

## No. 37.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 210.)

Westminster Chambers, 13, Victoria Street, London, S.W.,  
19th February, 1894.

SIR,—

Referring to the £15,300 debentures of the Lyttelton and Christchurch Railway Loan, which are redeemable on the 1st July next, I shall be glad to have instructions whether you desire them to be redeemed by the sale of  $3\frac{1}{2}$ -per-cent. stock under the provisions of the deed poll of the 12th March, 1891.

The Hon. the Colonial Treasurer, Wellington.

I have, &amp;c.,

W. B. PERCEVAL.

## No. 38.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 225.)

Westminster Chambers, 13, Victoria Street, London, S.W.,  
24th February, 1894.

SIR,—

I beg to report as follows respecting the steps which have been taken for the purpose of carrying the wishes of the Government respecting the conversion of further portions of the public debt into proper effect:—

*5-per-cent. Consol Debentures (Annual Drawings).*

I transmit herewith copy of the Prospectus issued on the 14th instant by the Bank of England, acting on behalf of the Stock Agents, by which it will be seen that the holders of these bonds have been invited to bring them in for conversion into  $3\frac{1}{2}$ -per-cent. Consolidated Stock, receiving £108 10s. of such stock for every £100 bond. This equivalent in stock was fixed by the Stock Agents on the basis of a valuation prepared by the Actuaries. A further offer of £102  $3\frac{1}{2}$ -per-cent. Stock is made as regards every £100 bond drawn for redemption in respect of which no application for conversion has been made prior to the date of this year's drawing, which has been fixed for the 22nd March next. This date is rather later than that of the drawings of recent years, as it was thought expedient to allow the holders of the bonds at least a month within which they could avail themselves of the opportunity of converting them at the terms now offered.

As power is being taken in the deed-poll now in course of preparation to redeem any debentures not brought in for conversion on the terms notified in the prospectus, it is proposed to provide for the payment of any debentures which may be drawn, and which are not offered for conversion, by the sale of a sufficient amount of stock for that purpose. In your cablegram of the 16th instant you include in the stock, which you estimate will be required to be sold during the next financial year, the amount required to provide for the 1895 drawing, and I gather from this that you assume that the amount required for this year's drawing will also be provided by the sale of stock during the present financial year. I shall therefore act accordingly, so that the whole of this year's Sinking Fund may be at your disposal for the purposes provided for in the Consolidated Stock Act of 1884.

The proposed arrangements as to the management of the Sinking Fund, which will obviate the necessity of remitting to and from the colony on account thereof, can now, therefore, be carried into effect.

*5-per-cents of the Loan of 1863, redeemable 1914.*

For every £100 in debentures of this loan the Stock Agents offer £115 10s. of  $3\frac{1}{2}$ -per-cent. Stock, but I do not anticipate that this offer will meet with much response; but with the power reserved to convert outstanding bonds the Government will be able at any future time to notify fresh terms, or to accept bonds for conversion, the holders of which may express their desire to hold stock in preference to debentures. It would also, I assume, be open to the Government, when the market is favourable, to buy up these bonds, providing the necessary moneys by the sale of stock, and thus gradually release the Sinking Fund.

*4-per-cent. Debentures (Imperial-guaranteed) issued under "New Zealand Loan Act, 1856."*

In your cablegram of the 10th instant, you stated that it had been decided to convert these debentures, consisting of £50,000, redeemable on the 1st July next.

Power will therefore be taken in the deed-poll to create sufficient stock for the purpose of converting these debentures, and I assume that the process adopted with regard to some of the debentures which were converted under the deed-poll of the 12th March, 1891, will be applicable, and that they will be paid off by the proceeds of the sale of stock, thus placing the Sinking Fund at your disposal for the purposes specified in the Consolidated Stock Act of 1884. I have reason to believe that all these debentures are in one hand, which will facilitate the operation.

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The Hon. the Colonial Treasurer, Wellington.

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

*Enclosure in No. 38.*

PUBLIC DEBT OF NEW ZEALAND.—CONVERSION OF FURTHER PORTIONS OF THE DEBT OF THE COLONY INTO  $3\frac{1}{2}$ -PER-CENT. CONSOLIDATED STOCK.

THE Governor and Company of the Bank of England give notice that, on behalf of the Agents appointed by the Governor of New Zealand in Council, under "The New Zealand Consolidated Stock Act, 1877," and Amendment Act, 1881, and "The Consolidated Stock Act, 1884" (Sir Penrose Goodchild Julyan, K.C.M.G., C.B., and Sir Westby Brook Perceval, K.C.M.G.), they are authorised to invite holders of debentures of the following issues, being loans which formed part of the public debt of the colony, to bring in their bonds for con-