

SESS. II.—1891.  
NEW ZEALAND.

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## 3½-PER-CENT. CONVERSION LOAN, 1891

(FURTHER CORRESPONDENCE RELATING TO THE).

[In continuation of B.-14, 1891.]

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

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No. 1.

The PREMIER to the AGENT-GENERAL.

SIR,— Premier's Office, Wellington, 26th March, 1891.  
I duly received your telegram of the 17th instant stating that of the parcel of £154,800 of debentures of the loan of 1863 due on the 15th instant £37,200 only had been brought in for conversion.

In view of the terms offered to debenture-holders the result is somewhat surprising, the amount converted being very small in comparison with what might have been expected, considering holders would receive the advantage of investment for a long period at a fixed rate of interest, thereby obviating any difficulty they might experience in finding suitable investments when their bonds fell due.

In the absence of definite information as to the equivalents offered and other arrangements you have made (including the assistance to be given by the Bank of England), I am quite unable to gather what the result of the proposed conversion is likely to be, and therefore withhold any remarks until I shall have received the prospectus and Stock Agents' advices, which should arrive by the San Francisco mail due here on the 28th instant.

The Agent-General for New Zealand, London.

I have, &c.,

J. BALLANCE.

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No. 2.

The AGENT-GENERAL to the PREMIER.

Premier, Wellington. (Received 15th April, 1891.)  
CONVERSION.—Arrangement with Bank of England—advances from time to time as required, to be repaid out of sales of 3½-per-cent. inscribed stock—satisfactorily completed.

London, 14th.

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No. 3.

The PREMIER to the AGENT-GENERAL.

Agent-General, London. Wellington, 28th April, 1891.  
WITH reference to telegram 14th instant and letters 21st March, does arrangement Bank of England provide for recouping amount applied 15th March in paying off unconverted bonds, thus giving Treasury advantage of the whole sinking fund accretions after redeeming debentures raised here under 1884 Act?

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No. 4.

The AGENT-GENERAL to the PREMIER.

Premier, Wellington. (Received 29th April, 1891.)  
CONVERSION.—Yes; ultimately Treasury will get entire amount sinking fund accretions, except what required redeeming "Consolidated Stock Act, 1884," debentures; but ample time must be allowed for realisation both 4-per-cent. and 3½-per-cent. inscribed stock.

London, 28th.

1—B. 14A.

## No. 5.

The PREMIER to the AGENT-GENERAL.

Agent-General, London.

Wellington, 29th April, 1891.

MESSAGE received; very satisfactory. With reference to sections 6 and 9, "Consolidated Stock Act, 1884," as debentures here presume Trustees will place to credit of Public Account total sinking fund accretions, when, upon advice thereof, debentures will be paid off at once.

## No. 6.

The STOCK AGENTS to the PREMIER.

SIR,— Westminster Chambers, 13, Victoria Street, London, S.W., 21st March, 1891.

In continuation of our letter of the 17th February, No. 282, we have the honour to report the result of the conversion to this date.

The amount of debentures of the sixes of the loans of 1860 and 1863 sent in to the Bank of England for conversion is £48,200, made up as follows: Loan of 1863—due 15th March, £40,400; due 15th June, £5,000; due 15th December, £1,100. Loan of 1860—due July, £1,700.

The amount presented for payment at the domicile of the loan is £101,700, but to-day some holders have asked for their bonds to be returned, in order that they may be converted.

The debentures to be paid off are being provided for in the first instance by Commissioners' orders on the Public Account, upon requisitions by the Crown Agents; and in due course, so much of the sinking fund of the Loan of 1863 as is equivalent to the amount so paid off will be recouped to the Public Account by the Trustees of that Fund, in accordance with the provisions of "The Consolidated Stock Act, 1884."

We have, &amp;c.,

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

The Hon. the Premier, Wellington.

## No. 7.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
3rd April, 1891.

SIR,—

I must not omit to express my thanks for the last paragraph of your letter of the 24th February, No. 7. My object has throughout been to devise plans which would really secure the ultimate conversion of all the loans bearing a high rate of interest, looking forward to the time when we might also convert the various colonial issues made for the deficit of previous years, and for the increases of sinking funds, so that at last the purpose might be fulfilled with which I began my work in this country ten years ago, of bringing all the public debt of the colony into the denomination of inscribed stock; and, although it will not be my lot to complete that purpose myself, I have at least been fortunate enough to accomplish a large part of it, with the help of generous and unvarying support from every successive Ministry. Now that the grave difficulties which had to be met at the outset have been so far overcome, and that the principles of future action have been well established, the part which remains to be done will not cause to my successor the labour and anxieties which the adverse circumstances of the colony had imposed upon me during so many eventful years.

I have, &amp;c.,

F. D. BELL.

The Hon. the Premier, Wellington.

## No. 8.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
14th April, 1891.

SIR,—

It being necessary to provide for the application to be made to the committee of the Stock Exchange for a quotation of the new 3½-per-cent. stock issued for the present conversion, I arranged with the executive officers of the Bank of England the particulars that would be required by the committee, according to the enclosed letter\* to the chief cashier.

You will see that there is no reason to think any further step will have to be taken such as Sir Penrose Julyan thought might be required, and the stock issued for the purposes of the conversion will be added to the official list from time to time.

I have, &amp;c.,

F. D. BELL.

The Hon. the Premier, Wellington.

\* Printed as an enclosure to No. 13.

## No. 9.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
15th April, 1891.

SIR,—

I beg to enclose copy of the deed-poll creating £1,000,000 of new 3½-per-cent. stock for the purposes of the conversion now being effected. The declaration for the Inland Revenue will go to you after enrolment.

It was necessary to provide with care for the various issues contemplated by the conversion—namely, (1) Stock for holders converting before the 15th of June; (2) stock for holders converting later on; (3) stock to be sold for paying off unconverted debentures; (4) stock to be sold for expenses of the conversion; (5) stock to be issued for awards under the Lost Debentures Act. For each of these points special provision has accordingly been made.

The Hon. the Premier, Wellington.

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

Enclosure in No. 9.

DEED POLL.

To all to whom these presents shall come, we, SIR FRANCIS DILLON BELL, 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, the Agent-General for the Colony of New Zealand, and SIR PENROSE GOODCHILD JULYAN, 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, send greeting :

WHEREAS by an Act of the Legislature of New Zealand intituled "The New Zealand Consolidated Stock Act, 1877," 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 said General Assembly in any future session of the 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 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, which was duly inscribed in the books of the Governor and Company of the Bank of England in the names of the several persons respectively entitled thereto, 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 Julyan, 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 said Legislature intituled "The New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," 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, in pursuance of the power and authority vested in him by the said Acts (all previous appointments of Agents having been revoked), the Governor of New Zealand did, by an Order in Council bearing date the 5th day of November, 1881, appoint us, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, to be Agents in England for the purposes of the said Acts of 1877 and 1881, with full power and authority to us as such Agents to exercise all the powers by such Acts exercisable by the Governor in Council:

And whereas various further amounts of New Zealand Consolidated Stock have from time to time been duly created by us, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, acting as such Agents, and duly empowered as aforesaid, upon the terms and conditions respectively mentioned in certain deeds-poll under our hands and seals, 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 4 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 by us there has been issued the total amount of £24,564,255 and no more:

And whereas a further amount of £3,000,000 New Zealand Consolidated Stock has been duly created by us the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, acting as such Agents, and duly empowered as aforesaid, upon the terms and conditions mentioned in a certain deed-poll under our hands and seals, and bearing date the 30th day of October, 1889, such amount of stock being in addition to and ranking *pari passu* with the 4-per-cent. New Zealand Consolidated Stock during the existence thereof, and bearing interest at the rate of 3 10s. 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 by us there has been issued the total amount of £2,768,000 and no more:

And whereas by another Act of the said Legislature the short title of which is "The Consolidated Stock Act, 1884" (hereinafter called "the Act of 1884"), it is enacted that the now reciting Act should be incorporated with and

read as part of "The New Zealand Consolidated Stock Act, 1877," and that the Agents mentioned in the now reciting Act should be the Agents from time to time appointed under the said "New Zealand Consolidated Stock Act, 1877;" and so much of all the loans set forth in the schedule to the Act now in recital as were outstanding on the 31st day of March, 1884, were thereby declared to be convertible into stock:

And whereas in respect of the loans mentioned in the said schedule debentures to the amounts respectively set forth in the First Schedule hereto are now outstanding and no more:

And whereas we, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, in exercise and in pursuance of the powers and authorities in that behalf conferred upon us as aforesaid, have determined that all the New Zealand loans mentioned in the First Schedule hereto shall be convertible into stock, and we have agreed with the holders of some of the outstanding debentures mentioned in the First Schedule hereto to convert their debentures into New Zealand Consolidated Stock, on or before the days and upon the terms respectively mentioned in the Second Schedule hereto; and it is intended hereafter to endeavour to make arrangements with the holders of the other outstanding debentures mentioned in the said First Schedule hereto, for the conversion of the same respectively into New Zealand Consolidated Stock as and when it may be found conveniently practicable to do so, for which purpose we have reserved the right in the case of any debentures not brought in for conversion upon the terms notified by us on the 13th day of February, 1891, to convert the same (with the assent of the holders thereof) into New Zealand Consolidated Stock on terms to be notified from time to time at the Bank of England:

And whereas by another Act of the said Legislature intituled "The Lost Debentures Act, 1886," it was enacted that the Governor in Council might, for the purposes therein mentioned, *inter alia*, direct the creation of Consolidated Stock under any Act in force respecting such stock, and it was further enacted that the powers of the now reciting Act vested in the Governor in Council or the Governor might from time to time be delegated to such two or more persons as the Governor in Council might think fit:

And whereas, in pursuance and exercise of the powers and authorities conferred upon him by the last-mentioned Act, the Governor of New Zealand did, by an Order in Council bearing date the 24th day of February, 1887, delegate to us, the said Sir Penrose Goodchild Julyan and Sir Francis Dillon Bell the powers by the said Act vested in the Governor in Council or the Governor, and we have directed the creation of New Zealand Consolidated Stock under the said Acts relating thereto for the purposes of "The Lost Debentures Act, 1886:"

And whereas for the purpose of providing New Zealand Consolidated Stock to be issued for the conversions so agreed upon and which may hereafter be agreed upon as aforesaid, and for raising money for redeeming such of the said debentures as may not be converted into New Zealand Consolidated Stock by the holders thereof as aforesaid, and for the purposes of "The Lost Debentures Act, 1886," and for the payment of the expenses of and attending such conversions and the creation of the said stock, we, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan, in exercise and pursuance of the powers and authorities in that behalf conferred upon us as aforesaid, have determined to create a further amount of not exceeding £1,000,000 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 £1,000,000 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 Francis Dillon Bell and Sir Penrose Goodchild Julyan, in exercise and in pursuance of the powers by the said Acts and 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 £1,000,000 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 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 issue to the holders of the debentures now outstanding as aforesaid, and which may be deposited for conversion on or before the respective dates mentioned in the Second Schedule hereto, shall, on and after the days or times in the same schedule respectively mentioned or referred to, be issued to such holders at the rates of stock respectively mentioned in the same schedule for every nominal £100 represented by any of the said outstanding debentures agreed to be converted as aforesaid and upon the surrender of the same respectively: And that so much of the same capital stock as it shall be necessary to issue to the holders of debentures now outstanding as aforesaid, and which may not be deposited for conversion until after the dates respectively mentioned in the Second Schedule hereto, shall from time to time subsequent to such dates be issued to such holders at the rates of stock to be respectively notified from time to time by us at the Bank of England for every nominal £100 represented by any of such outstanding debentures, and upon the surrender of the same respectively: And that so much of the same capital stock as it shall be necessary to sell for the purpose of redeeming such of the debentures as may not be converted into New Zealand Consolidated Stock by the holders of any of such debentures, 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 so much of the same capital stock as shall be issued for the purposes of "The Lost Debentures Act, 1886," in satisfaction of any lost debenture, shall be issued upon such terms as may be agreed upon between the Governor and the person interested, as provided by the said Act: And that the interest or dividend to be paid on the said further amount of £1,000,000 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 £3 10s. per centum per annum, and shall be payable half-yearly at the Bank of England, on the 1st day of January and the 1st day of July in each year, in cases of conversions of debentures lodged for conversion before the dates mentioned in the said Second Schedule hereto, from the days or times respectively mentioned in such schedule; and in the case of debentures arranged to be converted subsequently thereto, from the days or times notified by us from time to time at the Bank of England; and in cases of sales of stock for redeeming debentures as aforesaid, or for payment of expenses, from the days or times to be agreed upon with the purchasers thereof; and in the case of stock issued for the purposes of "The Lost Debentures Act, 1886," from the days or times agreed upon as aforesaid, until in every case the 1st day of January, 1940: And, further, that on the said 1st day of January, 1940, 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 12th day of March, 1891.

Signed, sealed, and delivered by the above-named Sir Francis Dillon Bell  
in the presence of LEONARD J. MATON, Solicitor, 21, Cannon Street, London (L.S.) F. D. BELL.

Signed, sealed, and delivered by the above-named Sir Penrose Goodchild Julyan  
in the presence of EDWARD F. TINDEN, 1, St. James' Square, London, S.W., Gentleman. (L.S.) P. G. JULYAN.

FIRST SCHEDULE.  
LIST OF OUTSTANDING DEBENTURES.

Act under the Authority of which the Debentures were issued.	Amount of Debentures Outstanding.	Rates of Interest.
	£	
New Zealand Loan Act, 1860 .. .. .	74,100	6 per cent.
New Zealand Loan Act, 1863 .. .. .	154,800	6 "
New Zealand Consolidated Loan Act, 1867 .. .. .	188,400	6 "
Westland Loan Act, 1873 .. .. .	73,800	6 "
Auckland Loan Act, 1863 .. .. .	64,000	5 "
Nelson Loan Act, 1874 .. .. .	50,000	5 "
Lyttelton and Christchurch Railway Loan Ordinance, 1860 .. .. .	31,600	6 "
Canterbury Loan Ordinance, 1862 .. .. .	15,000	7 "
Otago Loan Ordinance, 1862 .. .. .	77,700	6 "
	22,800	6 "
	116,700	6 "

SECOND SCHEDULE.

TERMS OF CONVERSION.

Names of the Acts under which the Outstanding Debentures have been issued.	Date by which Debentures to be deposited for Conversion.	Total Amount of Debentures agreed to be converted or redeemed.	Amount of New Zealand Consolidated Stock to be issued in Exchange for every £100 represented by a Debenture.	Dates on or after which Stock to be issued.	Dates from which Interest to accrue and be paid upon the Stock.
		£	£ s. d.		
New Zealand Loan Act, 1860 ..	June 15, 1891	74,100	104 0 0	June 2, 1891	July 1, 1891
New Zealand Loan Act, 1863— Redeemable March 15, 1891 ..	Mar. 14, "	154,800	104 0 0	" 2, "	" 1, "
Redeemable June 15, 1891 ..	June 15, "	188,400	104 0 0	" 2, "	" 1, "
Redeemable Dec. 15, 1891 ..	" 15, "	73,800	104 0 0	" 2, "	" 1, "
New Zealand Consolidated Loan Act, 1867 ..	" 15, "	64,000	106 0 0	" 2, "	" 1, "
Westland Loan Act, 1873 ..	" 15, "	50,000	107 10 0	" 2, "	" 1, "
Auckland Loan Act, 1863 ..	" 15, "	31,600	114 0 0	" 2, "	" 1, "
Nelson Loan Act, 1874 ..	" 15, "	15,000	119 10 0	" 2, "	" 1, "
Lyttelton and Christchurch Railway Loan Ordinance, 1860, viz.:— Redeemable 1893 ..	" 15, "	28,700	109 0 0	" 2, "	" 1, "
" 1894 ..	" 15, "	21,300	111 0 0	" 2, "	" 1, "
" 1896 ..	" 15, "	18,500	113 10 0	" 2, "	" 1, "
" 1897 ..	" 15, "	9,200	115 0 0	" 2, "	" 1, "
Canterbury Loan Ordinance, 1862 ..	" 15, "	22,800	136 0 0	" 2, "	" 1, "
Otago Loan Ordinance, 1862 ..	" 15, "	116,700	117 10 0	" 2, "	" 1, "

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

No. 10.

The AGENT-GENERAL to the PREMIER.

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

16th April, 1891.

SIR,—

The failure of the Victorian Loan, coming so soon after the failure of the South Australian Loan, is a serious misfortune to all the colonies, and it is fortunate that our conversion was arranged before the Victorian Loan came upon the market.

In addition to the Victorian £2,000,000, the New South Wales conversion requires nearly £2,000,000, and Queensland must have another large amount. There will thus be between five and six millions of 3½-per-cent. Australian stock to be absorbed in some way by investors, and it is certain that the droop which has already taken place in the stocks of all the colonies will be accentuated during the rest of the year. Under these circumstances, I wish to prepare you for the necessity of not pressing sales of our 3½-per-cent. stock, or of the 4-per-cent. stock in the sinking fund of 1863, as it would be impossible to make any large sales without a great depreciation in price.

Immediately on the failure of the Victorian Loan I suspended any further sales of the stock in the sinking fund of 1863, and this must last for some time to come.

The Hon. the Premier, Wellington.

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

## No. 11.

The AGENT-GENERAL to the PREMIER.

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

SIR,—

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

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

I have, &amp;c.,

The Hon. the Premier, Wellington.

F. D. BELL.

\* Printed as enclosures to No. 13.

## No. 12.

The AGENT-GENERAL to the PREMIER.

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

SIR,—

I beg to inform you that up to the 6th instant the following amounts of debentures of the provincial loans have been sent in to the Bank of England for conversion into 3½-per-cent. stock:—

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

I have, &amp;c.,

The Hon. the Premier, Wellington.

F. D. BELL.

## No. 13.

The AGENT-GENERAL to the PREMIER.

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

SIR,—

I continue the report of the steps taken to carry out the arrangements I had provisionally made with the Bank of England with regard to advances and issue of 3½-per-cent. stock to pay off unconverted debentures.

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

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

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

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

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

from the Agent-General to the Trustees of the sinking fund of 1863. (11.) Letter from the Agent-General to the Bank of England. The paper does not, of course, include innumerable details which have had to be provided for.

These arrangements have only had to be made for the present with special reference to the loans of 1860 and 1863; but they have been designed for all alike, and the Government are in a position to apply the same process successively to every loan comprised in the conversion. Debentures not brought in on the 15th June next can still be brought in later on, and the process can be made a continuous one until the last loan is extinguished, in 1898. The financial steps to be taken for this purpose have been carefully thought out, and will be explained in a future letter.

I cabled to you on the 14th instant that the arrangements with the Bank had been brought to a satisfactory issue, and I was much obliged by your message in reply. Permit me, in return, to congratulate the Government on the fact that the success of the whole conversion is now completely assured.

The Hon. the Premier, Wellington.

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

*Enclosures to No. 13.*

CONVERSION OF 1891.—CORRESPONDENCE WITH THE BANK OF ENGLAND, THE STOCK AGENTS, AND THE TRUSTEES OF THE SINKING FUND OF THE LOAN OF 1863. (APRIL, 1891.)

No. 1.—The AGENT-GENERAL to the STOCK AGENTS.

PRIOR to the issue of the Bank of England's prospectus announcing the conversion now in course of being effected, a question arose as to the manner in which provision should be made by the Government for paying off debentures not brought in for conversion. In order that the Government might be free to determine this question, I made a provisional arrangement with the Bank of England to advance such sum as might be required for the purpose. I inserted in the Agent-General's statement accompanying the Bank prospectus a paragraph stating that "a sufficient amount of 3½-per-cent. stock would be created to extinguish the outstanding debentures" of the loans comprised in the prospectus; and the necessary provision for raising money by sale of stock has also been made in the deed-poll creating the stock, which deed will be presently executed by the Stock Agents.

At the end of March the Government received a letter from me, dated the 21st February, on the subject, and they cabled to me their understanding of the provisional arrangement I had made with the Bank. I replied the same day that they had rightly understood my arrangement. . . . In answer to this message I received (on the 3rd instant) a cablegram from the Government directing me to carry out the arrangements accordingly.

Under these circumstances I have requested the Bank of England to make a present advance of £100,000 on account, to be placed to the credit of the Public Account, and I have to request that the Stock Agents will instruct the Bank of England to inscribe such an amount of 3½-per-cent. stock in the name of the Bank as the Governors may require as security for the advance. A letter from the Stock Agents, addressed to the Bank, to that effect is accordingly annexed, and I have to request that the same may be signed for transmission to the Governors.

Westminster Chambers, 7th April, 1891.

F. D. BELL, Agent-General.

No. 2.—The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,—

Westminster Chambers, 10th April, 1891.

The conversion of New Zealand loans now in course of being effected has proceeded sufficiently far to enable effect to be given to the proposal I made to the Governor at our conference on the 13th February, as mentioned in my letter of the 19th, for an advance to pay off the 6-per-cent. debentures of the first series of the loan of 1863 not sent in for conversion.

I have accordingly to request, on behalf of the New Zealand Government, that the Bank of England will, on the 2nd June next, make an advance of £100,000, in part provision for paying off those debentures.

I beg to enclose a certificate from the Crown Agents that debentures to the amount of £108,300 of the loan of 1863 have been duly presented for payment at the domicile of the loan, and have been paid off, cancelled, and de-registered there. I also enclose a letter from the Stock Agents, requesting and authorising the inscription, on the 2nd June, of £110,000 in the name of the Bank, as security for the advance now requested to be made.

In accordance with the last paragraph of my letter of the 19th February, I shall now be obliged by your informing me what rate of interest will be charged for the advance.

I explained in that letter that it was desired not to press sales of stock on the market, but it is the intention of my Government to commence, immediately after the 2nd June, making gradual sales of the stock placed in security with the Bank, in order that the advance may be paid off with as little delay as possible. I shall be obliged if you will inform me whether it is the wish of the Bank that such sales should be made by my direction, in which case the Bank, on receiving the proceeds, would transfer the stock from time to time, as it was sold, into the names of the buyers, in reduction of the advance, or whether the Bank would prefer to make the sales itself.

I take this opportunity of adding that, so far as may be judged from the proportion of the first series of the debentures of 1863 which have been converted, it may be expected that a similar proportion will be sent in for conversion in the case of the debentures of the loans of 1860 and 1863 which fall due on the 15th June and the 1st July. In that case I should again apply to the Bank, after the 15th June, for a further advance to pay off the unconverted debentures of both those series, on security of a fresh amount of 3½-per-cent. stock, such stock, as in the present case, to be gradually sold in order to pay off the advance as quickly as the state of the market at the time allowed.

The Chief Cashier, Bank of England.

I am, &c.,

F. D. BELL, Agent-General.

No. 3.—The STOCK AGENTS to the BANK OF ENGLAND.

GENTLEMEN,—

Westminster Chambers, 8th April, 1891.

With reference to the request made to you by the Agent-General at the time of the issue of the Bank prospectus for the New Zealand conversion now being effected, that the Bank should make an advance to the New Zealand Government for paying off the 6-per-cent. debentures of the New Zealand Loans of 1860 and 1863 not brought in for conversion, we beg to state that we have been informed by the Agent-General that he has applied to the Bank for an advance of £100,000 towards the amount necessary for the purpose, on security of 3½-per-cent. stock created by us for the conversion, inscribable on the 2nd June next. We have accordingly to request and authorise you to inscribe on the 2nd June, in the name of the Bank of England, New Zealand 3½-per-cent. stock for the amount of £110,000, being part of the amount of one million of stock created by us for the purposes of the conversion by deed-poll dated the 12th March, 1891.

We are, &c.,

F. D. BELL,

P. G. JULYAN,

The Governor and Company of the Bank of England.

Stock Agents of the New Zealand Government.

No. 4.—The BANK OF ENGLAND to the AGENT-GENERAL.

SIR,—

Bank of England, 13th April, 1891.

I beg to acknowledge the receipt of your letter of the 10th instant, enclosing a certificate from the Crown Agents for the colonies to the effect that debentures to the amount of £108,300 of the New Zealand Loan of 1863 have been paid off, and also a letter from the Stock Agents of the New Zealand Government authorising the inscription, on the 2nd June next, of £110,000 New Zealand 3½-per-cent. stock in the names of the Governor and Company of the Bank of England.

With reference to the inquiries contained in your letter, I beg to inform you that the Governor will be happy to make you an advance of £100,000 on or after the 2nd June, on the security of the said New Zealand 3½-per-cent. stock, at the bank rate of the day on which the advance is made, and that he would prefer that the arrangements for the sales of stock, to enable you to pay off the advance, should be made by your direction.

I am, &c.,

F. MAX, Chief Cashier.

The Agent-General for New Zealand.

No. 5.—CERTIFICATE by the CROWN AGENTS of Debentures paid off.

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

*Twenty-two Bonds of £1,000 each.*

206	227	231	239	245	247	266	272	279
307	308	313	314	315	316	318	328	329
334	335	336	344					

*Ninety-nine Bonds of £500 each.*

1309	1313	1319	1327	1333	1339	1340	1351	1356
1365	1370	1374	1380	1384	1386	1389	1403	1410
1414	1415	1422	1428	1429	1430	1431	1439	1441
1442	1447	1449	1453	1464	1466	1472	1474	1479
1481	1495	1496	1497	1509	1510	1511	1513	1514
1515	1516	1521	1527	1537	1538	1539	1544	1546
1557	1558	1559	1562	1564	1568	1597	1598	1599
1600	1605	1607	1608	1611	1614	1615	1631	1633
1634	1635	1643	1651	1652	1653	1655	1658	1661
1662	1663	1664	1668	1669	1670	1671	1672	1673
1680	1681	1684	1685	1686	1687	1694	1698	1699

*Eighty-nine Bonds of £200 each.*

2629	2630	2631	2643	2644	2651	2652	2657	2660
2661	2669	2671	2679	2680	2684	2685	2690	2691
2693	2700	2705	2714	2715	2721	2726	2730	2731
2733	2735	2736	2741	2742	2746	2749	2750	2751
2753	2754	2757	2759	2760	2763	2764	2765	2780
2793	2794	2815	2816	2819	2820	2821	2822	2827
2847	2860	2865	2866	2867	2873	2874	2875	2881
2883	2888	2893	2899	2900	2901	2905	2906	2909
2910	2919	2921	2923	2935	2936	3938	2940	2941
2953	2954	2967	2968	2977	2992	2993	2996	

*One hundred and ninety Bonds of £100 each.*

1252	1253	1254	1269	1289	1292	1294	1296	1305
1309	1310	1314	1318	1322	1323	1324	1325	1326
1328	1330	1338	1340	1344	1345	1346	1348	1349
1350	1359	1368	1377	1397	1402	1404	1412	1436
1452	1456	1462	1463	1464	1465	1466	1467	1469
1472	1481	1482	1494	1502	1509	1511	1513	1516
1518	1519	1520	1521	1522	1523	1526	1528	1529
1530	1531	1532	1538	1541	1546	1549	1552	1568
1569	1570	1571	1572	1573	1574	1575	1594	1595
1596	1600	1601	1605	1606	1607	1608	1609	1610
1618	1619	1631	1632	1633	1638	1640	1641	1642
1643	1644	1645	1652	1671	1672	1675	1676	1677
1686	1687	1694	1695	1696	1698	1699	1700	1701
1709	1710	1711	1712	1713	1714	1715	1716	1717
1718	1719	1720	1721	1728	1729	1730	1731	1735
1803	1804	1805	1806	1807	1808	1812	1818	1819
1820	1827	1847	1848	1849	1850	1851	1852	1853
1854	1855	1856	1857	1860	1861	1877	1897	1900
1901	1902	1903	1904	1905	1906	1907	1916	1918
1923	1925	1926	1927	1933	1938	1939	1940	1941
1942	1943	1944	1945	1946	1947	1948	1951	1957
1958								

*Summary.*

22 bonds of £1,000 each	..	..	..	..	..	..	£	22,000
99 " 500 "	..	..	..	..	..	..		49,500
89 " 200 "	..	..	..	..	..	..		17,800
190 " 100 "	..	..	..	..	..	..		19,000
								<u>£108,300</u>

M. F. OMMANNEY, Crown Agent for the Colonies.

Downing Street, London, S.W., 10th April, 1891.



## No. 6.—CERTIFICATE by the BANK of ENGLAND of Debentures converted.

LIST of the Numbers of New Zealand 6-per-cent. Debentures of the Loan of 1863, expiring 15th March, 1891, which have been received at the Bank of England for conversion into 3½-per-cent. Inscribed Stock up to 31st March, 1891.

£100			£200		£500		£1,000
1266	1517	1678	2702	2840	1301	1490	201
1293	1525	1679	2723	2841	1326	1498	203
1327	1544	1817	2724	2842	1334	1532	204
1331	1545	1836	2725	2843	1343	1535	226
1332	1561	1908	2734	2853	1349	1554	264
1335	1597	1909	2744	2858	1361	1606	265
1337	1603	1910	2752	2869	1362	1609	269
1355	1616	1911	2762	2870	1381	1610	276
1361	1620	1919	2798	2876	1382	1612	278
1363	1621	1920	2810	2896	1383	1649	309
1370	1635	1921	2834	2898	1419	1674	310
1440	1636	1922	2835	2926	1424	1675	311
1471	1653	1949	2836	2937	1427	1676	317
1506	1660	1950	2837	2942	1432	1677	331
1508	1673	1952	2838	2952	1433	1678	342
1510	1674	1956	2839	2964	1434	1683	

2976

## Summary.

	£
48 debentures of £100 each	4,800
33 " " 200 "	6,600
32 " " 500 "	16,000
15 " " 1,000 "	15,000
128	£42,400

Bank of England, 9th April, 1891.

F. MAY, Chief Cashier.

## No. 7.—The TRUSTEES of the SINKING FUND of 1863 to the CROWN AGENTS.

GENTLEMEN,—

Westminster Chambers, London, 9th March, 1891.

We have to inform you that the sum of £663,061 16s. of 4-per-cent. New Zealand Consolidated Stock, which stood in the name of Sir Penrose Goodchild Julian, as sole surviving Trustee of the sinking funds of the New Zealand Loan of 1863, has been transferred into the names of Sir Penrose Julian and Sir Francis Dillon Bell as joint trustees of those funds.

We have also to inform you that the sum of £71,778 5s. 3d. in cash, belonging to the same funds, is now lying in deposit at the London and Westminster Bank in our names.

We trust that you will be willing to continue acting as you have hitherto done in all matters relating to these trust funds; and we shall accordingly be obliged if you would make the necessary entries in your books and in the periodical accounts for the colony which you have always prepared for the Trustees. With this view, we beg to suggest that it would be convenient in future, while continuing in all respects the practice hitherto pursued, for the name of Sir Francis Bell to be substituted for that of Sir Penrose Julian as the executive member of the Trust. In that case all ordinary matters relating to the Trust, receipt and investment of accruing dividends and other funds, would be carried out in concert between yourselves and that Trustee, while questions requiring the joint action of Sir Penrose Julian would be referred to him for his concurrence.

The Trustees will take care that any documents relating to the Trust which may come into their hands shall be duly communicated to you.

We are, &amp;c.,

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

The Crown Agents for the Colonies.

Trustees of the Sinking Fund of the Loan of 1863.

## No. 8.—The CROWN AGENTS to the TRUSTEES of the SINKING FUND of 1863.

GENTLEMEN,—

Downing Street, London, 18th March, 1891.

In reply to your letter of the 9th instant, relative to the trusteeship of the sinking funds of the New Zealand Loan of 1863, I have to inform you that we shall be happy to continue as heretofore to act in all matters relating to those funds, and to substitute the name of Sir Francis Dillon Bell for that of Sir Penrose Julian as the executive member of the Trust. It is essential to the correctness of the sinking fund accounts and of the quarterly statement of cash and securities which we render to the Secretary of State for the Colonies that we should be kept informed of every transaction connected with the funds.

Sir P. G. Julian, K.C.M.G., C.B., and Sir Francis Dillon Bell, K.C.M.G., C.B.

I have, &amp;c.,

M. F. OMMANNEY.

## No. 9.—The EXECUTIVE TRUSTEE of the SINKING FUND of 1863 to the CROWN AGENTS.

GENTLEMEN,—

Westminster Chambers, 10th April, 1891.

With reference to the 6-per-cent. debentures of the New Zealand Loan of 1863, which fell due on the 15th March, and have since been paid off by you, on the requisitions to the Agent-General, by Commissioners' orders on the Public Account, I beg to state that, as the debentures have not been paid off by the Trustees, but by the New Zealand Government, the amounts of cash received by you under the Commissioners' orders, as well as the bonds thereby paid off, cannot appear in the accounts rendered by you to the Trustees of the sinking fund.

The sums realised by the sale of stock and cash formed part, as stated in my letter of this date, of the proportion of sinking fund of the loan of 1863, set free by the operation of "The Consolidated Stock Act, 1884," upon the part conversion and redemption of the loan. Accordingly the accounts of the Trustees should be made up in the following way: On the debit side the amounts realised by the sale of stock and in cash, and on the credit side the amount paid over by the Trustees to the Agent-General for credit of the Public Account.

I am, &amp;c.,

F. D. BELL,

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

The Crown Agents for the Colonies, Downing Street.

## No. 10.—The AGENT-GENERAL to the TRUSTEES of the SINKING FUND of 1863.

GENTLEMEN,—

Westminster Chambers, 10th April, 1891.

I beg to enclose a copy of the prospectus issued by the Bank of England for the conversion of various New Zealand loans now in course of being effected.

Up to the present time the following progress has been made in the conversion, viz.: (1.) The amount of 6-per-cent. debentures of the loan of 1863 sent in to the Bank of England for conversion is £50,100; and (2.) the amount of

debentures presented at the domicile of the loan and paid off by the Crown Agents is £108,300. The total amount of debentures of the loan of 1863 converted and paid off up to the present time is accordingly £158,400.

You are aware that by section 8 of the Act of the New Zealand Legislature intituled "The Consolidated Stock Act, 1884," it is provided that when any loan is partially converted the Sinking Fund Trustees shall retain in their hands such amount in money or securities as will be sufficient for the redemption of the outstanding portion of the loan, with the accruing interest thereon; and that the balance of the sinking fund over and above such amount is set free. Pending the progress of the conversion, the sum of £110,622 13s. has been paid into the New Zealand Public Account, in part release of the amount of sinking fund to be ultimately set free, corresponding with the amount of debentures converted and paid off.

Immediately after the 15th June next, pursuant to the terms of the conversion, I shall be able to inform you of the aggregate amount of debentures of the loan which will then have been respectively converted or paid off, whereupon it will be expedient to make an apportionment of the further amount of sinking fund that can then be properly released. I shall accordingly be prepared at that time to submit a proposal for your consideration as to the proportion of sinking fund which should be retained in your hands for the redemption of the balance of the loan outstanding, and as to the proportion over and above that amount which it would be safe to release.

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

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

No. 11.—The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,—

Westminster Chambers, 14th April, 1891.

As the new 3½-per-cent. New Zealand stock issued for the conversion now in course of being effected will have to be added at the proper time to the official list, it will be convenient to give at once the following particulars for the information of the Stock Exchange committee:—

I understand the committee will require to be satisfied that the stock is issued under sufficient authority, and is applied to the sole purpose of converting or paying off debentures of the loans comprised in the conversion. As regards amounts, I presume that the Crown Agents' certificates from time to time of debentures paid off, and your own certificates of debentures converted, will be sufficient; but, if any further declaration should be required, I shall be glad to supply it. In the meanwhile I enclose herewith prints of the deed-poll creating the stock, of the New Zealand Acts under which the issue is made, and of the warrants of the Governor in Council under which the Stock Agents have full authority to make the issue. Stock is created to the amount of £1,000,000, but the actual issue is strictly limited by the terms of the deed-poll.

The Chief Cashier, Bank of England.

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

No. 14.

The STOCK AGENTS to the PREMIER.

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

9th April, 1891.

SIR,—

A few days after our letter of the 31st March, No. 508, in which we had submitted for the decision of the Government the question whether 3½-per-cent. stock should be sold to pay off unconverted debentures of the loans of 1860 and 1863, we were informed by the Agent-General that the matter had practically been already decided by the Government, and we received a minute from him recording the circumstances, copy\* of which we now beg to enclose.

From that minute it appears that the Agent-General had arranged with the Bank of England to make an advance of £100,000 to the Government on the security of 3½-per-cent. stock; and, in accordance with his request, we addressed a letter to the Bank of England, copy\* of which is also enclosed, instructing them to inscribe, on the 2nd June next, the sum of £110,000 of 3½-per-cent. stock in the name of the Bank.

The reason for our directing the inscription to be made on the 2nd June is that all the stock to be issued under the Bank prospectus of the conversion will only bear interest from the 1st July, and is not inscribable earlier than the 2nd June. If stock had been given now to the Bank as security such stock would have had to bear interest from the 1st January last, in which case there would have been two interests running—namely, the interest on the stock and the interest on the debentures; whereas, by postponing the inscription to the 2nd June, we have given the Bank a stock on which interest does not begin to run till the 1st July.

We have, &c.,

The Hon. the Premier, Wellington.

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

\* Printed as enclosures to No. 13.

No. 15.

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

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

11th April, 1891.

SIR,—

We beg leave to report the steps that we have taken, as Trustees of the sinking fund of the loan of 1863, with reference to the conversion of loans now in the course of being effected.

While the question was still pending whether a conversion was to be offered we concurred in the following arrangements, in preparation for releasing whatever portion of the sinking fund might have to be set free under "The Consolidated Stock Act, 1884:"—

1. To cease investing contributions accruing under the Loan Act of 1863, and to place the money on deposit at interest:

2. To apply all sums coming into the hands of Sir Penrose Julian, as Trustee of the sinking funds of other New Zealand loans, during 1890–91 to the purchase of part of the stock in the sinking fund of 1863, the proceeds being also placed on deposit at interest on account of that loan:

3. To go on gradually with the realisation of a portion of the stock in the sinking fund before the first series of debentures for £154,800 fell due on the 15th March, the proceeds being also, as in the other cases, placed on deposit at interest:

4. To continue, if necessary, the same process until the remaining series of the same loan falling due in June and December were converted or paid off.

In accordance with these arrangements, a total sum of £110,622 13s. had been produced in cash by realisations up to the 10th instant, the accounts of which will be received by the Government in the usual course through the Crown Agents.

We now enclose copy of a letter\* from the Agent-General certifying to us that debentures to the amount of £50,100 of the loan of 1863 had been converted, and debentures to the amount of £108,300 paid off, making a total of £158,400. Accordingly, the sum of £110,622 13s., which had been realised as above stated, was paid by our direction into the Public Account at the Bank of New Zealand in part release of the sinking fund set free; and after the 15th of June, which is (at present) the latest date for sending in debentures of the various loans under the conversion, we shall be prepared to release such further amount as will be necessary in order to make up the proportion of sinking fund then set free, as required by the Act of 1884.

We have, &c.,

P. G. JULYAN,

F. D. BELL,

Trustees of the Sinking Fund of the Loan of 1863.

The Hon. the Premier, Wellington.

\* *Vide* Enclosure No. 10 to No. 13.

## No. 16.

The AGENT-GENERAL to the PREMIER.

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

29th April, 1891.

SIR,—

In continuation of my letter of the 15th instant, No. 588, I now enclose a print of the declaration for the Inland Revenue, setting forth the creation of the new 3½-per-cent. stock.

I also enclose copy of a letter of instructions from the Stock Agents to the Bank of England with respect to the issue and inscription of the stock.

With regard to the paragraph in those instructions relating to the allowance for stamps cancelled on the debentures sent in for conversion, I may remind the Government that, by a decision of the Inland Revenue Commissioners in 1885, no allowance is granted for stamps upon debentures that are actually paid off, but only for the stamps on debentures that are converted and cancelled at the Bank of England.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

### *Enclosure 1 in No. 16.*

#### DECLARATION FOR INLAND REVENUE COMMISSIONERS.

It is hereby declared that, by "The New Zealand Consolidated Stock Act, 1887," 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, which was duly inscribed in the books of the Bank of England, in the names of the several persons respectively entitled thereto, 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 Ommañney, 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, in pursuance of the power and authority vested in him by the said Acts (all previous appointments of Agents having been revoked), the Governor of New Zealand did, by an Order in Council bearing date the 5th day of November, 1881, appoint Sir Francis Dillon Bell, of No. 7, Westminster Chambers, Victoria Street, Westminster, K.C.M.G., the Agent-General for the Colony of New Zealand, and the said Sir Penrose Goodchild Julian to be Agents in England for the purposes of the said Acts of 1877 and 1881, with full power and authority to them as such Agents to exercise all the powers by such Acts exercisable by the Governor in Council.

And it is hereby further declared that various further amounts of New Zealand Consolidated Stock have from time to time 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 respectively mentioned in certain deeds-poll under their hands and seals, 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 bearing interest at the rate and 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 by them there has been issued the total amount of £24,564,255 and no more.

And it is hereby further declared that a further amount of £3,000,000 New Zealand Consolidated Stock has 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 a certain deed-poll under their hands and seals and bearing date the 30th day of October, 1889, such amount of stock being in addition to and ranking *pari passu* with the 4-per-cent. New Zealand Consolidated Stock during the existence thereof, and bearing interest at the rate of £3 10s. 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 by them there has been issued the total amount of £2,768,000 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" (hereinafter called "the Act of 1884"), it was enacted that such Act should be incorporated with and read as a part of "The New Zealand Consolidated Stock Act, 1877," and that the Agents mentioned in such Act should be the Agents from time to time appointed under the said "New Zealand Consolidated Stock Act, 1877;" and that so much of all the loans set forth in the schedule to such Act as were outstanding on the 31st day of March, 1884, should be convertible into stock.

And it is hereby further declared that, in respect of the loans mentioned in the said schedule, debentures to the amounts respectively set forth in the First Schedule to the deed poll next hereinafter referred to were at the date thereof outstanding and no more.

And it is hereby further declared that, by another Act of the said Legislature, intitled "The Lost Debentures Act, 1886," it was enacted that the Governor in Council might for the purposes therein mentioned (*inter alia*) direct the creation of Consolidated Stock under any Act in force respecting such stock; and it was further enacted that the powers of the now reciting Act vested in the Governor in Council or the Governor might from time to time be delegated to such two or more persons as the Governor in Council might think fit.

And it is hereby further declared that, in pursuance of the powers and authorities conferred upon him by the last-mentioned Act, the Governor of New Zealand did, by an Order in Council bearing date the 24th day of February, 1887, delegate to them, the said Sir Penrose Goodchild Julian and Sir Francis Dillon Bell, the powers by the said Act vested in the Governor in Council or the Governor, and they have directed the creation of New Zealand Consolidated Stock under the said Acts relating thereto for the purposes of "The Lost Debentures Act, 1886."

And it is hereby further declared that, by a deed-poll bearing date the 12th day of March, 1891, under the hands and seals of the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, after reciting that, in exercise and in pursuance of the powers and authorities in that behalf conferred upon them as aforesaid, they had determined that all the New Zealand loans mentioned in the First Schedule thereto (being similar to the First Schedule hereto) should be convertible into stock, and that they had agreed with the holders of some of the outstanding debentures mentioned in the said First Schedule thereto to convert their debentures into New Zealand Consolidated Stock, on or before the days and upon the terms respectively mentioned in the Second Schedule thereto (being similar to the Second Schedule hereto); and that it was intended thereafter to endeavour to make arrangements with the holders of the other outstanding debentures mentioned in the said First Schedule thereto for the conversion of the same respectively into New Zealand Consolidated Stock as and when it might be found conveniently practicable to do so, for which purpose they had reserved the right in the case of any debentures not brought in for conversion upon the terms notified by them on the 13th day of February, 1891, to convert the same (with the assent of the holders thereof) into New Zealand Consolidated Stock on terms to be notified from time to time at the Bank of England: And reciting that for the purpose of providing New Zealand Consolidated Stock to be issued for the conversions so agreed upon and which might thereafter be agreed upon as aforesaid, and for raising money for redeeming such of the said debentures as might not be converted into New Zealand Consolidated Stock by the holders thereof as aforesaid, and for the purposes of "The Lost Debentures Act, 1886," and for the payment of the expenses of and attending such conversions and the creation of the said stock, they had determined to create a further amount of not exceeding £1,000,000 of New Zealand Consolidated Stock, to be issued as hereinafter mentioned: They, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julian, did, by the now reciting deed-poll, declare that, in exercise and in pursuance of the powers by the said Acts and Orders in Council, or any or either of them, vested in them, they had created a further amount of £1,000,000 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 any 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 had determined that so much of the same capital stock as it should be necessary to issue to the holders of the debentures then outstanding as aforesaid, and which might be deposited for conversion on or before the respective dates mentioned in the Second Schedule thereto, should, on or after the days or times in the same schedule respectively mentioned or referred to, be issued to such holders at the rates of stock respectively mentioned in the same schedule for every nominal £100 represented by any of the said outstanding debentures agreed to be converted as aforesaid and upon the surrender of the same respectively: And that so much of the same capital stock as it should be necessary to issue to the holders of debentures then outstanding as aforesaid, and which might not be deposited for conversion until after the dates respectively mentioned in the Second Schedule thereto, should from time to time, subsequent to such dates, be issued to such holders at the rates of stock to be respectively notified from time to time by the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan at the Bank of England for every nominal £100 represented by any of such outstanding debentures and upon the surrender of the same respectively: And that so much of the same capital stock as it should be necessary to sell for the purpose of redeeming such of the debentures as might not be converted into New Zealand Consolidated Stock by the holders of any of such debentures, 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 so much of the same capital stock as should be issued for the purposes of "The Lost Debentures Act, 1886," in satisfaction of any lost debenture, should be issued upon such terms as might be agreed upon between the Governor and the person interested, as provided by the said Act: And that the interest or dividend to be paid on the said further amount of £1,000,000 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, in cases of conversions of debentures lodged for conversion before the dates mentioned in the said Second Schedule thereto, from the days or times respectively mentioned in such schedule; and in the case of debentures arranged to be converted subsequently thereto, from the days or times notified by them from time to time at the Bank of England; and in cases of sales of stock for redeeming debentures as aforesaid, or for payment of expenses, from the days or times to be agreed upon with the purchasers thereof; and in the case of stock issued for the purposes of "The Lost Debentures Act, 1886," from the days or times agreed upon as aforesaid, until in every case 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, in further pursuance of the said "New Zealand Consolidated Stock Act, 1877," and "New Zealand Consolidated Stock Act 1877 Amendment Act, 1881," and of the said Order in Council of 5th November, 1881, the said Sir Francis Dillon Bell and Sir Penrose Goodchild Julyan have entered into an agreement with the Governor and Company of the Bank of England, providing (among other things) for the inscription in a register kept in England by the said Bank of the said stock mentioned in the said last-mentioned deed-poll to have been created, and for the transfer of such stock when the same should be issued as in such deed-poll mentioned:

And it is hereby further declared that the stock to be inscribed and transferred in conformity with such provision is the "New Zealand Consolidated Stock" mentioned in the said last-mentioned deed-poll.

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 Francis Dillon Bell and Sir Penrose Goodchild Julyan have hereunto set their hands, this 16th day of April, 1891.

Signed by the above-named Sir Francis Dillon Bell in the presence of

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

(L.S.) F. D. BELL.

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

H. C. BOYD, Gentleman, Woodside, Torquay.

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

[For schedules see First and Second Schedule to Enclosure in No. 9, page 5.]

*Enclosure 2 in No. 16.*

The STOCK AGENTS to the BANK OF ENGLAND.

GENTLEMEN,—

Westminster Chambers, 13, Victoria Street, 24th April, 1891,

We now beg to send you a print of the deed-poll,\* dated 12th March, 1891, setting forth the creation of £1,000,000 3½-per-cent. New Zealand Stock for the purposes of the conversion of New Zealand loans now in course of being effected, and declaring the terms and conditions on which such stock may be issued.

The necessary declaration to bring the stock under the provisions of "The Colonial Stock Act, 1877," and to enable the Bank to carry out the issue and inscription of the stock has been signed by us and lodged with the Inland Revenue Board. A copy of the same is also enclosed.†

We have already placed in your hands a copy of "The (New Zealand) Lost Debentures Act, 1886," and the Order in Council in pursuance thereof, appointing us Agents for the purposes of that Act. We have deemed it advisable that the present creation of stock should include stock to be issued for the purposes of that Act, and provision is made in the deed-poll accordingly.

Arrangements have been made with the Commissioners of Inland Revenue for the payment of composition for stamp-duty, after deducting the amount of the stamps already put upon the debentures sent in for conversion, so as to enable the stock, when inscribed in your books, to be transferred free of duty. The Commissioners are willing to receive the stamp-duty from the Bank, as has been done for previous issues of New Zealand stock, and will allow the Bank to cancel the stamps on the debentures sent in for conversion.

We have now to request that you will cancel the converted debentures, so that the New Zealand Government may have the allowance of the stamps thereon; and that you will, as heretofore, pay to the Inland Revenue the amount of composition payable for stamp-duty upon the stock as the same is inscribed in the books of the Bank.

We authorise the Bank to grant to such holders of the stock, as may desire the same from time to time, stock certificates to bearer in accordance with "The Colonial Stock Act, 1877," upon payment of the proper fee for the issue of such certificates. And, lastly, we authorise you to transmit dividend-warrants by post to holders, in accordance with the practice in the case of former issues of New Zealand stock.

We are, &c.,

F. D. BELL,

P. G. JULYAN,

Stock Agents of the New Zealand Government.

\* *Vide* Enclosure to No. 9.  
† Enclosure No. 1.

No. 17.

The AGENT-GENERAL to the PREMIER.

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

30th April, 1891.

SIR,—

I received on the 28th instant your telegram inquiring whether my arrangements with the Bank of England provided for recouping to the Public Account the amount expended in paying off unconverted bonds, so as to give the Treasury the advantage of the whole sinking-fund accretions

after redeeming debentures issued for increases of the fund under "The Consolidated Stock Act, 1884." I replied in the affirmative, that ultimately the Treasury will get back the entire amount of the sinking-fund accretions, except the proportion statutorily appropriated to redeeming such debentures, but that ample time must be given for the realisation both of the 4-per-cents. released from the fund and the 3½-per-cents. to be sold for repaying the Bank of England advances.

Yesterday I received your further telegram stating that you presumed the Trustees of the sinking fund would place to the credit of the Public Account the total amount of the sinking-fund accretions, whereupon the debentures for increases would be paid off at once. This raised a question, which often has been considered, whether section 9 of the Act of 1884 requires that, whenever merely interim releases of the sinking fund are made, debentures for increases must be immediately cancelled to an equal amount, or whether the cancellation has only to take place after the Trustees have made a formal determination under section 8 of the sum to be retained in their hands, thereby fixing the balance which is statutorily "set free," and bringing section 9 into operation. The latter interpretation is the one the Trustees are acting upon, as you will have seen from my letter to them of the 10th April, and their letter to you of the 11th, No. 585, copies of which went to you last mail. They have paid a certain sum into the Public Account in part release of the sinking fund of 1863, but no formal determination under section 8 will be made till after the 15th June, when the number of debentures of that loan which have been then converted and paid off is known; and they may even decide not to make a determination at all till after the last series of the sixes of 1863 is paid off in December, but this is not yet settled.

I am not clear as to the meaning of your reference in yesterday's telegram to section 6 of the Act of 1884, but will look into the matter presently.

The Hon. the Premier, Wellington.

I have, &c.,

F. D. BELL.

### No. 18.

The AGENT-GENERAL to the PREMIER.

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,  
30th April, 1891.

In continuation of the steps taken by the Trustees of the sinking fund of the loan of 1863, as reported to you in their letter of 11th instant, No. 585, they have sold £100,000 4-per-cent. stock out of the fund of that loan, in further part releases of the fund they will have to make when the June series of debentures are paid off. The proceeds of the sale will be placed as before—on deposit at interest—until after the 15th June.

I have also to state that, in accordance with your telegram of the 6th instant, I have bought about £21,900 of debentures of the loans of 1860 and 1863; and am in treaty for a considerably larger amount, for which I hope to arrange in a short time.

By paying for these bonds in anticipation of their due date the Government will lose interest upon the amount of the purchase-money and commission to the brokers, but against this has to be set a saving of the ½ per cent. commission which would become payable if the bonds were paid off instead of being purchased for conversion.

The Hon. the Premier, Wellington.

I have, &c.,

F. D. BELL.

### No. 19.

The AGENT-GENERAL to the PREMIER.

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,  
8th May, 1891.

Since my letter of the 30th April, No. 668, I have looked at the "Consolidated Stock Act 1884," but am still not clear as to the reference in your telegram of the 29th April to section 6 of that Act. I am inclined to think that the word "six" in your message may have been an error in transmission, and ought to be read as "eight," but the main question in your message is not affected, and no change in my reply of the same date is necessary.

The Hon. the Premier, Wellington.

I have, &c.,

F. D. BELL.

### No. 20.

The AGENT-GENERAL to the PREMIER.

SIR,—

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

The amount of debentures of the various loans sent in for conversion at the Bank of England up to the present time is as follows:—

	£
1. Loan of 1863 (March series) ... ..	42,400
Loan of 1863 (June series) ... ..	7,800
Loan of 1863 (December series) ... ..	1,700
2. Loan of 1860 (July series) ... ..	2,900
3. Loan of 1867 ... ..	...
4. Provincial loans—	
Lyttelton and Christchurch ... ..	6,200
Auckland ... ..	10,800
Otago ... ..	20,100
Westland, Canterbury, and Nelson ... ..	...
Total ... ..	£91,900

In addition to the above, I have purchased the following bonds of the loans of 1860 and 1863, as stated in the annexed narration :—

Loan of 1863 (June series)	...	...	...	...	£ 15,800
Loan of 1860 (July series)	...	...	...	...	14,200
Total ...	...	...	...	...	£30,000

These bonds will be sent in presently for conversion, as well as any others which I may be able to purchase between now and the 15th June, and the £50,000 Westland Loan Debentures, which I expect to receive shortly, will also have to be added. I had an offer of £10,000 bonds of the 1863 loan, December series, but the price asked was too high.

Accordingly the following is the total already converted, or to be converted, namely :—

Loan of 1863 (March series)	...	...	...	...	£ 42,400
Loan of 1863 (June series)	...	...	...	...	23,600
Loan of 1863 (December series)	...	...	...	...	1,700
Loan of 1860	...	...	...	...	17,100
Lyttelton	...	...	...	...	6,200
Auckland	...	...	...	...	10,800
Otago	...	...	...	...	20,100
Westland	...	...	...	...	50,000
Total	...	...	...	...	£171,900

The Union Bank of Australia will be allowed the same commission as the Crown Agents on any bonds of the 1860 loan paid off by them, but I have instructed that Bank to send me the bonds as they are received from customers, and I propose sending in for conversion any of these which may come in before their maturing date.

The Hon. the Premier, Wellington.

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

*Enclosure in No. 20.*

NARRATION of 6-per-cent. 1860 and 1863 Debentures, redeemable June and July, 1891, purchased in London by the Agent-General.

BONDS OF 1863, REDEEMABLE IN JUNE, 1891.

*Nine Bonds of £1,000 each.*

378	397	425	438	439	442	470	494	496
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*Six Bonds of £500 each*

1725	1851	1854	1880	1913	2032
------	------	------	------	------	------

*Eleven Bonds of £200 each.*

3002	3046	3162	3163	3171	3190	3196	3197	3198	3268	3336
------	------	------	------	------	------	------	------	------	------	------

*Sixteen Bonds of £100 each.*

2067	2106	2111	2202	2229	2230	2231	2232	2253	2285	2330
2359	2360	2366	2425	2484						

BONDS OF 1860, REDEEMABLE JULY, 1891.

*One Hundred and Forty-two Bonds of £100 each.*

17	18	91	117	118	119	366	367	368	374	390
391	392	522	555	619	620	621	622	623	624	631
632	633	634	635	706	707	708	709	710	711	712
713	714	715	716	717	718	719	720	721	722	723
724	725	726	727	728	729	730	731	732	733	734
735	736	737	738	739	740	741	742	743	744	745
746	747	748	749	750	751	752	753	754	755	756
757	758	759	760	761	762	763	764	765	776	777
778	779	780	781	782	883	784	785	887	905	926
928	953	954	955	956	957	996	997	998	999	1000
1042	1043	1044	1045	1046	1049	1050	1201	1202	1203	1204
1205	1206	1207	1208	1209	1210	1215	1216	1220	1248	1280
1295	1296	1297	1298	1299	1300	1301	1303	1363	1364	

*Summary.*

Loan of 1863	..	9 bonds of £1,000 each	..	..	..	..	..	..	..	£ 9,000
Loan of 1863	..	6	"	500	"	..	..	..	..	3,000
Loan of 1863	..	11	"	200	"	..	..	..	..	2,200
Loan of 1863	..	16	"	100	"	..	..	..	..	1,600
Loan of 1860	..	142	"	100	"	..	..	..	..	14,200

£30,000

Westminster Chambers, 12th May, 1891.

No. 21.

The AGENT-GENERAL to the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
14th May, 1891.

SIR,—

It may be convenient to mention, by anticipation, the course which the Trustees of the sinking fund of the loan of 1863 will be asked to take after the 15th June in regard to that fund.

The fund now amounts in round numbers to £305,000 after deducting the first provisional release of £110,000 made in respect of the unconverted portion of the March series of the loan.

Since then a further sale of £100,000 stock has been made, and the proceeds have been placed at deposit; while further sales of £130,000 stock have just been ordered. These sales, added to the May dividends on the sinking-fund stock now invested, will produce—taking the net price of the stock at, say, 102—in round numbers £247,500 in cash, and will leave about £62,600 of the sinking fund in 4-per-cent. stock. The unconverted portion of the £73,800 (of which £1,700 have been sent in for conversion up to present date) of the December series of debentures will then be all that will remain for consideration by the Trustees in determining the amount to be retained in their hands (under section 8 of “The Consolidated Stock Act, 1884”) so as to fix the amount “set free” under section 9.

The Trustees will probably decide to value the stock at par, only retaining what more is required for securing the holders of the unconverted December bonds, out of the cash at deposit or in hand; and the balance to be released after the 15th June may therefore be estimated approximately at £240,000, which, of course, will be increased by the amount of any bonds of the December series which may come in for conversion in addition to the £1,700 already mentioned.

The Hon. the Premier, Wellington.

I have, &c.,

F. D. BELL.

### No. 22.

The AGENT-GENERAL to the PREMIER.

Premier, Wellington.

(Received 23rd June, 1891.)

CONVERSION.—Following result at present: *Firstly*—Aggregate amount converted, £144,000—namely, loan of 1863, £75,500; loan of 1860, £21,000; provincial loans, £47,500, exclusive West-land. *Secondly*—Total amount of loan of 1863 paid off, £258,000. *Thirdly*—Aggregate amount of sales of sinking fund, £301,000. *Lastly*—Remember it is immaterial how much actually converted, because, although unavoidable to suspend sales of conversion stock, Treasury ultimately gets back entire sinking funds; meanwhile all arrangements proceeding quite satisfactorily.

London, 22nd.

### No 23.

The AGENT-GENERAL to the PREMIER.

SIR,—

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

15th May, 1891.

I have to acknowledge the receipt of your letter of the 26th March, No. 12. The events which have happened since that date make any special answer unnecessary now.

It will be in your recollection that when reporting (18th April, No. 629) the arrangements with the Bank of England for a first advance of £100,000, I only meant to ask the Governor for a further advance after the 15th June. Since then, however, an adverse change in all the markets made it necessary for me to reconsider that intention. The certainty of dearer money, the fear lest Russia should withdraw in gold a large part of the £15,000,000 standing to her credit in the chief banking centres, continued vague rumours of financial houses being in difficulties, a complete collapse in Portugal, and renewed alarm about Argentine affairs, have brought down prices all round. Imperial consols have been below 95, and Bank stock went down 6 points; while even New South Wales 3½-per-cent. stock touched 98½, a price which operated very adversely against our own conversion, increasing as it will the amount of the June series of 1863 bonds likely to be paid off, since obviously at present quotations any margin of profit in converting has run off.

Under these circumstances I decided not to wait for the middle of June, but to arrange at once with the Bank of England for a further advance of £150,000, to be repaid at the end of July: and at the same time to go on with the sale of stock out of the sinking fund of 1863, spreading the sales over the Stock Exchange settlements between now and the end of July, so as to provide funds for repaying the Bank. I also decided to devote temporarily the proceeds of the £68,000 old 3½-per-cent. stock just sold (as reported in a separate letter) to purchasing or paying off the bonds of the loan of 1860, recouping the amount later on by the sale of the new 3½-per-cent. stock to be inscribed in respect of that loan.

Bank rate having since gone up to 5 per cent., you will probably think it fortunate that these measures were taken in time. They have now placed beyond danger the main object of recouping the amounts required to pay off all unconverted debentures of the March and June series of the loan of 1863, and of the residue of the loan of 1860, leaving the new 3½-per-cent. conversion stock, inscribed in respect of both loans, to be gradually sold later on. This indeed was the natural course to take, but in any case it must have been taken, because at present prices the old 3½-per-cent. stock would be quoted below 94 ex dividend on the 2nd June, and the new stock can of course stand no higher.

I now enclose the following papers recording these arrangements: (1) Minute by the Agent-General to the Stock Agents respecting a further advance of £150,000 from the Bank of England; (2) letter from the Agent-General to the Bank of England requesting the advance; (3) letter from the Stock Agents to the Bank of England directing the inscription of £200,000 new stock as security; (4) letter from the Bank of England to the Agent-General agreeing to make the advance; (5) letter from the Trustees to the Crown Agents directing the first sale of £100,000 4-per-cent. stock; (6) letter from the Trustees to the Crown Agents directing the disposal of the proceeds; (7) letter from the Crown Agents to the Trustees reporting the sale; (8) letter from the Crown Agents to the Trustees reporting the steps for placing proceeds at deposit; (9) letter from the Trustees to the Crown Agents instructing them to sell £130,000 more 4-per-cent. stock.



This correspondence, taken together with the papers previously forwarded in my letter of 18th April, No. 629, completes the record (so far as is necessary to be sent to you) of the arrangements made for the loans of 1860 and 1863 up to the end of July. The further measures that will have to be taken for the December series of the 1863 loan, and the other loans maturing at subsequent periods, will now devolve on my successor.

The Hon. the Premier, Wellington.

I have, &c.,

F. D. BELL.

*Enclosures in No. 23.*

CONVERSION OF 1891.

No. 1.—MINUTE for the STOCK AGENTS.

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

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

Westminster Chambers, 4th May, 1891.

F. D. BELL, Agent-General.

No. 2.—The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,—

Westminster Chambers, 6th May, 1891.

With reference to the last paragraph of my letter of 10th April, in which I stated that I should probably have to apply to the Bank on behalf of my Government for a further advance to pay off unconverted debentures of the New Zealand loans maturing shortly, I beg now to state that, on the estimate of a similar proportion of debentures being sent in for conversion as was the case with the series which fell due in March, I may want a second advance of a sum not exceeding £150,000, in addition to the first advance of £100,000 already arranged for, making the total advance £250,000.

In confirmation, however, of my previous letters of 19th February and 10th April, these advances are only wanted for a short time; and, as the arrangements I have made enable me to fix a definite date for repayment, I undertake to repay the whole advance not later than the 31st July.

I beg to enclose herewith a formal letter from the Stock Agents, requesting and authorising the inscription on the 15th June, in the name of the Bank, of a further amount of £200,000 as security for the second advance of £150,000.

As regards the first amount of £100,000, I have to request that it may be placed to the credit of the Stock Agents' account on the 2nd June; and, as regards the second amount of £150,000, it would be convenient to my Government if the Bank would consent to its being placed, after the 15th June, from time to time, to the credit of the same account as and when it may be necessary for me to feed the account of the Crown Agents for the Colonies, where the unconverted debentures of 1863 will be paid off.

The Chief Cashier, Bank of England.

I am, &c.,

F. D. BELL, Agent-General.

No. 3.—The STOCK AGENTS to the BANK OF ENGLAND.

GENTLEMEN,—

Westminster Chambers, 6th May, 1891.

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

We are, &c.,

F. D. BELL,

P. G. JULYAN,

The Governor and Company of the Bank of England.

Stock Agents of the New Zealand Government.

No. 4.—The BANK OF ENGLAND to the AGENT-GENERAL.

SIR,—

Bank of England, 8th May, 1891.

I beg to acknowledge the receipt of your letter of the 6th instant, stating that the New Zealand Government will probably require an advance of a further sum, not exceeding £150,000, in addition to the sum of £100,000 already arranged for, the whole advance to be repaid not later than the 31st July; and enclosing a formal letter from the Stock Agents, authorising the inscription, on the 15th June, of a further sum of £200,000 New Zealand 3½-per-cent. stock as security for the second advance.

I have submitted your letter to the Governor, and am directed to inform you, in reply, that the Bank will be happy to make the further advance, to the extent of £150,000, as may be required, at the Bank rate during currency of the loan.

Due note has been taken of the dates on which the advances are to be made.

The Agent-General for New Zealand.

I am, &c.,

F. MAY, Chief Cashier.

No. 5.—The EXECUTIVE TRUSTEE of the SINKING FUND of LOAN 1863 to the CROWN AGENTS.

GENTLEMEN,—

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

In view of the large release of sinking fund of the New Zealand loan of 1863, which will have to be made when it has been ascertained how many debentures of the series falling due on the 15th June have then been respectively converted or paid off, Sir Penrose Julyan and myself have concurred in the expediency of proceeding at once with gradual sales of the 4-per-cent. New Zealand stock now in the fund, to the amount (for the present) of, say, £100,000. I have therefore, on behalf of the Trustees, to request that you will take steps to go on with such sales accordingly, without unduly pressing the market.

I am, &c.,

F. D. BELL,

Executive Trustee of 1863 Loan.

The Crown Agents for the Colonies, Downing Street.

No. 6.—The EXECUTIVE TRUSTEE of the SINKING FUND of LOAN 1863 to the CROWN AGENTS.

GENTLEMEN,—

13, Victoria Street, S.W., 30th April, 1891.

Referring to the sale by Messrs. Scrimgeour of £100,000 of the New Zealand 4-per-cent. consolidated stock belonging to the sinking fund of the 1863 loan, I have to request that on receipt of the proceeds of the sale you will place the same on deposit at interest at the London and Westminster Bank, in the joint names of Sir Penrose Goodchild Julyan and myself.

I am, &c.,

F. D. BELL,

Executive Trustee of the Sinking Fund Loan of 1863.

The Crown Agents for the Colonies, Downing Street.

## No. 7.—The CROWN AGENTS to the EXECUTIVE TRUSTEE of the SINKING FUND LOAN of 1863.

SIR,— Downing Street, S.W., 30th April, 1891.  
 Referring to your letter dated the 21st instant and to our reply of the 24th, I have to inform you that we have sold £100,000 New Zealand 4-per-cent. inscribed stock at 102½ for cash on the 13th May next, on account of sinking fund 1863, producing net £102,124 8s., viz. :—

	£	s. d.
£100,000, at 102½ .. .. .	102,375	0 0
Less brokerage .. .. .	250	0 0
“ power-of-attorney and stamp .. .. .	0	12 0
	250	12 0
	102,124	8 0

I enclose for transmission to Sir Penrose Julian, and for your own signature, a power-of-attorney in favour of Messrs. J. and A. Scrimgeour, to enable them to transfer the stock, and have to request that in returning it to this office you will inform us of the course you wish us to adopt as to the disposal of the proceeds of the sale.

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

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

## No. 8.—The CROWN AGENTS to the EXECUTIVE TRUSTEE of the SINKING FUND of LOAN 1863.

SIR,— Downing Street, S.W., 4th May, 1891.  
 I have the honour to acknowledge the receipt of your letter of the 30th ultimo, which crossed ours of the same date, and to state, in reply, that in accordance with your request the proceeds of the £100,000 stock sold for the 13th instant will be placed on deposit at interest, at the London and Westminster Bank, in the joint names of Sir Penrose Goodchild Julian and yourself.

I enclose a book for your instructions and return here as to the disposal of dividends due 1st instant, and refunds of income-tax belonging to sinking funds 1891, 1914, and 1915, which (less the sum of £195 referred to in your letter of the 10th ultimo) have been placed on deposit at the London and Westminster Bank in the joint names as above.

I would explain that the instructions given by Sir Penrose Julian under similar circumstances were to transfer from 1891 accounts such an amount of 4-per-cent. inscribed stock as would absorb the money in the 1914 and 1915 funds, at the market price of the stock at the time of the transfer, placing the money to the credit of the 1891 fund.

I further enclose three J/A accounts current for 1891, 1914, and 1915 funds, for the period from 27th February to 31st March last, for your signature and return here, so that they may be forwarded to the colony as usual.

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

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

## No. 9.—The EXECUTIVE TRUSTEE of the SINKING FUND of LOAN 1863 to the CROWN AGENTS.

GENTLEMEN,— 13, Victoria Street, S.W., 11th May, 1891.  
 In continuation of my letter of the 21st April, and having regard to the amount which will, immediately after the 15th June, have to be released from the sinking fund of the New Zealand loan of 1863, it becomes necessary to continue making sales of the 4-per-cent. New Zealand stock now in the fund to provide the necessary amount.

As you are aware, the two series of debentures of that loan falling due last March and next month, which will have been converted and paid off on the 15th June, will amount together to £343,200. On account of the sum which will have to be released out of the fund in respect of the debentures of both series, a sum of £110,817 13s. has already been paid over by the Trustees, and there will accordingly have to be released a further sum, which in round numbers may for the present be estimated at £232,000. Towards this you have already sold £100,000 of stock, and I have now to request, on behalf of the Trustees, that you will in addition thereto give directions to your brokers to make gradual sales to the further amount of, say, £130,000, to be spread over the Stock Exchange settlements which will occur between now and the 25th July.

I have, &c.,  
 F. D. BELL,  
 Executive Trustee of the Sinking Fund (Loan of 1863).

The Crown Agents for the Colonies, Downing Street.

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