

1893.  
NEW ZEALAND.

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## 3½- AND 4-PER-CENT. CONVERSION OPERATIONS

(FURTHER CORRESPONDENCE RELATING TO THE).

[In Continuation of B.-14A, 1892.]

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

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### No. 1.

The AGENT-GENERAL to the PREMIER.

(Memorandum No. 630.)

I BEG leave to state that I have sold the further amount of £13,000 New Zealand 3½-per-cent. Stock at 93½. The net proceeds (£12,138 3s.) of the sale will be available for payment to the Public Account on the 28th instant.

The Stock Agents have also sold for the 28th instant account the £29,000 4 per cent. at 101½, the net proceeds of which will amount to £29,434 7s. 6d. This, when received, will be paid into the Public Account, and will be withdrawn therefrom by means of Commissioners' orders as and when required, for the payment of the stamp duty on 4-per-cent. Stock into which the debentures issued in 1885 and 1886 are being converted.

W. B. PERCEVAL.

Westminster Chambers, 13, Victoria Street, London, S.W., 22nd April, 1892.

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### No. 2.

The AGENT-GENERAL to the PREMIER.

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

(No. 527.)  
SIR,—

I herewith transmit the undermentioned statements of account in continuation of those forwarded by Sir F. D. Bell with his letter of the 28th September last.

1. Statement showing the financial result of the various transactions which have passed between the Stock Agents and the Public Account from 26th September, 1891, to 31st March, 1892, with respect to the conversion of the public debt.

2. Statement (A) showing—(1) 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.

3. Statement (B) 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 (31st March, 1892).

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

## Enclosure 1 in No. 2.

STATEMENT showing the Financial Result of the Various Transactions which have passed between the Stock Agents and the Public Account, from the 25th September, 1891, to the 31st March, 1892, with respect to the Conversion of the Public Debt.

| 1891.     | Dr.   | £ s. d.             | 1891.   | Cr.  | £ s. d.             |
|-----------|---|---------------------|---------|--|---------------------|
| Sept. 25. | Balance in favour of Public Account .. ..   | 5,921 11 7          | Oct. 7  | Paid to Public Account by Stock Agents .. ..   | 200 0 0             |
|           | Interest on balance .. ..   | 53 16 1             | " 22    | Ditto .. ..  | 200 0 0             |
|           | Commissioners' orders on the Public Account in favour of the Union Bank of Australia on account of debentures of the 6-per-cent. 1860 loan .. | 500 0 0             | Nov. 11 | " .. ..  | 200 0 0             |
|           | Commissioners' order on the Public Account in favour of the Crown Agents, to meet debentures of the 6-per-cent. 1863 loan, March series ..    | 100 0 0             | " 20    | " .. ..  | 100 0 0             |
|           | Commissioners' order on the Public Account in favour of the Crown Agents, to meet debentures of the 6-per-cent. 1863 loan, June series ..     | 1,000 0 0           | Dec. 22 | " .. ..  | 5,000 0 0           |
|           | Commissioners' orders on Public Account, being repayment of advances made by Bank of England, £2,000, £5,000, £50,000 .. ..                   | 57,000 0 0          | 1892.   |  |                     |
|           | Commissioners' order on Public Account for the purchase of £9,500 6-per-cent. debentures, 1863 loan, December series .. ..                    | 9,500 0 0           | Jan. 14 | " .. ..  | 48,500 0 0          |
|           | Commissioners' orders on Public Account in favour of the Crown Agents to meet debentures of the 6-per-cent. 1863 loan, December series ..     | 53,400 0 0          | " 27    | " .. ..  | 1,500 0 0           |
|           | Half-year's dividend on £30,000 3½-per-cent. stock, less income-tax .. ..   | 511 17 6            | Feb. 16 | " .. ..  | 1,894 0 0           |
|           |   | <u>£127,987 5 2</u> | Mar. 1  | " .. ..  | 1,100 0 0           |
|           |   |                     |         |  | <u>58,694 0 0</u>   |
|           |   |                     |         | Amounts as per contra of debentures paid off, represented by the under-mentioned 3½-per-cent. stock, £100, £1,000, £62,900, £500 .. ..   | 64,500 0 0          |
|           |   |                     |         | 3½-per-cent. Stock, at £104 of stock for each £100 debenture, already inscribed in the names of Agent-General and Audit Officer, £520; 3½-per-cent. stock at £110 of stock for each £100 debenture already inscribed in the above-mentioned names, £10,450; and 3½-per-cent. stock still to be inscribed in those names, £60,268 (as shown in Statement A): £71,238. |                     |
|           |   |                     | Mar. 31 | Balance in favour of Public Account .. ..  | 4,793 5 2           |
|           |   |                     |         |  | <u>£127,987 5 2</u> |

For the Stock Agents,  
WALTER KENNAWAY.

Examined,  
C. WRAY PALLISER, Audit Officer.

London, 31st March, 1892.

## Enclosure 2 in No. 2.

A.

STATEMENT showing — (1) 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.

| 1891.     | Dr.  | £              | 1891.    | Cr.   | £              |
|-----------|--|----------------|----------|---|----------------|
| Sept. 25. | Balance of stock required to be inscribed .. ..  | 384            |          | Amount of stock inscribed representing £9,500 debentures of the December series of the 6-per-cent. loan, 1863 .. .. | 10,450         |
|           | Commissioners' orders issued on account of debentures of the March series of the 1863 loan .. .. | 100            | 1891-92. |   |                |
|           | Commissioners' order issued on account of debentures of the June series of the 1863 loan .. ..   | 1,000          | October  | { Amount of stock inscribed representing £500 debentures of the 6-per-cent. loan, 1860 .. ..                        | 520            |
|           | Add 4 per cent. on £1,100 .. ..  | 44             | March    | {   |                |
|           | Commissioners' order issued on account of debentures of the December series of the 1863 loan ..  | 62,900         | 1892.    |   |                |
|           | Add 10 per cent. on £62,900 .. ..  | 6,290          | Mar. 31  | Balance of stock required to be inscribed at this date .. ..  | 60,268         |
|           | Commissioners' orders issued on account of debentures of the 1860 loan .. ..                     | 500            |          |   |                |
|           | Add 4 per cent. on £500 .. ..  | 20             |          |   |                |
|           |  | <u>£71,238</u> |          |   | <u>£71,238</u> |

For the Stock Agents,  
WALTER KENNAWAY.

Examined,  
C. WRAY PALLISER, Audit Officer.

London, 31st March, 1892.

## Enclosure 3 in No. 2.

B.

STATEMENT showing—(1) The Amount of  $3\frac{1}{2}$ -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.  | £       | £               |
|-----------|---|-----------------|----------|--|---------|-----------------|
| Sept. 25. | Balance of stock inscribed at date in the name of the Agent-General and Audit Officer .. ..   | 324,654         | Nov. 27. | Amount of stock sold, and proceeds of same paid to Public Account .. ..                      | 20,000  |                 |
| 1891-92.  |   |                 | Dec. 11. | Ditto .. ..  | 40,000  |                 |
| Oct.-Mar. | Amount of stock inscribed to meet payments made out of Public Account, on account of the debentures of loan of 1860.. ..                        | 520             | " 30.    | " .. ..  | 10,000  |                 |
|           | Amount of stock inscribed to meet payment made out of Public Account, on account of £9,500 debenture of the loan of 1863, December series .. .. | 10,450          | 1892.    |  |         |                 |
|           |   |                 | Jan. 29. | " .. ..  | 30,000  |                 |
|           |   |                 | Mar. 11. | " .. ..  | 45,000  |                 |
|           |   |                 |          |  |         | 145,000         |
|           |   |                 | " 31.    | Balance of stock inscribed at date in the names of the Agent-General and Audit Officer .. .. | 190,624 |                 |
|           |   | <u>£335,624</u> |          |  |         | <u>£335,624</u> |

London, 31st March, 1892.

W. B. PERCEVAL, Agent-General.  
C. WRAY PALLISER, Audit Officer.

## No. 3.

The AGENT-GENERAL to the PREMIER.

(Memorandum No. 734.)

I BEG leave to transmit copies of sale-notes for £20,000  $3\frac{1}{2}$ -per-cent. Stock, the proceeds (£19,224 7s. 6d.) of which will be paid to the credit of the Public Account this day: also copy of sale-note for £20,000 of the same stock; the proceeds (£19,324 8s.) will go into the Public Account on 15th June.

I am in receipt of your cablegram of yesterday, instructing me to press sales of this stock, and this I am doing so far as it is possible to do so without depressing the market. I shall, I expect, next week be able to report by cable the sale of a further amount.

W. B. PERCEVAL.

Westminster Chambers, 13, Victoria Street, London, S.W., 27th May, 1892.

## No. 4.

The AGENT-GENERAL to the PREMIER.

(No. 769.)

Westminster Chambers, 13, Victoria Street, London, S.W.,  
30th May, 1892.

SIR,—

In the early part of last year (1891) some correspondence took place between Sir F. D. Bell and yourself with respect to a further conversion operation in connection with the 5-per-cent. Consol debentures of 1867 (annual drawing), which resulted in the decision not to include them in the conversion offers of that year.\*

I herewith enclose a statement showing the present position of these debentures, by which it will be seen that there are £1,107,500 still outstanding in the hands of the public, and which accordingly are available for conversion.

In dealing with these debentures in 1885 and 1886, the process of conversion consisted principally of exchanging them for 5-per-cent. debentures convertible this year into 4-per-cent. Stock. I do not, however, think that this mode of conversion should be adopted in dealing with those that are still outstanding. The simplest and, I believe, the most advantageous plan would be to offer the holders  $3\frac{1}{2}$ -per-cent. stock in exchange for their debentures, and to keep the offer open, as is being done in the case of the provincial loans, so that in each year, prior to the drawing, the holders would be invited to convert their debentures into  $3\frac{1}{2}$ -per-cent. stock.

If this was done I see no reason why the present arrangement, as regards the annual provision of the sinking fund, should not be so altered as to render the remitting from the colony of the quarterly amounts unnecessary. The stock required for the conversion, when once created, could be from time to time realised so as to provide for the paying off of the drawn debentures as they become due; in fact, somewhat the same process could be adopted as has been successfully carried out in the case of the debentures of 1863, which matured last year. The annual drawings could be continued in accordance with the declared understanding made in 1885, and the amount drawn of the debentures held by the public would be provided for by the sale of a sufficient portion of the  $3\frac{1}{2}$ -per-cent. stock created for the purpose.

A further advantage to be derived from this mode of dealing with these debentures would be that the debentures representing the sinking fund created in future years under the Consolidated Stock Act of 1884 would be virtually encashed within the year that they were issued.

The most opportune time at which such an offer could be made would be, I think, within a month or so before the next drawing takes place.

\* Vide B.-14, 1891, No. 9.

As to the terms of the offer, much would of course depend upon the market prices of securities at the time; but, assuming that consol debentures were quoted at 104, and the  $3\frac{1}{2}$ -per-cent. stock at 96, the equivalent would be about 109 stock for each £100 debenture, and to this about  $1\frac{1}{2}$  per cent. would have to be added to cover expenses, which would bring up the amount of stock to  $110\frac{1}{2}$  for each £100 debenture. The result in that case, assuming that all the debentures came in, would be a nominal increase of debt by about £116,000, but a reduction in the amount of interest of about £12,500. As, however, I have pointed out, there would be in addition to a reduction in the amount of interest, collateral advantages in connection with the sinking fund.

The only other part of the public debt domiciled here, and which would be open for conversion without the public issue of stock, are the 5-per-cent. debentures of the loan of 1863, which mature in 1914, and, in respect to these, the opportunity might be taken to make an offer of conversion to the holders. The outstanding debentures of this loan amount to £378,800, and the accrued sinking fund amounts to about £110,000.

The debentures are, I believe, for the most part firmly held, and it would require, comparatively speaking, a very favourable offer to be made to bring them in, in any considerable number, for conversion, and it is a question for the determination of the Government whether it would be desirable to place them in a similar position to that of the provincial loans, so that an offer may be made from time to time to the holders whenever the market or other circumstances make such a course desirable.

I have, &c.,

W. B. PERCEVAL.

The Hon. the Premier, Wellington.

*Enclosure in No. 4.*

STATEMENT SHOWING THE PRESENT POSITION OF THE 5-PER-CENT. CONSOL DEBENTURES.

|   | £                 |
|---|-------------------|
| Total debentures issued .. .. .                                   | 7,283,100         |
| Less debentures drawn .. .. .                                     | 2,939,800         |
|   | <u>4,343,300</u>  |
| Less debentures converted into 4-per-cent. Stock (1886) .. .. .   | 38,200            |
|   | <u>4,305,100</u>  |
| Less debentures converted into six and seven years' bonds .. .. . | £4,214,100        |
| " drawn .. .. .   | 1,016,500         |
|   | <u>3,197,600</u>  |
| Outstanding, 1892 .. .. .   | <u>£1,107,500</u> |

20th May, 1892.

No. 5.

(No. 33.)

The PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 8th August, 1892.

I have the honour to acknowledge the receipt of your letter of the 30th May last (No. 769), in which you suggest a plan for the conversion of the 5-per-cent. Consol debentures of 1867 (annual drawing) still outstanding, and amounting to £1,107,500, and the 1863–1914 5 per cents, amounting to £378,800.

I have read your proposals with much interest, and I thank you for them. It appears to me that the scheme is practicable, and would result in a saving of interest to the colony; and I therefore authorise you to take the requisite steps to carry out the operation. As to the terms to be offered, you will, of course, consult with the Stock Agents, and the Government will be guided by your own and their advice in the matter.

I do not quite understand your allusion to a further advantage to be derived from encashing within the year the debentures issued for the sinking funds, for it appears to me that if your proposals are given effect to there will not be any opportunity to create sinking-fund debentures in respect of this loan, there being no accretions of sinking-fund under these proposals which could be drawn against. The remittance of the £72,831 per annum for sinking fund would be discontinued, and only interest at 5 per cent. on the amount of bonds held by the public would require to be provided each year. Referring to your statement attached to your letter, should not the debentures converted into six and seven years' bonds be set down at £4,214,300, allowing for £200 converted under the Lost Debentures Act? This would reduce the outstanding balance to £1,107,300.

With regard to the outstanding debentures of the 1863 loan, I gather from your remarks that there is not much likelihood of the holders converting them unless the terms offered are comparatively high; still, as there is a possibility of the debentures being brought in, I think it desirable to make an offer, which I accordingly authorise you to do, on terms to be settled between yourself and the Stock Agents, and to keep the offer open, as in the case of the provincial loans.

I have, &c.,

J. BALLANCE.

The Agent-General for New Zealand, London.

No. 6.

The AGENT-GENERAL to the PREMIER.

(No. 773.)

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

SIR,—

9th June, 1892.

Referring to my letter, No. 250, of the 20th February last,\* I beg to state that there are now on outstanding bonds of the 1860 loan, while of the 1863 loan only £200 of the December

\* Vide B.—14A, 1892, No. 53.

series have not as yet come in. As regards the £1,400 of the March series, which are being dealt with under the Lost Debentures Act, it only remains for the formal documents to be completed to admit of their being converted into stock. I transmit herewith copies of the certified lists received from the Crown Agents and the Bank of England of the bonds which have been sent in continuation of those last forwarded.

On the 29th February last the Sinking Fund Trustees of the 1863 loan released a further amount of £3,900, and this was paid into the Public Account on the same date. This leaves £2,000 still available for release as regards the bonds of 1863 loan which matured last year.

On the 29th February the Bank of England advanced and paid to the credit of the Stock Agents' Account at that bank the sum of £2,000, and this amount was repaid to the bank by means of a Commissioner's order on the Public Account on the 20th May.

It being necessary to make provision for the payment of the stamp duty payable on the 4-per-cent. Stock, into which the £43,600 and £4,214,000 5-per-cent. debentures issued in 1885 and 1886 were convertible on the 15th January and 15th April respectively, the Stock Agents inscribed at the Bank of England £29,000 4-per-cent. Consolidated Stock, and subsequently the stock was sold, realising the net sum of £29,434 7s. 6d. This amount was paid into the Public Account, and is being drawn therefrom as and when required for the payment of the stamp duty. I attach statements showing the amount of each series of debentures which have been received by the Bank of England for conversion into stock up to the 31st May last, by which it will be seen that £1,000 of the January, and £335,900 of the April debentures were outstanding at that date.

I take this opportunity of stating that no claim has as yet been made by any of the holders of these debentures as regards the interest for the period intervening between the last payment at the rate of 5 per cent. and the 1st May, from which date the interest on the stock commenced, and I am inclined to think that the question will not now be raised.

The statement (A) which I sent with my letter No. 527, of the 13th May last, showed that on the 31st March last there was a balance of £60,268 3½-per-cent. Stock to be inscribed in the names of the Audit Officer and myself, to be held on behalf of the Government, and consequently stock to the amount of £60,000 was transferred by the bank to our names on the 19th May.

On the same date 3½-per-cent. Stock to the amount of £7,016 14s. 6d. was transferred by the bank to the Sinking Fund Trustees of the 1863 loan, being amount sold to them (at 95½) for the sum of £6,700 19s. 5d., and this amount was paid into the Public Account, and will be credited to the Stock Agents in their next accounts.

These transactions leave £5,947 5s. 6d. of 3½-per-cent. Stock in the hands of the bank available for transfer as and when required.

I attach a statement showing the amounts of 3½-per-cent. Stock sold since my letter of the 20th February last, and giving the rates at which the respective sales were effected.

In connection with these sales, I have given the purchaser of the £65,000 lot the option to purchase a further amount of £65,000 at 95½ ex div. (equal to 97 cum div.) such option to be declared on or before the 29th instant. I attach copy of sale-note.

In my cablegram of the 30th May I mentioned £150,000 as approximately the balance of stock still unsold, and that of this I had sold £75,000, with option to purchase £75,000. Owing, however, to an oversight these figures should have been given as "£130,000," "£65,000," and "£65,000" respectively.

You will have, no doubt, observed that the sale of this stock has been only effected by placing it gradually on the market. The syndicates that a few years ago were always ready to make wholesale purchases of a large quantity of stock with the view of retailing it out to small investors now no longer exist, and the only feasible course has been therefore to, as it were, take the place of such syndicates and feed the market only so far as would meet the retail demand. For instance, in disposing of £20,000 for the last account, the amount was divided amongst seventeen purchasers, to whom amounts ranging from £100 to £5,000 were transferred.

Lately, with the rise in price of stocks, there has been some apparent inclination to revert to the former practice, but great caution is exercised, as shown by the arrangement which enabled me to sell £65,000 of stock conditionally on my giving an option to purchase to a similar amount, the purchasers of the first lot hoping by carefully operating on the market to effect a rise which would enable them to advantageously place the second lot.

But in the face of the approaching general election, with Canada coming into the market for over £2,250,000, the market continues dull, and I do not feel at all sure that the option that I have given will be accepted. At the same time, I do not think that any apprehension need be felt that the sale of what is left will be effected within the next month or so.

I think the Government may fairly be congratulated on the result of the sales of this stock. In the early part of the year, when prices were low and the market stagnant, I succeeded in selling just sufficient to enable me to provide for the large amounts of interest payable in April, without having again to take advances on the guaranteed debentures; and since that date, the prices having gradually advanced, it has been practicable, in compliance with your telegraphic instructions, to effect sales at more satisfactory prices.

Adverting to the third paragraph of your letter (Treasury) No. 18 of the 12th April last, I beg leave to state, by way of explanation, that the £15,800 and £9,500 bonds which were purchased on behalf of the Government were "sent in direct to the Bank of England for conversion" into stock inscribed in the names of the Agent-General and Audit Officer, and were therefore, I think, rightly included in the number of those described in that way.

I may add, in reference to the fourth paragraph of the above-mentioned letter, that the rate at which the £2,038 stock was sold to the Sinking Fund Trustees was 93, and that the £5,000 (part of £30,000) was sold at 93½. I regret that this information was not given in my letter of the 20th February last.

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

*Enclosure 1 in No. 6.*

## CERTIFICATE.

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 :—

£100.

1892

The following debentures are still outstanding :—

£1,000.

246

£200.

2739

2740

Downing Street, 10th March, 1892.

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

*Enclosure 2 in No. 6.*

## CERTIFICATE.

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 :—

£500.

1708

£200.

3165

£100.

2121

2172

2292

Debentures outstanding: *Nil*.

Downing Street, 10th March, 1892.

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

*Enclosure 3 in No. 6.*

## CERTIFICATE.

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 December, 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 :—

£1,000.

531  
626535  
638

541

597

598

599

600

601

602

604

620

621

£500.

2084  
2136  
2178  
23752085  
2137  
2179  
23792086  
2140  
2180  
23962111  
2150  
2226  
23972114  
2154  
2229  
23992115  
2160  
22432116  
2163  
22492121  
2164  
22932123  
2171  
22982130  
2174  
23152134  
2175  
23232135  
2176  
2328

£200.

3365  
3399  
3468  
3574  
3648  
38523371  
3403  
3469  
3575  
36553372  
3404  
3470  
3577  
36723377  
3416  
3471  
3578  
37923878  
3431  
3508  
3592  
38013388  
3446  
3509  
3593  
38023389  
3447  
3513  
3594  
38443391  
3448  
3557  
3695  
38453392  
3450  
3561  
3641  
38463393  
3460  
3562  
3644  
38493396  
3461  
3569  
3646  
38503398  
3466  
3573  
3647  
3851

£100.

2560  
2696  
2759  
2812  
2912  
30412580  
2704  
2761  
2813  
2913  
30422586  
2708  
2762  
2814  
2931  
30432598  
2713  
2765  
2815  
2936  
30442599  
2717  
2767  
2821  
2937  
30452600  
2733  
2768  
2864  
2938  
30462601  
2734  
27702604  
2740  
27712663  
2754  
27872664  
2755  
27892666  
2756  
29022667  
2758  
2903  
2904  
3035*Summary.*

|    |                           |     |            |
|----|---------------------------|-----|------------|
| 14 | debentures of £1,000 each | =   | £14,000    |
| 41 | "                         | 500 | " = 20,500 |
| 61 | "                         | 200 | " = 12,200 |
| 66 | "                         | 100 | " = 6,600  |

£53,300

The following debentures are still outstanding: 2657, 2875, 2876, 2944, 2978—5 of £100 each.

Downing Street, 10th March, 1892.

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

*Enclosure 4 in No. 6.*

## CERTIFICATE.

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 December, 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 :—

£100.

2657

2978

2944

Downing Street, 25th May, 1892.

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

*Enclosure 5 in No. 6.*

NEW ZEALAND GOVERNMENT DEBENTURES LODGED WITH THE BANK OF ENGLAND FOR CONVERSION INTO  
NEW ZEALAND 3½-PER-CENT. STOCK, FROM 22ND JANUARY TO 24TH MAY, 1892.

Six per cent. debentures, authorised by the Loan Act of 1860, falling due 1st July, 1891, converted at the rate of 104 per cent. :—

480 and 1150, 2 of £100 each = £200.

Bank of England, 25th May, 1892.

F. MAX, Chief Cashier.

*Enclosure 6 in No. 6.*

£43,600 5-PER-CENT. DEBENTURES, CONVERTIBLE 15TH JANUARY, 1892, INTO 4-PER-CENT. STOCK, AT 110.  
Statement showing Amount sent in for Conversion up to 31st May, 1892.

| Date.                            | Debentures. | Stock.  | Stamp Duty. |
|----------------------------------|-------------|---------|-------------|
| 1892.                            | £           | £       | £ s. d.     |
| January 8th to 31st .. .. .      | 29,800      | 32,230  | 201 8 9     |
| February 1st to 29th .. .. .     | 4,500       | 4,950   | 30 18 9     |
| March 1st to 31st .. .. .        | 6,900       | 7,590   | 47 8 9      |
| April 1st to 30th .. .. .        | 200         | 220     | 1 7 6       |
| May 1st to 31st.. .. .           | 1,700       | 1,870   | 11 13 9     |
|                                  | 42,600      | 46,860  | £292 17 6   |
| Outstanding at this date .. .. . | 1,000       | 1,100   |             |
|                                  | £43,600     | £47,960 |             |

*Enclosure 7 in No. 6.*

£4,214,000 5-PER-CENT. DEBENTURES, CONVERTIBLE 15TH APRIL, 1892, INTO 4-PER-CENT. STOCK, AT 107.  
Statement showing the Amount sent in for Conversion up to 31st May, 1892.

| Date.                            | Debentures. | Stock.     | Stamp Duty. |
|----------------------------------|-------------|------------|-------------|
| 1892.                            | £           | £          | £ s. d.     |
| April 1st to 30th .. .. .        | 3,223,600   | 3,449,252  | 21,627 2 6  |
| May 1st to 31st .. .. .          | 654,500     | 700,315    | 4,392 3 9   |
|                                  | 3,878,100   | 4,149,567  | £26,019 6 3 |
| Outstanding at this date .. .. . | 335,900     | 359,413    |             |
|                                  | £4,214,000  | £4,508,980 |             |

*Enclosure 8 in No. 6.*

SALES OF 3½-PER-CENT. STOCK EFFECTED SINCE 20TH FEBRUARY, 1892.

| Date of Sale.       | Nominal Amount. | Price. |
|---------------------|-----------------|--------|
|                     | £ s. d.         |        |
| February 29 .. .. . | 25,000 0 0      | 92½    |
| March 9 .. .. .     | 20,000 0 0      | 93     |
| April 21 .. .. .    | 13,000 0 0      | 93½    |
| " 26 .. .. .        | 13,000 0 0      | 93½    |
| May 3 .. .. .       | 25,000 0 0      | 94½    |
| " 4 .. .. .         | 5,000 0 0       | 95½    |
| " 5 .. .. .         | 7,016 14 6      | 95½    |
| " 5 .. .. .         | 15,000 0 0      | 95½    |
| " 5 .. .. .         | 5,000 0 0       | 95½    |
| " 21 .. .. .        | 16,000 0 0      | 96½    |
| " 23 .. .. .        | 4,000 0 0       | 96½    |
| " 26 .. .. .        | 20,000 0 0      | 96½    |
| " 28 .. .. .        | 65,000 0 0      | 96½    |

NOTE.—£7,016 14s. 6d. stock was taken out of the amount in the hands of the Bank of England.

## No. 7.

The PREMIER to the AGENT-GENERAL.

(No. 34.)

SIR,—

Premier's Office, Wellington, 10th August, 1892.

I have the honour to acknowledge receipt of your letter, No. 773, dated 9th June last, giving an outline of the conversion transactions since 20th February, 1892. I am much obliged for the information conveyed, as it confirms entries made in the Treasury books. Since your letter now under acknowledgment was written, I notice that the outstanding £200 of debentures of December series, 1863 loan, have come in, and I shall be glad when you have converted the remaining £1,400 of the March series. I notice the inscription and subsequent sale of £29,000 4-per-cent. stock for

conversion expenses, and in this connection I am glad to find that the 5-per-cent. debentures convertible on 15th January and 15th April last appear to have come in very freely, leaving on the 31st May only £1,000 of the first and £335,900 of the latter outstanding at that date.

It is also satisfactory to learn that no claim has been made as regards the interest for the intervening periods when the 5 per cent. ceased and the 4 per cent. commences.

It is to be regretted that higher prices have not been obtained all round in respect of the sales of the 3½-per-cent. Stock, but I take this opportunity of thanking you for the attention you have bestowed in this matter, and for the careful manner in which you have unloaded the parcels so as not to depress market prices.

I have, &c.,  
J. BALLANCE.

## No. 8.

The PREMIER to the AGENT-GENERAL.

(No. 37.)

SIR,—

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

In your letters of 27th May last, No. 734, and 9th June, No. 773, enclosing sale-notes of £20,000 and £65,000 3½-per-cent. stock respectively, the proceeds are stated to be £19,324 8s. and £62,724 19s. 6d., amounting together to £82,049 7s. 6d.; but the amount paid in to the New Zealand Public Account is, I find, only £80,599 1s. 3d. I shall be glad if you will explain the discrepancy, as there is nothing in your advices to account for it.

There is also a further discrepancy to which I have not previously called your attention, but which it is desirable should be explained. The sale-notes show that—

|                                  |                             |              | £   | s.      | d.   |
|----------------------------------|-----------------------------|--------------|-----|---------|------|
| On 27th November, 1891, you sold | £20,000 at 92½              | yielding net | ... | 18,449  | 8 0  |
| " 1st December, " "              | £10,000 " "                 | " "          | ... | 9,224   | 19 6 |
| " 2nd " " "                      | £5,000 at 91 <i>ex div.</i> | " "          | ... | 4,537   | 9 6  |
| " 10th " " "                     | £5,000 at 91½               | " "          | ... | 4,543   | 14 6 |
| Total                            | ...                         | ...          | ... | £36,755 | 11 6 |

which in your letter of the 11th December, No. 1,812, you report as paid in to the Public Account. The bank returns, however, show only £36,754 12s. 6d. to have been paid in, leaving 19s. unaccounted for.

I have, &amp;c.,

R. J. SEDDON,  
Acting-Premier.

The Agent-General for New Zealand, London.

## No. 9.

The PREMIER to the AGENT-GENERAL.

(No. 43.)

SIR,—

Premier's Office, Wellington, 8th September, 1892.

I have the honour to transmit the enclosed copy of a memorandum and accompanying statements prepared by the Audit Office, relating to the Stock Agents' Conversion Account, which may be found useful in preparing the final statement on closing the account.

I agree in the opinion of the Audit Office that it is desirable to postpone a final adjustment of the "discrepancies" between the Stock Agents' and the Treasury accounts until the former close their accounts, and this should be done at the earliest possible opportunity after the present conversion is completed.

I have, &amp;c.,

R. J. SEDDON,  
Acting-Premier.

The Agent-General for New Zealand, London.

## Enclosure 1 in No. 9.

17th August, 1892.

THE accompanying statements relating to the position of the "Conversion Account" may be of some use to the Treasury:—

I think that the loss ascertained to have been made on sales of Inscribed Stock to date—viz., £5,529 4s. 9d.—might fairly be charged upon the released Sinking Fund paid into Part I. of the Public Works Fund. It will be seen that the amount of stock remaining to be disposed of by the Agent-General and Audit Officer is £70,332. It will be also observed that the price required to be obtained (exclusive of brokerage, &c.) is £95 1s. 4½d., and that since 12th May last the prices realised have exceeded that sum. A sum of from £5,000 to £6,000 might be sufficient to be placed on the estimates, if the Treasury approved, for this purpose.

With regard to the amount required to be made good to the "Conversion Account" in respect of the "discrepancies" between the Stock Agents' accounts and the Treasury accounts, it might be desirable to postpone any adjustment until the Stock Agents either close their accounts, or bring them nearer to a close than they are at present. Because, unless expenses to a considerable amount in connection with the conversion operations have yet to be incurred, it would appear that more than sufficient provision (including unsold stock in the hands of the Stock Agents) has been made to clear the account, irrespective of the "discrepancies" referred to, and the losses on sales of the stock handed over to the Agent-General and Audit Officer.

The Controller and Auditor-General.

JAMES C. GAVIN,  
Assistant Controller and Auditor.



*Enclosure 2 in No. 9.*

STATEMENT of Debentures redeemed in Cash, and the Amount of 3½-per-cent. Inscribed Stock receivable in respect thereof.

| Debentures redeemed in Cash. |    |    |    |         |          | Stock receivable in respect thereof. |          |
|------------------------------|----|----|----|---------|----------|--------------------------------------|----------|
|                              |    |    |    |         |          | Rate.                                | Amount.  |
|                              |    |    |    | £       | £        |                                      | £        |
| New Zealand Loan of 1860     | .. | .. | .. | 67,300  |          |                                      |          |
| New Zealand Loan of 1863—    |    |    |    |         |          |                                      |          |
| March series                 | .. | .. | .. | 126,800 |          |                                      |          |
| June     "                   | .. | .. | .. | 159,700 |          |                                      |          |
|                              |    |    |    |         | 353,800  | 104                                  | 367,952  |
| December series              | .. | .. | .. | ..      | 63,300   | 110                                  | 69,630   |
| Westland Loan                | .. | .. | .. | ..      | 50,000   | 107½                                 | 53,750   |
| Totals                       | .. | .. | .. | ..      | £467,100 | ..                                   | £491,332 |

The above total amount of 3½-per-cent. Stock is equivalent (on the average) to 105·18775 for every 100 of the total cash applied to redemption of debentures. The price at which 105·18775 of stock would require to be sold to yield £100 is, exclusive of brokerage, &c., about £95 1s. 4½d.

|  |    |    |    |         |              |
|--|----|----|----|---------|--------------|
|  |    |    |    | £       | £            |
| Total amount of stock receivable as above  | .. | .. | .. | ..      | 491,332      |
| Received by Agent-General  | .. | .. | .. | 490,624 |              |
| To be received   | .. | .. | .. | 708     |              |
|  |    |    |    |         | 491,332      |
| Total amount received as above   | .. | .. | .. | ..      | 490,624      |
| Sold and proceeds paid to Public Account   | .. | .. | .. | 421,000 |              |
| Balance in hand  | .. | .. | .. | 69,624  |              |
|  |    |    |    |         | 490,624      |
|  |    |    |    | £       | s. d.        |
| Amount which £421,000 was required to yield to recoup the cash in respect of which it was received | .. | .. | .. | ..      | 400,236 14 0 |
| Amount which it did yield, see statement attached  | .. | .. | .. | ..      | 394,707 9 3  |
| Required to be made good   | .. | .. | .. | ..      | £5,529 4 9   |

*Enclosure 3 in No. 9.*

SALES of 3½-per-cent. Inscribed Stock received from Stock Agents in respect of Cash issued from the New Zealand Public Account for Redemption of Debentures.

| Date when Proceeds paid to New Zealand Public Account. | Amount Sold. | Price. | Realising.  | Brokerage, Stamp Duty, &c. | Net Proceeds. |
|--|--------------|--------|-------------|----------------------------|---------------|
|  | £            |        | £ s. d.     | £ s. d.                    | £ s. d.       |
| 1891.  |              |        |             |                            |               |
| July 15  | 25,000       | 94     | 23,500 0 0  | ..                         |               |
| "  | 5,000        | 94     | 4,700 0 0   | ..                         |               |
| "  | 25,000       | 94½    | 23,562 10 0 | ..                         | 80,100 0 0    |
| "  | 5,000        | 94½    | 4,712 10 0  | ..                         |               |
| "  | 25,000       | 94½    | 23,625 0 0  | ..                         |               |
| Sep. 16  | 10,000       | 94     | 9,400 0 0   | 25 12 0                    | 9,374 8 0     |
| Nov. 27  | 20,000       | 92½    | 18,500 0 0  | 50 12 0                    | 18,449 8 0    |
| Dec. 11  | 20,000       | 92½    | 18,500 0 0  | 50 12 0                    |               |
| "  | 5,000        | 91     | 4,550 0 0   | 12 10 6                    | 36,754 12 6   |
| "  | 10,000       | 92½    | 9,250 0 0   | 25 0 6                     |               |
| "  | 5,000        | 91½    | 4,556 5 0   | 12 10 6                    |               |
| Dec. 30  | 10,000       | 91½    | 9,125 0 0   | 25 12 0                    | 9,099 8 0     |
| 1892.  |              |        |             |                            |               |
| Jan. 29  | 25,000       | 93     | 23,250 0 0  | 63 2 0                     |               |
| "  | 5,000        | 93½    | 4,656 5 0   | 12 10 0                    | 27,830 12 0   |
| March 11   | 25,000       | 92½    | 23,187 10 0 | 62 10 6                    | 41,674 7 6    |
| "  | 20,000       | 93     | 18,600 0 0  | 50 12 0                    |               |
| April 28   | 26,000       | 93½    | 24,342 10 0 | 65 13 6                    | 24,276 17 6   |
| May 12   | 25,000       | 94½    | 23,625 0 0  | 63 2 0                     |               |
| "  | 5,000        | 95½    | 4,756 5 0   | 12 10 6                    | 47,324 7 0    |
| "  | 15,000       | 95½    | 14,306 5 0  | 37 10 6                    |               |
| "  | 5,000        | 95½    | 4,762 10 0  | 12 10 0                    |               |
| May 27   | 16,000       | 96½    | 15,420 0 0  | 40 12 0                    |               |
| "  | 4,000        | 96½    | 3,855 0 0   | 10 0 6                     | 19,224 7 6    |
| June 15  | 20,000       | 96½    | 19,375 0 0  | 50 12 0                    | 80,599 1 3    |
| "  | 65,000       | 96½    | 62,887 10 0 | 162 10 6                   |               |
| Total  | 421,000      | ..     | ..          | ..                         | £394,707 9 3  |

No deduction appears to have been made for brokerage, &c., in respect of the amount paid to Public Account, 15th July. In other cases the brokerage, &c., is partly taken from information given in the records, and partly arrived at by inference. The amount paid on the 11th December belongs to the former category, and it is 19s. less than it should be. Explanation should be called for. In the case of the amount paid on the 15th June, the amount of brokerage, &c., is assumed, and it would appear that £1,450 6s. 3d. has been short-paid to the Public Account. This also requires explanation.

17th August, 1892.

J. C. GAVIN.

*Enclosure 4 in No. 9.*  
CONVERSION ACCOUNT.

|   | £      | s. | d. | £       | s. | d. |
|---|--------|----|----|---------|----|----|
| Dr. balance .. .. .   |        |    |    | 78,087  | 15 | 10 |
| 3½-per-cent. Inscribed Stock—<br>At the Bank of England, in the names of the Agent-General and<br>Audit Officer .. .. .   | 69,624 | 0  | 0  |         |    |    |
| Yet to be so inscribed—<br>Balance as per Stock Agents' statements .. .. .  | 268    | 0  | 0  |         |    |    |
| In respect of £400 debentures of December series, loan of 1863 ..   | 440    | 0  | 0  |         |    |    |
|   | 70,332 | 0  | 0  |         |    |    |
| <br>This amount represents an average of £105·18775 for every<br>£100 of cash, and to recoup this account the stock must be<br>sold at a price that will yield not less than .. .. .                            | 66,863 | 6  | 0  |         |    |    |
| Further amounts to be recouped—<br>Loss arising from sales of 3½-per-cent. Inscribed Stock to date, at<br>prices which yielded less cash than the amount in respect of<br>which such stock was received .. .. . | 5,529  | 4  | 9  |         |    |    |
| Stock Agents—<br>Admitted by them to be due to Public Account .. .. .<br>(see their statement to 31st March, 1892)*   | 4,793  | 5  | 2  |         |    |    |
| Various advances to them .. .. .  | 28,000 | 0  | 0  |         |    |    |
|   | 32,793 | 5  | 2  |         |    |    |
| Discrepancies between Stock Agents' accounts<br>and Treasury accounts to be adjusted .. .. .  | 8,987  | 18 | 4  |         |    |    |
|   | 41,781 | 3  | 6  |         |    |    |
| Deduct for sales of stock— .. .. .  |        |    |    |         |    |    |
| £29,000, 4 per cent. .. .. .  | 29,434 | 19 | 0  |         |    |    |
| £7,016 14s. 6d., 3½ per cent. .. .. .   | 6,700  | 19 | 5  |         |    |    |
|   | 36,135 | 18 | 5  |         |    |    |
|   | 5,645  | 5  | 1  |         |    |    |
|   |        |    |    | £78,087 | 15 | 10 |

N.B.—The Stock Agents still hold £5,947 5s. 6d. of 3½-per-cent. Inscribed Stock.  
The stock for £70,332 in names of the Agent-General and Audit Officer will have to be sold at £95 1s. 4½d.  
(about) to realise £66,863 6s., not taking brokerage into account.

17th August, 1892.

JAMES C. GAVIN,  
Assistant Controller and Auditor.

No. 10.

The AGENT-GENERAL to the PREMIER.

(No. 1061.)

Westminster Chambers, 13, Victoria Street, London, S.W.,  
5th August, 1892.

SIR,—

Referring to my letter, No. 1815, of the 22nd December last,† I beg leave to transmit copy of correspondence which has taken place between the Bank of England, Admiral de Horsey, and myself, relating to the conversion of the New Zealand Government consolidated debentures, in which you will see that Admiral de Horsey makes a claim for the payment of interest, for the period intervening between the 15th April, 1892, the date at which the interest on the 5-per-cent. debentures ceased, and the 1st May, the date at which the interest on the 4-per-cent. Stock into which the debentures were converted commenced; a claim which, on behalf of the Government, I have declined to recognise.

I may add that Admiral de Horsey is the only holder of the debentures in question who has in any way represented that interest is payable for the above-mentioned intervening period.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

P.S.—I attach copies of the three forms of receipt used by the Bank of England, and referred to in the letter to Admiral de Horsey of the 26th July.

*Enclosure 1 in No. 10.*

SIR,—

Bank of England, London, E.C., 12th July, 1892.

I beg to send you herewith copy of a correspondence which has passed between Admiral A. F. R. de Horsey and the Bank of England relative to the lapse of interest from the 15th April to the 1st May in the conversion of New Zealand 5-per-cent. bonds.

I am, &c.,

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

H. J. BOWEN, Chief Accountant.

*Sub-enclosures.*

Melcombe House, Cowes, 29th June, 1892.

SIR,—

Re *New Zealand Consolidated Stock.*

With reference to the late conversion of New Zealand 5-per-cent. debentures into Consolidated 4-per-cent. Stock, and to the certificate I have received (dated 16th April last) that the sum of £1,070 of that stock, bearing interest from 1st May, 1892, had been on 16th April last inscribed at the Bank of England in my name, I shall feel obliged if you will inform me when the interest for the period between 15th April and 1st May, 1892, will be paid.

2. On reference to the Bank of England notice of 6th March, 1885 (the terms of which I, as holder, accepted at the time), it will be seen that the proposal of the bank was to convert 15th April, 1892, and the conversion appears by your certificate to have taken place 16th April.

\* Enclosure 1 in No. 2, *supra*.

† B.-14A, 1892, No. 46.

3. I beg leave to point out that nowhere in the Bank of England notice of 6th March, 1885, is there any stipulation that acceptance of the terms involved forfeiture of interest between 15th April and 1st May, 1892; and that I, as a holder of the late debenture stock, have not consented to any such forfeiture. Having accepted conversion from 15th April, 1892, I lay claim to interest from that date.

4. I may add that the conditions in the notice above referred to provided that the stock "will rank *pari passu* with the 4-per-cent. Consolidated Stock already credited and issued," and that, as far as I can learn, the holders of the latter stock do not forfeit their interest for the fifteen days referred to.

5. I am aware that a notice at the head of the certificate of 16th April, 1892, states, "Interest from 1st May, 1892;" but, clearly, no notice of the kind can lawfully deprive a holder of fifteen days' interest without his consent, after he has accepted terms which do not include such forfeiture.

6. If it be not intended to pay the fifteen days' interest referred to, I request you will be good enough to lay this letter before the directors, and to ask them to cause me to be favoured with a reply at their convenience.

I am, &c.,

ALGERNON DE HORSEY, Admiral.

The Secretary, Bank of England.

Bank of England, E.C., 30th June, 1892.

SIR,—

I beg to acknowledge the receipt of your letter of the 29th instant.

The notice of the 6th March, 1885, was issued by the Bank of England "on behalf of the Agents appointed by the Governor of New Zealand in Council," &c.

If you do not consider this letter satisfactory, I must ask you to address any further communication to the Agent-General for New Zealand, Westminster Chambers.

It is quite true that in the notice referred to there is no statement to the effect that the interest on the stock would only commence on the 1st May, 1892, but on the face of the debentures issued in exchange for those surrendered it is distinctly stated that interest would commence on that date.

No interest will be paid for the period between 15th April and 1st May, and that such would be the case was no doubt remembered when the amount of stock to be given for each £100 debenture was fixed at £107.

The date on which you effected your conversion in 1885 has no bearing on the matter. The conversion lasted from the 11th March until the 30th April.

I am, &c.,

H. J. BOWEN, Chief Accountant.

Admiral A. F. R. de Horsey, Melcombe House, Cowes.

Melcombe House, Cowes, 11th July, 1892.

SIR,—

I beg leave to acknowledge the receipt of your letter of the 30th ultimo, in which you are good enough, in reply to mine of the 29th, to request me—if I do not consider your letter satisfactory—to address any further communication to the Agent-General for New Zealand.

2. As I certainly do not think the explanation with which you have favoured me justifies the withholding of interest due to the holders of New Zealand Consolidated Stock for the period from 15th April to 1st May of this year, I will—as you are good enough to suggest—address my application to the Agent-General, although I apprehend that if the Bank of England fails to see the propriety of paying the fifteen days' interest (which in equity appears to me to be undoubtedly due), the Agent-General, on behalf of his Government, also will decline to make the payment.

3. Although your letter virtually closes my correspondence with the Bank of England on the subject, there are three statements in it which I cannot pass without remark.

(a.) The non-payment of the fifteen days' interest is claimed to be justified on the ground that "on the face of the debentures issued in exchange for those surrendered it is distinctly stated that interest would commence that date" (1st May). It appears to me to be sufficient answer to this contention to draw attention to the fact that the acceptance in 1885 of the conversion of 1892 was on the terms stated in the Bank of England's notice of 6th March, 1885, and on no other, that the bargain was thus complete before the issue of the new debentures, and that, therefore, the condition (which I am informed is on the face of the debentures) not to pay interest till 1st May could not be known to the holders until after they received their debentures, and formed no part of the conditions under which the conversion was accepted.

(b.) Your letter states, with regard to this forfeiture of fifteen days' interest, "that such would be the case was, no doubt, remembered when the amount of stock to be given for each £100 debenture was fixed at £107." I am at a loss to understand how this could have been remembered by the debenture-holders, seeing that no intimation of the kind had been given them. If £107 of 4-per-cent. had been equivalent to £100 at 5 per cent. it still would have been no justification for the insertion of an additional condition by one party, without the consent of the other, after the bargain was concluded. The price fixed for the new stock appears to me a matter totally unconnected with deprivation of fifteen days' interest, but as a matter of fact the debenture-holders were, of course, considerable losers by accepting £107 at 4 per cent. It would have taken £125 at 4 per cent. to make their dividend equal to £100 at 5 per cent.

(c.) In the last paragraph of your letter you are good enough to inform me that the conversion lasted from the 11th March until the 30th April, 1885. I infer that you mean that debenture-holders were given during that period the option of accepting conversion.

Allow me, however, to remind you that the Bank of England notice of the 6th March, 1885, stated that new debentures would be issued, bearing interest at 5 per cent., until the 15th April, 1892, when the conversion to 4-per-cent. consolidated stock would take place. Clearly, then, according to the bank's notice the 4-per-cent. stock was to start from the 15th April, and such were the terms accepted.

4. I have thought it right to bring these points to the notice of the Bank of England, presuming that if, by any default or oversight of the Agent-General, they have been made a party to an error, they would be glad to correct a mistake, the result of which could hardly be doubtful if referred to a Court of law.

I am, &c.,

ALGERNON DE HORSEY, Admiral.

H. G. Bowen, Esq., Chief Accountant, Bank of England.

Bank of England, E.C., 12th July, 1892.

SIR,—

I beg to acknowledge the receipt of your letter of yesterday's date. As implied in the second paragraph of my letter of the 30th ultimo, the Bank act in the management of New Zealand Government loans only as the agents of that Government; and, as you do not consider the explanation given in that letter of the lapse of interest of which you complain sufficient, I must refer you for any further information to the Agent-General, to whom I am sending a copy of this correspondence.

I hope you will acquit me, therefore, of any want of courtesy in declining to discuss the points raised in your last letter.

The penultimate paragraph of my letter was, however, intended to convey that the loss of fifteen days' interest was, no doubt, present in the minds of the advisers of the New Zealand Government when fixing the terms of exchange.

I am, &c.,

H. G. BOWEN, Chief Accountant.

Admiral A. F. R. de Horsey, Melcombe House, Cowes.

Enclosure 2 in No. 10.

Melcombe House, Cowes, 18th July, 1892.

SIR,—

I have lately made application to the Bank of England for payment of the fifteen days' interest on my £1,070 New Zealand Consolidated Stock, due for the period between the 15th of April and the 1st of May of this year.

2. The Chief Accountant of the Bank of England has informed me that the Bank acts in reference to the New Zealand loans only as agents to the New Zealand Government, and has suggested that my application should be addressed to you as the responsible agent for that Government.

3. I accordingly beg leave to apply for the amount of interest due to me for the above-named period. I had proposed forwarding you a copy of the correspondence which has passed between the Bank of England and myself on the subject, but by the Chief Accountant's last letter I learn that he has already furnished, or is about to furnish you with a copy.

4. By the correspondence above referred to, I think you will perceive that the debenture-holders' acceptance of the new 5-per-cent. debentures of 1885, and of the conversion to 4-per-cent. Consolidated Stock of 1892, was upon the terms offered in the Bank of England notice of the 6th of March, 1885—which notice states that the conversion would take place 15th April, 1892, and contains no condition that the stock-holders should receive no interest between that date and the 1st May, 1892.

The Agent-General for New Zealand.

I have, &c.,

ALGERNON DE HORSEY, Admiral.

*Enclosure 3 in No. 10.*

SIR,—

I beg to acknowledge the receipt of your letter of the 18th instant, referring to correspondence between the Bank of England and yourself respecting the New Zealand 5-per-cent. debentures convertible this year into New Zealand 4-per-cent. Stock, and to inform you that it will receive the consideration of the Agent-General (who is at present out of town) as soon as he returns to the office.

I am, &c.,

WALTER KENNAWAY,

Secretary, Agent-General's Department.

Admiral A. de Horsey, Melcombe House, Cowes.

*Enclosure 4 in No. 10.*

SIR,—

In further reference to your letter of the 18th instant, I am directed by the Agent-General to inform you that, having given careful consideration to the matter which you have brought under his notice, and also to the correspondence which has already taken place between yourself and the Bank of England, he has no hesitation, on behalf of the New Zealand Government, in confirming the statement made by the Bank—namely, that no interest will be paid for the period between the 15th April and 1st May as regards the stock into which the 5-per-cent. debentures to which you refer have been converted.

Assuming that you were the original owner of the Consol debentures before they were converted into 5-per-cent. debentures, convertible in their turn into 4-per-cent. Inscribed Stock, I am to direct your attention to the fact (in addition to that mentioned by the Bank, that on the face of the debentures issued in exchange for those surrendered it was distinctly stated that interest would commence on the 1st May), that it was notified on the receipts issued by the bank in 1885 and 1886 in exchange for the original debentures that the new debentures would expire on the 15th April, 1892, when they would be converted into 4-per-cent. Stock, with interest accruing from the 1st May, 1892, and that when the new debentures were issued the holders gave a receipt for the same as containing that condition.

And I am also to remind you that the 4-per-cent. Stock, on and after the 1st April, can only be inscribed in the books of the Bank of England ex dividend, and that stock issued or transferred to any person purchasing or otherwise procuring it on the 15th of that month can only be obtained subject to that condition.

I am, &c.,

WALTER KENNAWAY,

Secretary, Agent-General's Department.

Admiral A. de Horsey, Melcombe House, Cowes.

*Enclosure 5 in No. 10.*

SIR,—

I have the honour to acknowledge the receipt of a letter of the 26th, addressed to me by your Secretary (in reference to my former one of the 18th instant), by which I learn that, on behalf of the New Zealand Government, you confirm the statement made by the Bank of England that no interest will be paid on my New Zealand Consolidated 4-per-cent. Stock for the period between 15th April and 1st May of this year.

2. Under the above circumstances, and whilst thanking you for the courtesy of your letter, I beg leave to place formally on record with you the following statements in support of the application for the fifteen days' interest made to you in my letter of the 18th instant, and in reply to yours of the 26th instant.

(a.) You are correct in assuming that I was the original owner of the Consol debentures before they were converted, my holding of £1,000 (now converted into £1,070) dating from August, 1881.

(b.) My acceptance in 1885 of the conversion of 1892 was on the terms of the Bank of England notice issued "on behalf of the Agents appointed by the Governor of New Zealand in Council" on the 6th March, 1885, and on no other terms.

(c.) The condition stated to be on the face of the debentures of 1885 (that interest would not commence until 1st May) was not included in the said Bank of England notice was not therefore known to me when I accepted the conversion on the terms of that notice, and could not be known to me until after I received the new debentures: it therefore formed no part of the conditions under which the conversion was accepted by me.

(d.) The receipt to which you allude as containing a notification that the interest would only accrue from 1st May, 1892, was not received by me; and if such receipt was furnished to my bankers (Messrs. Cocks, Biddulph, and Co.) on my behalf, it was, nevertheless, too late to alter the conditions on which the conversion had been accepted—after a holder had delivered up his original debentures.

(e.) Neither when the new debentures of 1885 were issued nor at any other time did I give a receipt for the same as containing a condition to forfeit fifteen days' interest; nor did I authorise any person on my behalf to give such receipt, nor could such receipt, if given, alter the accepted terms of conversion.

3. Under the facts as above stated, I again beg leave to claim, as my indisputable right, interest at 4 per cent. on my £1,070 New Zealand Consolidated Stock from the time of conversion, as stated in, and in accordance with, the Bank of England notice issued 6th March, 1885, on behalf of the Government of New Zealand.

4. It may possibly have been intended to insert the condition about the fifteen days' interest in the Bank of England notice, and its omission may have been by oversight. Of this I know nothing; but no such unfulfilled intention can affect the stockholder's right to fulfilment of the terms offered in the official notice and accepted by them.

5. My interest, personally, in the subject of this letter is too trifling (about £1 15s.) for me to entertain a thought of my singly taking proceedings to recover the amount in a Court of law. But I may observe that, if the other holders of the £5,772,500 5-per-cent. loan of 1868 are similarly interested, the amount of interest unpaid, and as I hold, due, would, I think, be between £9,000 and £10,000.

6. I shall be much obliged if you will favour me with an acknowledgment of the receipt of this letter.

I have, &c.,

ALGERNON DE HORSEY, Admiral.

The Agent-General for New Zealand.

*Enclosure 6 in No. 10.*

SIR,—

I am directed by the Agent-General to acknowledge the receipt of your letter of the 30th ultimo, relating to the conversion of the New Zealand Guaranteed 5-per-cent. Consolidated Debentures into 4-per-cent. Consolidated Stock.

I am, &c.,

WALTER KENNAWAY,

Secretary, Agent-General's Department.

Admiral A. de Horsey, Melcombe House, Cowes.

Enclosure 7 in No. 10.

01392 01392 *Provisional Receipt.*  
 Chief Cashier's Office, Bank of England,  
 1885.  
 £ RECEIVED Debentures amounting to £ for examination.  
 Call , for the formal receipt.

Enclosure 8 in No. 10.

I I  
 00400 00400  
 £ RECEIVED Consols Debentures amounting to £ , say , for exchange as above.  
 Exd. .  
 This receipt must be surrendered in exchange for the new debentures. Due notice will be given by advertisement when they are ready.

Enclosure 9 in No. 10.

NEW ZEALAND GOVERNMENT £5 PER CENT. CONSOLIDATED DEBENTURES in exchange for New Debentures for Seven Years, expiring 15th April, 1892, when they will be converted into New Zealand £4 per cent. Consolidated Stock, at the rate of £107 Stock for each £100 in Debentures, with Interest accruing from the 1st May, 1892.

The Debentures must be entered in numerical order.

| £100. | £200. | £500. | £1,000. |
|-------|-------|-------|---------|
|       |       |       |         |

Recapitulation { of £100, .. ..  
 " £200, .. ..  
 " £500, .. ..  
 " £1,000, .. ..

Exd. £

request that the foregoing debentures may be exchanged in accordance with the above terms.

Name :  
 Address :

Particulars of Debentures to be Issued.

|     |    |   |          |    |   |
|-----|----|---|----------|----|---|
| No. | to | , | of £100  | .. | £ |
| "   | to | , | " £200   | .. | £ |
| "   | to | , | " £500   | .. | £ |
| "   | to | , | " £1,000 | .. | £ |

£

RECEIVED the New Debentures as above.

Signature :  
 Date :

No. 11.

The PREMIER to the AGENT-GENERAL.

(No. 44.)

SIR,— Premier's Office, Wellington, 13th September, 1892.  
 I have the honour to acknowledge the receipt of your letter of the 5th ultimo, No. 1061, enclosing copy of correspondence between yourself, the Bank of England, and Admiral de Horsey, relating to the latter's claim for interest on the amount of his debentures converted on the 15th April last for the period intervening between that date and the 1st May, when interest began to accrue on the stock, and stating that you had declined to recognise the claim, and to express my concurrence in your decision.  
 The Agent-General for New Zealand, London.

I have, &c.,  
 J. BALLANCE.

No. 12.

The PREMIER to the AGENT-GENERAL.

The Agent-General, London. Wellington, 15th September, 1892.  
 CONSOLIDATED Loan Act, 1867.—Propose send debentures direct from Australia. When re-deemed would there be any difficulty exchange debentures for stock. Would then sell, repaying advance Bank of New Zealand.

## No. 13.

The AGENT-GENERAL to the PREMIER.

The Premier, Wellington. Received 21st September, 1892.  
 CONSOLIDATED Loan Act, 1867.—Propose inscribing immediately £67,840 three and a half per cents.,  
 pending receipt debentures uncanceled. Instruct whether shall.

(London, 20.)

## No. 14.

The PREMIER to the AGENT-GENERAL.

The Agent-General, London. Wellington, 21st September, 1892.  
 MESSAGE of 20th received. Suggest postpone inscription December unless necessary immediately.  
 Reply.

## No. 15.

The AGENT-GENERAL to the PREMIER.

The Premier, Wellington. Received 28th September.  
 CONSOLIDATED Loan Act, 1867.—Will arrange inscription December.

(London, 27.)

## No. 16.

The SECRETARY to the TREASURY to the MANAGER, Bank of New Zealand, Wellington.  
 (No. 427.)

SIR,—

The Treasury, Wellington, 28th September, 1892.

I have the honour, by direction of the Colonial Treasurer, to inform you that debentures Nos. 1 to 64 (each £1,000), amounting in all to £64,000, issued under "The Consolidated Loan Act, 1867," will fall due in Sydney on the first day of January next, and the Colonial Treasurer will be obliged by the Bank taking the necessary steps to retire the debentures upon presentation after the same have become payable.

According to the wording of the debentures, the principal is payable at the office of the Oriental Bank Corporation in Sydney, or at any other place in the city which the Colonial Treasurer may appoint. I am, therefore, directed to ask your Bank to be good enough to publicly notify that they will be payable at your office on and after their due date. The half-year's interest will, of course, be provided as heretofore.

With regard to the matter of finding the necessary funds to retire these debentures, the Colonial Treasurer desires to ask your Bank to advance the required sum upon security of a like amount of Treasury Bills, issuable under "The Public Revenues Act, 1891." It is proposed to repay the advance in London, as the moneys will be provided there from the proceeds of the sale of 3½-per-cent Stock, into which the Consolidated Loan debentures are convertible under the Consolidated Stock Act of 1884. Interest at 4½ per cent. per annum on the moneys advanced from time to time by the Bank to retire the debentures will be paid either in the colony or in London, as the Bank may desire.

The Colonial Treasurer further requests me to ask your Bank to remit to the Agent-General for New Zealand in London the parcel or parcels of debentures uncanceled, by the first mail or mails after they have been paid off by the Bank. Your Sydney office will, of course, duly advise the Agent-General of the despatch of the debentures, enclosing to him narrations of the same, a copy of which will be a convenience to the Treasury, if they will be good enough to send one.

I am to ask for an early reply, in order that the Agent-General may be instructed in the matter.

I have, &amp;c.,

JAS. B. HEYWOOD,  
 Secretary to the Treasury.

The Manager, Bank of New Zealand, Wellington.

## No. 17.

The MANAGER, Bank of New Zealand, Wellington, to the SECRETARY to the TREASURY.

SIR,—

Bank of New Zealand, Wellington, 4th October, 1892.

In reply to your letter No. 427, dated 28th September, I have the honour to say that this Bank will be prepared to find the sum of £64,000, in Sydney, on 1st January, 1893, to retire debentures as described by you.

The advance will be made at the rate of 4½ per cent. per annum, and is to be repaid to the Bank in London. I am, however, directed to say, in agreeing to a 4½-per-cent. rate for the transaction, it is not to be taken as committing the Bank to this rate for advances in any other transactions or future arrangements between the Treasury and the Bank.

The Bank's commission will be ¼ per cent. on payment of the debentures, *plus* advertising charges and incidental expenses.

Our branch in Sydney will be directed in accordance with your desire.

I have, &amp;c.,

The Secretary to the Treasury, Wellington.

P. T. J. PARFITT, Manager.

## No. 18.

The PREMIER to the AGENT-GENERAL.

(No. 46.)

SIR,—

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

With reference to the telegrams which have recently passed between us (copies herewith)\* in connection with the conversion into 3½-per-cent. Inscribed Stock, of the £64,000 Consolidated Loan Act 1867 debentures falling due on the 1st January next, I have the honour to inform you that the Bank of New Zealand has been requested to make provision to retire the same as they are presented, and to forward them uncanceled to your office by first outgoing mails. It has not yet been definitely settled whether the Bank shall be repaid in London or in the colony the advance they will make for the purpose of taking up these debentures. This part of the matter is still under consideration by the Bank. So soon after the conversion has been effected and the market is favourable, you will sell the stock, so as to provide funds to repay the Bank; and if the Bank decides to be repaid here you will in consequence receive so much less by way of the usual remittances. It will be necessary for you to keep me advised by cable of the sales you effect.

I have, &amp;c.,

The Agent-General for New Zealand, London.

P. A. BUCKLEY (for the Premier).

## No. 19.

The BANK OF NEW ZEALAND, Wellington, to the SECRETARY to the TREASURY.

SIR,—

Bank of New Zealand, Wellington, 10th October, 1892.

Continuing my letter to you dated the 4th instant, on the subject of payment by the Bank in Sydney of £64,000 to retire debentures, I have the honour to say that I am directed by the General Manager to ask whether you will prefer the advance to stand on the Wellington or on the London books. It is not material to the Bank, but we shall prefer to have the interest paid in the colony, and it will run from the date of advance in Sydney to the date of repayment in London.

There will probably not be particular risk in transmitting uncanceled debentures through the post from Sydney to London, but it is understood that whatever the risk may be it falls upon the Government and not upon the Bank. Do you wish the parcel despatched by registered post from Sydney?

I am further directed to draw your attention to an article dealing with stamp duties on Treasury bills, published on page 138 of the *Bankers' Magazine*, dated London, August, 1892, and I enclose an extract therefrom, which may be of use as well as of interest to you.

I have, &amp;c.,

The Secretary to the Treasury, Wellington.

P. T. J. PARFITT, Manager.

*Enclosure in No. 19.*

## MR. GOSCHEN'S STAMP DUTIES.

MR. MONTAGU, on the 16th May, 1892, rose to suggest to the Chancellor of the Exchequer the advisability of reducing the value of the stamps on foreign bills of exchange and similar documents, which were used in our foreign trade. It was, he said, entirely in consequence of the excessive stamp duties of this country that the negotiations for a Norwegian loan had fallen through in England, and had been carried to a successful issue in Germany. At the beginning of this year New South Wales and Victoria issued each about £1,000,000 Treasury bonds or bills. Both securities were similar in their form and wording, excepting in one word. New South Wales printed "Treasury bill," and affixed a 1s. per cent. bill-stamp. Victoria printed "Treasury bond," and issued with 2s. 6d. per £100 impressed stamp, and 1s. Goschen stamp for 1892; and the holder, if he sells in 1893, must affix another 1s. per cent. stamp. Thus, by reason of the printing of the word "bill," in the case of New South Wales, only £500—on the £1,000,000—was paid to the Exchequer; while by putting the word "bond," the Victorian entailed an outlay for stamps of 4s. 6d. per £100—or £2,250 per million.—*Vide "Banker's Magazine,"* August, 1892, page 138.

## No. 20.

The SECRETARY to the TREASURY to the MANAGER, Bank of New Zealand, Wellington.

(No. 450.)

SIR,—

13th October, 1892.

In reply to your letter of the 10th instant, I am instructed by the Colonial Treasurer to state that, as the money will require to be paid in Sydney as the debentures are taken up, and as the advance is to be repaid in London, the Treasury has no preference in connection with the mere book-keeping part of the transaction. The interest can be paid in the colony as you wish, upon telegraphic advice from the Agent-General when the advance has been repaid.

I am further desired to say that the uncanceled debentures should be sent to the Agent-General in post-registered parcels, the Treasury of course taking the risk of safe delivery.

Hon. Mr. Ballance desires me to thank you for the excerpt relating to the stamp duty imposed in London on the Treasury bills and bonds of the Victorian and New South Wales Governments.

I have, &amp;c.,

The Manager, Bank of New Zealand, Wellington.

JAS. B. HEYWOOD,

Secretary to the Treasury.

\* Nos. 12 to 15 *supra*.

## No. 21.

The PREMIER to the AGENT-GENERAL.

(No. 48.)

SIR,—

Premier's Office, Wellington, 11th October, 1893.

Referring to my advice of the 6th instant, No. 46, respecting the payment off of the Consolidated Loan Act debentures in Sydney, I have now the honour to enclose herewith copy of my correspondence on the subject with the Bank of New Zealand,\* from which you will learn that the Bank desires to receive repayment of their advance in London. I have, accordingly, to request that on sale of the stock to be issued to provide the funds necessary to pay off the debentures for £64,000 you will apply the proceeds to repayment to the Bank of New Zealand of the amount advanced by them to redeem the debentures.

I have, &amp;c.,

The Agent-General for New Zealand, London.

J. G. WARD.

## No. 22.

The AGENT-GENERAL to the PREMIER.

(Memorandum No. 1326.)

*Cancelled Debentures.*

I BEG to report, for the information of the Colonial Treasurer, that the Bank of England have handed to me the cancelled New Zealand Government debentures named in the enclosed list, and I have forwarded the same to the colony in mail-box No. 47 by the s.s. "Ruapehu."

W. B. PERCEVAL.

Westminster Chambers, 13, Victoria Street, London, S.W., 15th September, 1892.

*Enclosure in No. 22.*

| SIX PER CENT. of the LOANS of 1860 and 1863 (REDEEMABLE, 1891). |                                     |                  |    |    |    |    | £      |
|---|-------------------------------------|------------------|----|----|----|----|--------|
| 1.  | Debentures of the loan of 1863, due | 15th March, 1891 | .. | .. | .. | .. | 42,400 |
| 2.  | "                                   | " 15th June, "   | .. | .. | .. | .. | 28,700 |
| 3.  | "                                   | " 15th Dec., "   | .. | .. | .. | .. | 20,000 |
| 4.  | "                                   | of 1860 .. ..    | .. | .. | .. | .. | 74,100 |

*Old Provincial Loans.*

|    |  |    |    |    |    |    |        |
|----|--|----|----|----|----|----|--------|
| 1. | Lyttelton and Christchurch Railway, series redeemable 1893 | .. | .. | .. | .. | .. | 200    |
|    | " " " " 1894 .. ..   | .. | .. | .. | .. | .. | 6,000  |
| 2. | Westland Loan, redeemable 1894 .. ..                       | .. | .. | .. | .. | .. | 50,000 |
| 3. | Auckland Loan, " 1896 .. ..                                | .. | .. | .. | .. | .. | 11,800 |
| 4. | Nelson Loan, " 1896 .. ..                                  | .. | .. | .. | .. | .. | Nil.   |
| 5. | Otago Loan, " 1898 .. ..                                   | .. | .. | .. | .. | .. | 24,700 |
| 6. | Canterbury Loan, " 1915-16 .. ..                           | .. | .. | .. | .. | .. | 5,000  |

## No. 23.

The AGENT-GENERAL to the PREMIER.

(No. 1347.)

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

28th September, 1892.

SIR,—

I beg leave to transmit copies of the cablegrams† which have passed between us relating to the conversion of the £64,000 5-per-cent. debentures of the loan of 1867 which were included in the conversion proposals of last year; and in reference thereto I may state that my principal object in proposing to at once inscribe the amount of 3½-per-cent. stock required for the conversion of these debentures was to enable me to sell it at any time in the event of the market being favourable for its realisation.

On receipt, however, of your cablegram of the 21st instant I assumed that the Treasury probably considered it expedient that the stock in question should be inscribed ex dividend, and that therefore it would be desirable to postpone the inscription to December, and I now propose to act accordingly.

I deemed it desirable to inform the Bank of England of the proposed transaction, and I accordingly addressed a letter to the Chief Cashier, copy of which I enclose, as well as a copy of the bank's reply.

I have, &amp;c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

*Enclosure 1 in No. 23.*

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

SIR,—

13, Victoria Street, London, S.W., 22nd September, 1892.

I beg to inform you that I have received advice that the £64,000 5-per-cent. debentures of the loan of 1867 specified in the prospectus issued by the Bank of England last year will shortly come in for conversion, and that it is therefore proposed in December next, or earlier if necessary, to cause the requisite amount of 3½-per-cent. stock to be inscribed in the books of the bank at the rate of £106 stock for every £100 in debentures. This conversion is provided for under the Deed Poll of the 12th March, 1891, copy of which was transmitted to you by my predecessor with his letter of the 14th April, 1891.

I shall be glad to hear from you whether any further action is necessary in order to carry this transaction into effect.

I am, &amp;c.,

The Chief Cashier, Bank of England.

W. B. PERCEVAL.

\* Vide Nos. 16 and 17 *supra*.† Vide Nos. 12 to 15 *supra*.



*Enclosure 2 in No. 23.*

SIR,—

Bank of England, E.C., 23rd September, 1892.  
 I beg to acknowledge the receipt of your letter of yesterday's date, stating that you have received advice that the £64,000 5-per-cent. debentures of the loan of 1867 will shortly come in for conversion, and inquiring whether any further action on your part is necessary in order to carry the transaction into effect.

In reply I beg to inform you that the bank are prepared to receive the bonds for conversion at any time without further notice from you.

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

I am, &amp;c.,

F. MAX, Chief Cashier.

## No. 24.

The MANAGER, Bank of New Zealand, Wellington, to the SECRETARY to the TREASURY.

SIR,—

Bank of New Zealand, Wellington, 16th November, 1892.

Referring to my letter to you, dated 10th October, on the subject of payment by the bank in Sydney of £64,000 to retire debentures, I have now the honour to advise you that the general manager says: "We are advised by the Sydney manager that the whole of these debentures are held by the Australian Mutual Provident Society, who have no intention of parting with them until maturity. In these circumstances it seems unnecessary that the Government should be put to the expense of advertising that the Bank of New Zealand will pay the bonds. Will you kindly refer to the Treasury and ascertain whether, seeing that the debentures are all in the hands of one holder, whom we have already notified as to payment at maturity, they still consider that an advertisement is necessary. Under any circumstances I should think one insertion in a leading Sydney paper would suffice. Please advise me. Meantime we are taking no action in the matter of advertising."

Be good enough to inform me of the Colonial Treasurer's wishes in the matter as early as convenient.

I have, &amp;c.,

The Secretary to the Treasury, Wellington.

P. T. J. PARFITT, Manager.

## No. 25.

The SECRETARY to the TREASURY to the MANAGER, Bank of New Zealand, Wellington.

(No. 498.)

SIR,—

18th November, 1892.

I have the honour, by direction of the Colonial Treasurer, to acknowledge the receipt of your letter of the 16th instant, stating that the whole of the £64,000 consolidated loan debentures to be paid off on the 1st January next are held by one corporation, and inquiring whether in view of this fact it is necessary to advertise notice of repayment, and in reply to inform you that it is thought formal notice should be given, but that it will suffice if an advertisement be inserted once in a leading Sydney newspaper.

I have, &amp;c.,

JAS. B. HEYWOOD,

Secretary to the Treasury.

The Manager, Bank of New Zealand, Wellington.

## No. 26.

The PREMIER to the AGENT-GENERAL.

(No. 53.)

SIR,—

Premier's Office, Wellington, 18th November, 1892.

Referring to the advance of £400,000 made by the Colonial Bank on security of debentures issued under "The Public Revenues Act, 1887," which said debentures fall due on the 1st March next, I enclose copies of further correspondence which has taken place between the Bank and the Government.

In arranging for a renewal of the advance from the 31st March last to the 30th June next, it was contemplated to provide security, covering the period between the 1st March and the 30th June, by issuing short-dated debentures under "The Consolidated Stock Act, 1884," under the provisions of which Act the Public Revenues Act debentures were convertible by authority of section 3 of "The Consolidated Stock Act, 1891," but upon receipt of your despatch No. 248, dated 15th February last, pointing out that the stamp duty upon such temporary debentures would amount to £2,000, it became obvious that any arrangements which the Government might contemplate making with the Colonial Bank on the maturity of the advance at 30th June next should be made to take effect, if possible, on the 1st March, when the debentures fall due.

It will be borne in mind that under the original agreement and during subsequent renewals the Government have been paying 5 per cent. per annum on the advance, but since the 30th June last the Bank agreed to reduce the rate to  $4\frac{1}{2}$  per cent. to the 30th June next, and, thinking it might be necessary to renew the advance for a further term I addressed the Bank, per my letter of the 21st September (copy herewith), with alternative proposals—namely: (1) Renewal of the advance for a further period of one or two years at a charge of  $4\frac{1}{2}$  per cent. per annum; or (2) repayment of the advance on the 1st March next, with interest to date. The Bank in their reply, dated 26th idem (copy herewith), intimate that they are unwilling to renew the advance at a lower rate for interest than 5 per cent. per annum, but would be willing to take payment in London on the 1st March next of the principal and interest. The negotiations being now placed upon a more definite basis, I was in a better position to consider how the matter could be satisfactorily financed; and as it was sufficiently clear that, supposing a renewal had been effected, there was little doubt that upon maturity the debt would in some way have had to be funded, I decided to take advantage at once of the relief to be afforded by converting the debt into Consolidated Stock on the due date of the debentures held by the Bank. By this means the heavy payment of stamp duty for only a very temporary accommodation will be avoided, and at the same time a considerable saving of interest will result. In view of this arrangement, I cabled to you to ascertain if the Bank of England would be willing to assist, and I was much pleased to receive your reply intimating that the Bank would

make the required advance provided no unforeseen difficulty or financial trouble intervenes. Of course, I recognise the necessity for the Bank making these provisos, because of the length of time which will elapse between the present negotiation and the date on which the advance will be required.

And now as to the conversion operation itself. I apprehend you will have to make a further creation of stock, as these debentures are not included in the schedule to the deed-poll for the last creation of £3,000,000  $3\frac{1}{2}$ -per-cent. Inscribed Stock. On looking over our liabilities in respect of bonds falling due next year, outside the debentures for £400,000, I find there are only two small parcels due—namely, £64,000 Consolidated Loan, 1867, and £28,700 Lyttelton and Christchurch Railway Loan, 1860; both these liabilities are, however, provided for in the £3,000,000 inscription. As regards the colonial issue of debentures under “The Consolidated Stock Act, 1884,” falling due at various dates, the earliest of which does not mature until May, 1895, it may be of importance to consider whether the new creation of stock should not also provide for the conversion of these debentures; I shall therefore be obliged by your consulting Sir Penrose Julyan, and cabling to me the result of your deliberations.

I do not think I have anything more to add. The 1st March debentures being in London, all the necessary steps towards a satisfactory settlement with the Colonial Bank, and for the securing the Bank of England, I can confidently leave in your hands.

I have, &c.,  
J. BALLANCE.

The Agent-General for New Zealand, London.

*Enclosure 1 in No. 26.*

SIR,— The Colonial Bank of New Zealand (Head Office), Dunedin, 15th September, 1892.  
I have the honour to acknowledge receipt, through the Hon. George McLean, M.L.C., of your despatch No. 392, of the 5th September, addressed to him, enclosing copy of a letter from the Managing Director of the Colonial Bank of New Zealand in London, to the Agent-General, dated 31st July, 1892.

The Hon. George McLean has requested me to reply to your despatch.

The proposal contained in the letter from our Managing Director in London, dated 31st July, was made after consultation with the Agent-General, and a review with him of all the circumstances; the letter itself was written with the intention of showing what was thought to be the best way of saving the Government the heavy stamp duty according to the new Imperial Act, 54 and 55 Vict., 1891, chap. 39, sections 82, 83, 84, 85, under which a new issue of debentures would come. Nothing was further from the intention of the writer of the letter than to make difficulties, nor had the Bank any thought of making sales of the securities to be given to it.

In your despatch under reply you state that it is your intention to substitute for the debentures maturing on the 1st March, 1893, debentures under “The Consolidated Stock Act, 1884.” While thanking you for this information, I have merely to add that, if the proposed issue be perfected and bear the same rate of interest as the debentures expiring 1st March, 1893, the plan you propose would, so far as I can see, meet all our requirements in London, and I shall have pleasure in advising our Managing Director accordingly.

I have, &c.,  
H. MACKENZIE,  
General Manager.

The Hon. John Ballance, Colonial Treasurer, Wellington.

*Enclosure 2 in No. 26.*

SIR,— The Treasury, Wellington, 21st September, 1892.  
I have the honour, by direction of the Colonial Treasurer, to acknowledge the receipt of your letter of the 15th instant, in which you state that the debentures which the Treasury propose to substitute as security for the £400,000 advance would meet all your requirements if they bore the same rate of interest as those falling due, and to inform you that the Government has the matter before them for further consideration.

In the meantime, I am to submit the following alternative proposals to you:—

1. Will your Bank be prepared, on 30th June next, to renew the advance for a further term of one or two years, at a reduced rate of interest, say,  $4\frac{1}{2}$  per cent. ? or,
2. Would the Bank accept payment of the £400,000 on the 1st March next, with interest to that date ?

I have, &c.,  
JAS. B. HEXWOOD,  
Secretary to the Treasury.

The General Manager, Colonial Bank of New Zealand, Dunedin.

*Enclosure 3 in No. 26.*

SIR,— The Colonial Bank of New Zealand, Head Office, Dunedin, 26th September, 1892.  
I have the honour to acknowledge receipt of your letter of the 21st September, acknowledging the receipt of my letter of the 15th instant, and making two alternative proposals:—

(1.) Will this Bank be prepared, on 30th June next, to renew the advance of £400,000 in London for a further term of one or two years at a reduced rate of interest, say,  $4\frac{1}{2}$  per cent. ?—We are prepared to renew the loan of £400,000 on 30th June next for a further term of one or two years, but the rate we require is 5 per cent. per annum, because, looking to the probabilities of the money market, it is considered by the Board that  $4\frac{1}{2}$  per cent. is too low a rate to bind the Bank to advance for such a length of time on security which, although undoubted from our point of view, has not the advantage of being quoted on the London Stock Exchange. We would point out that in the agreement with the Government bankers, 5 per cent. is the rate agreed upon for advances on the security of New Zealand Government securities, “quoted on the London Stock Exchange.” New Zealand Government securities quoted on the Stock Exchange can always be borrowed on by us at exceptionally good rates, while New Zealand Government securities not so quoted cannot be used to the same advantage, and at a time of dear money a loan against them might cost us more than the rate of  $4\frac{1}{2}$  per cent.

(2.) Would this Bank accept payment of the £400,000 on the 1st March, with interest to date ?—If our doing so would in any way facilitate your negotiations we shall be quite agreeable to take payment in London on the 1st March next of the £400,000 and interest. We should, however, be obliged if you could give us as early notice of your intentions in regard to this as you conveniently can.

I have, &c.,  
H. MACKENZIE,  
General Manager.

The Hon. John Ballance,  
Colonial Treasurer, Wellington.  
(No. 434.)

*Enclosure 4 in No. 26.*

SIR,— The Treasury, Wellington, 4th October, 1892.  
I have the honour, by direction of the Colonial Treasurer, to acknowledge the receipt of your letter of the 26th ult., in which you state that your Bank is prepared to renew the advance of £400,000 for one or two years, but would require the rate of interest therefor to be 5 per cent., or would accept repayment on 1st March next if desired, and to inform you that he hopes to be in a position to give a definite reply shortly as to whether the Government will decide to repay the advance on the 1st March next, or ask your Bank to renew on terms to be mutually arranged.

I have, &c.,  
JAS. B. HEXWOOD,  
Secretary to the Treasury.

The General Manager, Colonial Bank of New Zealand, Dunedin.

*Enclosure 5 in No. 26.*

SIR,—

The Treasury, Wellington, 11th November, 1892.  
Referring to the advance of £400,000 made by your Bank upon security of debentures which fall due on the 1st March next, and to the correspondence which has taken place on the subject, more especially your letter dated 26th September last, I have now the honour, by direction of the Colonial Treasurer, to inform you that arrangements will be made for the repayment in London to your Bank on the 1st March, 1893, of the principal sum of £400,000 and interest at  $4\frac{1}{2}$  per cent. to that date.

I regret that I have not been able to convey this information to you at an earlier date, but, as you will doubtless understand, financial negotiations had to be effected through our Agent-General before Government were in a position to advise you as above.

I have, &amp;c.,

JAS. B. HEYWOOD,

Secretary to the Treasury.

The General Manager, Colonial Bank of New Zealand, Dunedin.

## No. 27.

The COLONIAL BANK of NEW ZEALAND to the COLONIAL TREASURER.

The Colonial Bank of New Zealand (Head Office), Dunedin,

16th November, 1892.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 11th instant, informing me that the loan for £400,000, due in London on the 1st March, 1893, will, with accrued interest at  $4\frac{1}{2}$  per cent., be paid to us there on that date.

Thanking you for the information.

I have, &amp;c.,

H. MACKENZIE,

General Manager.

The Hon. J. Ballance, Colonial Treasurer, Wellington.

## No. 28.

The AGENT-GENERAL to the PREMIER.

(Memorandum No. 1451.)

*Sales of  $3\frac{1}{2}$ -per-cent. Stock.*

I BEG to enclose copy of Messrs. Scrimgeour's sale-note relating to the sale of £65,000  $3\frac{1}{2}$ -per-cent. Stock which was sold for the account of 14th instant, realising £61,911 18s., which amount has been paid in to-day to the credit of the Public Account.

I attach copy of telegram I sent you, advising the sale.

W. B. PERCEVAL.

Westminster Chambers, 13, Victoria Street, London, S.W., 14th October, 1892.

## No. 29.

The PREMIER to the AGENT-GENERAL.

To Agent-General, London.

Wellington, 28th November, 1892.

THINK time opportune inscribe and sell 64,000 three-and-a-half-per-cents.

## No. 30.

The AGENT-GENERAL to the PREMIER.

(No. 1482.)

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

22nd October, 1892.

SIR,—

In reply to the inquiries made in your Treasury letter No. 37, of the 6th September last, respecting certain apparent discrepancies in connection with the sales of  $3\frac{1}{2}$ -per-cent. stock, I beg leave to explain as follows, namely:—

1. The £20,000 and £65,000  $3\frac{1}{2}$ -per-cent. stock were sold *cum div.*, but being transferred in the Bank of England's books after the 1st June, the amount (£85,000) was inscribed *ex div.*, and, as is the practice on the Stock Exchange in such cases, the amount of the half-year's interest (less income-tax) was deducted from the purchase-money, being in this case £1,487 10s., less £37 3s. 9d. (income-tax), equal to £1,450 6s. 3d. In July the half-year's interest (less income-tax) on the stock (£154,624) standing in the names of the Agent-General and Audit Officer on the 1st June was collected and paid into the Public Account on the 6th July. This amounted to £2,638 5s. 5d., and included the interest payable on the £85,000 stock sold *cum div.*, and the £69,624 balance remaining unsold.

2. The nineteen shillings (19s.) deducted from the purchase-money of the £40,000  $3\frac{1}{2}$ -per-cent. stock is the cost of stamps and powers of attorney (required in signing the transfers), having been paid by the brokers and deducted from the amount of purchase-money.

I regret that the above explanations were not given at the time.

I have, &amp;c.,

W. B. PERCEVAL.

The Hon. the Premier, Wellington.

## No. 31.

The AGENT-GENERAL to the PREMIER.

(No. 1486.)

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

29th October, 1892.

SIR,—

Referring to my letter No. 527, of the 13th May last, I beg leave to transmit herewith the following statements of accounts, namely:—

1. Statement showing the financial result of the various transactions which have passed between the Stock Agents and the Public Account from the 31st March, 1892, to the 30th September, 1892, with respect to the conversion of the public debt (in continuation of statement dated 31st March, 1892).\*

2. Statement (A) showing—(1) 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 inscribed; and (4) the balance still required to be inscribed: (in continuation of statement dated 31st March, 1892).\*

3. Statement (B) showing 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: (in continuation of statement dated 31st March, 1892).\*

4. Statement (C) showing—(1) The amount of 3½-per-cent. Stock inscribed in the names of the Governor and Company of the Bank of England; and (2) how disposed of.

In connection with these statements I take the opportunity of thanking you for the statements prepared by the Audit Office transmitted with your letter (Treasury) No. 43 of the 8th September last.†

In reference to Mr. Gavin's memorandum of 17th August, copy of which accompanied your letter, it will be seen that supplementary statements have been added to Statements A and B (herewith enclosed), which have the effect of closing the accounts dealing with the 3½-per-cent. Stock which has from time to time been transferred to myself and the Audit Officer on account of the conversion of the debentures of the loans of 1860 and 1863.

With regard to closing the account as between the Stock Agents and the Public Account, I do not see that this can be done so long as any conversion operations remain open. At present the only known outstanding liabilities of any amount relating to past conversions are—(1) the stamp duty on the 4-per-cent. Stock into which the outstanding 5-per-cent. debentures of April are convertible; and (2) the cost of printing the correspondence relating to the conversion operations of many years past, which is awaiting final revision by Sir F. D. Bell before it can be completed.

You will observe by Statement C (herewith enclosed) that there is £3,839 5s. 6d. 3½-per-cent. Stock still inscribed in the names of the Governor and Company of the Bank of England at the disposal of the Stock Agents.

I observe that Mr. Gavin refers to certain "discrepancies" between the Stock Agents' accounts and those kept by the Treasury, and I presume that particulars of the same will be forwarded to me in due course, in order that they may be examined by the Stock Agents with the view of their being made good or explained.

I have explained in a separate letter how it was that the amount paid into the Public Account on 11th December last was 19s. less than that given in the brokers' note, and also how it was that the amount paid in on the 15th June was apparently short by £1,450 6s. 3d.

The Hon. The Premier, Wellington.

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

*Enclosure 1 in No. 31.*

STATEMENT showing the Financial Result of the Various Transactions which have passed between the Stock Agents and the Public Account from the 31st March, 1892, to the 30th September, 1892, with respect to the Conversion of the Public Debt.

| 1892.       | Dr.  | £              | s.       | d.       | 1892.    | Cr.  | £              | s.       | d.       |
|-------------|--|----------------|----------|----------|----------|--|----------------|----------|----------|
| April 1     | Balance in favour of Public Account .. .. .  | 4,793          | 5        | 2        | April 28 | Paid to Public Account by Stock Agents .. .. .   | 29,494         | 19       | 0        |
| May to June | Commissioners' orders on the Public Account in favour of the Crown Agents to meet debentures of the 6-per-cent. 1863 Loan, December series .. .. . | 400            | 0        | 0        | " 29     | Ditto .. .. .  | 500            | 0        | 0        |
| May 20      | Commissioners' order on Public Account, being repayment of advances made by the Bank of England .. .. .  | 2,000          | 0        | 0        | May 1    | Interest saved to colony on £47,960 4-per-cent. Stock, exchanged for £43,600 5-per-cent. debentures, from 15th January, to 1st May, 1892 .. .. .   | 557            | 2        | 5        |
| May to July | Commissioners' orders on Public Account in favour of Stock Agents to meet payment of stamp duty, &c. .. .. .                                       | 28,500         | 0        | 0        | " 1      | Interest saved to colony on £4,509,087 4-per-cent. Stock, exchanged for £4,214,100 5-per-cent debentures, from 15th April to 1st May, 1892 .. .. .   | 7,412          | 3        | 9        |
| July 7      | Half-year's dividend on £5,947 5s. 6d., 3½-per-cent. Stock, less income-tax .. .. .  | 101            | 9        | 6        | " 11     | Paid to Public Account by Stock Agents .. .. .   | 6,700          | 19       | 5        |
| Sept. 30    | Interest on balances .. .. .   | 5              | 10       | 3        |          | Amount as per contra of debentures paid off—represented by £440 3½-per-cent. Stock (see Statement A) .. .. .   | 400            | 0        | 0        |
| Sept. 30    | Balance in favour of Stock Agents .. .. .  | 9,446          | 15       | 3        |          | Amount of brokerage, cost of power of attorney and stamps, charged in error in Stock Agents' Conversion Account, in respect to the sale of £85,000 3½-per-cent. Stock sold July 15th, 1891 .. .. . | 213            | 14       | 0        |
|             |  |                |          |          | Sept. 30 | Interest on balance .. .. .  | 28             | 1        | 7        |
|             |  | <u>£45,247</u> | <u>0</u> | <u>2</u> |          |  | <u>£45,247</u> | <u>0</u> | <u>2</u> |

London, September 30th, 1892.

Examined.  
C. WRAY PALLISER,  
Audit Officer.

For the Stock Agents,  
WESTBY B. PERCEVAL.

\* Enclosure in No. 2 *supra*.

† No. 9 *supra*.

## Enclosure 2 in No. 31.

A.

STATEMENT showing (1) 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.

| 1892.       | Dr.  | £              | 1892.    | Cr.   | £              |
|-------------|--|----------------|----------|---|----------------|
| April 1     | Balance of Stock required to be inscribed .. .. .  | 60,268         | May 19   | Amount of Stock inscribed ..                              | 60,000         |
| May to June | Commissioners' orders issued on account of debentures of the December series of the 1863 Loan .. .. £400 |                | Sept. 30 | Balance of Stock required to be inscribed at this date .. | 708            |
|             | Add 10 per cent. .. .. 40  |                |          |   |                |
|             |  | 440            |          |   |                |
|             |  | <u>£60,708</u> |          |   | <u>£60,708</u> |

London, 30th September 1892.

## Supplementary Statement.

| 1892.  | £   | 1892.   | £  |
|--------|---|---------|--|
| Oct. 1 | Balance of Stock required to be inscribed .. .. . | Oct. 22 | Amount of Stock inscribed at this date .. .. . |
|        | 708   |         | 708  |

For the Stock Agents,  
WESTBY B. PERCEVAL.

London, 29th October, 1892.

Examined.

C. WRAY PALLISER,  
Audit Officer.

## Enclosure 3 in No. 31.

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.

| 1892.   | Dr.  | £               | 1892.    | Cr.  | £      | £               |
|---------|--|-----------------|----------|--|--------|-----------------|
| April 1 | Balance of Stock inscribed at date in the names of the Agent-General and Audit Officer .. .. . | 190,624         | April 28 | Amount of Stock sold, and proceeds of same paid to Public Account .. .. .                      | 26,000 |                 |
| May 19  | Amount of Stock inscribed to meet payments out of the Public Account .. .. .                   | 60,000          | May 12   | Ditto .. .. .  | 50,000 |                 |
|         |  |                 | " 27     | " .. .. .  | 20,000 |                 |
|         |  |                 | June 15  | " .. .. .  | 20,000 |                 |
|         |  |                 | " "      | " .. .. .  | 65,000 |                 |
|         |  |                 |          |  |        | 181,000         |
|         |  |                 | Sept. 30 | Balance of Stock inscribed at date in the names of the Agent-General and Audit Officer .. .. . | 69,624 |                 |
|         |  | <u>£250,624</u> |          |  |        | <u>£250,624</u> |

London, 30th September, 1892.

## Supplementary Statement.

| 1892.   | Dr.  | £              | 1892.   | Cr.   | £              |
|---------|--|----------------|---------|---|----------------|
| Oct. 1  | Balance of Stock inscribed at date in the names of the Agent-General and Audit Officer .. .. . | 69,624         | Oct. 14 | Amount of Stock sold, and proceeds of same paid to Public Account .. .. . | 65,000         |
| Oct. 22 | Amount of Stock inscribed at this date .. .. .   | 708            | " 28    | Ditto .. .. .   | 5,332          |
|         |  | <u>£70,332</u> |         |   | <u>£70,332</u> |

WESTBY B. PERCEVAL,  
Agent-General.  
C. WRAY PALLISER,  
Audit Officer.

London, 29th October, 1892.

## Enclosure 4 in No. 31.

C.

STATEMENT showing (1) the Amount of 3½-per-cent. Stock inscribed in the Names of the Governor and Company of the Bank of England, and (2) How Disposed of.

| 1891.   | Dr.  | £               | s. | d. | 1891.   | Cr.   | £               | s. | d. |
|---------|--|-----------------|----|----|---------|---|-----------------|----|----|
| June 2  | Amount inscribed in the names of the Governor and Company of the Bank of England .. .. . | 110,000         | 0  | 0  | June—   | Amounts transferred by the Bank of England into the names of the Agent-General and Audit Officer .. .. .                              | 110,000         | 0  | 0  |
| June 15 | Ditto .. .. .  | 200,000         | 0  | 0  | Aug. 13 | Ditto .. .. .   | 170,000         | 0  | 0  |
| 1892.   |  |                 |    |    | 1892.   |   |                 |    |    |
| Jan. 11 | " .. .. .  | 45,000          | 0  | 0  | May 19  | " .. .. .   | 60,000          | 0  | 0  |
|         |  |                 |    |    | Oct. 22 | " .. .. .   | 708             | 0  | 0  |
|         |  |                 |    |    | 1892.   |   |                 |    |    |
|         |  |                 |    |    | Feb. 16 | Amount sold to Sinking Fund Trustees .. .. .  | 2,036           | 0  | 0  |
|         |  |                 |    |    | May 11  | Ditto .. .. .   | 7,016           | 14 | 6  |
|         |  |                 |    |    | Aug. 16 | Amount transferred to John Douglas for £1,400, debentures of the March series of the 1863 Loan, under the Lost Debentures Act .. .. . | 1,400           | 0  | 0  |
|         |  |                 |    |    | Oct. 29 | Balance of Stock in hand .. .. .  | 3,839           | 5  | 6  |
|         |  | <u>£355,000</u> | 0  | 0  |         |   | <u>£355,000</u> | 0  | 0  |

London, 29th October, 1892.

For the Stock Agents,  
WESTBY B. PERCEVAL.

## No. 32.

The AGENT-GENERAL to the PREMIER.

(No. 1487.)

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

SIR,—

29th October, 1892.

Referring to my letter No. 773, of the 9th June last, I beg to state that the conversion of the debentures of the loans of 1863 and 1860, which matured last year, is now completed.

The last £200 debentures of the December series of the 1863 loan were paid off on the 22nd June, and on the 16th August £1,400 of 3½-per-cent. Stock was inscribed in the name of the owner of the £1,400 debentures of the March series, which were being dealt with under the provisions of the Lost Debentures Act.

I transmit herewith copies of the certified lists received from the Crown Agents, showing that the above-mentioned debentures have been taken off their register of the loan.

The whole of the debentures of the loan of 1863, which matured last year, being thus provided for, the Trustees of the Sinking Fund of that loan were requested to release that portion of the fund still in their hands; and the sum of £2,413 13s. was accordingly received from them and paid into the Public Account on the 20th August last. This amount included the £2,000 which I mentioned in my letter of the 9th June last, as well as £386 7s. 10d. refunded by the Inland Revenue on account of income-tax, the balance being made up by accrued interest allowed by the London and Westminster Bank on the amount deposited thereat.

On the 22nd instant the Stock Agents transferred to the names of the Agent-General and Audit Officer £708 3½-per-cent. Stock, being the amount of stock remaining due on account of the conversion of the 1860 and 1863 debentures; and on the 14th and 28th instant, stock to the amount of £65,000 and £5,332 (being together the whole of the stock standing in the names of the Agent-General and Audit Officer) was sold, and the proceeds of sale placed to the credit of the Public Account. I enclose copy of the sale-note relating to the £5,332 stock, copy of the sale-note of the £65,000 having been sent with my memorandum No. 1451 of the 14th instant.

I transmit herewith statement showing the amount of the 5-per-cent. debentures (convertible into 4-per-cent. Stock in January and April) which have been received by the Bank of England for conversion up to the 30th September last, by which you will see that the whole (£43,600) of the January debentures have come in, while of the £4,214,100 April debentures there were still £53,400 outstanding at that date. These statements are in continuation of those sent with my letter of June 9th; and, as there was a slight error in the figures given in the one dated the 31st May, relating to the April debentures, I take the opportunity of enclosing a corrected statement.

I have, &amp;c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

*Enclosure 1 in No. 32.*

## CERTIFICATE.

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 December, 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:—

£100.

Nos. 2875 and 2876.

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

Downing Street, 25th October, 1892.

*Enclosure 2 in No. 32.*

## CERTIFICATE.

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 March, 1891) have been de-registered in accordance with the Agent-General's letter dated 15th August, 1892, and that no coupon belonging to such debentures of a later date than 15th September, 1881, has been paid by us:—

£1,000.

No. 246.

£200.

Nos. 2739 and 2740.

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

Downing Street, 28th October, 1892.

*Enclosure 3 in No. 32.*

£43,600 5-PER-CENT. DEBENTURES, CONVERTIBLE 15TH JANUARY, 1892, INTO 4-PER-CENT. STOCK at 110.—Statement showing Amount sent in for conversion up to 31st July, 1892. (In continuation of statement of 31st May, 1892.)\*

| Dates.                  |     |    |    |    | Debentures. | Stock.  | Stamp Duty. |
|-------------------------|-----|----|----|----|-------------|---------|-------------|
| 1892.                   |     |    |    |    | £           | £       | £ s. d.     |
| 8th January to 31st May | ... | .. | .. | .. | 42,600      | 46,860  | 292 17 6    |
| 31st May to 30th June   | ..  | .. | .. | .. | 400         | 440     | 2 15 0      |
| 30th June to 31st July  | ..  | .. | .. | .. | 600         | 660     | 4 2 6       |
|                         |     |    |    |    | £43,600     | £47,960 | £299 15 0   |

\* Enclosure 6 in No. 6 *supra*.

*Enclosure 4 in No. 32.*  
[CORRECTED STATEMENT.]

£4,214,100 5-PER-CENT DEBENTURES, CONVERTIBLE 15TH APRIL, 1892, INTO 4-PER-CENT STOCK at 107.—Statement showing the Amount sent in for conversion up to 31st May, 1892.

| Dates.                           | Debentures. | Stock.     | Stamp Duty. |
|----------------------------------|-------------|------------|-------------|
| 1892.                            | £           | £          | £ s. d.     |
| 1st April to 30th April .. .. .  | 3,223,600   | 3,449,252  | 21,627 2 6  |
| 1st May to 31st May .. .. .      | 654,500     | 700,315    | 4,392 3 9   |
|                                  | 3,878,100   | 4,149,567  | 26,019 6 3  |
| Outstanding at this date .. .. . | 336,000     | 359,520    |             |
|                                  | £4,214,100  | £4,509,087 |             |

31st May, 1892.

In the statement sent with the Agent-General's letter No. 773, of the 9th June, the total amount of the debentures were incorrectly entered as £4,214,000, instead of £4,214,100.

*Enclosure 5 in No. 32.*

£4,214,100 5-PER-CENT DEBENTURES, CONVERTIBLE 15TH APRIL, 1892, INTO 4-PER-CENT STOCK at 107.—Statement showing the Amount sent in for conversion up to 30th September, 1892. (In continuation of statement of 31st May, 1892.)

| Dates.                                  | Debentures. | Stock.     | Stamp Duty. |
|---|-------------|------------|-------------|
| 1892.                                   | £           | £          | £ s. d.     |
| 1st April to 31st May .. .. .           | 3,878,100   | 4,149,567  | 26,019 6 3  |
| 1st June to 30th June .. .. .           | 191,900     | 205,333    | 1,287 18 9  |
| 1st July to 31st July .. .. .           | 54,400      | 58,208     | 366 3 9     |
| 1st August to 31st August .. .. .       | 18,900      | 20,223     | 126 17 6    |
| 1st September to 30th September .. .. . | 17,400      | 18,618     | 116 16 3    |
|   | 4,160,700   | 4,451,949  | 27,917 2 6  |
| Outstanding at this date .. .. .        | 53,400      | 57,138     |             |
|   | £4,214,100  | £4,509,087 |             |

30th September, 1892.

**No. 33.**

The AGENT-GENERAL to the PREMIER.

(Telegram.) The Premier, Wellington.

Received 20th December, 1892.

SUGGEST Government authorise inscription immediately three-and-a-half per cents., so as to provide the Colonial Bank of New Zealand 400,000. Could then sell immediately we think market favourable. Bank of England considers public notification unnecessary. (London, 19.)

**No. 34.**

The PREMIER to the AGENT-GENERAL.

(Telegram.) Agent-General, London.

Wellington, 20th December, 1892.

AUTHORISE further inscription immediately, so as to provide £400,000 Colonial Bank of New Zealand.

**No. 35.**

The MANAGER, Bank of New Zealand, Wellington, to the SECRETARY to the Treasury.

Bank of New Zealand, Wellington, 28th December, 1892.

SIR,— “The Consolidated Loan Act, 1867,” Debentures Nos. 1 to 64, £64,000.

Referring to your letter No. 427, dated 28th September, directing the Bank to arrange for payment of these in Sydney by 1st January, 1893, I have now the honour to inform you that the bonds have been placed in the hands of our Sydney manager by the Australian Mutual Provident Society, whom we have arranged to pay on due date.

I assume you will hand to me here the Treasury bills which it is proposed to deposit with the Bank against the advance. I have, &c.,

The Secretary to the Treasury, Wellington.

P. T. J. PARFITT, Manager.

**No. 36.**

The SECRETARY to the Treasury, to the MANAGER, Bank of New Zealand, Wellington.

(No. 548.)

SIR,—

29th December, 1892.

I have the honour, by direction of the Colonial Treasurer, to acknowledge the receipt of your letter of the 28th instant, stating that the Consolidated Loan debentures have been placed in the hands of your manager at Sydney, who had arranged to pay them off on due date, and to inform you that, as you assume, Treasury bills will be handed over to the Bank here as security for the advance to be made for payment of the debentures.

I have, &c.,

JAMES B. HEYWOOD,

The Manager, Bank of New Zealand, Wellington.

Secretary to the Treasury.

## No. 37.

The SECRETARY to the Treasury, to the MANAGER, Bank of New Zealand, Wellington.  
(No. 550.)

SIR,—

4th January, 1893.

With reference to the concluding paragraph of your letter of the 28th ultimo, I have now the honour by the direction of the Colonial Treasurer, to hand you herewith, under the arrangement made on the terms set forth in my letter of the 28th September last, No. 427, Treasury Bill No. 19, for £64,000, dated 1st instant and payable 30th June next, to be held by the Bank as collateral security for an advance of like amount made for the purpose of paying off debentures of the Consolidated Loan of 1867, amounting to £64,000, which fell due on the 1st instant. Kindly acknowledge receipt of this letter and enclosed Treasury bill.

I have, &amp;c.,

JAMES B. HEYWOOD,

The Manager, Bank of New Zealand, Wellington.

Secretary to the Treasury.

## No. 38.

The SECRETARY, Australian Mutual Provident Society, Sydney, to the COLONIAL TREASURER.

Australian Mutual Provident Society, 87, Pitt Street, Sydney,  
22nd December, 1892.

DEAR SIR,—

Re *Debentures maturing 1st January, 1893.*

The Society has this day handed to the Bank of New Zealand (Sydney branch), acting as Agents for your Government, debentures numbered from 1 to 64 inclusive, of the value of one thousand pounds each, maturing on 1st January next; and the Bank have undertaken, on behalf of your Government, to place to this Society's credit with the Bank of New Zealand, Wellington, the sum of sixty-four thousand pounds (£64,000) on the first banking-day after maturity of the debentures.

Yours faithfully,

ROBERT B. CAMERON, Secretary.

The Hon. the Colonial Treasurer, Wellington, New Zealand.

## No. 39.

The MANAGER, Bank of New Zealand, Wellington, to the SECRETARY to the TREASURY.

SIR,—

Bank of New Zealand, Wellington, 5th January, 1893.

I have the honour to own receipt of your letter, No. T. 92/1961, dated 4th January, enclosing Treasury Bill No. 19, for £64,000, dated 1st instant and payable 30th June next, to be held by the Bank as collateral security for an advance of like amount, made for the purpose of paying off debentures of the Consolidated Loan of 1867.

This transaction was carried out by our Sydney branch on 3rd instant, from which date interest on the advance will be calculated.

I have, &amp;c.,

The Secretary to the Treasury, Wellington.

P. T. J. PARFITT, Manager.

## No. 40.

The PREMIER to the AGENT GENERAL.

Agent-General, London.

Wellington, 12th January, 1893.

\* \* \* \* \*

Three-and-a-half per cents. : Colonial Bank of New Zealand; prefer private sale.

## No. 41.

The BANK of NEW ZEALAND to the SECRETARY to the TREASURY.

Bank of New Zealand, Wellington, 13th January, 1893.

(Memorandum.)

Re *Consolidated Loan 1867 Debentures, £64,000, paid at Sydney.*

REFERRING to your letter dated 28th September last, will you be good enough to forward me cheque for as follows:—

|   | £    | s. | d. |
|---|------|----|----|
| Commission on £64,000 @ $\frac{1}{4}$ per cent. ...             | 160  | 0  | 0  |
| Advertising payment in <i>Sydney Morning Herald</i> ...         | 0    | 18 | 0  |
| Postage and registration of parcel to Agent-General, London ... | 0    | 10 | 8  |
|   | £161 | 8  | 8  |

I enclose schedule of debentures forwarded to Agent-General, London, as requested by you.

J. B. HOBART,

The Secretary to the Treasury, Wellington.

Pro Manager.



*Enclosure in No. 41.*

Bank of New Zealand, Sydney, 3rd January, 1893.  
 SCHEDULE of debentures of the New Zealand Government, issued under "The Consolidated Loans Act, 1867," enclosed in two envelopes sealed with our respective monograms, these two envelopes being enclosed in one addressed "The Agent-General for New Zealand, 7, Westminster Chambers, London," and handed by us jointly to the Receiver of Registered Letters, at the General Post Office, Sydney: Nos. 1 to 64 inclusive, for £1,000 each, due 1st January, 1893, and payable at the Oriental Bank Corporation, Sydney. In all, sixty-four thousand pounds.

GEO. A. WILSON, Manager.  
 R. B. RIGG, Accountant.

## No. 42.

The AGENT-GENERAL to the PREMIER.

(No. 1740.)

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

9th December, 1892.

SIR,—

Referring to your (Treasury) letter, T. 92/1541, No. 46, of the 6th October last;\* also to your letter (Treasury) T. 92/1541, No. 48, of the 11th of that month,† and to your cablegram of the 28th ultimo respecting the £64,000 5 per-cent. debentures of 1867, I have to inform you that the Stock Agents have directed the Bank of England to inscribe in the names of myself and Mr. Palliser, 3½-per-cent. Stock, ex dividend of the 1st January, to the amount of £68,000, and I have instructed our brokers to report to me immediately they consider there is a favourable time for the sale of the same, either in whole or in part.

So far as I can judge at present, the sale will be effected—probably at about 96—before the end of the year.

I have, &amp;c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

## No. 43.

The AGENT-GENERAL to the PREMIER.

(No. 1741.)

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

9th December, 1892.

SIR,—

*Otago 6-per-cent. Debentures.*

An application having been made to me to convert £6,600 6-per-cent. debentures issued under "The Otago Loan Ordinance, 1862," and redeemable 1st July, 1898, I have authorised the Bank of England to receive them for conversion into 3½-per-cent. Stock at the rate of £113 10s. of stock for every £100 in debentures; the debentures to be delivered with the coupons of the 1st July, 1893, and subsequent dates attached, and the stock to be inscribed ex dividend payable on the 1st January, 1893.

The terms at which the conversion will be effected, reckoning the market price of 3½-per-cent. Stock at 96, is in accordance with the tables, copies of which went with my predecessor's letter No. 1293 of the 4th September, 1891.‡

I have, &amp;c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

## No. 44.

The AGENT-GENERAL to the PREMIER.

(Telegram.)

Received 20th January, 1893.

£68,000 three-and-a-half per cents. sale completed.

The Premier, Wellington.

(London, 19th).

## No. 45.

The PREMIER to the AGENT-GENERAL.

(No. 3.)

Premier's Office, Wellington, 25th January, 1893.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 9th ultimo, No. 1740, reporting that the Stock Agents had directed the Bank of England to inscribe in the names of Mr. Palliser and yourself 3½-per-cent. Stock, ex dividend of the 1st instant, to the amount of £68,000, and that you had taken steps to sell the stock at the first favourable opportunity; and to express my gratification at the subsequent receipt of your telegram of the 19th instant, announcing the sale at the satisfactory price of 96. I presume that I shall shortly receive a further message, stating that the £64,000 advanced by the Bank of New Zealand has been paid off out of the proceeds of the sale.

I have, &amp;c.,

The Agent-General for New Zealand, London.

J. BALLANCE.

## No. 46.

The PREMIER to the AGENT-GENERAL.

(No. 5.)

Premier's Office, Wellington, 26th January, 1893.

SIR,—

I notice that the interest on the scrip certificates issued in respect of the 1863 loan, March, June, and December series of 1891, appears to have been paid by the Bank of England out of the moneys specifically provided for the half-yearly interest on the 3½-per-cent. Stock. As the

\* No. 18 *supra*.† No. 21 *supra*.

‡ B.-14A, 1892, No. 22.

money representing the interest on the certificates was expected to be paid by Commissioners' orders, I shall be glad if you will by that means restore to the Bank of England the amounts provided for the ordinary half-yearly interest, some portions of which have been used for the purpose first mentioned.

The Agent-General for New Zealand, London.

I have, &c.,

J. BALLANCE.

### No. 47.

The AGENT-GENERAL to the PREMIER.

(Telegram.) Premier, Wellington.

Received 27th January, 1893.

WITH reference to telegram 26th: Endeavouring to arrange sale total amount the Colonial Bank of New Zealand £400,000  $3\frac{1}{2}$ -per-cents. . . . . London, 26th January.

### No. 48.

The AGENT-GENERAL to the PREMIER.

(Telegram.) Premier, Wellington.

Received 28th January, 1893.

INSTRUCT whether may accept  $95\frac{3}{4}$  total amount the Colonial Bank of New Zealand  $3\frac{1}{2}$ -per-cents. Scrimgeour recommends. . . . . London, 27th.

### No. 49.

The PREMIER to the AGENT-GENERAL.

(Telegram.) The Agent-General, London.

Wellington, 28th January, 1893.

ACCEPT offer of  $95\frac{3}{4}$ .

### No. 50.

The AGENT-GENERAL to the PREMIER.

(Telegram.) Premier, Wellington.

Received 1st February, 1893.

COLONIAL Bank's  $3\frac{1}{2}$ -per-cents. sold  $95\frac{3}{4}$ . . . . .

### No. 51.

The AGENT-GENERAL to the PREMIER.

(No. 1772.)

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

SIR,—

21st December, 1892.

Your letter No. 52, of the 1st November last, although not definitely stating that the Government had decided to pay off the £400,000 advance made on the security of the debentures issued under "The Public Revenues Act, 1887 (No. 3)," appeared to me to render it desirable that I should confer with the Bank of England with reference to the steps that it would be necessary to take, in order that I may be in a position to sell the stock if the market continued favourable, and thus avoid, either in whole or in part, going to the Bank for advances.

\* \* \* \* \*

I have now instructed Messrs. Mackrell to prepare the necessary deed-poll and declaration, providing for the creation, &c., of the stock required; and I trust that, after realising the £68,000 stock now being sold, I shall be able to dispose of some portion of it prior to the 1st March.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

### No. 52.

The AGENT-GENERAL to the PREMIER.

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

(No. 1773.)

23rd December, 1892.

SIR,—

Otago 6 per cent. Debentures.

I beg to inform you that the £6,600 6-per-cent. debentures issued under "The Otago Loan Ordinance, 1862," have been converted into £7,491  $3\frac{1}{2}$ -per-cent. Stock, under the conditions mentioned in my letter No. 1741 of the 9th instant.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

### No. 53.

The AGENT-GENERAL to the PREMIER.

(No. 1799.)

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

SIR,—

23rd December, 1892.

Referring to my letter No. 1740, of the 9th instant, I beg to state that £15,000 out of the £68,000  $3\frac{1}{2}$ -per-cent. Stock has been sold up to date.

I enclose copy of the sale-note. The net amount of the purchase-money will be paid into the Public Account on the 30th instant.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

## No. 54.

The BANK of NEW ZEALAND to the SECRETARY to the Treasury.

SIR,— Bank of New Zealand, Wellington, 4th February, 1893.  
I have the honour to inform you that I have been advised by telegram of the repayment, in London, on 30th January, by the Agent-General, of the £64,000 advanced by the Bank to retire debentures issued under "The Consolidated Loan Act, 1867," which fell due in Sydney on the 1st January, 1893, and to enclose herewith statement of account in connection therewith, which shows an amount due by the Treasury for interest, £213 Os. 9d., for which sum I should be obliged by receiving your cheque.

The New Zealand Treasury Bill No. 19, for £64,000, lodged with the Bank as security for above advance, is returned you herewith.

The Secretary to the Treasury, Wellington.

I have, &amp;c.,

P. T. J. PARFITT, Manager.

*Enclosure to No. 54.*

| "CONSOLIDATED LOAN ACT, 1893," in Account with the BANK of NEW ZEALAND, Wellington. |   |                |          |          |         |   |                |          |          |
|---|---|----------------|----------|----------|---------|---|----------------|----------|----------|
| 1893.   | Dr.   | £              | s.       | d.       | 1893.   | Cr.   | £              | s.       | d.       |
| Jan. 4.   | To Amount paid by Sydney Branch on 3rd January, 1893, to retire debentures due in Sydney on 1st January, 1893, in terms of letter of 28th September, 1892, from Treasury .. | 64,000         | 0        | 0        | Feb. 2. | By Debentures paid off in London on 30th January, 1893, by Agent-General .. | 64,000         | 0        | 0        |
| Feb. 2.   | Interest, 27 days at 4½ per cent. .. ..   | 213            | 0        | 9        |         | Balance.. ..  | 213            | 0        | 9        |
|   |   | <u>£64,213</u> | <u>0</u> | <u>9</u> |         |   | <u>£64,213</u> | <u>0</u> | <u>9</u> |
| Feb. 2.   | Balance .. ..   | £213           | 0        | 9        |         |   |                |          |          |

J. B. HOBART, Acting Accountant.

## No. 55.

The AGENT-GENERAL to the PREMIER.

(No. 51.)

Westminster Chambers, 13, Victoria Street, London, S.W.,  
6th January, 1893.

SIR,— Referring to my letter No. 1743, of the 9th ultimo, I beg to state that out of the £68,000, 3½ per cent. Stock, there has been sold two lots of £15,000 and £25,000 respectively, both at 96. The proceeds (£14,361 18s.) of the sale of the first-named lot (£15,000) went into the Public Account on the 30th ultimo, and the proceeds (£23,936 18s.) of that of the second (£25,000) will be paid in on the 13th instant.

I trust to be able to advise you shortly of the sale of the whole amount.

I transmit copies of the brokers' sale-notes of the two above-mentioned parcels.

I have, &amp;c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

## No. 56.

The PREMIER to the AGENT-GENERAL.

(No. 7.)

SIR,— Premier's Office, Wellington, 23rd February, 1893.  
Referring to your telegram dated 31st ultimo,\* wherein you state that "Colonial Bank 3½ per cents. sold at 95½," I conclude that the repayment of the advance on the 1st proximo is now assured; and, as a substantial saving of interest and stamp duty will result from this conversion, I must congratulate you upon so successful a sale, more especially as the business will most probably be settled without the necessity of our availing ourselves of the assistance of the Bank of England.

I have, &amp;c.,

R. J. SEDDON

The Agent-General for New Zealand, London.

(for the Premier).

## No. 57.

The PREMIER to the AGENT-GENERAL.

(No. 9.)

SIR,— Premier's Office, 23rd February, 1893.  
I have the honour to state that I have received a letter from the Bank of New Zealand informing me that you had on the 30th ultimo repaid £64,000 advanced by the Bank in Sydney to retire "Consolidated Loan Act, 1867," debentures due there on the 1st January last.

The Bank claims interest for 27 days at 4½ per cent., in all £213 Os. 9d., and that amount has been duly paid them. By your last advices in this connection I notice you have been able to complete the sale of the £68,000 of stock issued for the purpose of the conversion of these debentures.

I have, &amp;c.,

R. J. SEDDON

The Agent-General for New Zealand, London.

(for the Premier).

\* No. 50 *supra*.

## No. 58.

The AGENT-GENERAL to the PREMIER.

(No. 72.)  
SIR,—Westminster Chambers, 13, Victoria Street, London, S.W.,  
20th January, 1893.

In continuation of my letter of the 6th instant, No. 51, I beg to report that further sales of £28,000, being the balance of the £68,000  $3\frac{1}{2}$ -per-cent. Stock, has been effected at 96, and the proceeds thereof—viz., £26,809 7s. 6d., will be paid in to the Public Account on the 27th instant.

I enclose copies of the brokers' sale-notes (£8,000 and £20,000) of the above, and copy of cablegram which was sent advising you that the sale of this parcel of stock had been completed.

I have, &amp;c.,

W. B. PERCEVAL.

The Hon. the Premier, Wellington.

## No. 59.

The AGENT-GENERAL to the PREMIER.

(No. 71.)  
SIR,—Westminster Chambers, 13, Victoria Street, London, S.W.,  
20th January, 1893.

I beg to acknowledge the receipt of your letter (Treasury, No. 53) of the 18th November last,\* informing me that you had definitely arranged to repay the advance of £400,000 made by the Colonial Bank of New Zealand, and that therefore it would be necessary to create sufficient amount of  $3\frac{1}{2}$ -per-cent. Stock to redeem the £400,000 debentures on the security of which the advance was originally made, and that pending the sale of the stock final arrangements will have to be made with the Bank of England to make advances thereon, in order to pay off the Colonial Bank on the 1st March next.

Drafts of the necessary deed-poll and declaration have been approved by the Stock Agents, and will shortly be signed by them.

After conferring with the Bank of England and communicating with yourself by cable, I came to the conclusion that it would be expedient to dispose of the stock by private sale, and as soon as the stock is created I propose to effect sales accordingly.

I attach copy of cablegrams,† and of my minute to the Stock Agents.

I have, &amp;c.,

W. B. PERCEVAL.

The Hon. the Premier, Wellington.

*Enclosure in No. 59.*

MINUTE FOR THE STOCK AGENTS.

13, Victoria Street, S.W., 3rd January, 1893.

In March, 1888, £400,000 New Zealand Government 4-per-cent. Debentures, having a currency of five years from the 1st March, 1888, were issued in London, under the authority of "The New Zealand Public Revenues Act, 1887 (No. 3)" (copy herewith), by Sir F. D. Bell and Mr. Kennaway, the Agents delegated for that purpose by the Colonial Treasurer of New Zealand under the provisions of the above-mentioned Act; and by "The New Zealand Consolidated Stock Act, 1891" (copy herewith), the provisions of the Consolidated Stock Acts of 1877 and 1884 were extended to the loan thus raised.

My Government have decided to redeem these debentures, and to raise the money required for that operation by the issue and sale of  $3\frac{1}{2}$ -per-cent. Consolidated Stock.

In accordance, therefore, with the instructions which I have received from my Government, I have to request the Stock Agents to take the necessary steps for the purpose of creating a sufficient amount of such stock to redeem the debentures in question, and to provide for the expenses of and attending its creation and issue.

I attach a draft copy of deed-poll on which the particulars of the proposed transaction are recited, and I shall be glad if the Stock Agents will revise the same and return it to me, so that it can be engrossed for their signature.

W. B. PERCEVAL.

## No. 60.

The PREMIER to the AGENT-GENERAL.

(Telegram.) Agent-General, London. Wellington, 10th March, 1893.  
COLONIAL Bank of New Zealand.—Was advance paid off first instant?

## No. 61.

The AGENT-GENERAL to the PREMIER.

(Telegram.) Premier, Wellington.  
COLONIAL Bank of New Zealand.—Yes.

Received 11th March, 1893.

(London, 10th.)

## No. 62.

The AGENT-GENERAL to the PREMIER.

(No. 128.)  
SIR,—Westminster Chambers, 13, Victoria Street, London, S.W.,  
1st February, 1893.

Referring to my letter No. 71, of the 20th ultimo,‡ I beg to inform you that the deed-poll and declaration relating to the creation of the  $3\frac{1}{2}$ -per-cent. Stock, required for the purpose of converting the £400,000 debentures now in the hands of the Colonial Bank of New Zealand, have been duly executed by the Stock Agents.

\* *Vide* No. 26 *supra*.  
advance was to be paid off.† *Vide* No. 40 *supra*.

‡ Acknowledgment of Treasury letter stating that bank

. . . very desirable to realise the whole of the above-mentioned  $3\frac{1}{2}$ -per-cent. Stock, and the market having apparently become more favourable for such an operation than it has been for some time past, I entered into negotiations through Messrs. Scrimgeour for the sale of the whole parcel, on the condition that the payment for the same might be made at any time during the month (February).

Messrs. Scrimgeour having indicated to me that probably they would be able to complete the sale at  $95\frac{1}{4}$ , I inquired of you by cable whether you would accept that price, and shortly after receiving your reply in the affirmative I was able to complete the sale accordingly.

I enclose copy of the contract for the sale, by which you will see that the proceeds (£401,099 8s.) will be available on the 24th instant for payment to the Public Account.

A small additional amount will be required to meet the stamp duty and other expenses connected with this operation, but this can be provided for later on.

If I do not receive a bank order authorising the payment on the 1st proximo of £400,000 to the Colonial Bank of New Zealand, it will be necessary to issue a Commissioners' order for that amount.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

### No. 63.

The AGENT-GENERAL to the PREMIER.

(No. 129.)

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

SIR,—

1st February, 1893.

Referring to my letter No. 72, of the 20th ultimo,\* I beg to inform you that the proceeds of the sale of the whole of the £68,000  $3\frac{1}{2}$ -per-cent. Stock, issued on account of the £64,000 5-per-cent. debentures of 1867, which matured in Sydney on the 1st January, having been paid into the Public Account, I was able, in compliance with the instructions contained in your letter No. 48, of the 11th October last,† to repay the Bank of New Zealand the amount advanced by them to redeem the debentures in question. The payment of £64,000 was accordingly made to the Bank on the 30th ultimo, by means of a Commissioners' order on the Public Account.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

### No. 64.

The PREMIER to the AGENT-GENERAL.

(No. 14.)

Premier's Office, Wellington,

SIR,—

22nd March, 1893.

Referring to your despatches dated 20th January and 1st February last, and to your telegram of 10th instant, all connected with the advance of £400,000 made to the Government by the Colonial Bank of New Zealand, I am gratified to find that your financial arrangements have been satisfactorily completed, and that the advance was duly paid off on the 1st instant.

I have, &c.,

The Agent-General for New Zealand, London.

J. BALLANCE.

### No. 65.

The AGENT-GENERAL to the PREMIER.

(No. 174.)

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

SIR,—

13th February, 1893.

Referring to my letter No. 128, of the 1st instant,‡ I herewith transmit three prints of the deed-poll and declaration relating to the creation of the  $3\frac{1}{2}$ -per-cent. Stock, required for the purpose of converting the £400,000 debentures now in the hands of the Colonial Bank of New Zealand.

I also transmit copy of letter addressed by the Stock Agents to the Bank of England, authorising the necessary steps to be taken in connection with the issue and management of the stock in question.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

*Enclosure 1 in No. 65.*

DEED-POLL.

TO ALL TO WHOM THESE PRESENTS SHALL COME.

WE, Sir PENROSE GOODCHILD JULYAN, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, and a Companion of the Most Honourable Order of the Bath, and WESTBY BROOK PERCEVAL, Esquire, the Agent-General for the Colony of New Zealand in the United Kingdom, send greeting:

WHEREAS by an Act of the Legislature of New Zealand, intituled "The New Zealand Consolidated Stock Act, 1877" (hereinafter referred to as "The New Zealand Stock Act"), it was, among other things, enacted that, for the purpose of raising any sum or sums of money under the authority of any Act that might be passed by the General Assembly of New Zealand in any future session of the said General Assembly authorising the Governor in Council to raise by way of loan any sum of money for the public service of the colony, it should be lawful for the Governor in Council to create capital-stock, to be called "New Zealand Consolidated Stock," such stock to be issued in such amounts and manner, at such prices and times, on such terms, and subject to such conditions, with such dividends, and redeemable at par at such times, and on such conditions, as the Governor in Council might before the creation thereof from time to time

\* Vide No. 57 *supra*.

† Vide No. 21 *supra*.

‡ Vide No. 62 *supra*.

determine: And by the said Act it was further enacted that the Governor in Council might from time to time declare all or any of the New Zealand loans, whether existing in the form of stock or not, to be convertible into stock of such denominations, with such conditions, and with such dividends, and redeemable at par at such times, and on such conditions as he might before the creation thereof from time to time determine; and might authorise the creation and issue of such an amount of such stock in exchange for the securities held for such loans as might be necessary, and might authorise the creation and sale of any of such stock for the purpose of raising money for redeeming any outstanding stock or securities, and of paying any expenses in the creation of stock, and otherwise carrying out the provisions of the said Act on such conditions as he might determine; and any conversion so authorised might be effected either by arrangement with the holders of the existing securities, or by purchase thereof out of moneys raised by a sale of the new stock, or partly in one way and partly in the other: And by the said Act it was further enacted that all stock and the dividends thereon, and all charges and expenses incurred in carrying out the provisions of the said Act, should be a charge on, and be paid out of, the Consolidated Fund: And by the said Act it was further enacted that the Governor in Council might from time to time appoint three or more persons in England to be Agents for the purposes of the said Act, and might empower such Agents, or any three or more of them, to exercise all or any of the powers by the said Act exercisable by the Governor in Council: And, further, that the said Act should not come into operation, nor be of any force and effect whatever until it should be declared to be so in operation by a Proclamation issued by the Governor in Council, and published in the *New Zealand Gazette*:

And whereas by a Proclamation made and issued by the Governor in Council on the 9th day of February, 1878, and published in a supplement to the *New Zealand Gazette* of the same date, the Governor, with the advice and consent of the Executive Council of the said colony, did proclaim and declare that "The New Zealand Consolidated Stock Act, 1877," should be and come into operation on and after the 9th day of February, 1878:

And whereas, under and by virtue of the said Act, New Zealand Consolidated Stock was created and issued to the amount of £5,371,200, on the terms and conditions mentioned in a certain deed-poll bearing date the 1st day of December, 1879, under the hands and seals of me, the said Sir Penrose Goodchild Julian, and of Sir Julius Vogel, a Knight Commander of the said Most Distinguished Order of Saint Michael and Saint George, and of Montagu Frederic Ommanney, Esquire, who had been duly appointed Agents in England for the purposes of the said Act, and had been duly empowered to exercise all the powers by the said Act exercisable by the Governor in Council, such stock bearing interest at the rate of 4 per cent. per annum, payable half-yearly at the Bank of England on the 1st day of May and the 1st day of November in each year, until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place:

And whereas by another Act of the Legislature, intituled "The New Zealand Consolidated Stock Act 1877 Amendment Act, 1881" (hereinafter referred to as "the New Zealand Stock Amendment Act"), it was enacted that, notwithstanding anything in "The New Zealand Consolidated Stock Act, 1877," contained, the Governor in Council might appoint only two persons to be the Agents for the purposes of such Act, who should have, exercise, and perform all the powers, authorities, or duties by such Act given to, vested in, or imposed upon the Agents appointed under such Act, and that throughout such Act the words "the Agents" should be deemed to refer to and include the two persons by the now reciting Act authorised to be appointed to be the Agents for the purposes of "The New Zealand Consolidated Stock Act, 1877":

And whereas various further amounts of New Zealand Consolidated Stock have from time to time been duly created by Sir Francis Dillon Bell, a Knight Commander of the said Most Distinguished Order of Saint Michael and Saint George, and a Companion of the Most Honourable Order of the Bath, and me, the said Sir Penrose Goodchild Julian, who had been duly appointed Agents in England for the purposes of the said Acts of 1877 and 1881, and duly empowered to exercise all the powers by such Acts exercisable by the Governor in Council upon the terms and conditions respectively mentioned in certain deeds-poll under the hands and seals of the said Sir Francis Dillon Bell and of me, the said Sir Penrose Goodchild Julian, and bearing date respectively the 1st day of January, 1883, the 30th day of October, 1883, the 1st day of January, 1884, the 30th day of December, 1884, the 1st day of January, 1885, the 1st day of June, 1885, the 20th day of May, 1886, the 6th day of October, 1886, and the 30th day of May, 1888, such amounts of stock being in addition to and ranking *pari passu* with the said amount of £5,371,200 of New Zealand Consolidated Stock so created and issued as aforesaid (and which, together with such last-mentioned amount, is hereinafter referred to as the 4-per-cent. New Zealand Consolidated Stock), and bearing interest at the rate of four pounds per cent. per annum, payable half-yearly at the Bank of England as aforesaid until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place, but of the whole amount of New Zealand Consolidated Stock thus created there has been issued the total amount of £29,150,302 and no more:

And whereas further amounts of New Zealand Consolidated Stock amounting in the aggregate to £4,000,000 have been duly created by the said Sir Francis Dillon Bell and me, the said Sir Penrose Goodchild Julian, acting as such Agents and duly empowered as aforesaid, upon the terms and conditions mentioned in certain deeds-poll under the hands and seals of the said Sir Francis Dillon Bell and of me, the said Sir Penrose Goodchild Julian, and bearing date the 30th day of October, 1889, and the 12th day of March, 1891, respectively, such amount of stock being in addition to and ranking *pari passu* with the four-per-cent. New Zealand Consolidated Stock during the existence thereof, and bearing interest at the rate of three pounds ten shillings per cent. per annum payable half-yearly at the Bank of England on the 1st day of January and the 1st day of July in each year until the 1st day of January, 1940, on which day the capital is to be repaid at par at the same place, but of the amount of such New Zealand Consolidated Stock so created there has been issued the total amount of £3,486,888 and no more:

And whereas by another Act of the said Legislature, the short title of which is "The Consolidated Stock Act, 1884," it is enacted that the Act now in recital should be incorporated with and read as a part of "The New Zealand Consolidated Stock Act, 1877," and that the Agents mentioned in the Act now in recital should be the Agents from time to time appointed under the said "New Zealand Consolidated Stock Act, 1877":

And whereas by another Act of the said Legislature, the short title of which is "The Consolidated Stock Act 1891," it is enacted that the Act now in recital should be incorporated with and be deemed to be a part of "The Consolidated Stock Act, 1884," and of "The New Zealand Consolidated Stock Act, 1877," respectively. And it is further enacted that in addition to the loans set forth in the schedule to "The Consolidated Stock Act, 1884," the several loans raised under the provisions of (*inter alia*) "The Public Revenues Act, 1887 (No. 3)," should be and were thereby declared to be convertible into stock, and all the provisions of "The Consolidated Stock Act, 1884," should apply to such conversion:

And whereas in respect of the loan raised under the provisions of "The Public Revenues Act, 1887 (No. 3)," debentures to the amount of £400,000 are now outstanding and no more:

And whereas in pursuance of the power and authority vested in him by the New Zealand Stock Act, and the New Zealand Stock Amendment Act (all previous appointments of Agents having been revoked), His Excellency the Governor of the Colony of New Zealand, did by an Order in Council bearing the date the 1st day of February, 1892, appoint us, the said Sir Penrose Goodchild Julian and Westby Brook Perceval, from and after the 1st day of April, 1892, to be Agents for the purposes of the New Zealand Stock Act, and in that capacity to exercise all the powers by such Act exercisable by the Governor in Council:

And whereas we, the said Sir Penrose Goodchild Julian and Westby Brook Perceval, in exercise and in pursuance of the powers and authorities in that behalf conferred upon us as aforesaid, have declared the New Zealand Loan raised as last aforesaid to be convertible into stock, and for the purpose of providing New Zealand Consolidated Stock to be issued for the purpose of raising money for redeeming the outstanding securities for the said loan, and for the payment of the expenses of and attending the creation and issue of the said stock, we, the said Sir Penrose Goodchild Julian and Westby Brook Perceval, in exercise and in pursuance of the powers and authorities in that behalf conferred upon us as aforesaid, have determined to create a further amount of not exceeding £500,000 of New Zealand Consolidated Stock, to be issued as hereinafter mentioned, and to be in addition to and to rank *pari passu* with the amount of New Zealand Consolidated Stock which has been, and shall hereafter be created and inscribed in the books of the Governor and Company of the Bank of England:

And whereas we have further determined that such further issue of stock shall be created, issued, and inscribed under the said "New Zealand Consolidated Stock Act, 1877," and we have also determined the amount, manner, price, time, terms, and conditions on, at, and subject to which such stock shall be issued and inscribed, and the dividends thereon be payable, and the principal thereof be redeemable, such amount, manner, price, time, terms, dividends, and conditions being those hereinafter mentioned :

And whereas it is expedient that our determination to create such additional amount of £500,000 New Zealand Consolidated Stock, to be so issued and redeemable, shall be declared and manifested under our hands and seals :

NOW THEREFORE THESE PRESENTS WITNESS, and we, the said SIR PENROSE GOODCHILD JULYAN and WESTBY BROOK PERCEVAL, in exercise and in pursuance of the powers by the New Zealand Stock Act and the New Zealand Stock Amendment Act, and the Orders in Council, or any or either of them vested in us, do by these presents declare that we have created a further amount of five hundred thousand pounds sterling of capital stock, to be called "New Zealand Consolidated Stock," in addition to and to rank *pari passu* with the said New Zealand Consolidated Stock heretofore created and issued as aforesaid, during the existence thereof, and with such further amount of New Zealand Consolidated Stock as may be issued in pursuance of or as mentioned in the said deeds-poll or any or either of them, and also with any further amount of New Zealand Consolidated Stock which shall be hereafter created and issued and be inscribed in the books of the Governor and Company of the Bank of England : And we have determined that so much of the same capital stock as it shall be necessary to sell for the purpose of raising money to redeem the securities or debentures now outstanding as aforesaid, and for the payment of such expenses as aforesaid, shall from time to time be sold and issued to the purchasers thereof or their respective nominees at such price or prices as can be reasonably obtained for the same : And that the interest or dividend to be paid on the said further amount of five hundred thousand pounds sterling of stock so created by us as last aforesaid, or any lesser amount which shall be from time to time issued, shall be at the rate of three pounds ten shillings per centum per annum, and shall be payable half-yearly at the Bank of England on the first day of January and the first day of July in each year, from the days or times to be agreed upon with the purchasers thereof, until the first day of January, one thousand nine hundred and forty : And further, that on the said first day of January, one thousand nine hundred and forty, the capital shall be repaid at par at the same place :

And lastly, we do further declare that the revenues of the Colony of New Zealand alone are liable in respect of the stock hereinbefore described and the dividends thereon, and that the Consolidated Fund of the United Kingdom and the Commissioners of Her Majesty's Treasury are not directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

In witness whereof we have hereunto set our hands and seals this twenty-sixth day of January, one thousand eight hundred and ninety-three.

Signed, sealed, and delivered by the above-named Sir Penrose

P. G. JULYAN. (L.S.)

Goodchild Julian in the presence of—

JOHN R. CURRIE,  
Colonel, Retired List, Torquay.

Signed, sealed, and delivered by the above-named Westby

WESTBY B. PERCEVAL. (L.S.)

Brook Perceval in the presence of—

LEONARD J. MATON,  
Solicitor, 21, Cannon Street, London, E.C.

#### *Enclosure 2 in No. 65.*

#### DECLARATION FOR INLAND REVENUE COMMISSIONERS.

It is hereby declared that, by "The New Zealand Consolidated Stock Act, 1877," being Act 41 Vict., No. 33, of the Legislature of the Colony of New Zealand, provision is made in the terms following, that is to say :—

Section 2. Whenever in any Act heretofore passed by the General Assembly, or that may be passed in the present or any future session of the General Assembly, authority is given to the Governor, or to the Governor in Council, to raise by way of loan any sum of money for the public service of the colony, then, unless there be some provision to the contrary in the Act by which such authority is given, such sum may be raised in the manner hereinafter provided.

Section 3. For the purpose of raising such sum or sums of money under the authority of any such Act as aforesaid, it shall be lawful for the Governor in Council to create capital stock, to be called "The New Zealand Consolidated Stock" (hereinafter referred to as "Stock"), subject to the provisions of this Act, to be issued in such amounts and manner, at such price and times, on such terms, and subject to such conditions, with such dividends, and redeemable at par at such times and on such conditions as the Governor in Council may before the creation thereof from time to time determine.

Section 4. The Governor in Council shall have and may exercise the following powers and authorities or any of them :—

- (1.) He may from time to time declare all or any of the New Zealand loans, whether existing in the form of stock or not, to be convertible into stock, of such denominations, with such conditions, and with such dividends, and redeemable at par at such times and on such conditions as he may before the creation thereof from time to time determine :
- (2.) He may authorise the creation and issue of such an amount of such stock in exchange for the securities held for such loans as may be necessary :
- (3.) He may authorise the creation and sale of any such stock for the purpose of raising money for redeeming any outstanding stock or securities and of paying any expenses in the creation of stock and otherwise carrying out the provisions of this Act on such conditions as he may determine :
- (4.) Any conversion so authorised may be effected either by arrangement with the holders of existing securities or by purchase thereof out of moneys raised by a sale of new stock, or partly in one way and partly in the other.

Section 7. The Governor in Council may from time to time enter into any such agreement with the Bank of England as to the Governor in Council seems fit, providing for all or any of the following things (*inter alia*) :—

- (1.) For inscribing in the books of the Bank any stock :
- (2.) For managing the creation, inscription, and issue of stock :
- (3.) For effecting the conversion of loans into stock and managing transfers of stock :
- (5.) For issuing stock certificates to bearer, and as often as occasion shall require reissuing or reinscribing stock and reissuing stock certificates :
- (10.) Generally conducting all business connected with stock or loans.

For the purposes of this Act the expression "Bank of England" means the Governor and Company of the Bank of England, and includes their successors.

Section 8. Every agreement made with the Bank of England in pursuance of this Act shall be as valid and effectual as if the terms thereof had been set forth in and enacted by this Act.

Section 9. The Governor in Council shall have the powers and duties, and may do the following things (*inter alia*) for the purposes of this Act :—

- (1.) He may from time to time appoint three or more persons in England to be Agents for the purposes of this Act (which Agents for the time being are in this Act referred to as "the Agents"), and may empower such Agents or any three or more of them to exercise all or any of the powers by this Act exercisable by the Governor in Council.

Section 14. This Act shall not come into operation nor be of any force or effect whatever until it shall be declared to be so in operation by a Proclamation issued by the Governor in Council and published in the New Zealand Government Gazette :

And it is hereby further declared that by a Proclamation made and issued by the Governor in Council on the 9th day of February, 1878, and published in a supplement to the New Zealand Government *Gazette* of the same date, it was declared that the said Act should be and come into operation on and after the said 9th day of February, 1878 :

And it is hereby further declared that under and by virtue of the said Act, New Zealand Consolidated Stock was created and issued to the amount of £5,371,200, on the terms and conditions mentioned in a certain deed-poll bearing date the 1st day of December, 1879, under the hands and seals of Sir Penrose Goodchild Julian, K.C.M.G., C.B., Sir Julius Vogel, K.C.M.G., and Montagu Frederic Ommanney, Esquire, who had been duly appointed Agents in England for the purposes of the said Act, and had been duly empowered to exercise all the powers by the said Act exercisable by the Governor in Council, such stock bearing interest at the rate of 4 per cent. per annum payable half-yearly at the Bank of England on the 1st day of May and the 1st day of November in each year until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place :

And it is hereby further declared that by "The New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," being Act 45 Vict., No. 44, of the said Legislature, it was enacted that, notwithstanding anything in "The New Zealand Consolidated Stock Act, 1877," contained, the Governor in Council might appoint only two persons to be the Agents for the purposes of such Act, who should have, exercise, and perform all the powers, authorities, or duties by such Act given to, vested in, or imposed upon the Agents appointed under the ninth section of such Act, and that throughout such Act the words "the Agents" should be deemed to refer to and include the two persons authorised by the Act now in recital to be appointed to be the Agents for the purpose of "The New Zealand Consolidated Stock Act, 1877" :

And it is hereby further declared that various further amounts of New Zealand Consolidated Stock have from time to time been duly created by Sir Francis Dillon Bell, K.C.M.G., C.B., and the said Sir Penrose Goodchild Julian, who had been duly appointed Agents in England for the purposes of the said Acts of 1877 and 1881, and duly empowered to exercise all the powers by such Acts exercisable by the Governor in Council upon the terms and conditions respectively mentioned in certain deeds-poll under the hands and seals of the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, and bearing date respectively the 1st day of January, 1883, the 30th day of October, 1883, the 1st day of January, 1884, the 30th day of December, 1884, the 1st day of January, 1885, the 1st day of June, 1885, the 20th day of May, 1886, the 6th day of October, 1886, and the 30th day of May, 1888, such amounts of stock being in addition to and ranking *pari passu* with the said amount of £5,371,200 of New Zealand Consolidated Stock so created and issued as aforesaid (and which, together with such last-mentioned amount, is hereinafter referred to as the Four-per-cent. New Zealand Consolidated Stock), and bearing interest at the rate of four pounds per cent. per annum payable half-yearly at the Bank of England as aforesaid until the 1st day of November, 1929, on which day the capital is to be repaid at par at the same place, but of the whole amount of New Zealand Consolidated Stock thus created there has been issued the total amount of £29,150,302, and no more :

And it is hereby further declared that further amounts of New Zealand Consolidated Stock amounting in the aggregate to £4,000,000, have been duly created by the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, acting as such Agents and duly empowered as aforesaid, upon the terms and conditions mentioned in certain deeds-poll under the hands and seals of the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, and bearing date the 30th day of October, 1889, and the 12th day of March, 1891, respectively, such amount of stock being in addition to and ranking *pari passu* with the Four-per-cent. New Zealand Consolidated Stock during the existence thereof, and bearing interest at the rate of three pounds ten shillings per cent. per annum payable half-yearly at the Bank of England on the 1st day of January and the 1st day of July in each year, until the 1st day of January, 1940, on which day the capital is to be repaid at par at the same place, but of the amount of such New Zealand Consolidated Stock so created there has been issued the total amount of £3,486,888, and no more :

And it is hereby further declared that by another Act of the said Legislature, the short title of which is "The Consolidated Stock Act, 1884," it is enacted that the Act now in recital should be incorporated with and read as a part of "The New Zealand Consolidated Stock Act, 1877," and that the Agents mentioned in the Act now in recital should be the Agents from time to time appointed under the said "New Zealand Consolidated Stock Act, 1877" :

And it is hereby further declared that by another Act of the said Legislature, the short title of which is "The Consolidated Stock Act, 1891," it is enacted that the Act now in recital should be incorporated with and be deemed to be a part of "The Consolidated Stock Act, 1884," and of "The New Zealand Consolidated Stock Act, 1877," respectively : And it is further enacted that in addition to the loans set forth in the schedule to "The Consolidated Stock Act, 1884," the several loans raised under the provisions of (*inter alia*) "The Public Revenues Act, 1887 (No. 3)," should be and were thereby declared to be convertible into stock, and all the provisions of "The Consolidated Stock Act, 1884," should apply to such conversion :

And it is hereby further declared that in respect of the loan raised under the provisions of "The Public Revenues Act 1887 (No. 3)," debentures to the amount of £400,000 are now outstanding and no more :

And it is hereby further declared that in pursuance of the power and authority vested in him by "The New Zealand Consolidated Stock Act, 1877," and "The New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," (all previous appointments of Agents having been revoked), His Excellency the Governor of the Colony of New Zealand did by an Order in Council bearing date the 1st day of February, 1892, appoint the said Sir Penrose Goodchild Julian and Westby Brook Perceval, Esquire, the Agent-General for the Colony of New Zealand in the United Kingdom, from and after the 1st day of April, 1892, to be Agents for the purposes of "The New Zealand Consolidated Stock Act 1877," and in that capacity to exercise all the powers by such Act exercisable by the Governor in Council :

And it is hereby further declared that His Excellency the Governor of the Colony of New Zealand did by another Order in Council, also bearing date the 1st day of February, 1892, and issued under the seal of the said colony, empower the said Sir Penrose Goodchild Julian and Westby Brook Perceval to make any declaration required by or under the provisions of the Act of Parliament of the United Kingdom of Great Britain and Ireland known as "The Colonial Stock Act, 1877," and in and about such declaration and the leaving and record thereof with the Commissioners of Inland Revenue to do all such necessary acts as might or could have been done by or on behalf of the Government of the said colony under the provisions of the last-mentioned Act :

And it is hereby further declared that the said Sir Penrose Goodchild Julian and Westby Brook Perceval, in exercise and in pursuance of the powers and authorities in that behalf conferred upon them as aforesaid, have declared the New Zealand loan raised as last aforesaid to be convertible into stock, and for the purpose of providing New Zealand Consolidated Stock to be issued for the purpose of raising money for redeeming the outstanding securities for the said loan, and for the payment of the expenses of and attending the creation and issue of the said stock, the said Sir Penrose Goodchild Julian and Westby Brook Perceval, in exercise and in pursuance of the powers and authorities in that behalf conferred upon them as aforesaid, determined to create a further amount of not exceeding £500,000 of New Zealand Consolidated Stock, to be issued as hereinafter mentioned, and to be in addition to and to rank *pari passu* with the amount of New Zealand Consolidated Stock which has been and shall hereafter be created and inscribed in the books of the Governor and Company of the Bank of England :

And it is hereby further declared that by a deed-poll bearing date the 26th day of January, 1893, under the hands and seals of the said Sir Penrose Goodchild Julian and Westby Brook Perceval, acting as such Agents and so empowered as aforesaid, they declared that they had created a further amount of £500,000 sterling of capital stock, to be called "New Zealand Consolidated Stock," in addition to and to rank *pari passu* with the said New Zealand Consolidated Stock theretofore created and issued as aforesaid, during the existence thereof, and with such further amount of New Zealand Consolidated Stock as might be issued in pursuance of or as mentioned in the said deeds-poll or any or either of them, and also with any further amount of New Zealand Consolidated Stock which should be thereafter created and issued and be inscribed in the books of the Governor and Company of the Bank of England : And they had determined that so much of the same capital stock as it should be necessary to sell for the purpose of raising money to redeem the securities or debentures now outstanding as aforesaid, and for the payment of such expenses as aforesaid, should from time to time be sold and issued to the purchasers thereof or their



respective nominees at such price or prices as could be reasonably obtained for the same: And that the interest or dividend to be paid on the said further amount of £500,000 sterling of stock so created by them as last aforesaid, or any lesser amount which should be from time to time issued, should be at the rate of £3 10s. per centum per annum, and should be payable half-yearly at the Bank of England, on the 1st day of January and the 1st day of July in each year, from the days or times to be agreed upon with the purchasers thereof, until the 1st day of January, 1940: And further that on the said 1st day of January, 1940, the capital should be repaid at par at the same place:

And it is hereby further declared that the revenues of the Colony of New Zealand alone are liable in respect of the stock hereinbefore described and the dividends thereon, and that the Consolidated Fund of the United Kingdom and the Commissioners of Her Majesty's Treasury are not directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

In witness whereof the said Sir Penrose Goodchild Julian and Westby Brook Perceval have hereunto set their hands this thirtieth day of January, one thousand eight hundred and ninety-three.

Signed by the above-named Sir Penrose Goodchild Julian  
in the presence of—

JOHN R. CURRIE,  
Colonel, Retired List, Torquay.

P. G. JULYAN.

Signed by the above-named Westby Brook Perceval  
in the presence of—

LEONARD J. MATON,  
Solicitor, 21, Cannon Street, London, E.C.

WESTBY B. PERCEVAL.

*Enclosure 3 in No. 65.*

13, Victoria Street, S.W., 31st January, 1893.

GENTLEMEN,—

*£500,000 New Zealand Consolidated Stock.*

Arrangements having now been made by the Government of New Zealand for the conversion of the £400,000 outstanding debentures under "The Public Revenues Act, 1887 (No. 3)," of New Zealand, and which, under the provisions of the New Zealand Consolidated Stock Act of 1891, are convertible into stock, we, as the Stock Agents of the New Zealand Government, duly authorised under the provisions of the New Zealand Consolidated Stock Acts of 1877 and 1881, now beg to send you a print of the deed-poll, dated the 26th January, 1893, setting forth the creation of £500,000 New Zealand Consolidated Stock 3½-per-cent., required for the purpose of the conversion, and the terms and conditions under which the inscribed stock should be issued.

We also beg herewith to send you a print of the necessary declaration which we have made and caused to be lodged with the Commissioners of Inland Revenue, under the provisions of "The Colonial Stock Act, 1877," so as to enable you to carry out the arrangements for the issue and inscription of the new stock.

Arrangements have been made with the Commissioners of Inland Revenue for payment of the composition for stamp duty (after deducting the amount of the stamps already put upon the debentures), so as to enable the stock, after it shall have been inscribed in your books, to be transferred free of duty; and the Commissioners are willing to receive this duty from you under similar arrangements to those which have been made respecting previous issues of inscribed stock, and to allow you to cancel the stamps on the debentures, and will be satisfied by your producing the same to their officers upon request.

On behalf of the New Zealand Government, we have to request that you will be good enough to carry out the arrangement for cancelling the debentures, so that the New Zealand Government may have the benefit of the allowance of the stamps thereon, and that you will, on behalf of such Government, pay to the Commissioners the balance of the amount of the composition payable for stamp duty in respect of the stock, as the same becomes inscribed in your books.

We also, on behalf of the New Zealand Government, authorise you to issue to the holders of this further issue of inscribed stock, who may desire the same from time to time, stock certificates to "bearer," in pursuance of the provisions of "The Colonial Stock Act, 1877."

And we authorise and request that the same fee shall be charged for the issue of stock certificates to "bearer" as are charged in like cases.

And we further authorise you to transmit dividend warrants by post in the same manner and on the same conditions as the warrants for dividends on the Government Funds are sent.

We have, &c.,  
P. G. JULYAN.  
WESTBY B. PERCEVAL.

To the Governor and Company of the Bank of England.

## No. 66.

The PREMIER to the AGENT-GENERAL.

(No. 16.)

SIR,—

Premier's Office, Wellington, 14th April, 1893.

I have the honour to acknowledge the receipt of your letter of the 13th February last, No. 174, transmitting copies of the deed-poll and declaration relating to the creation of the 3½-per-cent. Stock in respect of conversion of £400,000 debentures held by the Colonial Bank of New Zealand, and of the Stock Agents' letter to the Bank of England authorising the issue, &c., of the stock, and to inform you that on perusing the deed-poll I notice at page 3 the amount of stock created out of the £4,000,000 authorised is stated to be £3,486,888, whereas the Treasury books show £4,000 less than that amount, or £3,482,888 in all. I shall be glad if you can explain the cause of the difference.

The Agent-General for New Zealand, London.

I have, &c.,  
J. BALLANCE.

## No. 67.

The AGENT-GENERAL to the PREMIER.

(No. 175.)

Westminster Chambers, 13, Victoria Street, London, S.W.,  
16th February, 1893.

SIR,—

Referring to my letter No. 129, of the 1st instant, I beg to inform you that I have received from the Bank of New Zealand at Sydney the £64,000 5-per-cent. debentures of the loan of 1867, consisting of sixty-four debentures (Nos. 1-64) of one thousand pounds (£1,000) each.

These debentures have now been cancelled, and will be retained here for the present.

The Hon. the Premier, Wellington.

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

## No. 68.

The AGENT-GENERAL to the PREMIER.

(No. 243.)  
 Sir,— Westminster Chambers, 13, Victoria Street, London, S.W.,  
 3rd March, 1893.

Since my letter No. 174, of the 13th ultimo, when I forwarded copies of the deed-poll and declaration relating to the  $3\frac{1}{2}$ -per-cent. Stock, required for the purpose of converting the £400,000 debentures now in the hands of the Colonial Bank of New Zealand, I have now to report the final completion of the transaction. On the 24th ultimo the proceeds of the sale of the  $3\frac{1}{2}$ -per-cent. Stock (£401,099 8s.) were paid into the Public Account, and £420,000 of the newly-created stock was inscribed in the name of the purchaser's nominee. On the 1st instant the sum of £400,000 was paid to the Colonial Bank, and the debentures representing that amount were handed to the Bank of New Zealand. A sum of £7,495 17s. 9d. (Bank order No. xxix., dated 4th January, 1893), was also paid to the Colonial Bank for interest.

I have instructed the Bank of New Zealand to forward the debentures for £400,000 to the Bank of England, in order that they may be cancelled, and if possible a rebate of stamp duty obtained.

This completes the conversion of the £400,000, with the exception of paying the stamp duty on the newly-created stock, and the expenses incidental to the conversion, which will be reported in due course.

I think that the Government may be congratulated on the successful result of this operation, which has been carried into effect at a time when the market for colonial securities has not been favourable, and without injuriously affecting the price of New Zealand stocks, which still stands high compared with those of the Australian colonies.

The Hon. the Premier, Wellington.

I have, &c.

W. B. PERCEVAL.

## No. 69.

The PREMIER to the AGENT-GENERAL.

(No. 17.)  
 Sir,— Premier's Office, Wellington, 20th April, 1893.

I have the honour to acknowledge the receipt of your letter of the 3rd ultimo, No. 243, reporting the final completion of the transactions of paying off the Colonial Bank of New Zealand's advance of £400,000, and the conversion of the debentures issued under "The Public Revenues Act, 1887 (No. 3)," deposited with the Bank as security for the advance, and expressing your opinion that the Government may be congratulated on the successful result of the operation in the face of an unfavourable market for colonial stocks.

I cordially reciprocate your congratulations, recognising that the success is in no small degree attributable to your careful negotiation and sound judgment.

The Agent-General for New Zealand, London.

I have, &c.,

J. BALLANCE.

## No. 70.

The AGENT-GENERAL to the PREMIER.

(No. 300.)  
 Sir,— Westminster Chambers, 13, Victoria Street, London, S.W.,  
 16th March, 1893.

I beg leave to bring under your notice, for consideration, the question of doing away with the practice of remitting to this country the full amount of the Sinking Fund of the 5-per-cent. (drawing) bonds of the Consolidated Loan, 1867.

It has hitherto been the practice to hand over to the Crown Agents by quarterly payment an annual amount equal to 1 per cent. on the amount (£7,283,100) of bonds originally issued, plus 5 per cent on the amount of the drawn bonds, and also 5 per cent. on the outstanding bonds held by the public.

The Crown Agents, I understand, place on deposit at a bank such amount as is not required for payment of interest on the bonds still outstanding—namely, 1 per cent. on £7,283,100, and the 5 per cent. on the amount of the drawn bonds, and every year bonds are drawn to the extent of the accumulated amount. The amount representing the drawn converted bonds is then repaid to the Government, and the remainder of the accumulated fund is used to pay off the drawn bonds which are in the hands of the public.

I do not find that there is any obligation to pay the annual amount of the sinking fund to the Crown Agents in the manner which has hitherto been adopted, and therefore it would seem sufficient, in order to meet the requirement of the case, if the fund was allowed to accumulate in the colony, and that each year bonds to the extent of the accumulated fund were drawn at the Crown Agents'.

On the drawing being effected, the amount of the drawn converted bonds would be dealt with in the colony, and the Crown Agents would be furnished with sufficient funds to pay off those which were in the hands of the public.

Assuming that the conversion of the bonds were proceeded with next year, the amount to be thus furnished in each year to the Crown Agents would be provided by the sale of the  $3\frac{1}{2}$ -per-cent. Stock created for the purpose.

Of course, the Treasury would still have to remit the amount required for the payment at the Crown Agents' of the interest on the outstanding bonds in the hands of the public.

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

## No. 71.

## MEMORANDUM by the SECRETARY to the TREASURY.

Hon. Colonial Treasurer.

Wellington, 4th May, 1893.

THE Agent-General writes, suggesting we should discontinue the remittance of moneys to the Crown Agents in excess of the bare requirements to pay the interest on bonds of the 1867 Consols held by the public. This is a very important matter, and requires grave consideration before a decision is arrived at.

I may explain that the 1867 Consols are subject to an annual "drawing." The original loan was £7,283,100; but, owing to the annual "drawings" and the conversion operations, the outstanding bonds in the hands of the public on 31st March last only amounted to £1,056,400. The fund to provide for the annual "drawing" is made up by a charge of 1 per cent. on the £7,283,100, and 5 per cent. on the amount of the drawn bonds; and the amount so provided reached £220,800 for the "drawing" in March last, of which sum only £51,100 was paid over to the public for the bonds they had drawn, and £169,700 was returned to the Treasury in respect of drawn bonds which had already been converted.

The present position of the original loan may be thus stated:—

|   |     |     |     |                   |
|---|-----|-----|-----|-------------------|
| Bonds in the hands of the public                                      | ... | ... | ... | £1,056,400        |
| Total of bonds cancelled at the annual "drawings"                     | ... | ... | ... | 3,160,600         |
| Converted bonds held by the Treasury subject to the annual "drawings" | ... | ... | ... | 3,066,100         |
|   |     |     |     | <u>£7,283,100</u> |

The proportion of the result of the "drawings," as between the public and the Treasury, may be reckoned as something like one to three, and therefore the bonds drawn by the public will annually diminish, and those drawn by the Treasury will increase.

Five per cent. on £1,056,400 = £52,820, and this sum would most probably more than provide for the amount which would be likely to be drawn by the public in March of next year: whereas we shall remit (if we continue as before) upwards of £228,000 during this current year to provide the drawing fund, of which £178,000 would probably be returned to the Public Account.

On the face of it, such an arrangement as this appears to be unbusiness-like; but the finance connected with it causes me to hesitate in recommending any change until a sufficient grasp of the result of a change has been achieved. I have not yet informed you that the 1867 Consols are included in the scheme under "The Consolidated Stock Act, 1884," whereby we are enabled to issue debentures for an amount equal to the value of accretions of sinking funds during the year, and, therefore, under this scheme we shall be at liberty to issue during this month debentures for £229,200 (the estimated accretions for the current year of the sinking fund belonging to the 1867 Consols), whereas the remittances representing this amount will extend over the whole of the financial period, being made in four quarterly instalments; we, therefore, derive very substantial assistance to our finance at a time when such assistance is most required—namely, to provide for the heavy sum of interest due on the 1st instant (some £600,000). If we cease to remit, or, in other words, charge, more than is absolutely necessary to provide for the bonds likely to be drawn by the public, we shall be deprived to an equal extent of the borrowing power under the Act of 1884. In reply, it may be said that we have an ample margin in the authority to issue Treasury Bills; but I do not, just now, consider that that is a sufficient reason for relinquishing the benefit we derive from the present method of dealing with the 1867 Consols.

The Assistant-Controller and Auditor drew the Treasurer's attention to this matter in July of last year, advocating the remittance of money only absolutely required to provide a "drawing" fund for the bonds held by the public; and, about the same time, the Agent-General submitted a scheme whereby the funds required to pay off the drawn bonds held by the public could be supplied by sale of 3½-per-cent. Stock created for the purpose.

The Hon. Mr. Ballance was doubtful about the Agent-General's scheme, and nothing has since been done in the matter. After careful consideration, I am not at present inclined to recommend any change should be made.

The Hon. the Colonial Treasurer.

JAS. B. HEYWOOD,  
Secretary to the Treasury.

## No. 72.

## The PREMIER to the AGENT-GENERAL.

(No. 20.)

SIR,—

Premier's Office, Wellington, 18th May, 1893.

I have the honour to acknowledge the receipt of your letter No. 300, dated 16th March last, wherein you submit for my consideration the question of doing away with the practice of remitting the full amount of the sinking fund required for the annual "drawing" of the 5-per-cent. Consols.

The attention of my predecessor had been drawn to this subject in July last, and I have myself given it very careful thought, and have come to the conclusion that a change is not advisable at present. At the same time, the matter is of so much importance that I do not desire to lose sight of any advantage which a change of system might secure. With this object in view, I shall be glad if you would place yourself in communication with the Crown Agents, and ascertain from them what modification they would be willing to agree to, so as to obviate sending any larger amount than is required for the purpose of providing a sufficient sum to pay off the bonds drawn by the

public at the annual "drawings," in addition to the 5 per cent. which is required for payment of interest on the bonds held by the public. These amounts will rapidly diminish, in proportion as the "drawings" of converted bonds increase.

There would not, in my opinion, be any necessity to accumulate a fund in the colony for the purpose of providing a "Drawing" Fund. As no interest is really payable on the drawn bonds, we should discontinue to charge for the same in the Public Accounts, and consequently we should not issue, as before, a corresponding amount of 1884 Stock debentures. Under these circumstances, it would be simply necessary, I imagine, for the Crown Agents to make up an estimate of the amount which would have accrued under the existing system, and announce the amount for the "drawing" accordingly. The amount of the Consols debt would be decreased by the amount of the drawn bonds held by the public. . . . .

I have, &c.,  
A. J. CADMAN,  
(for the Premier).

The Agent-General for New Zealand, London.

### No. 73.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
8th April, 1893.

(No. 400.)

SIR,—

Referring to your letter (Treasury No. T. 93/101) No. 5, of the 26th January last,\* I beg to state that in accordance with the instructions contained therein, the Bank of England was paid on the 29th ultimo, by means of a Commissioners' order, the sum of £561 2s. 5d. (as per attached statement), being the amount of payments made by the Bank on account of coupons on scrip certificates issued in respect of the March, June, and December, 1891, series of the loan of 1863.

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

The Hon. the Premier, Wellington.

#### NEW ZEALAND.

PAYMENTS on account of Coupons on Scrip Certificates issued in respect of various Debentures converted into New Zealand 3½-per-cent. Consolidated Stock (as per advertisement dated 13th February, 1891).

|   |             |          |          |
|---|-------------|----------|----------|
| I. Scrip A (debentures of loan of 1863, due 15th March, 1891)—      | £           | s.       | d.       |
| Interest on £42,400, due 1st July, 1891 .. .. .                     | 452         | 5        | 4        |
| II. Scrip B (debentures of loan of 1863, due 15th June, 1891)—      |             |          |          |
| Interest on £28,700, due 1st July, 1891 .. .. .                     | 42          | 13       | 10       |
| III. Scrip C (debentures of loan of 1863, due 15th December, 1891)— |             |          |          |
| Interest on £4,900, due 15th December, 1891 .. .. .                 | 66          | 3        | 3        |
| <u>£76,000</u>  | <u>£561</u> | <u>2</u> | <u>5</u> |

F. MAY,  
Chief Cashier.

Dividend Pay Office, Bank of England, 15th March, 1893.

### No. 74.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
12th April, 1893.

(No. 401.)

SIR,—

*Auckland Loan, 1863.*

I beg to inform you that £2,000 6-per-cent. debentures (redeemable 1896), issued under "The Auckland Loan Act, 1863," have been converted into £2,180 3½-per-cent. Stock, at the rate of £109 stock for every £100 in debentures. The April coupon was retained by the bondholder for collection at its due date.

The terms on which this conversion was effected are in accordance with the computations made in the tables, copies of which went with my predecessor's letter (No. 1293) of the 4th September, 1891.†

I have, &c.

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

### No. 75.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
21st April, 1893.

(No. 440.)

SIR,—

Included in the conversion prospectus issued on the 13th February, 1891,‡ by the Bank of England, on behalf of the Stock Agents, there are £77,700 debentures of the Lyttelton and Christchurch Railway Loan, of which £28,700 are redeemable the 1st July next, £200 of which have come in for conversion.

Under the provisions of the deed-poll of 12th March, 1891,§ the non-converted portion of these debentures can be redeemed by the sale of 3½-per-cent. Stock; and unless, therefore, I receive instructions to the contrary, I shall in due course ask the Stock Agents to inscribe a sufficient amount of stock for that purpose.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

\* No. 46, *supra*.

† B.-14A, 1892, No. 22.

‡ Vide B.-14, 1891, Enclosure 1 in No. 10.

§ Vide B.-14A, 1891, Enclosure in No. 9.

## No. 76.

The PREMIER to the AGENT-GENERAL.

(Telegram.) The Agent-General, London.

Wellington, 6th June, 1893.

LYTTELTON and Christchurch Railway Loan, 1860: Your letter of 21st April received. Prefer Sinking Fund Trustees retire debentures if funds available.

## No. 77.

The AGENT-GENERAL to the PREMIER.

(Telegram.) The Premier, Wellington.

Received 10th June, 1893.

LYTTELTON and Christchurch Railway Loan, 1860: Meaning of message uncertain. Sinking Fund in colony, nevertheless will arrange redemption, pending final adjustment. Writing.  
(London, 9th.)

## No. 78.

The PREMIER to the AGENT-GENERAL.

(Telegram.) The Agent-General, London.

Wellington, 14th June, 1893.

LYTTELTON and Christchurch Railway Loan, 1860: Sinking Funds Commissioners will, on 1st proximo, transfer funds here, therefore you will arrange redemption.

## No. 79.

The PREMIER to the AGENT-GENERAL.

(No. 23.)

Premier's Office, Wellington, 15th June, 1893.

SIR,—

Referring to your letter No. 440, dated 21st April, 1893, pointing out that £28,700 debentures, less £200 converted, of the Lyttelton and Christchurch Railway Loan are redeemable on the 1st proximo. I sent you a wire on the 6th instant (copy attached)\* and received your reply of 9th idem (copy also attached).†

The question whether this small parcel should be converted, or paid off out of accrued sinking funds had engaged the attention of my predecessor, but no decision had been arrived at; hence there was no correspondence with you on the subject until the arrival of your despatch now under reply.

After full consideration of the subject, and ascertaining from the Commissioners that there were ample accrued sinking funds, I have come to the conclusion that the outstanding debentures falling due should be paid off at maturity, and I therefore sent you cable of yesterday's date (copy enclosed).‡

The Commissioners will hand me securities of the nominal value of £28,500, which I can readily sell, so as to provide funds to meet the payment you will make on your side.

I have, &amp;c.,

The Agent-General for New Zealand,  
London.

JOHN MCKENZIE (for the Premier).

## No. 80.

The AGENT-GENERAL to the PREMIER.

(No. 448.)

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

SIR,—

27th April, 1893.

I beg to transmit herewith the undermentioned statements of accounts, namely:—

1. Statement showing the financial result of the various transactions which have passed between the Stock Agents and the Public Account, from 1st October, 1892, to 31st March, 1893.
2. Statement showing (1) amount of stock in hand on the 29th October; (2) amount inscribed since the 29th October, 1892; (3) amount of stock sold; and (4) amount in hand 31st March, 1893.

I have &amp;c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

\* No. 76, *supra*.† No. 77, *supra*.‡ No. 78, *supra*.

## Enclosure 1 in No. 80.

STATEMENT showing the Financial Result of the Various Transactions which have passed between the Stock Agents and the Public Account from the 1st October, 1892, to the 31st March, 1893, with respect to the Conversion of the Public Debt.

| 1893.    | Dr.  | £        | s. | d. | 1892.    | Cr.                                  | £        | s. | d. |
|----------|--|----------|----|----|----------|--------------------------------------|----------|----|----|
| Jan. 2.  | Half-year's dividend on £3,839 5s. 6d., 3½-per-cent. Stock, less income-tax ..   | 65       | 10 | 1  | Oct. 1.  | Balance in favour of Stock Agents .. | 9,446    | 15 | 3  |
| " 14.    | Commissioners' order on Public Account ..  | 1,000    | 0  | 0  | Dec. 30. | Paid to Public Account ..            | 14,361   | 18 | 0  |
| " 30.    | Bank of New Zealand, repayment of advance to meet £64,000 debentures payable in Sydney ..  | 64,000   | 0  | 0  | 1893.    |                                      |          |    |    |
| " 30.    | Bank of New Zealand, Interest on £64,000, 27 days at 4½ per cent. ..   | 213      | 0  | 9  | Jan. 13. | Paid to Public Account ..            | 23,936   | 18 | 0  |
| March 1. | Commissioners' order on Public Account to pay off advance on £400,000 debentures issued under "Public Revenues Act, 1887 (No. 3)" .. | 400,000  | 0  | 0  | " 27.    | " " ..                               | 26,809   | 7  | 6  |
| " 7.     | Commissioners' order on Public Account ..  | 2,500    | 0  | 0  | March 1. | " " ..                               | 401,099  | 8  | 0  |
| " 16.    | Received from Crown Agents on account of drawn Converted bonds ..  | 127,275  | 0  | 0  | " 16.    | " " ..                               | 127,275  | 0  | 0  |
|          | Balance in favour of Stock Agents ..   | 7,914    | 6  | 7  | " 31.    | Interest on balance ..               | 38       | 10 | 8  |
|          |  | £602,967 | 17 | 5  |          |                                      | £602,967 | 17 | 5  |

London, 26th April, 1893.

Examined,  
C. WRAY PALLISER,  
Audit Officer.

For the Stock Agents,  
WESTBY B. PERCEVAL.

## Enclosure 2 in No. 80.

STATEMENT showing (1) Amount of Stock in hand on the 29th October, 1892; (2) Amount Inscribed since the 29th October, 1892; (3) Amount of Stock sold; and (4) Amount in hand the 31st March, 1893.

| 1892.    | Dr.  | £          | s. | d. | 1892.    | Cr.  | Proceeds of Sale. | Amount of Stock. |
|----------|--|------------|----|----|----------|--|-------------------|------------------|
| Oct. 29. | Balance of 3½-per-cent. Stock in hand ..   | 3,839      | 5  | 6  | Dec. 30. | Amount of 3½-per-cent. Stock sold (part of £68,000)                        | 14,361 18 0       | 15,000 0 0       |
| Dec. 29. | Amount of 3½-per-cent. Stock inscribed <i>re</i> conversion of £64,000 debentures of 1867 ..   | 68,000     | 0  | 0  | 1893.    |  |                   |                  |
| 1893.    |  |            |    |    | Jan. 13. | Ditto ..   | 23,936 18 0       | 25,000 0 0       |
| Feb. 7.  | Amount of 3½-per-cent. Stock inscribed <i>re</i> conversion of £400,000 debentures issued under "Public Revenues Act (No. 3) 1887" ..  | 420,000    | 0  | 0  | " 27.    | Ditto ..   | 26,809 7 6        | 28,000 0 0       |
| Mar. 14. | Amount of 3½-per-cent. Stock inscribed <i>re</i> conversion of £500,000 guaranteed debentures of the loan of 1863 ..                   | 610,000    | 0  | 0  | Mar. 15. | Amount of 3½-per-cent. Stock sold (part of released Sinking Fund) ..       | 401,099 8 0       | 420,000 0 0      |
| " 14.    | Amount of 3½-per-cent. Stock released by the Trustees of the Sinking Fund of the £500,000 guaranteed debentures of the loan of 1863 .. | 10,052     | 12 | 11 | " 15.    | Amount of 3½-per-cent. Stock sold (part of released Sinking Fund) ..       | 9,700 4 0         | 10,052 12 11     |
| " 14.    | Amount of 4-per-cent. Stock released by the Trustees of the Sinking Fund of the £500,000 guaranteed debentures of the loan of 1863 ..  | 236,191    | 5  | 5  | " 31.    | Amount of 4-per-cent. Stock sold (part of released Sinking Fund) ..        | 37,274 7 0        | 35,000 0 0       |
|          |  | £1,348,083 | 3  | 10 | " 31.    | Ditto ..   | 26,656 4 0        | 25,000 0 0       |
|          |  |            |    |    |          | Total amount of net proceeds paid into Public Account ..                   | £539,838          | 6 6              |
|          |  |            |    |    |          | Balances of stock in hand on the 31st March, 1893—                         |                   |                  |
|          |  |            |    |    |          | Amount of 3½-per-cent. Stock held by the Bank of England ..                | 613,899           | 5 6              |
|          |  |            |    |    |          | Amount of 4-per-cent. Stock held by the Bank of England ..                 | 140,000           | 0 0              |
|          |  |            |    |    |          | Amount of 4-per-cent. Stock held by Agent-General and Audit Officer ..     | 36,191            | 5 5              |
|          |  |            |    |    | " 31.    | Total amount of 3½-per-cent. and 4-per-cent. Stock in hand at this date .. | 790,030           | 10 11            |
|          |  |            |    |    |          |  | £1,348,083        | 3 10             |

26th April, 1893.

Examined,  
C. WRAY PALLISER, Audit Officer.

W. B. PERCEVAL, Agent-General.

## No. 81.

The AGENT-GENERAL to the PREMIER.

(No. 449.)

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

27th April, 1893.

SIR,—

I beg to inform you that the cancelled debentures specified in the attached schedule have been forwarded to the Treasury by the mail-box which has been shipped by the s.s. "Aorangi."

I have, &amp;c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

*Enclosure in No. 81.*

CANCELLED DEBENTURES FORWARDED IN NO. 65 MAIL-BOX, SHIPPED PER S.S. "AORANGI."

|   |    |    |    |    |          |
|---|----|----|----|----|----------|
| £64,000 New Zealand Government 5-per-cent. Debentures, Consolidated Loan Act, 1867,—        |    |    |    |    |          |
| Nos. 1-64 = 64 @ £1,000 each  | .. | .. | .. | .. | £64,000  |
| £500,000 New Zealand Government Debentures, 4 per cent., guaranteed,—                       |    |    |    |    |          |
| Nos. 501-1,250 = 750 @ £100 each  | .. | .. | .. | .. | £75,000  |
| " 2,251-2,625 = 375 @ £200 each   | .. | .. | .. | .. | 75,000   |
| " 1,001-1,300 = 300 @ £500 each   | .. | .. | .. | .. | 150,000  |
| " 1-200 = 200 @ £1,000 each   | .. | .. | .. | .. | 200,000  |
| With coupons dated from 1st May, 1893 (inclusive) attached                                  |    |    |    |    | £500,000 |
| £400,000 New Zealand Government 4-per cent. Debentures, Public Revenues Act (No. 3), 1887,— |    |    |    |    |          |
| Nos. 1-50 = 50 @ £1,000 each  | .. | .. | .. | .. | £50,000  |
| " 1-20 = 20 @ £5,000 each   | .. | .. | .. | .. | 100,000  |
| " 1-25 = 25 @ £10,000 each  | .. | .. | .. | .. | 250,000  |
|   |    |    |    |    | £400,000 |

*New Zealand Provincial Loans.*

|   |    |    |    |    |        |
|---|----|----|----|----|--------|
| £6,600 Otago 6-per-cent Debentures,—                            |    |    |    |    |        |
| Nos. 1,786-1,791 = 6 @ £100 each                                | .. | .. | .. | .. | £600   |
| " 790-795 = 6 @ £1,000 each                                     | .. | .. | .. | .. | 6,000  |
| With coupons dated from 1st July, 1893 (inclusive) attached     |    |    |    |    | £6,600 |
| £2,000 Auckland 6-per-cent Debentures,—                         |    |    |    |    |        |
| Nos. 2,056-2,063 = 8 @ £250 each                                | .. | .. | .. | .. | £2,000 |
| With coupons dated from 1st October, 1893 (inclusive) attached. |    |    |    |    |        |

## No. 82.

The AGENT-GENERAL to the PREMIER.

(No. 628.)

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

8th June, 1893.

SIR,—

I beg to acknowledge the receipt of your cablegram of the 6th instant,\* in which, in referring to my letter No. 440, of the 21st April last, you state that the Government prefer that the Sinking Fund Trustees should retire those debentures of the Lyttelton and Christchurch Railway Loan which mature on the 1st July next, if funds are available.

I do not feel altogether certain as to the meaning of the instructions conveyed in your message; but I gather from it that the Treasury would prefer payment of the debentures in question to be made out of the Sinking Fund, rather than by the sale of 3½-per-cent. Stock under the conversion proposals of February, 1891.

If this construction of the meaning of the message is correct, I venture to point out that such a mode of payment is, to some extent, a reversal of the financial policy provided for under "The Consolidated Stock Act, 1884," which had for its object, so far as I understand it, the conversion by means of redemption or otherwise of existing Sinking Fund loans into Consolidated Stock, thus setting free the sinking funds for the purposes set forth in the Act. In the conversion operations of 1891-92, for instance, the whole of the outstanding 6-per-cent debentures of 1860 were converted into 3½-per-cent. Stock, the process being that the debentures in question were first paid off, then sent into the Bank of England for conversion into 3½-per-cent Stock, which stock was afterwards sold and the proceeds paid into the Public Account.

Notification of these conversions having been given in the prospectus issued in February, 1891,† the debentures in question being included in such prospectus, and also in the deed-poll of 12th March, 1891,‡ authorising the creation of the necessary stock, I see no reason, so far as the London money-market is concerned, why this process should not be repeated in the case of the Lyttelton and Christchurch Railway debentures; or, if preferred, that a sufficient amount of 3½ per-cent. Stock already created by the deed-poll of 12th March, 1891, should not be sold and the proceeds used to redeem the debentures, or to refund to the Public Account the amount previously drawn therefrom for that purpose.

In the case of the debentures maturing on the 1st proximo, the Sinking Fund is in the hands of the Sinking Fund Commissioners in the colony, as specified in New Zealand Parliamentary Paper B.-8, 1892; but as the amount of money necessary for their redemption is small, I shall have no difficulty in paying them off by drawing provisionally on the Public Account for that purpose, and I can then hold them pending your final instruction, as to the mode in which the funds shall eventually

\* No. 76, *supra*.† *Vide* B.-14, 1891, Enclosure 1 in No. 10.‡ *Vide* B.-14A, 1891, Enclosure in No. 9.

be provided, whether by converting them into stock, to be subsequently sold, or by sale of an amount of stock sufficient to provide the amount required, or by the realisation of a portion of the accrued Sinking Fund.

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

### No. 83.

The PREMIER to the AGENT-GENERAL.

(No. 35.)

SIR,—

Premier's Office, Wellington, 2nd August, 1893.

Referring to your despatch, dated 8th June last, No. 628, relating to the £28,500 of debentures issued under the Lyttelton and Christchurch Railway Loan Act, which fell due on the 1st ultimo. I regret that, by an inadvertence, the word "Trustees" was used instead of "Commissioners," thereby rendering the meaning of my cable message of the 6th June last somewhat doubtful. You were, however, quite correct in coming to the conclusion that it was my desire that the debentures should be paid off upon presentation, and that the Commissioners would provide the Treasury with the funds from the realisation of the securities in which the Sinking Fund of this loan have been invested.

I am aware that this mode of payment is, to some extent, a reversal of the policy inaugurated by "The Consolidated Stock Act, 1884;" but I was of opinion that, in a case like this, where the amount is small and no benefit is likely to accrue to the Public Works Fund, it was better that the debt should be paid off by means of the moneys contributed as a Sinking Fund for that object. The Commissioners of the Public Debts Sinking Funds will, therefore, upon advice of the debentures being paid off, duly provide me with the necessary funds or securities.

I have, &c.,

J. G. WARD,

(for the Premier).

The Agent-General for New Zealand, London.

### No. 84.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
12th July, 1893.

(Memorandum No. 660.)

*3½-per-cent. Consolidated Stock.*

REFERRING to the Hon. Minister's memorandum (Treasury T. 93/413, No. 16) of the 14th April last,\* directing attention to the amount of the 3½-per-cent. Stock named in the deed-poll of the 26th January, 1893, I beg to state that the books of this department agree with the Treasury books in making the amount £3,482,888, instead of £3,486,888, as given in the deed-poll. The insertion of the latter amount must have been a printer's error, as the correct figures were furnished at the time.

W. B. PERCEVAL.

### No. 85.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
7th July, 1893.

(No. 754.)

SIR,—

*Lyttelton and Christchurch Railway Debentures.*

Referring to my letter No. 628, of the 8th June last,† and to your cablegram of the 14th of that month, I beg to state that £28,000 of these debentures have come in for payment in two lots, of £24,800 and £3,200 respectively.

The Union Bank of Australia has accordingly been provided with funds, by means of Commissioners' orders on the Public Account, to pay these debentures off at par.

I am retaining the debentures here uncanceled, pending further instructions from the Treasury as to their disposal.

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

\* No. 66, *supra*.

† No. 82, *supra*.

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