

Enclosure 2 in No. 1.

The ACTUARIES to the AGENT-GENERAL.

DEAR SIR FRANCIS,—

London, 20th April, 1886.

As requested in your letter of the 15th instant, we send herewith a table, corresponding to our former table of the 18th May, 1885, showing the financial results to the colony from the conversion of £600,600 New Zealand 5-per-cent. consols and £1,890,700 4½-per-cent. five-thirties into 4-per-cent. inscribed stock. We have assumed, as before, that the relief to the finances of the colony is from a proportion of the fixed annual charge of £436,986 corresponding to the amount of stock now converted, which is substantially, if not formally, the case. In making the calculations the incidental expenses have been estimated at £3,000; and it has been assumed that the sinking fund for the extinction of the increase in the capital of the debt consequent on this operation will run to November, 1929.

We have, &c.,

A. H. BAILEY.

RALPH P. HARDY,

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

CONVERSION OF LOANS, 30th MARCH, 1886.—Table showing the result to the Colony of the conversion of the Consols and 4½-per-cent Five-Thirties.—(Enclosure in Actuaries' letter of the 20th April, 1886.)

	5-per-cent. Consols.		4½-per-cent. Five-thirties
	Option 1. (£562,400) Debenture and 107.	Option 2 (£38,200) at 106.	(£1,890,700)
(a) Capital of debt—			
Premium on conversion	£ 39,368	£ 2,292	£ 18,907
Augmentation for Bank of England } charges, stamp and brokerage .. } Share of incidental expenses	5,686 677	383 46	18,044 2,277
Total Augmentation of Debt	45,731	2,721	39,228
(b) Annual Charge	For the first six years 28,375 For subsequent years 24,325	1,637	77,197
(c) Annual reduction in Charge	For the first six years 16,313 For the subsequent years } during the currency of } 20,704 consols		7,885
(d) Total reduction in Annual Charge	390,633		149,815
(e) Liquidation of Increase in Debt—			
Annual sinking fund (4 per cent. interest) for forty-three and a half years ending the 1st November, 1929, for retirement of increase in debt as in (a) above	£397 12s.	£23 13s.	£341 1s.

April, 1886.

A. H. BAILEY,
RALPH P. HARDY.

Enclosure 3 in No. 1.

The AGENT-GENERAL to the ACTUARIES.

DEAR SIR,—

7 Westminister Chambers, 3rd May, 1886.

In continuation of my letter of the 15th April, I now transmit to you the particulars of the remaining loans included in the conversion which closed on the 30th April, and shall be obliged by your making the necessary computations accordingly.

1. Fives of 1863, redeemable 1914—	£
To be exchanged for new 5-per-cent. bonds	43,600
" " " inscribed stock	65,600
	109,200
2. Ten-forties	1,292,700
3. Fives of 1879	136,000
4. Sixes of 1891 (Loan of 1860)	19,000
5. Ditto (Loan of 1863)—	
March and September	46,700
June and December	67,700
	114,400

A. H. Bailey, Esq., and Ralph P. Hardy, Esq.

I have, &c.,

F. D. BELL

Enclosure 4 in No. 1.

The ACTUARIES to the AGENT-GENERAL.

DEAR SIR FRANCIS,—

London, 5th May, 1886.

As requested by you, we now send herewith a further table showing the financial results to the colony from the conversion into 4-per-cent. inscribed stock of the portions of the several loans referred to in your letter of the 3rd instant. It should be mentioned that, in the present table, the annual sinking fund for the liquidation of the increase in the capital of the debt, consequent upon these conversions, has been spread over forty-three and a half years, being the remainder of the term of the 4-per-cent. inscribed stock. In the table of last February the calculations were made for the several terms which each of the loans converted had to run. The incidental expenses have been apportioned between the several loans according to the amount brought in for conversion in each. The effect of this is to press somewhat heavily upon the 5-per-cent. ten-forties.

We have, &c.,

A. H. BAILEY,

RALPH P. HARDY.

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