

1888.
NEW ZEALAND.

LOANS AND CONVERSION OF DEBENTURES INTO INSCRIBED STOCK.

[In continuation of B.-17 of 1886.]

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

No. 1.

The LOAN and STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 24th May, 1886.

The conversion being now brought to a close, we beg to report the results as follows:—

For this purpose we transmit herewith a correspondence with the Actuaries, containing tables showing the financial effect of the conversion to the colony. The computations give in each case— (a) Augmentation of debt, (b) annual charge, (c) annual reduction in charge, (d) total reduction in annual charge, and (e) liquidation of increase of debt.

You will doubtless have observed from the “4th set” of the tables we sent you in our letter of the 20th February last, No. 220, that the Actuaries had then calculated the liquidation of increase in debt according to the term which each loan had to run. It did not much matter at that time, because, as we said in our letter, the table was, after all, only a hypothetical one, depending on the assumption of all the bonds being converted; but now, in computing actual results, the right method is to calculate the amount for extinguishing augmentation of debt, not by the currency of the bonds to be converted, but by the remaining currency of the stock; and this method is accordingly adopted in the accompanying computations.

As the tables really explain themselves, we need only trouble you with the following brief summary of results.

I. Total Amounts Converted.

		£
(1.) Consols—		
Option 1 (New bonds)	£562,400	
Option 2 (Stock)	38,200	
		600,600
(2.) Five-thirties		1,890,700
(3.) Fives of 1914—		
Option 1 (New bonds)	£43,600	
Option 2 (Stock)	65,600	
		109,200
(4.) Ten-forties		1,292,700
(5.) Fives of 1879		136,000
(6.) Sixes of 1891—		
(a.) Loan of 1860	£19,000	
(b.) Loan of 1863	114,400	
		133,400
Total		£4,162,600

II. Augmentation of Debt.

		£
(1.) Consols—		
Option 1 (New bonds)	£45,731	
Option 2 (Stock)	2,721	
		48,452
(2.) Five-thirties		39,228
(3.) Fives of 1914—		
Option 1 (New bonds)	4,997	
Option 2 (Stock)	9,174	
		14,171
(4.) Ten-forties		43,764
(5.) Fives of 1879		5,976
(6.) Sixes of 1891—		
(a.) Loan of 1860	£1,986	
(b.) Loan of 1863	11,956	
		13,942
Total		£165,533