents, but not in accounts in the colony—	Dr.	Cr.	
Balance of interest due to Stock Agents, 1886-87-88 .. .. .	£	s.	d.
Ditto, January 31, 1891 .. .. .	670	18	2
Interest, November, 1, 1889, to December 31, 1889, on £388,000, at 4½ per cent. ..	9	9	8
January 1, 1891, one year's interest on £68,000, 3½-per-cent. stock .. ..	2,910	0	0
Balance of interest in favour of Stock Agents, 1889-90-91 .. .. .	2,380	0	0
Ditto, June 30, 1891 .. .. .	3,711	3	7
Interest on £2,700,000, January 1 to February 28, 1890, at 3½ per cent. .. ..	831	16	3
Less charged by Stock Agents on £2,296,347, January 1 to February 26, 1890 .. ..	£15,275	6	10
	12,551	5	4
	2,724	1	6
Profit on purchase and sale of debentures carried by Treasury to credit of miscellaneous revenue in 1886-87 .. .. .	64	14	6
Commissioners' Order No. 432, for purchase of £9,500 debentures of December series, 1863 .. .. .	9,500	0	0
Purchase of Westland Loan debentures .. ..	50,000	0	0
Sums debited by Stock Agents, but not in accounts in the colony—			
Bank of England charge for management in respect of £10,600, interest for three months on £1,060,000 .. .. .	265	0	0
February 15, 1886, Commission to Crown Agents on paying off 4½-per-cent. 5-30s .. ..	322	0	0
Cost of telegrams sent from the colony, 1883-88 .. .. .	1,181	1	10
November 5, 1889, interest to Bank of England on £155,000 advanced .. ..	84	18	8
Carried forward .. .. .	72,802	3	8
	1,853	0	6

	£	s.	d.	£	s.	d.
Brought forward ... ..	72,802	3	8	1,853	0	6
Sums debited by Stock Agents, but not in accounts in the colony— <i>continued</i> .						
March 17, 1890, discount on payments of instalments of loan ... ..				1,609	12	0
January 31, 1890, interest on £12,551 5s. 4d., from June 20 ... ..				241	17	6
Cost of telegrams sent from the colony ... ..				53	0	6
Amount paid by Stock Agents, April 18, 1888, to Bank of England to meet interest on £24,000 stock, due May 1, 1888, charged by Treasury to Consolidated Fund ... ..				480	0	0
Interest received on scrip for £15,800. ( <i>Vide</i> New Zealand Public Account, July 7 to August 7, 1891, credited by Treasury to Conversion Account) ... ..				22	18	9
Sales of 3½-per-cent. inscribed stock—						
£85,000 ... ..				80,100	0	0
£10,000 ... ..				9,374	8	0
				93,734	17	3
				72,802	3	8
				£20,932	13	7

December 9, 1891.

JAMES C. GAVIN,  
Assistant Controller and Auditor.

## No. 34.

The AGENT-GENERAL to the PREMIER.

(No. 1438.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

2nd October, 1891.

SIR,—

The only alteration in the figures of the conversion given in Sir F. D. Bell's letter, No. 1229, of the 20th August last is an addition of £1,000 to the amount of debentures issued under "The Otago Loan Ordinance, 1862," and falling due on the 1st July, 1898. These debentures were accepted for conversion at the price of £116 15s. of 3½-per-cent. stock for £100 bond, and the aggregate amount converted is thereby increased from £256,100 to £257,100. The figures now stand as follows:—

	Last Letter.	Addition.	Totals.	
	£	£	£	£
1. Loan of 1860 ... ..	73,600	...	...	73,600
2. Loan of 1863—				
March series ... ..	42,400	...	42,400	
June series ... ..	28,700	...	28,700	
December series ... ..	13,900	...	13,900	
				85,000
3. Provincial loans—				
Lyttelton and Christchurch ... ..	...	...	6,200	
Auckland ... ..	...	...	11,800	
Otago ... ..	23,700	1,000	24,700	
Canterbury ... ..	...	...	5,800	
Westland... ..	...	...	50,000	
Nelson ... ..	...	...	Nil	
				98,500
Total ... ..				£257,100

Since the date (18th September) of Sir F. D. Bell's last letter the Crown Agents have paid off £100 debenture of the 1863 loan (March series).

I transmit herewith the following statements, namely:—

1. A Narration, certified by the Bank of England, of the Debentures sent in for Conversion. (In continuation of statement dated the 21st July last, forwarded with Sir F. D. Bell's letter No. 1108, of the 24th July.)

2. Narration of Debentures of the Loan of 1863 paid off by the Crown Agents. (In continuation of statement dated the 22nd July last, forwarded with Sir F. D. Bell's letter No. 1108, of the 24th July.)

I have, &amp;c.,

The Hon. the Premier, Wellington.

WALTER KENNAWAY.

Enclosure 1 in No. 34.

NARRATION OF DEBENTURES SENT IN TO THE BANK OF ENGLAND FOR CONVERSION.—(In Continuation of Statement dated the 21st July, 1891).

1.—New Zealand Government 6-per-cent. Debentures, authorised by the Loan of 1860, falling due 1st July, 1891, lodged with the Bank of England for Conversion, from the 21st July to the 22nd September, 1891.

*Twenty-four Debentures of £100 each.*

20	60	116	257	297	298	301	348	398	399	414	538
539	881	929	930	931	932	933	934	977	1252	1362	1365

Twenty-four debentures of £100 each = £2,400.

Bank of England, 22nd September, 1891.

F. MAY.

- 2.—New Zealand Government 5-per-cent. Debenture, authorised by "The Westland Loan Act, 1873," lodged with the Bank of England for Conversion into New Zealand 3½-per-cent. Inscribed Stock up to the 22nd September, 1891.

One debenture (No. 1) of £50,000 = £50,000.

Bank of England, 22nd September, 1891.

F. MAY.

- 3.—New Zealand, Province of Otago, 6-per-cent. Debentures, secured by "The Otago Loan Ordinance, 1862," falling due 1st July, 1898, lodged with the Bank of England from the 24th June to the 22nd September, 1891, for Conversion into New Zealand 3½-per-cent. Inscribed Stock, at £116 15s. per Cent., in accordance with Instructions contained in the Agent-General's Letter dated 3rd September, 1891.

*Ten Debentures of £100 each.*

3656	3657	3658	3659	3660	3661	3662	3663	3664	3665
------	------	------	------	------	------	------	------	------	------

Ten debentures of £100 each = £1,000.

Bank of England, 22nd September, 1891.

F. MAY.

*Enclosure 2 in No. 34.*

NARRATION OF DEBENTURES OF THE LOAN OF 1863 PAID OFF BY THE CROWN AGENTS.—(In Continuation of Statement dated the 22nd July, 1891.)

Series 15th March, 1891.

It is hereby certified that the debenture of the following amount and denomination of the New Zealand 6-per-cent. loan of 1863 (series 15th March, 1891) has been presented for payment at the domicile of the loan, and has been duly paid off by us and cancelled, and the debenture de-registered in the register of the loan.

*One Debenture of £100.*

1306.

One debenture of £100 = £100.

Downing Street, 22nd September, 1891.

E. E. BLAKE, Crown Agent for the Colonies.

Series 15th June, 1891.

It is hereby certified that the debentures of the following amounts and denominations of the New Zealand 6-per-cent. loan of 1863 (series 15th June, 1891) have been presented for payment at the domicile of the loan, and have been duly paid off by us and cancelled, and the debentures de-registered in the register of the loan.

*Two Debentures of £1,000 each.*

386      387

*One Debenture of £500.*

1844

*Six Debentures of £100 each.*

2039	2071	2143	2185	2270	2301
------	------	------	------	------	------

*Summary.*

6 debentures of £100 each =	£600
1 debenture of 500 =	500
2 debentures of 1,000 each =	2,000

9

£3,100

Downing Street, 22nd September, 1891.

E. E. BLAKE, Crown Agent for the Colonies.

## No. 35.

The AGENT-GENERAL to the PREMIER.

(No. 1619.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

30th October, 1891.

The only alteration in the figures of the conversion given in my letter No. 1438 of the 2nd instant is an addition of £300 to the amount of debentures of the loan of 1860, whereby the aggregate amount converted is increased from £257,100 to £257,400.

The figures now stand as follows:—

		Last Letter.	Addition.	Totals.	
		£	£	£	£
1. Loan of 1860	...	73,600	300	...	73,900
2. Loan of 1863—					
March series	...	42,400	...	42,400	
June series	...	28,700	...	28,700	
December series	...	13,900	...	13,900	
					85,000
3. Provincial loans—					
Lyttelton and Christchurch	...	...	...	6,200	
Auckland	...	...	...	11,800	
Otago	...	23,700	1,000	24,700	
Canterbury	...	...	...	5,800	
Westland	...	...	...	50,000	
Nelson	...	...	...	Nil	
					98,500
					£257,400

On the 13th and 27th instant respectively the £200 and £100 debentures of the loan of 1860, handed to me by the Union Bank of Australia under standing instructions, were sent in to the Bank of England for conversion into stock in the names of the Audit Officer and myself.

On the 21st instant the Crown Agents paid off £100 more of the March series of the loan of 1863.

I enclose copy of correspondence with the Crown Agents relating to the sinking fund of the loan of 1863.

The Hon. the Premier, Wellington.

I have, &c.,

WALTER KENNAWAY.

*Enclosure 1 in No. 35.*

SIR,—

Downing Street, 28th October, 1891.

Referring to your letter dated the 14th ultimo, requesting us to instruct our brokers to effect sales from account to account of all the remaining 4-per-cent. New Zealand inscribed stock in the 1891 sinking fund, in preparation for the final release on the maturity of the debentures in that fund on the 15th December next, I have to inform you that we have been in communication with Messrs. J. and A. Scrimgeour on the subject, and transmit a copy of a letter from them, dated the 17th instant, recommending sales to be made, if possible, forthwith, having regard to the amount to be sold.

We shall be glad to learn whether, as the money to pay off the debentures as they are presented will, in the first instance, be provided by you, on our requisition, it will be necessary to complete the sale of the whole of the £90,868 13s. 11d. 4-per-cent. stock now held in the Sinking Fund by the 15th of December next; and, if not, what will be the latest date on which the whole of the money must be available.

I have to request that you will sign and return here the enclosed request to the Bank of England to transmit dividend warrants by post to me on £337,193 2s. 1d. New Zealand 4-per-cent. inscribed stock belonging to sinking funds 1914 and 1915, recently transferred from the names of Sir P. G. Julian and Sir F. D. Bell into the names of Sir P. G. Julian and yourself.

Walter Kennaway, Esq., C.M.G., Trustee of New Zealand Sinking Fund, 1863.

I am, &c.,

M. F. OMMANNEY.

*Sub-enclosure.*

GENTLEMEN,—

18, Old Broad Street, E.C., 17th October, 1891.

In reply to your favour of the 16th instant, we have to advise that, in sympathy with other stocks of the same class, the market in New Zealand 4-per-cent. stock is very dead at the present time; neither do we see any immediate prospect of a rise. Considering your wish to dispose of £90,868 13s. 11d. stock before the middle of December next, we are of opinion that it would certainly be advisable to effect sales, if possible, forthwith in any reasonable amounts at the current market price; but we are not very sanguine of being able to do business at the moment, the market being so lifeless. The present price of the stock is 101½-2.

The Crown Agents for the Colonies, Downing Street.

We are, &c.,

J. AND A. SCRIMGEOUR.

*Enclosure 2 in No. 35.*

GENTLEMEN,—

13, Victoria Street, 30th October, 1891.

I beg to acknowledge the receipt of your letter of the 28th instant, enclosing copy of letter from Messrs. Scrimgeour of the 17th instant, relating to the sale of the remaining 4-per-cent. stock in the 1891 sinking fund.

I gather from Messrs. Scrimgeour's letter that no sale of the stock has as yet been effected; and, in reference thereto, I desire to state that, the circumstances of the case not having altered since the date of Sir F. D. Bell's letter of the 14th September, the request contained therein still holds good, and it is therefore necessary to proceed at once, so far as possible, with the realisation of the stock in question.

With regard to your inquiry whether it will be necessary to complete the sale of the whole of the £90,868 13s. 11d. 4-per-cent. stock by the 15th December next, I beg to state that, as within a short time after that date the New Zealand Government will probably be in a position to require the Trustees to release the greater portion, if not all, of the remaining 1891 fund, it will be expedient that the stock in question should be realised, if possible, before the end of the year.

With reference to the collection of the dividend due on the 1st proximo on the 4-per-cent. stock (£337,193 2s. 1d.), it will not now be necessary to send in the request to the Bank of England enclosed in your letter, as, in accordance with the arrangements I made with Sir M. F. Ommanney yesterday, I propose to personally collect the amount of the dividend in question.

I have, &c.,

WALTER KENNAWAY,

Executive Trustee of the Sinking Fund of the Loan of 1863.

The Crown Agents for the Colonies, Downing Street.

No. 36.

The AGENT-GENERAL to the PREMIER.

(No. 1717).

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

27th November, 1891.

No alteration has taken place in the figures of the conversion since I last wrote, on the 30th October (No. 1619), and the total remains as I stated it to be at that date—namely, £257,400.

On the 3rd and 21st instant the Crown Agents paid off £200 and £100 respectively of the June series of the loan of 1863.

The following are the amounts still outstanding of the undermentioned loans after deducting those converted, those paid off through the Crown Agents, and the £9,500 of the December series of the 1863 loan which I hold, and which I shall now send in for conversion:—

6-per-cent., 1863—						£
March series	...	...	...	...	...	1,400
June series...	...	...	...	...	...	700
December series	...	...	...	...	...	59,900
6-per-cent., 1860						£
	...	...	...	...	...	200

On the 19th instant the Bank of England was repaid, by means of a Commissioners' order on the Public Account, the sum of £2,000, being the amount of the two advances of £1,000 each made to the Stock Agents on the 17th September and 5th instant respectively. Equivalent amount in value of 3½-per-cent. stock will in due course be inscribed in the names of the Agent-General and Audit Officer.

I transmit herewith copy of memoranda between myself and Sir Penrose G. Julyan giving particulars of a proposal to issue a fresh invitation to holders of the 1863 (December) bonds, and to those of the provincial bonds, to bring in their bonds for conversion.

I also enclose copy of letter to the Bank of England transmitting copy of an advertisement, which accordingly appeared on the 26th instant.

It will be seen by this correspondence that the Stock Agents have offered £110 3½-per-cent. stock (ex dividend) for every £100 of the December bonds (ex coupon), and that, as regards the provincial loans, the holders can ascertain the terms of conversion by applying to the Bank of England.

I also enclose copy of a letter which I addressed on the 21st instant to the Trustees of the Sinking Fund of the loan of 1863, making proposals for a further release of a portion of the fund.

These proposals having been concurred in by the Trustees, the amount to be released, amounting to about £18,000, will in due course be paid into the Public Account.

This £18,000 will be made up—first, by the proceeds of the sale in the open market of £10,000 4-per-cent. stock; second, by cash transferred from other sinking funds for equivalent amount in value of 4-per-cent. stock; and third, by cash in hand. I am unable to send the actual figures by this mail as I have not received them from the Crown Agents.

In case a further sale of 4-per-cent. stock is effected I shall take the opportunity of proposing a further release.

The markets for sale of stock have kept extremely dull, and it was not until the 16th instant that Messrs. Scrimgeour were able to submit to me an offer to purchase £20,000 3½-per-cent. stock at 92½. I accordingly asked for your instructions in respect thereto by cablegram, and, having received your reply, I accepted the offer in question, the price being at market rate. The net amount (£18,449 8s.) has been this day paid into the Public Account at the Bank of New Zealand.

Copies of contract note, and of Messrs. Scrimgeour's accompanying note, are annexed.

In advising you by cablegram of this sale, I took occasion to ask whether the sale of this stock should be continued provided market price could be obtained, and I desire to thank you for your reply in the affirmative. It is at present so difficult to sell that, as advised by the brokers, it is very desirable that any offer should be dealt with as promptly as possible.

I have accordingly instructed Messrs. Scrimgeour to sell 3½-per-cent. stock at market rate, taking care not to unduly depress the market, and to continue to do so up to £50,000; and, if they have offers for anything over that amount, to refer to me for further instructions.

I may add that on my consulting Sir P. G. Julyan he expressed his full concurrence in the view that our brokers shall continue to sell this stock at market rates.

I have instructed Messrs. Scrimgeour to take any opportunity they may have of purchasing 6-per-cent. bonds of the December series of the 1863 loan, giving par for them ex coupon. Any bonds thus purchased I shall send in to the Bank of England for conversion into stock to be inscribed in the names of the Agent-General and Audit Officer, under the terms specified in the prospectus just issued.

I have, &c.,

The Hon. the Premier, Wellington.

WALTER KENNAWAY.

*Enclosure 1 in No. 36.*

MEMORANDUM to Sir PENROSE JULYAN.

THERE is now £59,900 outstanding of the 6-per-cent. (1863) debentures, redeemable on the 15th December next.

It is not likely that any of these will be converted under the conditions of prospectus issued on the 13th February last.

It is therefore a matter for consideration whether the holders of these debentures shall be invited to bring in their debentures on fresh terms, it being borne in mind that the New Zealand 3½-per-cent. stock will be after the 1st December inscribed ex the dividend payable on the 1st January next.

Taking the present market price of the 3½-per-cent. stock at 92-93, and deducting the dividend (£1 15s.), the stock will probably be quoted ex dividend at from 90½ to 91½; and, as the 6-per-cent. bonds are redeemable in cash on the 15th December, it would seem that it will be necessary to offer at least £110 of 3½-per-cent. stock for every £100 debenture.

It is therefore desirable to consider whether to offer fresh terms, and, if that is decided on, what those terms shall be, and then in what manner the offer shall be made known.

My opinion is that it will be desirable to offer fresh terms, and that those terms should be, say, £110 3½-per-cent. stock (ex div.) for every £100 debenture (ex coupon).

As to the manner in which the offer shall be made, I would propose to issue an advertisement giving notice that the debentures can be converted into 3½-per-cent. stock on terms to be ascertained at the Bank of England.

I should also take the opportunity of advertising that the outstanding debentures of the provincial loans can also be converted on terms to be ascertained at the Bank of England, these terms having been already fixed (see attached letter of the 14th September to the Bank of England).

I attach a copy of the prospectus issued on the 13th February, 1891.

21st November, 1891.

WALTER KENNAWAY.

*Enclosure 2 in No. 36.*

I CONCUR in the expediency of trying to induce holders of the 6-per-cent. due on the 15th December next to take, in exchange for their bonds, 3½-per-cent. stock, at the rate of £110 of stock for £100 bond. This would be equivalent to selling the stock at 90½, as we should have to pay brokerage if driven to sell. I do not, however, think the attempt would be to any appreciable extent successful unless the terms were distinctly advertised. The outstanding 6-per-cent. bonds are doubtless in the hands of private investors, who would not themselves go to the Bank to inquire the terms of exchange, nor would they employ others to do so for them; but if the advertisement told them plainly that they could get 110 for 100 without any contingent expense they would be much more likely to accept the proposal.

Brokers and bankers would obviously prefer the other course, but it appears to me that the balance of advantages to the Government will be to advertise the price.

For provincial loans maturing at later dates, there is less need for bringing them in at present, and it is therefore not so material to publish the rate of exchange.

23rd November, 1891.

P. G. JULYAN.



*Enclosure 3 in No. 36.*

GENTLEMEN,—

13, Victoria Street, 24th November, 1891.

Referring to the notice issued by the Bank of England on the 13th February last, inviting holders of debentures of certain New Zealand loans to bring in their debentures for conversion into 3½-per-cent. inscribed stock, I have the honour to inform you that the Stock Agents on behalf of the New Zealand Government desire to notify to the holders of the debentures still outstanding of the 1863 (December series) 6-per-cent. loan, and of those of the old provincial loans, that it is open to them to convert their debentures on the terms stated in the enclosed prospectus.

I have accordingly to request that you will be pleased to make the necessary announcement, receive the debentures which may be sent in, and otherwise carry the operation into effect.

This operation being in continuation of the conversion of the present year, it will not, I assume, be necessary for me to repeat the conditions under which the Bank will conduct it, as they were duly specified in the Stock Agents' letter of the 13th February.

I may add that the rates at which any debentures of the provincial loans may be received for conversion up to the 31st December next, were given in the list enclosed in Sir F. D. Bell's letter of the 14th September last, copy of which I herewith transmit.\*

I have, &amp;c.,

The Governor and Company of the Bank of England.

WALTER KENNAWAY.

*Enclosure 4 in No. 36.*

(The Times, Thursday, 26th November, 1891.)

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, 1887," and Amendment Act, 1881, and "The Consolidated Stock Act, 1884" (Sir Penrose Goodchild Julian, K.C.M.G., C.B., and Walter Kennaway, Esq., C.M.G.), they are authorised to invite holders of the outstanding debentures of the under-mentioned loans to bring in their debentures for conversion.

1. Six-per-cents of the loan of 1863, redeemable 15th December, 1891.

For every £100 in debentures of this loan falling due on the 15th December next, from which the coupon for the half-year's interest due on the 15th December must be detached, £110 of 3½-per-cent. inscribed stock, bearing interest from the 1st January, 1892, and inscribable on or after the 2nd December, 1891.

2. Debentures of the under-mentioned old provincial loans will be accepted for conversion on terms which can be ascertained on application at the Bank of England:—

(a.) Lyttelton and Christchurch Railway Loan, redeemable 1893 to 1897.

(b.) Auckland Loan, redeemable 1896.

(c.) Nelson Loan, redeemable 1896.

(d.) Otago Loan, redeemable 1898.

(e.) Canterbury Loan, redeemable 1915 and 1916.

The inscribed stock herein mentioned will in every case rank *pari passu* with the New Zealand 3½-per-cent. consolidated stock already inscribed at the Bank of England, with dividends payable half-yearly on the 1st January and the 1st July, and redeemable at par on the 1st January, 1940.

Debentures surrendered for conversion must be deposited at the Chief Cashier's office, Bank of England, where the necessary forms may be obtained, and must be left three clear days for examination.

By the Act 40 and 41 Vict., cap. 59, the revenues of the Colony of New Zealand alone will be liable in respect of the stock and the dividends thereon; and the Consolidated Fund of the United Kingdom, and the Commissioners of Her Majesty's Treasury, will not be directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

Bank of England, 25th November, 1891.

*Enclosure 5 in No. 36.*

GENTLEMEN,—

13, Victoria Street, S.W., 21st November, 1891.

I beg to make the following proposal for a release of a further amount of Sinking Fund.

There were originally outstanding, as specified in the Bank of England prospectus of 13th February last, £73,800 of 1863 bonds (December series). Of these, £4,400 have been converted, and I hold on behalf of the Government for conversion £9,500 more, leaving £59,900 still outstanding.

Of the March and June series, there are outstanding at present date £1,400 and £700 respectively, and these amounts added to £59,900 make a total of £62,000 of bonds still outstanding.

To meet any liability with reference to these £62,000 bonds, the Trustees hold over £90,000 4-per-cent. stock, besides a small amount of cash in hand.

I propose, therefore, that the proceeds of the £10,000 stock sold for the twenty-seventh account be paid to me for the New Zealand Government immediately on their receipt, and that the sum (about £8,000) now at deposit at the London and Westminster Bank be also paid over so soon as the deposit interest becomes payable thereon.

If this is done it will leave in the hands of the Trustees about £74,000 4-per-cent. stock to meet their liability in respect to the £62,000 outstanding debentures.

If the Trustees concur in this proposal, the necessary details can be arranged between the Crown Agents and the Executive Trustee.

I am, &amp;c.,

WALTER KENNAWAY, Agent-General.

The Trustees of the Sinking Fund of the New Zealand Loan of 1863.

As one of the Trustees, I concur in the foregoing proposal.—P. G. JULYAN.—23rd November, 1891.

*Enclosure 6 in No. 36.*

GENTLEMEN,—

13, Victoria Street, 24th November, 1891.

On the 21st instant the Agent-General addressed the Trustees of the Sinking Fund of the 1863 loan with a proposal, copy of which is annexed. On consulting my co-Trustee I learn that he assents to that proposal, and I have therefore to request that you will take the steps necessary for carrying the Agent-General's proposal into effect.

I have, &amp;c.,

The Crown Agents for the Colonies.

WALTER KENNAWAY,

Executive Trustee of the Loan of 1863.

## No. 37.

The AGENT-GENERAL to the PREMIER.

(No. 1750.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

28th November, 1891.

In continuation of my letter, No. 1717, of yesterday's date, I beg leave to inform you that I have received from the Trustees the sum of £10,099 19s. 6d., being proceeds of the sale of £10,000

\* See Enclosure 3 in No. 26.

New Zealand 4-per-cent. stock, which is a portion of the sinking fund of the loan of 1863 released on account of the bonds which have been brought in under the conversion operations of this year. The amount (£10,099 19s. 6d.) was accordingly paid by me into the Public Account immediately on its receipt yesterday afternoon.

I have also to inform you that I have this day received advice from Messrs. Scrimgeour that they have sold another £20,000 of 3½-per-cent. stock at 92½, being market price. The net proceeds of such sale will be available for payment into the Public Account on the 11th December next.

I enclose copy of contract note, and Messrs. Scrimgeour's accompanying note.

I have, &c.,

The Hon. the Premier, Wellington.

WALTER KENNAWAY.

### No. 38.

The AGENT-GENERAL to the PREMIER.

The Premier, Wellington.

(Received 5th January, 1892.)

INSTRUCT whether you wish me continue sell 3½-per-cent. during next three months, and what amount. Necessary feed market gradually.

London, 4th.

### No. 39.

The PREMIER to the AGENT-GENERAL.

The Agent-General, London.

Wellington, 5th January, 1892.

MESSAGE of 4th received. Three-and-a-half-per-cent. Continue sell current rates until further advised from here, as much as market will absorb without disturbing price.

### No. 40.

The AGENT-GENERAL to the PREMIER.

(No. 1757.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

4th December, 1891.

Referring to my letter (No. 1750) of the 28th November, I beg to inform you that a further amount of £15,000 3½-per-cent. stock, consisting of £10,000 sold at 92½ (cum dividend) and £5,000 sold at £91 (ex dividend), has been sold for the account of the 11th instant, on which date the following amounts will be paid into the Public Account at the Bank of New Zealand:—

					£	s.	d.
Proceeds of sale of £20,000 stock	...	...	...	...	18,449	8	0
" 10,000 "	...	...	...	...	9,224	19	6
" 5,000 "	...	...	...	...	4,537	9	6
Total	...	...	...	...	£32,211	17	0

I enclose copies of contracts and Messrs. Scrimgeour's accompanying notes relating to the £10,000 and £5,000 stock.

I have, &c.,

The Hon. the Premier, Wellington.

WALTER KENNAWAY.

### No. 41.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,

(No. 1802.)

7th December, 1891.

(Memorandum.)

*Sinking Fund.—Loan of 1863.*

I BEG leave to transmit, for the Hon. Minister's information, copy of correspondence relating to an offer made to the Sinking Fund Trustees of the loan of 1863 to purchase £70,000 New Zealand consolidated 4-per-cent. stock at par.

It will be seen by the correspondence that the Trustees declined to accept the offer.

WALTER KENNAWAY.

#### Enclosure 1 in No. 41.

DEAR SIR,—

Offices of the Crown Agents for the Colonies, Downing Street, 4th December, 1891.

I am getting rather anxious about the sale of the remainder of the 4-per-cent. stock, and the enclosed, which has just reached me from Messrs. Scrimgeour, shows that if the money must be had by the 15th a very serious sacrifice must be made. This offer is open only until to-morrow morning up to 12, so please let me have an immediate reply.

Even if you could wait a month, I do not know that I should counsel that course. There is a very uneasy feeling growing up as to the political intention in New Zealand and some of the Australian Colonies, and the market is nervous and sensitive.

Walter Kennaway, Esq., C.M.G.

I have, &c.,

M. F. OMMANNEY.

*Enclosure 2 in No. 41.*

DEAR SIR,— 18, Old Broad Street, London, E.C., 4th December, 1891.  
 In reply to your favour of the 3rd instant, we have to advise that the best bid we are able to obtain for the £70,000 New Zealand 4-per-cent. consolidated stock is par.  
 We are, &c.,  
 Sir M. F. Ommanney, K.C.M.G., &c. J. AND A. SCRIMGEOUR.

*Enclosure 3 in No. 41.*

TELEGRAM from Mr. KENNAWAY to Sir P. G. JULYAN, 5th December, 1891.

RECEIVED offer to buy seventy thousand Sinking Fund fours at par. Am not inclined to accept, being under market price, and no immediate want of money. Offer open to noon to-day.

KENNAWAY.

*Enclosure 4 in No. 41.*

TELEGRAM from Sir P. G. JULYAN to AGENT-GENERAL, 5th December, 1891.

SHOULD certainly decline offer if money not immediately wanted.

JULYAN.

*Enclosure 5 in No. 41.*

DEAR SIR MONTAGUE OMMANNEY,— 13, Victoria Street, London, S.W., 5th December, 1891.  
 I have your note of yesterday, enclosing Messrs. Scrimgeour's letter naming par as the best bid that they can obtain for the £70,000 4-per-cent. stock, and I have to thank you for your kind counsel in respect thereto.  
 I have taken until now to consider the offer, and have decided to decline it.

My Government, I have reason to believe, would not wish us to sell under market price, and, as the approaching payments on account of the December sixes are provided for under any circumstances, I am not inclined to do anything to drag the market down.

I am sorry to hear from you that there is a very uneasy feeling growing up as to the political situation in New Zealand and some of the Australian Colonies, but I feel sure that, as regards my own colony, the future will prove that there is no real ground for it.

Yours, &c.,

WALTER KENNAWAY,

Sir M. F. Ommanney, K.C.M.G., &c.

Executive Trustee Sinking Fund of the Loan of 1863.

P.S.—Since writing the above I have received a telegram from Sir Penrose concurring in the view I have taken.  
 —W. K.

*Enclosure 6 in No. 41.*

DEAR SIR PENROSE,— 13, Victoria Street, London, S.W., 5th December, 1891.  
 I received last night a note from Sir M. F. Ommanney, enclosing one from Messrs. Scrimgeour, stating that the best bid they could get for the £70,000 (Sinking Fund) 4-per-cent. stock was at par, and, having thought it over, I came to the conclusion that we ought not to accept such an offer with the quoted market price at 100-102.

The following reasons weighed with me, namely:—

1. The Government had expressed their opinion that the 3½-per-cents. should not go under market price, and, as virtually they have the same interest in selling the 4-per-cents as the 3½-per-cents, I think that such opinion would apply to both stocks.
2. We are selling 3½-per-cents, and should not, therefore, if it can be helped, drag the market down.
3. We are inviting holders of the December sixes to convert at 110, which they certainly will not do if the market price of the 3½-per-cents goes lower.
4. We are not in immediate want of the money, provision having been made to meet the payments on account of December sixes under any circumstances.

I accordingly sent you a wire early this morning telling you of the offer, &c., and saying that I was inclined not to accept it, and I have to thank you for your prompt reply concurring in the view I took.

I have accordingly written to Sir M. Ommanney, telling him that we do not wish to accept the offer.

Yours, &c.,

WALTER KENNAWAY.

Sir P. Julyan, K.C.M.G., C.B.

## No. 42.

(No. 10.)

The PREMIER to the AGENT-GENERAL.

SIR,— Premier's Office, Wellington, 8th February, 1892.  
 I have the honour to acknowledge the receipt of your letter of the 7th December last, No. 1802, forwarding copy of correspondence relating to an offer to purchase £70,000 consolidated 4-per-cent. stock at par from the Trustees of the Sinking Fund of the loan of 1863, which offer the Trustees declined, and to inform you that the Government concur in the action taken by the Trustees.

The Agent-General for New Zealand, London.

I have, &c.,

J. BALLANCE.

## No. 43.

THE AGENT-GENERAL to the PREMIER.

(No. 1810.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,— 11th December, 1891.

I beg to acknowledge the receipt of your letter of the 26th October last, relating to the inscription of 3½-per-cent. stock under the conversion operations of this year, and in reference thereto I beg leave to state that the view which you express as to the amount of stock which should be inscribed on behalf of the Government against the moneys which have been taken out of the Public Account from time to time appears to be contrary to that taken by Sir F. D. Bell in his letter, No. 1413, to you of the 22nd September last. I will, however, take care that the matter receives further consideration, and will report the result by next mail.

I have, &c.,

W. B. PERCEVAL.

The Hon. the Premier, Wellington.

## No. 44.

The AGENT-GENERAL to the PREMIER.

(No. 1812.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

11th December, 1891.

Referring to letter No. 1757, of the 4th instant, I beg to inform you that the further amount of £5,000  $3\frac{1}{2}$ -per-cent. stock has been sold at  $91\frac{1}{2}$  for to-day's account, and the net proceeds (£4,543 14s. 6d.), together with the £32,211 17s. named in my letter of the 4th, making a total of £36,755 11s. 6d., have this day been paid into the Public Account.

I have also to advise a further sale of £10,000 of  $3\frac{1}{2}$ -per-cent. stock at  $91\frac{1}{2}$ , the net proceeds (£9,099 8s.) of which will go into the Public Account on the 30th instant.

I enclose copies of the contracts, and of Messrs. Seringeour's accompanying notes relating to these sales.

I have, &amp;c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

## No. 45.

The AGENT-GENERAL to the PREMIER.

(No. 1814.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

21st December, 1891.

I beg to acknowledge the receipt of your letter (No. 54) of the 26th October last, enclosing a statement showing the cash which has been paid out of the Public Account, and the amounts of stock which the Treasury considers should be inscribed in the names of the Agent-General and Audit Officer in respect to the recent conversion of the New Zealand public debt.

In my letter to you of the 11th instant I pointed out that the view which the Treasury takes with regard to the matter appeared to be contrary to that taken by Sir F. D. Bell, as expressed in his letter of the 22nd September last; and I would now further draw your attention to the statement transmitted by the late Agent-General with his letter of the 28th September, which was prepared on the principle which has, I understand, all along guided the Stock Agents in the conduct of the recent conversion operations.

The process by which the conversion in the  $3\frac{1}{2}$ -per-cent. stock of the debentures of the loan of 1863, which matured this year, has been conducted appears to have been as follows, viz.:—

1. The debentures sent in by private holders to the Bank of England were at once converted into stock on the terms offered, such stock, of course, being inscribed in the names of the persons who sent them in.

2. The debentures not thus converted came in to the Crown Agents for payment from time to time.

3. These debentures were paid off by means of Commissioners' orders on the Public Account, issued by the Commissioners at the request of the Agent-General.

4. For the purpose of providing funds to meet these Commissioners' orders the Stock Agents, at the request of the Agent-General, caused to be inscribed at the Bank of England certain amounts of  $3\frac{1}{2}$ -per-cent. stock.

5. The Bank of England then, at the request of the Agent-General, made advances on the security of the stock.

6. These advances were then made use of for the purpose of supplying the Public Account with funds to meet the Commissioners' orders issued as above.

7. As soon as the Public Account was in sufficient funds the Agent-General, by means of Commissioners' orders, repaid to the Bank of England the amount of the advances.

8. The Agent-General therefore, acting for the Government, having thus paid off the debentures sent in to the Crown Agents, became the holder thereof, and then converted them into stock on the same terms as the debentures sent in to the Bank of England by private holders.

The contention is, therefore, that by this process it only devolved upon the Stock Agents to provide stock sufficient to convert all the debentures on the terms offered, and that it really made no difference to them whether the debentures belonged to the Government or whether they belonged to the outside public. In both cases the terms of conversion, so far as the Stock Agents were concerned, were the same, and could not be made different. If the private holder could not realise by sale of his stock the full amount of his debenture he could not call upon the Stock Agents to give him more, and the Government, it is contended, as I understand, stands in the same position.

An important consideration connected with the matter has also been brought under my notice. As you are aware, additions to the New Zealand Government stock cannot be quoted on the Stock Exchange without the approval of the committee, and they have to be satisfied before allowing such quotation that the stock has been properly issued; and it is possible, if not probable, that the grounds on which the Treasury considers that an addition should be made to the amount of stock to be held on behalf of the Government would not, even if the Stock Agents were willing to issue it, be accepted by the committee as sufficient to justify them in allowing the quotation for it.

I may add that I took the opportunity of Sir P. G. Julyan being in London to confer with him personally respecting this matter, and I found that he virtually held the same view as I understand was indicated by Sir F. D. Bell in his letter of the 22nd September last, and which may be summed up as follows, namely: That it was the Stock Agents' duty to provide stock, not cash, in exchange for the debentures, and that the debentures once brought in, whether by the Government or by the outside public, and stock inscribed in lieu thereof on the terms offered, the Stock Agents could take no further action in respect thereto beyond providing by sale of stock for the expenses attending the conversion.

In the remarks which I have made I have mentioned the conversion of the loan of 1863 only; but they are, I think, also applicable to the loan of 1860, the Union Bank of Australia taking the place of the Crown Agents in respect thereto, and they also apply to the Westland Loan debentures.

As regards the 10-40 debentures, which are also named in the statement enclosed with your letter, they, I believe, stand in a different category. They, as well as the debentures of 1889, were paid off by the proceeds of a loan raised in the open market, and in such case it was incumbent that such loan should produce sufficient cash to pay them off. Moreover, both these loans had no sinking-funds—a fact which no doubt had considerable influence when determining on the mode in which they were, as it were, converted into 3½-per-cent. stock.

Under the circumstances which I have endeavoured to lay before you in this letter, I have not considered it expedient to press upon the Stock Agents to depart from the principle upon which, as I understand, the conversion operations of this year have been conducted, and I shall therefore await the result of your further consideration of the points at issue before taking any further steps.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

### No. 46.

The AGENT-GENERAL to the PREMIER.

(No. 1815.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

22nd December, 1891.

I beg to transmit copy of correspondence with the Bank of England relating to the conversion which takes place next year of the debentures which in 1885 and 1886 were issued in exchange for a like amount of 5-per-cent. Consol bonds, and 5-per-cent. bonds of the loan of 1863 (redeemable in 1914). It will be seen by this correspondence that the Bank in the first instance were under the impression that when these debentures were converted into 4-per-cent. stock interest at the lower rate would be continued from the date of conversion. I had therefore to point out to the Bank that, on the contrary, it was provided on the face of the debenture that the holders thereof were only entitled to the prescribed amount of 4-per-cent. stock carrying interest thereon from the 1st May, 1892.

The records at this office relating to the action taken in respect to the debentures sent in for conversion in 1885 show plainly that this point did not escape notice, as in a letter from Messrs. Mackrell I gather it was then decided that the first half-year's payment of interest upon the £107 stock, into which the £100 debentures had been converted, would be made on the 1st November, 1892, and that therefore there would be no interest payable on the stock for the period dating from the 15th April, 1892, to the 1st May following. Messrs. Mackrell state, in fact, that the receipt given by the Bank of England for the debentures sent in for conversion would contain a statement to that effect. No special mention appears in the records, however, in respect to this matter when the second conversion of the Consol bonds took place in 1886; but it is fair to presume that the same principle as regards payment of interest was also, as a matter of course, adopted in their case.

With respect to the 5-per-cent. debentures of the loan of 1863, it appears to me that the aspect of the case is somewhat different, and I cannot find in the records of the office that this was given any special consideration. In the first place, the holders of the converted Consol bonds are only deprived of fifteen days' interest, but, as regards the other fives, an interval of 106 days occurs before the other stock into which they are converted commences to bear interest. There is also another point of difference between the two, which is, that whereas the stock representing the Consol bonds is, immediately it is inscribed, saleable in the market *ex div.*, there will, I fear, be a difficulty on the part of the holder of the stock representing the 5-per-cent. debentures of 1863 in realising their stock during the period which elapses between the 15th January and the 1st April, at which latter date the stock becomes transferable *ex div.*

The amount of interest on the stock into which the £43,600 bonds will be converted from the 15th January to the 30th April, at 4 per cent., would be £557 2s. 5d., while that on stock representing the £4,214,100 bonds, from the 15th to the 30th April, would be £7,412 3s. 9d.; and it is perhaps fortunate that the amount involved as regards the first-named stock is small.

It is possible, considering that it is plainly specified on the face of the bond that interest would commence from the 1st May, 1892, that no question will be raised; and, even if such is the case, I am unable to see how the Government could consent to any departure from the conditions of the conversion as thereon stated. But I deem it right to bring the matter specially under your notice.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

P.S.—The Loan and Stock Agents, in their letter No. 968, of the 25th July, 1885, transmitted to the Treasury specimen bonds of those issued in that year, but specimens of those issued in 1886 were not forwarded. I therefore take this opportunity of sending to you a set of each of the denominations of the two issues of 1886.

*Enclosure 1 in No. 46.*

SIR,—

Bank of England, 14th December, 1891.

With reference to the £5-per-cent. New Zealand Government debentures, which become inscribable as £4-per-cent. stock in the books of the Bank of England on the 15th January and 15th April next respectively, I am directed by the Governor to inform you that the Bank propose to publish the enclosed notice respecting the debentures convertible in January immediately upon their receiving an intimation of your approval.

A similar notice should, it is suggested, be issued in March next respecting the debentures convertible in April.

As the debentures carry interest to the 15th January and the 15th April, there will in each case be a fractional portion of the half-year's dividend due 1st May to be provided. The fractions should, it is presumed, be calculated at the rate of 106-366th and 15-365th of 4 per cent. respectively. I shall be obliged by your informing me whether you consider this correct.

I send you also herewith proofs of the other forms to be used in the exchange of the January debentures.

The Agent-General for New Zealand.

I am, &c.,

H. J. BOWEN, Chief Accountant.

Enclosure 2 in No. 46.

SIR,—

13, Victoria Street, 15th December, 1891.

I am directed by the Agent-General to acknowledge the receipt of your letter of the 14th instant, and, in reference to the proposals made therein with regard to the steps to be taken in connection with the debentures convertible in January and April next, I am to point out that it is provided on the face of the debentures in question that the holders thereof will be entitled to the prescribed amount of 4-per-cent. stock *with interest thereon from the 1st May, 1892*. It would appear, therefore, that no fractional portion of interest, such as you specify, will become payable to the holders of these debentures.

As it will be necessary, under these circumstances, to alter the terms of the notice, &c., proofs of which you have been so good as to furnish, the Agent-General will be much obliged by your transmitting to him revised proofs, when he will give the matter further consideration.

I enclose for your information copy of the extract taken from the debentures to which I have referred.

The Chief Accountant, Bank of England.

I am, &c.,

WALTER KENNAWAY.

Enclosure 3 in No. 46.

EXTRACT REFERRED TO IN MR. KENNAWAY'S LETTER OF THE 15TH DECEMBER, 1891.

"THE holder hereof will be entitled on or after the , 1892, on surrender of this debenture at the Bank of England, to have inscribed in his name, or in that of his nominee, in the books of the Governor and Company of the Bank of England, pounds New Zealand consolidated stock, bearing interest at the rate of 4 per cent. per annum, to be in addition to and rank *pari passu* with the then existing New Zealand consolidated stock, with interest thereon from the 1st May, 1892."

Enclosure 4 in No. 46.

SIR,—

Bank of England, 17th December, 1891.

I beg to acknowledge the receipt of Mr. Kennaway's letter of the 15th instant, and to send you herewith amended proofs of the notice and forms proposed to be used in the conversion of the New Zealand £5-per-cent. debentures on the 15th January next.

I regret that the exact terms of the debentures (of which no specimens are held by this department) were not before me when the forms were drafted. The prospectus of the 6th March, 1885, relating to the issue of the debentures convertible in April next, was taken to imply that no cessation of interest was intended. The lapse of interest is not mentioned in the prospectus, and the description therein of the stock to be given in exchange, "which will rank *pari passu* with the 4-per-cent. consolidated stock already created and issued," was thought to indicate the continuance of interest at the lower rate. In the prospectus of the 8th February, 1886, respecting the debentures convertible in January, there is similarly no indication of the lapse of interest.

The Agent-General for New Zealand.

I am, &c.,

H. J. BOWEN, Chief Accountant.

Enclosure 5 in No. 46.

SIR,—

13, Victoria Street, 19th December, 1891.

I am directed by the Agent-General to acknowledge the receipt of your letter of the 17th instant, and to intimate to you his approval of the amended proofs of the notice and forms proposed by the Bank to be used in the conversion of the New Zealand 5-per-cent. debentures on the 15th January next.

I am, however, to suggest for your consideration whether, as regards the transfer of the stock, it would not be advisable to insert some words in the second paragraph of the "Notice," which would show clearly that such transfer would be made ex the dividend payable on the 1st May, 1892.

I am further directed to say that the Agent-General concurs in your proposal to issue in March next a similar notice respecting the debentures convertible in April next.

The Chief Cashier, Bank of England.

I have, &c.,

WALTER KENNAWAY.

Enclosure 6 in No. 46.

NOTICE.—The Governor and Company of the Bank of England give notice that holders of New Zealand Government 5-per-cent. six year debentures, convertible 15th January, 1892, should surrender their debentures at the Chief Accountant's office of the Bank of England on and after the 1st proximo, for conversion into New Zealand £4-per-cent. consolidated stock, bearing interest from the 1st May, 1892, in accordance with the terms of the said debentures.

The stock into which the debentures are to be converted will be transferable on the 15th proximo in the case of debentures lodged on or before the 11th proximo, and on the expiration of three clear days in the case of debentures lodged subsequently to that date. Transfers will be ex the dividend due 1st May, 1892.

Bank of England, 21st December, 1891.

## No. 47.

The SECRETARY to the TREASURY to Sir FRANCIS BELL.

(No. 52).

DEAR SIR,—

The Treasury, Wellington, 4th February, 1892.

The Hon. Mr. Ballance would esteem it a favour if you would kindly look over the attached correspondence, with the view of obtaining the benefit of your opinion, derived from your knowledge of the intention of the contracting parties at the time the bonds of the 1863 and 1867 loans were converted into short-dated debentures, as to whether a cessation of interest, at either one rate or the other, should really take place. The Government desire to act honourably to the holders of the convertible bonds, and would not be willing to take advantage of what perhaps may have been an oversight; on the other hand, they do not wish to pay any more than was intended at the time should be paid in the way of interest.

Believe me, &c.,

JAS. B. HEYWOOD,  
Secretary to the Treasury.

Sir Francis D. Bell, K.C.M.G., C.B., Wellington.

## No. 48.

Sir FRANCIS BELL to the SECRETARY to the TREASURY.

Secretary to Treasury.

I HAVE to make the following remarks on the point raised by these papers:—

1. *Consols Conversion.*

The first conversion was made under the prospectus of 6th March, 1885. The cessation of interest during the broken period between the 15th April and 1st May, 1892, was not an oversight—it was one of the factors I had to take into account in fixing 107 as the amount of stock. The holder of the new bond was to get his interest at 5 per cent. up to the 15th April, and, as the stock would only be transferable ex dividend after the 1st April, he could only get the price quoted x d. if he wished to sell his stock after its inscription in exchange for the bond.

One chief factor in the computations was, of course, the relation between the price of Consols and the price of the stock; and on the 6th March, 1885, Consols were at 104 to 106, and the stock at 99 to 99½. Now, the forecast I made was that by reason of the risk in the annual Consol drawing, and the yearly dwindling of the “life” of the old Consol bond, the price of unconverted Consols would not rise much even if the stock rose; but that the new conversion bond would closely follow the quotation of the stock. This forecast has been completely verified, and, while the holder who did not convert could not at any time since 1885 get a high price for his old bond, the holder who converted could sell out at a high premium while the stock was ruling between 105 and 109. Let us suppose that prices are the same on the 15th April, 1892, as they were on the 23rd December, 1891—the latest advices: in that case a non-converting holder wishing to sell his old Consol bond would only get 104, whereas the holder who converted would get 109 for his stock—namely, 107 *plus* 2 over par.

I assume that the Bank receipt given for the bonds sent in for conversion did not contain the intimation contemplated in Messrs. Mackrell’s letter, otherwise the Chief Accountant would have known it. But the receipts were given in the Chief Cashier’s department, and the new conversion bonds were distributed there; so that the terms of the new bond were known at the Bank, though I cannot remember whether a specimen was deposited with the Chief Cashier.

The second Consol conversion took place under the prospectus of the 8th February, 1886. Mr. Perceval is right in assuming that the same principle was adopted by me then as had been adopted the year before. The Consol bond had lost another year of its “life,” and therefore 107 was rather more (relatively) than it had been in 1885; but if a less amount had been fixed it would have entailed a separate quotation in the official list—a thing of all others disliked by the market.

2. *Loan of 1863 Conversion (Fives of 1914).*

This conversion took place under the prospectus last mentioned, of 8th February, 1886. In that case also the cessation of interest for the broken period was one of the factors I took into account in fixing 110 as the amount of stock to be given.

My opinion, therefore, is that the fractions of interest for the broken periods cannot rightly be claimed, and, indeed, after the Bank notice of 21st December it is hardly likely that it will be.

At the same time, an entirely novel point is raised by the Chief Accountant’s letter of the 17th December, where he seems to think that the expression (in the prospectus of March, 1885) that the stock was to “rank *pari passu*” indicated the continuance of interest at 4 per cent. as from the 15th April, 1892. In the ordinary acceptance of the term, a stock said to rank *pari passu* with a previous issue of the same denomination, means that the stock itself is the same, and no separate quotation of it has to be made in the official list. If the Bank authorities, however, are of opinion that the expression “rank *pari passu*” also means (in the present case) a continuance of interest, then I think we should be guided by the Bank, because it is on all accounts most essential that no wrong imputation should exist against the colony.

But if any payment of fractional interest should have to be made it must certainly not be treated as a consolidated-fund charge, but simply as part of the cost of conversion. Suppose, for instance, that this interpretation of “*pari passu*” had been brought before me in 1885, and that I had then admitted it, the effect would have been that, instead of fixing 107 as the amount of stock, I should have added something like ¼ per cent.; and what would have been done then as part of the operation must of course be done now.

There would be no difficulty in the matter as far as the creation of stock is concerned, because the creations of 1885 and 1886 were expressly kept open until the whole operation should be completed in 1892, and will only be closed when this is done. The instrument closing those creations had several times been discussed between Messrs. Mackrell and myself, in order that it should be executed by the Stock Agents at the proper time; and when all the bonds of the conversions have been exchanged into stock I shall be ready to point out the steps that ought to be taken in the matter.

I advise that in reply to Mr. Perceval’s despatch this minute should be sent to him, with instructions to communicate it to the Bank if any claims for fractional interest are made.

10th February, 1892.

F. D. BELL.

## No. 49.

The SECRETARY to the TREASURY to Sir FRANCIS BELL.

(No. 90.)

SIR,—

The Treasury, Wellington, 25th February, 1892.

I have the honour, by direction of the Colonial Treasurer, to acknowledge the receipt of your minute of the 10th instant on the question raised by the Bank of England as to whether,

under the conversions of 1885 and 1886, the holders of the convertible bonds issued in respect of the Consols and the loan of 1863 (fives of 1914) were to receive interest for the broken periods 15th January to 1st May and 15th April to 1st May respectively, and to thank you for the very clear and interesting explanation you have given.

I have, &c.,

Sir F. D. Bell, K.C.M.G., C.B., Hill Street.

JAS. B. HEYWOOD,  
Secretary to the Treasury.

### No. 50.

The PREMIER to the AGENT-GENERAL.

(No. 12.)

SIR,—

Premier's Office, Wellington, 25th February, 1892.

I have the honour to acknowledge the receipt of your letter of the 22nd December last, No. 1815, transmitting copy of correspondence with the Bank of England relating to the conversion which takes place this year of the debentures which in 1885 and 1886 were issued in exchange for a like amount of 5-per-cent. Consol bonds and 5-per-cent. bonds of the loan of 1863 redeemable in 1914; from which, and your own remarks on the subject, it appears that there is a doubt as to whether interest is payable on the debentures or stock for the periods 15th January and 15th April to 1st May next.

There is no misunderstanding the terms of the debentures; but, as there would appear to be a doubt as to what the holders of them understood would be the effect of converting, so far as the lapse of interest is concerned, I thought it desirable to get Sir F. D. Bell's opinion as to the intention of the Stock Agents. I accordingly submitted the correspondence to Sir Francis, and he has kindly written a minute thereon, of which I enclose a copy for your information. I agree in the view expressed by Sir Francis, and, in the event of any question being raised by the holders of the convertible bonds, the Government desire to be guided by the advice of the Bank of England as to whether interest should or should not be paid for the periods in question.

I have, &c.,

The Agent-General for New Zealand, London.

JOHN BALLANCE.

### No. 51.

The AGENT-GENERAL to the PREMIER.

(No. 1816.)

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,

23rd December, 1891.

The only alteration in the figures of the conversion given in Mr. Kennaway's letter, No. 1619, of the 30th October last, is an addition of £5,500 to the amount of debentures of the loan of 1863 (December series), whereby the aggregate amount sent in direct to the Bank of England for conversion is increased from £257,400 to £262,900.

The figures now stand as follows:—

	£	£
1. Loan of 1860 ... ..	...	73,900
2. Loan of 1863, March series ... ..	42,400	
" June series ... ..	28,700	
" December series ... ..	19,400	
	<hr/>	90,500
3. Provincial loans—		
Lyttelton and Christchurch ... ..	6,200	
Auckland ... ..	11,800	
Otago ... ..	24,700	
Canterbury ... ..	5,800	
Westland ... ..	50,000	
Nelson ... ..	Nil	
	<hr/>	98,500
		<hr/>
		£262,900

Of the £5,500 of 1863 debentures (December series) mentioned above, £500 were converted at 104, under the terms issued in February last, and £5,000 at 110 under the terms issued in November.

I transmit a narration of debentures sent into the Bank of England for conversion, in continuation of the narration forwarded with Mr. Kennaway's letter of 2nd October last; and in reference thereto I may explain that, of the £15,000 debentures specified therein, £9,500 are those purchased on behalf of the Government, and which have now been converted into 3½-per-cent. stock at 110, inscribed in the names of myself and Mr. Palliser. These £9,500 debentures being held for conversion had already been included in the statement showing the amount converted or to be converted, a continuation of which I give above.

Since the date of Mr. Kennaway's letter (No. 1717) of the 27th November last, the Crown Agents have paid off £500 debentures of the June series of the loan of 1863, and £49,300 of the December series of that loan, the amounts in both cases being provided by means of Commissioners' orders on the Public Account.



The following are therefore the amounts still outstanding of the debentures of the loan of 1863, after deducting those converted, and those paid off through the Crown Agents:—

March series	...	...	...	...	...	...	...	£
June series	...	...	...	...	...	...	...	1,400
December series...	...	...	...	...	...	...	...	200
								5,100

I shall now, therefore, be in a position to request the Sinking Fund Trustees to release nearly the whole of the amount of the moneys they hold on account of the 1863 debentures which have matured this year; and, as they have now sold the balance of the 4-per-cent. stock of the 1891 sinking fund, they will be in a position on the 30th instant to pay to me in cash the amount that can be released, for payment into the Public Account, and this will be about £70,000.

I enclose copy of letter of the 11th instant from the Crown Agents advising the sale of the balance of the 4-per-cent. stock remaining in the 1891 sinking fund, and also a copy of their letter of the 16th instant specifying the amount of cash which I received from them on account of the 1891 sinking fund, and which, amounting in all to £9,106 9s., I paid the same day into the Public Account.

On my requisition, the Crown Agents have repaid to the Public Account the sum of £147, on account of the interest on the £4,900 1863 debentures (December series) converted under the terms of February last, such amount having been included in Bank Order No. XIV., for £2,952, dated the 21st May last.

The Stock Agents will also now have to inscribe an amount of 3½-per-cent. stock, in addition to the £30,000 stock already inscribed, but not yet transferred to myself and Mr. Palliser, sufficient to provide for the conversion, at 110 for every £100 debenture, of that portion of the December series of the loan of 1863 which has come in to the Crown Agents for payment, and also for the payment of expenses connected with the whole conversion.

As soon as this additional stock is inscribed, I propose to obtain advances equal to the amount which has been drawn from the Public Account by Commissioners' orders, to meet the paying-off of the 1863 debentures which have recently been sent in to the Crown Agents.

Meanwhile I have obtained from the Bank of England an advance of £5,000 on the security of the £30,000 stock, and have paid the same into the Public Account, as payment on account.

I have not effected any further sales of 3½-per-cent. stock since those advised in my letter No. 1812, of the 11th instant. I think it probable that better prices will be forthcoming after the close of the present year, and I therefore propose to instruct the brokers to recommence selling at market price in the course of next month.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

*Enclosure 1 in No. 51.*

NARRATION OF DEBENTURES SENT IN TO THE BANK OF ENGLAND FOR CONVERSION.—(In Continuation of Statement dated the 22nd September, 1891.)

I. LOAN OF 1860.

New Zealand Government 6-per-cent. Debentures, authorised by the Loan Act of 1860, falling due 1st July, 1891, lodged with the Bank of England, for Conversion, from 22nd September, 1891, to 16th December, 1891.

*Three Debentures of £100 each.*

504      505      988

Three debentures of £100 each = £300.

Bank of England, 17th December, 1891.

F. MAY, Chief Cashier.

II. LOAN OF 1863 (December Series).

New Zealand Government 6-per-cent. Debentures, authorised by the Loan Act of 1863, falling due 15th December, 1891, lodged with the Bank of England, for Conversion, from 24th June to 16th December, 1891, inclusive.

Converted at the Rate of £104 per Cent.

*One Debenture of £500.*

2224.

One Debenture of £500 = £500.

Converted at the Rate of £110 per Cent.

*Five Debentures of £1,000 each.*

558      574      606      613      614

Five debentures of £1,000 = £5,000.

*Six Debentures of £500 each.*

2083      2181      2240      2241      2326      2340

Six debentures of £500 = £3,000.

*Fourteen Debentures of £200 each.*

3394      3417      3444      3467      3497  
3517      3518      3519      3520      3521  
3584      3585      3645      3656

Fourteen debentures of £200 = £2,800.

*Thirty-seven Debentures of £100 each.*

2575	2576	2597	2602	2603	2641	2648	2656	2662	2682	2683
2705	2706	2709	2715	2728	2729	2730	2731	2732	2752	2753
2760	2785	2790	2792	2817	2874	2894	2897	2910	2911	2940
3026	3031	3032	3034							

Thirty-seven debentures of £100 = £3,700.

Summary.			
Converted at 104 per cent.—			
1 debenture of £500	=	£	500
Converted at 110 per cent.—			
5 debentures of £1,000 each	=	5,000	
6 " 500 "	=	3,000	
14 " 200 "	=	2,800	
37 " 100 "	=	3,700	
63		£15,000	

Bank of England, 17th December, 1891.

F. MAY, Chief Cashier.

*Enclosure 2 in No. 51.*

SIR,—

Downing Street, London, 11th December, 1891.

In continuation of our letter of the 10th instant, I have to inform you that the balance of the New Zealand 4-per-cent. inscribed stock remaining in the 1891 sinking fund has now been sold for the settlement of the 30th instant, viz. :—

£	s.	d.		£	s.	d.	£	s.	d.
40,000	0	0	at 101 .. .. .	40,400	0	0			
			Less brokerage, &c. .. .. .	100	0	6			
							40,299	19	6
34,422	7	2	at 101 .. .. .	34,766	11	8			
			Less brokerage, &c. .. .. .	86	1	7			
							34,680	10	1
74,422	7	2					£74,980	9	7

W. Kennaway, Esq., C.M.G., Executive Trustee of the Loan of 1863,  
13, Victoria Street, S.W.

I am, &c.,  
M. F. OMMANNEY.

*Enclosure 3 in No. 51.*

Downing Street, S.W., 16th December, 1891.

NEW ZEALAND SINKING FUND, 1863 (1891).

SIR,—

With reference to your letters of the 24th November and the 14th instant, I enclose cheques for the sum of £9,106 9s. 4d., made up as follows :—

1. £8,347 4s., amount of deposit at the London and Westminster Bank in the names of Sir Penrose Goodchild Julian and Mr. Walter Kennaway.
2. £21 5s. 4d., accrued interest on ditto.
3. £738, contribution to the Sinking Fund, due the 15th instant.

I shall be obliged by your signing and returning to us the accompanying receipt.

The Agent-General for New Zealand, 13, Victoria Street, S.W.

I am, &c.,  
M. F. OMMANNEY.

## No. 52.

The SECRETARY to the TREASURY to Sir FRANCIS BELL.

(No. 105.)

SIR,—

The Treasury, Wellington, 9th March, 1892.

Referring to your recent interview with the Colonial Treasurer relative to the late conversion operations, I am directed to send to you the enclosed copy of correspondence between the Treasury and the Agent-General bearing upon the question which has been raised as to whether the loss made by sale of 3½-per-cent. stock can be made good by issue of new stock, and to request the favour of your opinion as to whether the Stock Agents are empowered to issue stock to make good the deficiency.

I have, &c.,

Sir F. Dillon Bell, K.C.M.G., C.B., Hill Street.

JAMES B. HEYWOOD,  
Secretary to the Treasury.

P.S.—It is assumed that you have copies of the enclosures to the Agent-General's letters in your possession.

## No. 53.

The AGENT-GENERAL to the PREMIER.

(No. 250.)

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,  
20th February, 1892.

Referring to my letter No. 1816, of the 23rd December, I have now to state that, as regards the bonds of the 1863 and 1860 loans, there only remain outstanding at the present date £2,000 of the former (of all series) and £100 of the latter, the remainder having been either paid off by the Crown Agents or sent in to the Bank of England for conversion.

Of these outstanding bonds, the £1,400 of the March series are now being dealt with under the provisions of the Lost Debentures Act; and, as all those of the June series have come in, there only remains £600 of the December series to be accounted for.

On the 2nd instant the Bank of England were requested by me not to accept any more of these bonds for conversion, but to refer the holders of any that may be presented there to the Crown Agents as regards those of 1863, and to the Union Bank of Australia as regards those of 1860.

The total aggregate amount of these bonds which have been sent in direct to the Bank of

England for conversion is £165,100, comprising the following amounts as regards each series, namely:—

1. Loan of 1860	...	...	...	...	...	...	£ 74,000
2. Loan of 1863—							
March series	...	...	...	...	...	...	42,400
June series	...	...	...	...	...	...	28,700
December series	...	...	...	...	...	...	20,000
							<u>£165,100</u>

Of the December series, £4,900 were converted at 104, and £15,100 at 110.

Of the provincial bonds, no more have come in for conversion since my letter of the 23rd December. I transmit copy of my letter and enclosure to the Bank of England, giving instructions as to the rates at which any of these debentures can be received for conversion up to the 1st June next.

I also transmit a narration of debentures sent in to the Bank of England for conversion, in continuation of that forwarded with my letter of the 23rd December.

The sum of £69,080 9s. 7d. was received on the 30th December from the Sinking Fund Trustees on account of sinking fund released by the conversion of the bonds of the 1863 loan, and was paid into the Public Account the same day. The Trustees have still in their hands £5,900, the part or whole of which will shortly be available for payment into the Public Account.

On the 5th January the advance of £5,000 made on the 21st December by the Bank of England on security of 3½-per-cent. stock was paid off by means of a Commissioners' order.

On the 30th December the Bank of England was requested by the Stock Agents to inscribe a further amount of £45,000 3½-per-cent. stock, making a total of £75,000 of that stock still in the hands of the Bank, and on the 8th instant an advance of £50,000 was obtained on the security of the same, and paid into the Public Account in the sums of £48,500 and £1,500. This advance was repaid on the 17th instant by Commissioners' order.

The Sinking Fund (1914) Trustees having the sum of £1,894 to invest, I caused £2,036 stock of that held by the Bank of England to be inscribed in their names, and the purchase-money (£1,894) went into the Public Account on the 16th instant.

The Bank of England hold now, therefore, £72,964 stock, a large portion of which will shortly have to be transferred to myself and the Audit Officer, to be held by us on account of the Government.

Statements of account made up to the end of next month, and in continuation of those sent by Sir F. D. Bell on the 28th September last, will be forwarded in due course.

I transmit copies of correspondence relating to the matters referred to in this letter.

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

The Hon. the Premier, Wellington.

Enclosure 1 in No. 53.

GENTLEMEN,—

13, Victoria Street, 23rd December, 1891.

I beg to inform you that the following is the amount now outstanding of the debentures redeemable this year of the loan of 1863, namely:—

Those of the March series	..	..	..	..	..	..	..	£ 1,400
"    June series	..	..	..	..	..	..	..	200
"    December series	..	..	..	..	..	..	..	4,900
								<u>£6,500</u>

I would therefore propose that out of the proceeds of the sale of the £74,422 7s. 2d. 4-per-cent. stock sold for the account of the 30th instant, there be paid to me for the New Zealand Government immediately on their receipt such amount as will leave in the hands of the Trustees a sum equal to the amount of the debentures outstanding at that date (30th instant).

If the Trustees concur in this proposal, the necessary details can be arranged between the Crown Agents and the Executive Trustee.

I am, &c.,  
W. B. PERCEVAL, Agent-General.

The Trustees of the Sinking Fund of the New Zealand loan of 1863.

I concur in the above proposal.—P. G. JULYAN.—24/12/91.  
I concur in the above proposal.—W. B. PERCEVAL.—29/12/91.  
I concur in the above proposal.—WALTER KENNAWAY.—29/12/91.

Enclosure 2 in No. 53.

GENTLEMEN,—

13, Victoria Street, 29th December, 1891.

On the 23rd instant the Agent-General addressed the Trustees of the Sinking Fund of the 1863 loan with a proposal, copy of which is annexed.

The Trustees having assented to that proposal, I have to request that you will take the necessary steps for carrying the Agent-General's proposal into effect.

I may add that since the date of the Agent-General's letter further amounts of £500 and £100 of the December series of the debentures have been paid off, so that, as at present advised, the amount, out of the £74,422 7s. 2d., to remain in the Trustees' hands should be £5,900.

As regards the disposal of this sum (£5,900) I have to request you to place it on deposit at call, paying the remainder to the credit of the New Zealand Government Public Account at the Bank of New Zealand.

I have, &c.,  
WALTER KENNAWAY,  
Executive Trustee of the Loan of 1863.

The Crown Agents for the Colonies.

Enclosure 3 in No. 53.

13, Victoria Street, 30th December, 1891.

MINUTE FOR THE STOCK AGENTS.

In continuation of the steps necessary to carry out the instructions received from the Government in respect to the conversion of the debentures of the loans of 1860 and 1863 not sent direct to the Bank, the operation has now sufficiently advanced for an approximate estimate to be made of the amount of 3½-per-cent. stock which will be required

to complete the conversion of the 1860 and 1863 debentures, and on the security of which advances can be obtained from the Bank of England.

The last account, dated the 25th September last, showed that at that date a balance of £384 stock and £5,921 cash was required to be provided. Since that date £1,700 debentures, convertible at 104, and £50,100, convertible at 110, have come in, requiring £56,878 stock. There are now outstanding £1,800 debentures of the loans of 1860 and 1863, convertible at 104, and £4,300 of December series of the loan of 1863, convertible at 110, requiring £6,602 stock. To provide for £5,921 cash, the amount of stock required at 110 is £6,513, and to meet outstanding liabilities it is estimated that £5,000 stock will be wanted.

The figures stand, therefore, as follows, viz. :—

	£	s.	d.
Balance of stock required up to the 25th September last .. .. .	384	0	0
Stock required on account of debentures which have come in since the 25th September last .. .. .	56,878	0	0
Stock required to meet outstanding debentures .. .. .	6,602	0	0
Stock required to meet cash balance of account of the 25th September, 1891 .. .. .	6,513	0	0
Stock required to meet outstanding cash liabilities .. .. .	5,000	0	0
	£75,377	0	0

Towards providing this amount of stock, there is £30,000 remaining out of the £200,000 stock inscribed in May last, so that it will now be necessary to inscribe a further amount of £45,000 stock.

I have accordingly prepared a letter from the Stock Agents to the Bank, authorising the inscription of the further amount of £45,000 stock; and I have to request the same may be signed by the Stock Agents for transmission to the bank.

30th December, 1891.

W. B. PERCEVAL, Agent-General.

*Enclosure 4 in No. 53.*

SIR,—

Downing Street, 30th December, 1891.

I have to acknowledge the receipt of your letter of yesterday's date, and in reply to inform you that, as requested, we have this day disposed of the proceeds of the New Zealand 4-per-cent. inscribed stock, £74,980 9s. 7d., as follows :—

	£	s.	d.
We have paid to the credit of the New Zealand Public Account at the Bank of New Zealand .. .. .	69,080	9	7
And placed on deposit at the London and Westminster Bank at call .. .. .	5,900	0	0
	£74,980	9	7

the latter amount, £5,900, being to meet the redemption of a like amount of outstanding debentures of the loan of 1863, redeemable in 1891.

I am, &c.

M. F. OMMANNEY.

Walter Kennaway, Esq., C.M.G., Executive Trustee of New Zealand Loan of 1863.

*Enclosure 5 in No. 53.*

GENTLEMEN,—

13, Victoria Street, 30th December, 1891.

We are informed by the Agent-General that a further amount of £45,000 of New Zealand 3½-per-cent. stock will be required, on the security of which he proposes to obtain advances from the Bank of England.

We have therefore to request and authorise you to inscribe, on receipt of this letter, in the names of the Governor and company of the Bank of England, a further amount of £45,000 3½-per-cent. consolidated stock, being part of the amount of £1,000,000 created by deed-poll dated the 12th March, 1891, for the purposes of the conversion of the New Zealand loans now in course of being effected.

We have, &c.,

P. G. JULYAN,

WALTER KENNAWAY,

To the Governor and Company of the Bank of England.

Stock Agents of the New Zealand Government.

*Enclosure 6 in No. 53.*

SIR,—

13, Victoria Street, 8th January, 1892.

Referring to previous correspondence with my predecessor, Sir F. D. Bell, I beg to enclose a formal letter from the Stock Agents requesting and authorising the inscription in the name of the Bank of a further amount of £45,000 of New Zealand 3½-per-cent. consolidated stock.

This amount, with the £30,000 left out of the £200,000 placed on security last May, will make £75,000, and on the security of this amount of stock I have to request the Bank to make, on the 13th instant, an advance of £50,000, to be placed to the credit of the Stock Agents' Conversion Account at that date (13th instant).

I have, &c.,

The Chief Cashier, Bank of England.

W. B. PERCEVAL, Agent-General.

*Enclosure 7 in No. 53.*

GENTLEMEN,—

Bank of England, 11th January, 1892.

I beg to acknowledge the receipt of your letter of the 30th ult., and to inform you that, in compliance with your request, the sum of £45,000 New Zealand £3 10s. per cent. stock is now inscribed in the names of the "Governor and Company of the Bank of England, Security Account."

I am, &c.,

H. J. BOWEN, Chief Accountant.

The Stock Agents of the New Zealand Government, 13, Victoria Street, S.W.

*Enclosure 8 in No. 53.*

SIR,—

Bank of England, 11th January, 1892.

I beg to acknowledge the receipt of your letter of the 8th instant, enclosing a letter from the Stock Agents authorising the inscription of a further sum of £45,000 New Zealand 3½-per-cent. stock in the name of the Bank of England, and in reply to inform you that, in compliance with your request, the sum of £50,000 shall be placed to the credit of the Stock Agents for New Zealand Conversion Account as an advance on the 13th instant.

I am, &c.,

The Agent-General for New Zealand.

F. MAY, Chief Cashier.

*Enclosure 9 in No. 53.*

SIR,—

Bank of England, 22nd January, 1892.

In compliance with the request contained in your letter of yesterday's date, I forward you herein a list of the debentures which have been received for conversion since the last statement, which was forwarded on the 17th December last.

I am, &c.,

The Agent-General for New Zealand.

F. MAY, Chief Cashier.

## Sub-enclosure.

New Zealand Government 6-per-cent. Debentures authorised by the Loan Act of 1863, falling due 15th December, 1891, lodged with the Bank of England for conversion into New Zealand  $3\frac{1}{2}$ -per-cent. Inscribed Stock at the rate of 110 per Cent., from 17th December, 1891, to 21st January, 1892, inclusive.

One debenture of £500 (2,110) = £500  
One debenture of £100 (2,596) = 100

Bank of England, 22nd January, 1892.

£600

F. MAY.

## Enclosure 10 in No. 53.

SIR,—

13, Victoria Street, 2nd February, 1892.

Referring to Sir F. D. Bell's letter of the 14th September last, enclosing a list of the rates at which any debentures of the provincial loans may be accepted for conversion up to the 31st December last, I beg herewith to transmit a similar list giving the rates at which these debentures may be converted up to the 1st June next.

The stock to be inscribed for any such debentures would be inscribable at once, and the debentures must be delivered with all undue coupons attached.

I take this opportunity of requesting the Bank not to accept any more of the debentures of the loans of 1863 and 1860 for conversion. In the case of any of these debentures being presented at the Bank, I shall be obliged by the holders being referred to the Crown Agents for the colonies as regards the debentures of 1863, and to the Union Bank of Australia as regards those of 1860.

The Chief Cashier, Bank of England.

I am, &amp;c.,

WESTBY B. PERCEVAL.

## Sub-enclosure.

## CONVERSION OF NEW ZEALAND GOVERNMENT LOANS.

LIST of Provincial Loans, specifying the Terms on which the Debentures thereof may be converted into  $3\frac{1}{2}$ -per-cent. Inscribed Stock during the Period ending the 1st June, 1892.

(a.) LYTTLETON AND CHRISTCHURCH RAILWAY LOAN—Redeemable 1893 to 1897.—For every £100 in debentures, with all undue coupons attached, the following amounts of  $3\frac{1}{2}$ -per-cent. inscribed stock, inscribable on or after the 2nd December, 1891, and bearing interest from the 1st January, 1892, namely:—

Series redeemable 1893	..	..	..	..	..	..	£107 5s. of stock.
" 1894	..	..	..	..	..	..	£109 5s. "
" 1896	..	..	..	..	..	..	£112 0s. "
" 1897	..	..	..	..	..	..	£113 15s. "

(b.) AUCKLAND LOAN—Redeemable 1896.—For every £100 in debentures, with all undue coupons attached, £113 of  $3\frac{1}{2}$ -per-cent. inscribed stock, inscribable on or after the 2nd December, 1891, and bearing interest from the 1st January, 1892.

(c.) NELSON LOAN—Redeemable 1896.—For every £100 in debentures, with all undue coupons attached, £116 15s. of  $3\frac{1}{2}$ -per-cent. inscribed stock, inscribable on or after the 2nd December, 1891, and bearing interest from the 1st January, 1892.

(d.) OTAGO LOAN—Redeemable 1898.—For every £100 in debentures, with all undue coupons attached, £116 10s. of  $3\frac{1}{2}$ -per-cent. inscribed stock, inscribable on or after the 2nd December, 1891, and bearing interest from the 1st January, 1892.

(e.) CANTERBURY LOAN—Redeemable 1915 and 1916.—For every £100 in debentures, with all undue coupons attached, £136 10s. of  $3\frac{1}{2}$ -per-cent. inscribed stock, inscribable on or after the 2nd December, 1891, and bearing interest from the 1st January, 1892.

WESTBY B. PERCEVAL.

## Enclosure 11 in No. 53.

SIR,—

Bank of England, 3rd February, 1892.

I beg to acknowledge the receipt of your letter of yesterday, enclosing a list of the terms on which debentures of the New Zealand Government provincial loans may be converted up to the 1st June next, which has attention.

I take note of your request regarding any of the debentures of the loans of 1863 and 1860 which may be presented.

The Agent-General for New Zealand.

I am, &amp;c.,

F. MAY, Chief Cashier.

## No. 54.

The PREMIER to the AGENT-GENERAL.

(No. 18.)

SIR,—

Premier's Office, Wellington, 6th April, 1892.

I have the honour to acknowledge receipt of your letter No. 250, dated 20th February, reporting the progress of the conversion operations of the past two months.

I note that the outstanding debentures of the loans of 1860 and 1863 amount to £2,100, £1,400 of which are being dealt with under the provisions of the Lost Debentures Act, leaving only £100 of the 1860 loan, and £600 of the December series of the 1863 loan, to be accounted for.

In reciting the total aggregate amount of the bonds which have been sent in direct to the Bank of England for conversion, I notice a slight discrepancy between your figures and those recorded in the Treasury books, thus: In the June series you state the amount at £28,700, and in the December series at £20,000; the Treasury figures are, however, £12,900 and £10,500 respectively; and the differences of £15,800 and £9,500 represent debentures which were taken up by Commissioners' orders, and were not sent in direct to the Bank for conversion, as I understand the term. But, as the balances outstanding are unaffected, I merely point out the discrepancies, which I have no doubt may be easily explained away.

Referring to the £2,036 of stock sold to the Sinking Fund Trustees (1914), you do not mention the sale price; and I shall be glad if you will always make a point of keeping me informed of the prices our stock has fetched. This remark may also be held to apply to the sale of £5,000 (part of £30,000), the proceeds of which were credited to the Public Account on the 29th January.

I note your instructions to the Bank of England as to the rates at which any of the remaining debentures of the provincial loans may be received for conversion up to the 1st June next, and the same have my approval.

The Agent-General for New Zealand, London.

I have, &amp;c.,

J. BALLANCE.

## No. 55.

Sir FRANCIS BELL to the SECRETARY to the TREASURY.

Secretary to the Treasury.

AFTER carefully considering the correspondence between the Government and the present Agent-General, I am unable to vary what I said at my recent conference with the Colonial Treasurer.

The Treasury claims that, on the one hand, if the  $3\frac{1}{2}$ -per-cent. conversion stock belonging to the Government is sold by them for a less price than 96, the Stock Agents must make up the difference by issuing a further amount of stock, but that, on the other hand, no account must be taken of the price at which the 4-per-cent. stock in the Sinking Fund was sold. Now, I pointed out at the conference that up to the time I left England the Stock Agents had never known the grounds on which the Treasury conceived this claim to be tenable, and the later correspondence does not explain them. But I also said that, at any rate, it was certain that no additional issue of stock could be made by the Stock Agents in favour of the Government (except, of course, for expenses of the operation) without the consent of both the Bank of England and the Committee of the Stock Exchange, and that this consent could not be looked for unless the transaction could be shown to be consistent with the terms of the conversion prospectus.

There are conceivable grounds on which a fresh negotiation of the kind might be initiated with the Bank of England, because the debentures which were not converted by the holders were paid off out of money borrowed from the Bank; but such a negotiation would rest on entirely different grounds from any which (so far as I know) the Treasury could urge in support of its present claim. It must be remembered that the amount of stock capable of being inscribed in respect of any debenture included in the operation was fixed by the terms of the prospectus; and any additional inscription (except, of course, for the mere expenses of the operation) would very likely require a fresh public announcement. It will be seen from my letter to the Bank (14th April, 1891, at page 10, B.—14A) that, so long as the Committee of the Stock Exchange were certified that no more stock was being inscribed in the aggregate than was inscribable under the prospectus, it would not matter to them, for the purposes of a quotation of the stock, whether the inscription took place in respect of debentures converted or debentures paid off; but it followed, of course, that the amount to be inscribed for debentures paid off could only be the same as it would have been if the debentures had been converted. If it is now intended to seek the consent of the Bank and the Committee to an additional inscription, it will be necessary to define very clearly the grounds on which the proposal is made.

It is necessary to note that Mr. Perceval has inadvertently fallen into an error in his summary of the process adopted in the conversion, where he says that "having paid off the debentures [of the 1863 loan] sent in to the Crown Agents, the Agent-General became the holder thereof, and then converted them into stock." This was not so, as the debentures paid off by the Crown Agents were extinguished, and became incapable of being converted. It was different in the case of the 1860 loan, where I did become the holder of a number of debentures under special instructions to the Union Bank of Australia, and sent them in for conversion before maturing date. The process pursued was very clearly explained in my letters to the Treasurer at the time.

9th April, 1892.

F. D. BELL.

## No. 56.

The PREMIER to the AGENT-GENERAL.

(No. 20.)

SIR,—

Premier's Office, Wellington, 14th April, 1892.

Adverting to the subject of making good conversion losses incurred through sales of  $3\frac{1}{2}$ -per-cent. stock by additional issues of stock, I have the honour to inform you that I have conferred with Sir Francis Bell, who at my request has since expressed his view of the question in writing. A copy of his memorandum I now enclose for your information. Sir Francis has clearly shown that the losses through fall in prices cannot be made good by sales of the stock created for expenses of the conversion operation. I am inclined to agree with this opinion, and Parliament will require to be asked to make provision for the same.

The Agent-General for New Zealand, London.

I have, &amp;c.,

J. BALLANCE.

## No. 57.

The AGENT-GENERAL to the PREMIER.

(No. 311.)

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,  
4th March, 1892.

I beg leave to state that on the 29th ultimo I sold at 92 $\frac{3}{4}$  £25,000 of the  $3\frac{1}{2}$ -per-cent. stock held by myself and the Audit Officer on behalf of the Government.

The proceeds (£23,124 19s. 6d.) of the sale will go into the Public Account on the 11th instant.

I have to-day informed the brokers that they can sell another parcel of £20,000 of this stock at not less than 93.

The Hon. the Premier, Wellington.

I have, &amp;c.

W. B. PERCEVAL.

## No. 58.

The AGENT-GENERAL to the PREMIER.

(No. 621.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

20th April, 1892.

I beg to acknowledge the receipt of your letter No. 12, of the 25th February last, relating to the payment of interest in connection with the conversion taking place this year of the debentures which were issued in 1885 and 1886, and enclosing copy of a minute by Sir F. D. Bell giving his views on the subject.

No representation has up to the present date been made by any of the holders of these debentures as to the non-payment of interest for the intervening periods between their conversion into stock and the 1st May. Any such representations, if made at all, will more probably come in after the 1st May, when some of those holders of the stock who have not made themselves fully acquainted with the conditions as given on their face may for the first time realise that for a certain period they receive no interest on either the debentures or on the stock into which such debentures have been converted.

I am glad to be in possession of Sir F. D. Bell's minute, as he thereby plainly sets forth the principle on which the terms of the conversion in both 1885 and 1886 were settled.

At the same time I wish to point out, in reference to that part of the minute in which it is stated that any payment of fractional interest must not be treated as a Consolidated Fund charge, but simply as part of the cost of conversion, that such mode of dealing with the matter would not, as I understand it, be in accordance with the principle on which the Conversions Account, as between the Stock Agents and the Public Account, has hitherto been made out; as in previous accounts, while the Public Account has been credited when there has been an overlap of interest, it has on the other hand been debited when, in the process of the conversion, there has been a period during which no interest has been paid.

I desire to point this out, as in the Stock Agents' Account which will be prepared for the period ending the 30th September next the Public Account will be debited with the interest, which, in case no payment is made for the intervening periods already referred to, will thus apparently be saved.

I have, &amp;c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

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