

1895.
NEW ZEALAND.

3½-PERCENT. CONVERSION OPERATIONS

FURTHER CORRESPONDENCE RELATING TO THE).

[In Continuation of B.-25, 1894.]

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

No. 1.

The AGENT-GENERAL to the COLONIAL TREASURER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
16th June, 1894.

(No. 691.)

SIR,—

Referring to previous letters relating to the conversion operations of this year, I beg leave to give you further particulars as to the results, so far as I am able to advise them up to the present time.

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

The total amount of these debentures received for conversion into 3½-per-cent. stock at the Bank of England up to the 4th instant was £288,900. Of these, £271,000 were converted at the rate of £108 10s.; £6,400 were converted at the rate of £107 10s.; £4,000 were converted at the rate of £107; and £7,500 (being drawn debentures) were converted at the rate of £102.

The total amount of 3½-per-cent. stock inscribed in exchange for these £288,900 debentures was £312,845.

From the 17th May (being the date of my letter, No. 580) to the 4th instant., £4,000 debentures were converted at £107, thus reducing the amount still outstanding in the hands of the public from £738,000 to £734,000.

The terms which are now being offered for the conversion of these debentures are as follows: £107 3½-per-cent. stock for every £100 in debentures, with all coupons subsequent to that of the 15th July attached. The July coupon will be paid at its due date, and the interest on the 3½-per-cent. stock will date from the 1st July next, the first payment thereof being on the 1st January, 1895.

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

The total amount of these debentures converted up to the 4th instant, at the rate of £115 10s., was £76,000, consisting of 88 £500 debentures, £44,000; 148 £200 debentures, £29,600; 24 £100 debentures, £2,400: total, £76,000.

The amount of 3½-per-cent. stock inscribed in exchange for the above debentures was £87,780.

By the latest returns the Sinking Fund Trustees hold £107,448 3s. 5d. of New Zealand 4-per-cent. stock, £19,614 14s. 1d. of New Zealand 3½-per-cent. stock, and £2,077 6s. 8d. of cash; total, £129,140 4s. 2d.

In sending you by telegram the total amount of these bonds which had been converted, I added that I estimated approximately that £26,000 of the sinking fund will be released. The Trustees are now having a computation prepared for the purpose of ascertaining the amount which they will be justified in releasing, the result of which I will communicate to you as soon as it is completed.

Provincial Loans.

Included in those debentures mentioned in my letter, No. 487, of the 21st April, the following have been converted during the present year—namely: £1,000 Auckland 6-per-cents., at £107, with 1st April and subsequent coupons attached, and £8,100 Otago 6-per-cents., at £110 10s., with 1st July and subsequent coupons attached. The amount of 3½-per-cent. stock inscribed in exchange for the above debentures was £10,020 10s.

I continue to avail myself of any opportunity to convert these debentures, in accordance with the calculations contained in the tables transmitted with Sir F. D. Bell's letter of the 4th September, 1891.

1—B. 18.

District Railway 4-per-cent. Debentures, redeemable 1905.

Referring to your cablegram of the 19th April last, I attach hereto copy of notice, which has been issued to the banks collecting the coupons, giving the terms on which these debentures can be converted, by which it will be seen that £104 3½-per-cent. stock has been offered for every £100 in debentures, with all coupons subsequent to that of October next attached, the 3½-per-cent. stock bearing interest from the 1st July next.

No debentures have as yet been brought in for conversion under these conditions.

Imperial-guaranteed Loan of 1856.

The Trustees of the sinking fund are realising the securities in which the sinking fund of this loan is invested, and have notified to me that they will be prepared to pay over the net proceeds of the sales thereof at any time after the 28th instant. I have therefore requested the Bank of England, who are in communication with the holders of these debentures, to inform them that I propose to pay them off on the 28th instant; and if this offer is accepted I shall be in a position to claim, on behalf of the Government, the proceeds of the sales of the sinking-fund securities as soon as the debentures come into my possession.

The amount required for the redemption of these debentures will be drawn from the Public Account by means of a Commissioners' order, the funds required for the purpose having been provided by the sale of 3½-per-cent. stock, the proceeds of which have already gone in to the Public Account.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

Enclosure in No. 1.

PUBLIC DEBT OF NEW ZEALAND.—“DISTRICT RAILWAYS PURCHASING ACT, 1885.”

Holders of the 4-per-cent. debentures issued under “The New Zealand District Railways Act, 1885,” and redeemable in 1905, can convert the same into New Zealand Government 3½-per-cent. consolidated stock on the following terms—namely: For every £100 in debentures, £104 3½-per-cent. stock inscribable on or after the 2nd June, 1894. The coupon due 1st October must be detached from the debentures, and will be paid at the due date at the New Zealand Government Office, 13, Victoria Street, S.W. All coupons due after the 1st October, 1894, must remain attached.

The interest on the 3½-per-cent. stock will date from the 1st July, 1894, the first half-year's dividend being payable on the 1st January, 1895.

The debentures referred to are those issued under “The New Zealand District Railways Purchasing Act, 1885,” bearing 4 per cent. interest per annum, and redeemable 1st April, 1905.

The consolidated stock herein mentioned will, in every case, rank *pari passu* with the New Zealand 3½-per-cent. consolidated stock already inscribed at the Bank of England, with dividends payable half-yearly on 1st January and 1st July, and redeemable at par 1st January, 1940.

By the Act 40 and 41, Vict., cap. 59, the revenue of the Colony of New Zealand alone will be liable in respect of the stock and the dividends thereon, and the Consolidated Fund of the United Kingdom, and the Commissioners of Her Majesty's Treasury, will not be directly or indirectly liable or responsible for the payment of the stock, or of the dividends or for any matter relating thereto.

Holders intending to convert their debentures on the above-mentioned terms must notify to the Agent-General thereon, not later than the 30th June next, the numbers and denominations of the same, and the debentures must be deposited at the Bank of England within seven days of such notification.

New Zealand Government Office, 13, Victoria Street, London, S.W., 23rd May, 1894.

No. 2.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 792.)

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

SIR,—

29th June, 1894.

Referring to my letter, No. 691, of the 16th instant, I beg to inform you that, the £50,000 debentures of the Imperial-guaranteed Loan of 1856 having been paid off (by means of a Commissioners' order on the Public Account) and cancelled, the Trustees of the sinking fund have paid over to me to-day the sum of £59,605 12s. 6d., being the proceeds of the sale of £55,000 New Zealand 4-per-cent. stock belonging to the sinking fund, and which was thus released.

The amount (£59,605 12s. 6d.) has been placed to the credit of the Public Account at the Bank of New Zealand.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

W. B. PERCEVAL.

No. 3.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 945.)

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

SIR,—

3rd August, 1894.

I beg to transmit herewith the under-mentioned statements of accounts—namely:—

1. Statement showing the financial result of the various transactions which have passed between the Stock Agents and the Public Account from 1st October, 1893, to 31st March, 1894.

2. Statement—(1) Amount of stock in hand on the 1st October, 1893; (2) amount of stock sold; (3) amount of proceeds of sales; and (4) amount of stock in hand on the 31st March, 1894.

I have delayed forwarding to you these statements in the expectation of receiving a statement giving particulars of the differences existing between the Stock Agents' accounts and those of the Treasury, as referred to in my letter (No. 92) of the 26th January*, and previous correspondence, as on their receipt it would have been practicable to have had the statements prepared in such form as any revision would have rendered necessary.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

W. B. PERCEVAL.

* Vide B.-25, 1894, No. 33.

Enclosure 1 in No. 3.

STATEMENT showing the Financial Result of the Various Transactions which have passed between the Stock Agents and the Public Account from the 1st October, 1893, to the 31st March, 1894, with respect to the Conversion of the Public Debt.

1893.	Dr.	£	s.	d.	1893.	Cr:	£	s.	d.
Dec. 18.	Commissioners' order on Public Account ..	500	0	0	Sept. 30.	Balance in favour of Stock Agents ..	8,312	10	10
Jan. 1.	Dividend for half-year on £3,839 5s. 6d. 3½-per-cent. stock, less income-tax ..	65	4	6	March 28.	Paid to Public Account ..	130,350	0	0
March 19.	Commissioners' order on Public Account ..	500	0	0	" 31.	Interest on balances ..	59	15	6
" 28.	Received from the Crown Agents on account of drawn converted bonds ..	130,350	0	0					
" 31.	Balance in favour of Stock Agents	7,307	1	10					
		<u>£138,722</u>	<u>6</u>	<u>4</u>			<u>£138,722</u>	<u>6</u>	<u>4</u>

London, 31st March, 1894.
C. WRAY PALLISER, Audit Officer.

W. B. PERCEVAL,
For the Stock Agents.

Enclosure 2 in No. 3.

STATEMENT showing (1) Amount of 3½-per-cent. Stock on hand on 1st October, 1893; (2) Amount of Stock sold; (3) Amount of Proceeds of Sales; and (4) Amount of Stock in Hand on 31st March, 1894.

1893.	Dr.	£	s.	d.	1893.	Cr.	Proceeds of Sale.	Amount of Stock.				
							£	s.	£	s.	d.	
Oct. 1.	Balances of Stock in hand as follows:— Amount of 3½-per-cent. Stock held by the Agent-General and Audit Officer ..	335,338	17	7	Oct. 13.	Amount of 3½-per-cent. Stock sold (held by Agent-General and Audit Officer) ..	35,686	14	6	37,500	0	0
	Amount of 3½-per-cent. Stock held by the Bank of England ..	3,839	5	6	" 27.	Amount of 3½-per-cent. Stock sold (held by Agent-General and Audit Officer) ..	14,324	6	6	15,000	0	0
		<u>339,178</u>	<u>3</u>	<u>1</u>	Nov. 15.	Amount of 3½-per-cent. Stock sold (held by Agent-General and Audit Officer) ..	46,155	12	2	48,270	6	5
1894.					" 30.	Amount of 3½-per-cent. Stock sold (held by Agent-General and Audit Officer) ..	59,778	4	6	62,147	1	3
Jan.	Amount of 3½-per-cent. Stock (created by Deed Poll of 10th March, 1893) inscribed in names of Agent-General and Audit Officer ..	6,000	0	0	Dec. 14.	Amount of 3½-per-cent. Stock sold (held by Agent-General and Audit Officer) ..	27,272	6	3	28,243	12	3
Feb.	Amount of 3½-per-cent. Stock (created by Deed Poll of 20th February, 1894) inscribed in names of Agent-General and Audit Officer ..	350,000	0	0	" 29.	Amount of 3½-per-cent. Stock sold (held by Agent-General and Audit Officer) ..	71,186	16	6	75,000	0	0
					1894.							
					Jan. 17.	Amount of 3½-per-cent. Stock sold (held by Agent-General and Audit Officer) ..	62,336	15	6	65,000	0	0
					Feb. 14.	Amount of 3½-per-cent. Stock sold (held by Agent-General and Audit Officer) ..	9,799	7	6	10,000	0	0
					" 28.	Amount of 3½-per-cent. Stock sold (held by Agent-General and Audit Officer) ..	49,311	17	6	50,000	0	0
					Mar. 15.	Amount of 3½-per-cent. Stock sold (held by Agent-General and Audit Officer) ..	9,911	17	6	10,000	0	0
							<u>£385,763</u>	<u>18</u>	<u>5</u>	<u>401,160</u>	<u>19</u>	<u>11</u>
					" 31.	Balance of 3½-per-cent. Stock— Amount held by Bank of England ..	3,839	5	6			
						Amount held by Agent-General and Audit Officer ..	290,177	17	8			
		<u>£695,178</u>	<u>3</u>	<u>1</u>			<u>£695,178</u>	<u>3</u>	<u>1</u>			

London, 31st March, 1894.
C. WRAY PALLISER, Audit Officer.

W. B. PERCEVAL, Agent-General.

No. 4.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 947.)

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

9th August, 1894.

SIR,—

Referring to my letter, No. 691, of the 16th June last, I beg to report on the conversion operations of this year, so far as I am able to advise them up to the present date.

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

The total amount of these debentures received for conversion under the terms of the prospectus of February last up to the end of July is £292,500, £3,600 having been sent in since my letter of the 16th June last.

The amount outstanding in the hands of the public is £730,400, the quarterly interest on which will be payable on the 15th October next, assuming that no more are received for conversion prior to that date.

The terms which are now being offered for the conversion of these debentures are £107 3½-per-cent. stock for every £100 in debentures, with all undue coupons attached.

£50,000 Imperial-guaranteed Loan of 1856.

In pursuance of the arrangements indicated in my letter of the 16th June last, I paid off these debentures by means of a Commissioners' order on the Public Account on the 28th June, and on the 29th of that month, on application to the Trustees of the sinking fund, and production to them of the debentures cancelled, I received from them and paid into the Public Account the sum of £59,605 12s. 6d., being the proceeds of the sale of £55,000 New Zealand 4-per-cent. Inscribed Stock belonging to the sinking fund which was thus released.

In addition to this amount, there was subsequently received from the Trustees and paid into the Public Account the further sum of £362 14s. 7d., being £120 2s. 2d., balance of cash held by them after meeting the interest due on the 2nd instant on the debentures, and £242 12s. 5d., amount recovered from the Inland Revenue Office on account of income tax. The total amount of released sinking fund received from the Trustees is, therefore, £59,968 7s. 1d.

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

In addition to the £76,000 of these debentures, which I advised in my letter of June 16th last had been converted, £2,700 have since come in, making a total of £78,700.

I have not as yet asked the Sinking Fund Trustees to release any portion of the fund, as that would involve selling part of the New Zealand Government stock in which the fund is invested, and such sale would, I considered, have been inexpedient in the face of the financial operation connected with the Bank of New Zealand. The market at present is somewhat dull, and probably better prices will be obtainable later on.

Provincial Loans.

Including those debentures mentioned in my previous letters, the following have been converted into 3½-per-cent. stock during the present year—namely, £9,100 debentures of the Otago Loan, 1862; £1,000 of the Auckland Loan, 1863, and £900 of the Canterbury Loan, 1862.

District Railway Debentures.

Of the £38,500 sent over to this country, £12,000 have been converted into 3½-per-cent. stock on the terms given in the notice, copy of which was enclosed with my letter of the 16th June—namely, at the rate of £104 stock for every £100 in debentures, with all coupons subsequent to that of October attached.

I attach a statement showing the amount of the debentures which have been either converted or redeemed during the present year up to the 31st July, and the amount of 3½-per-cent. stock which has been incised in respect thereto.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

W. B. PERCEVAL.

Enclosure in No. 4.

STATEMENT showing the Amount of 3-PER-CENT. STOCK which has been inscribed during the present Year in respect to the Conversion and Redemption of the under-mentioned Debentures.

Stock inscribed in respect to the conversion of the debentures issued under the under-mentioned Acts:—	Debentures.	Stock (3½-per-cent.).
	£	£ s. d.
New Zealand Consolidated Loan Act, 1867	292,500	316,697 0 0
New Zealand Loan Act, 1863 (redeemable 1914)	78,700	90,885 0 0
Otago Loan Act, 1862	9,100	10,000 10 0
Auckland Loan Act, 1863	1,000	1,070 0 0
Canterbury Loan Act, 1862	900	1,125 0 0
New Zealand District Railways Purchasing Act, 1885	12,000	12,480 0 0
	394,200	432,257 10 0
Stock inscribed and sold in respect to the redemption of the debentures issued under the under-mentioned Acts:—		
Loan Act, 1856 (Imperial guaranteed)	50,000	288,000 0 0
Consolidated Loan, 1867 (drawn debentures)	33,300	
Cheviot Estates Payment Act, 1893	200,000	
	£677,500	720,257 10 0
Stock inscribed and sold in respect to the conversion of the £500,000 Imperial-guaranteed debentures of 1863		6,000 0 0
Amount of 3½-per-cent. stock held by the Agent-General and Audit Officer.. .. .		62,000 0 0
		£788,257 10 0

31st July, 1894

No. 5.

The AGENT-GENERAL to the COLONIAL TREASURER.

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

6th October, 1894.

(No. 1187).

Release of Sinking Fund.

I BEG to transmit herewith copy of correspondence relating to the release of a further portion of the sinking fund of the loan of 1863, which has resulted, as will be seen, in the payment of £27,000 to the Public Account by the Trustees.

The Hon. the Colonial Treasurer.

W. B. PERCEVAL.

Enclosure 1 in No. 5.

MINUTE FOR THE TRUSTEES OF THE SINKING FUND OF THE LOAN OF 1863.

September, 1894.

I BEG to state, for the information of the Trustees, with the view of their releasing such further portion of the sinking fund as they may deem advisable, that within the present year £78,700 5-per-cent. debentures (redeemable in 1914) of the Loan of 1863, have been converted into New Zealand 3½-per-cent. consolidated stock.

W. B. PERCEVAL.

Enclosure 2 in No. 5.

MEMORANDUM.

THE Trustees of the sinking fund of the loan of 1863 having been informed by the Agent-General that £78,700 of the 5-per-cent. debentures of the loan of 1863 (redeemable 1914) having been converted into New Zealand 3½-per-cent. consolidated stock, a proportionate amount of sinking fund of that loan can now be released.

At the time of the last conversion of these debentures such amount was released as left sufficient amount in the fund to redeem the then outstanding debentures at par in 1914.

The Trustees therefore propose that a further amount, proportioned to that of the converted debentures, be now released, and for the sake of providing for a sufficient margin the 4-per-cent. stock (now quoted at 109-110) and the 3½-per-cent. stock (now quoted at 103-104) will be taken at par value.

The sinking fund at present consists of the following, namely:—

	£	s.	d.
4-per-cent. New Zealand Consolidated Stock	107,448	3	5
3½-per-cent. New Zealand Consolidated Stock	19,614	14	1
Cash on deposit	4,416	3	8

£131,479 1 2

Of this amount (£131,479 1s. 2d), the proportionate amount to be released would be, in round numbers, £27,000.

The Trustees therefore propose to sell the whole of the 3½-per-cent. stock, and such amount of the 4-per-cent. stock as will, with the cash on deposit, make up the sum of £27,000, and that such amount, when realised, be paid over to the Agent-General receiving the same on behalf of the New Zealand Government.

PENROSE G. JULYAN.

W. B. PERCEVAL.

WALTER KENNAWAY.

Enclosure 3 in No. 5.

13, Victoria Street, S.W., 11th September, 1894.

GENTLEMEN,—

The Trustees of the sinking fund of the New Zealand Loan of 1863, having been advised of the conversion of £78,700 5-per-cent. debentures of that portion of the loan which is redeemable in 1914, have decided to release £27,000 of the sinking fund.

I have therefore to request you to take the necessary steps for selling the £19,614 14s. 1d. 3½-per-cent. New Zealand stock, as well as such portion of the 4-per-cent. New Zealand stock as will, with the cash now in deposit, realise the amount (£27,000) which I have named, such amount, when available, to be placed to the credit of the New Zealand Government Public Account at the Bank of New Zealand.

I am, &c.,

WALTER KENNAWAY,

Executive Trustee.

The Crown Agents for the Colonies.

Enclosure 4 in No. 5.

Downing Street, S.W., 29th September, 1894.

SIR,—

New Zealand Sinking Fund Series, 1914.

I have to acknowledge the receipt of your letter, dated the 11th instant, relative to the payment of £27,000 to the credit of the New Zealand Public Account, being the amount of release from the New Zealand sinking fund, 1863, series 1914, on the conversion of £78,700 5-per-cent. debentures of that series.

In reply, I have to inform you that, on the 24th instant, we paid, on behalf of the Trustees, £4,425 12s. 1d. to the credit of the New Zealand Public Account, being the amount of the deposit with accrued interest, and that we have sold the following New Zealand stocks:—

	£	s.	d.	£	s.	d.
£2,361 19s. 7d. 4-per-cent. inscribed stock, at 109	2,574	11	1			
Power of attorney, brokerage, and stamp		6	10	7		
				2,568	0	6
£19,614 14s. 1d. 3½-per-cent. inscribed stock, at 102½	20,056	0	8			
Power of attorney, brokerage, and stamp		49	13	3		
				20,006	7	5

£22,574 7 11

which amount we paid to the credit of the New Zealand Public Account at the Bank of New Zealand yesterday, making, in all, the sum of £27,000, as requested.

We have forwarded two receipts for the above amounts to the Agent-General for his signature and return here, as vouchers for the Sinking Fund Account.

Walter Kennaway, Esq., C.M.G.

I am, &c.,

E. E. BLAKE.

Enclosure 5 in No. 5.

Downing Street, S.W., 29th September, 1894.

SIR,—

New Zealand Sinking Fund, 1914.

In accordance with the request of the Executive Trustee of the New Zealand Loan of 1863, series 1914, conveyed in his letter of the 11th instant, I have the honour to inform you that the Trustees have paid the sum of £27,000 to the credit of the New Zealand Public Account at the Bank of New Zealand, as follows:—

	£	s.	d.
On 24th September	4,425	12	1
On 28th September	22,574	7	11

27,000 0 0

being the amount of sinking fund, series 1914, released on the conversion of £78,700 5-per-cent. debentures 1914.

I enclose receipts for the above-mentioned sums for your signature and return to this office, as vouchers for the Sinking Fund Account.

The Agent-General for New Zealand.

I have, &c.,

E. E. BLAKE.

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

The total amount of these debentures which have been converted during the year 1894 is £297,100; £4,600 have been sent in since my letter of the 9th August, leaving £725,800 still in the hands of the public.

The amount of 3½-per-cent. stock inscribed in respect to these debentures is £321,573, showing an average of about £108¼ stock for every £100 in debentures, an increase of £24,473 in the nominal amount of the public debt, but an annual saving to the revenue of £3,600 in the payment of interest.

I have recently inserted an advertisement in a few of the leading financial and other papers reminding holders of New Zealand Government debentures that they can still bring in their debentures for conversion, and I have further circulated a prospectus amongst the banks and others, giving the terms on which the debentures still outstanding can be converted. I enclose some copies of this prospectus, by which you will see that, as regards the 5-per-cent. consol. debentures, the offer is made of £106 3½-per-cent. stock for every £100 in debentures on terms similar to those of last year, when the amount of stock offered was £108 10s.

I am not sanguine that there will be much response to this offer, as every successive conversion of these debentures materially diminishes the number of those holders who prefer holding stock rather than debentures.

With regard to the management of the annual fund required to pay off any outstanding unconverted debentures which may be drawn, the proposal adopted by you which did away with remitting the full nominal amount from the colony has been duly carried into effect.

The Crown Agents have notified to me that the sum of £242,456 will be available for this year's drawing, and of this amount I estimate that not more than £50,000 will be required to pay off the drawn unconverted debentures, and this amount will be provided for by the sale of 3½-per-cent. stock.

5-per-cent. of the Loan of 1863, redeemable 1914.

As stated in my letter of the 9th August last, £78,700 of these debentures were converted into £90,885 3½-per-cent. stock up to that date, and no further amount has since come in. This leaves £300,100 of these debentures still outstanding.

In September last I moved the Trustees of the sinking fund to release a further portion of the fund, with the result that the sum of £27,000 was made available for that purpose, and paid into the credit of the Public Account on the 24th and 28th September, in two sums of £4,425 12s. 1d. and £22,574 7s. 11d. respectively.

The amount of the sinking fund now in the hands of the Trustees consists of £106,989 6s. 11d. New Zealand 4-per-cent. stock, and £1,500 10s. cash now being invested in the same stock.

You will see by the enclosed prospectus that £114 of 3½-per-cent. stock, inscribable on or after the 3rd June next (when the stock will be inscribed *ex dividend*), is now being offered for every £100 of these debentures, with all undue coupons subsequent to that of the 15th July next attached, or, as an alternative, £114 10s of stock, with immediate inscription, for every £100 in debentures with all undue coupons (including that of the 15th July) attached.

Provincial Loans.

With the exception of one £100 debenture of the 6-per-cent. Canterbury Loan, redeemable in 1915-16, no further conversion of the debentures of these loans has been effected.

The total amount converted in 1894 is as follows, namely:—

	£	s.	d.	into	£	s.	d.	
Otago 6-per-cent. ...	9,100	0	0	into	10,000	10	0	3½-per-cent. stock
Auckland 6-per-cent. ...	1,000	0	0	into	1,070	0	0	3½-per-cent. stock
Canterbury 6-per-cent. ...	1,000	0	0	into	1,250	0	0	3½-per-cent. stock
	£11,100	0	0		£12,320	10	0	

In the prospectus (copy herewith) I have notified that debentures still outstanding of these loans can be converted on terms to be ascertained on application.

No further conversions of the District Railway Debentures have been effected, so that the total amount which have been converted into 3½-per-cent. stocks remains at £12,000.

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

Enclosure in No. 9.

NEW ZEALAND PUBLIC DEBT.

In continuation of the conversion of the under-mentioned debentures of the New Zealand Government loans, notice of which was given by the Bank of England in prospectus dated 14th February, 1894, holders thereof are informed that such debentures can be converted into New Zealand Government 3½-per-cent. consolidated stock (inscribable at the Bank of England) on the terms following, that is to say,—

5-per-cent. Consols (Annual Drawings and Quarterly Coupons).

For every £100 in Consols debentures, £106 of 3½-per-cent. consolidated stock.

The coupon due 15th April next must be detached from the debentures, and will be paid at the due date. All coupons subsequent to that due April 15th must remain attached to the debenture when deposited for conversion. The interest on the 3½-per-cent. stock will date from the 1st January, 1895, the first half-year's dividend being payable on the 1st July, 1895.

Debentures for conversion on the above-mentioned terms must be deposited at the Bank of England not later than 15th March next.

The annual drawing for the redemption at par of the Consols debentures will take place in March, and debentures deposited for conversion on or before the 15th March will not be affected by the drawing.

All debentures drawn for redemption not brought in for conversion under the above terms will be paid off at par (£100) on and after 15th April, 1895.

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

For every £100 in debentures of this loan, £114 of 3½-per-cent. consolidated stock inscribable at the Bank of England on and after 3rd June next. The coupon for the half-year's interest due 15th July next must be detached, and will be paid at the due date. Interest on the 3½-per-cent. stock will date from the 1st July, 1895, and the first half-year's dividend will be paid on the 1st January, 1896. Debentures to be converted under the above terms must be deposited at the Bank of England not later than the 31st May next, when the offer given as above to holders will expire.

Debentures of this loan can also be converted into 3½-per-cent. stock for immediate inscription on the following terms, namely: For every £100 in debentures, with all undue coupons attached, £114 10s. of 3½-per-cent. consolidated stock, bearing interest from 1st January last. This offer will expire on the 31st March.

Debentures still outstanding of the under-mentioned loans will be accepted for conversion into 3½-per-cent. consolidated stock on terms which can be ascertained on application to the Agent-General:—

- (i.) Lyttelton and Christchurch Railway Loan, redeemable 1896 and 1897.
- (ii.) Auckland Loan, redeemable 1896.
- (iii.) Nelson Loan, redeemable 1896.
- (iv.) Otago Loan, redeemable 1898.
- (v.) Canterbury Loan, redeemable 1915 and 1916.

The consolidated stock herein mentioned will in every case rank *pari passu* with the New Zealand 3½-per-cent. consolidated stock already inscribed at the Bank of England, with dividends payable half-yearly on 1st January and 1st July, and redeemable at par 1st January, 1940.

Before presenting debentures of any of the above-mentioned loans at the Bank of England for conversion, it will be necessary to furnish the Agent-General with particulars of the same, in order that the bank may be authorised to receive them.

New Zealand Government Office, 13, Victoria Street, London, S.W.,
25th January, 1895.

W. B. PERCEVAL,
Agent-General.

No. 10.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 188.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
23rd February, 1895.

SIR,—

Sale of 3½-per-cent. Stock.

I BEG to inclose copy of the brokers' sale-note, relating to the sale on the 20th instant of £50,000 New Zealand 3½-per-cent. stock.

The net proceeds will be paid into the Public Account on the 28th instant.

The Hon. the Colonial Treasurer.

W. B. PERCEVAL.

No. 11.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 258.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
8th March, 1895.

SIR,—

I beg to acknowledge the receipt of your letter (T 95/127, No. 3) of the 24th January last, containing instructions as to the disposal of the £50,000 Cheviot Estate debentures forwarded to me by the Postmaster-General, and which have been duly received.

The debentures in question have this day been converted into £50,000 3½-per-cent. consolidated stock, which will be sold and the proceeds paid into the Public Account.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

W. B. PERCEVAL.

No. 12.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 264.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
19th March, 1895.

Sale of 3½-per-cent. Stock.

Memorandum to the Hon. Colonial Treasurer.

I BEG to enclose copies of the brokers' sale-notes relating to the sales on the 8th and 15th instant of £5,000 and £10,000 respectively of New Zealand 3½-per-cent. stock.

The amount of the net proceeds of the £5,000 sale was paid into the Public Account on the 14th instant, while that of the £10,000 will be paid in on the 28th.

W. B. PERCEVAL.

23rd March, 1895.

P.S.—Since writing the above a further sale of £25,000 New Zealand 3½-per-cent. stock has been made. I enclose copy of the sale-note. The net proceeds will be duly paid into the Public Account on the 28th instant.

No. 13.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 328.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
29th March, 1895.

SIR,—

Sale of 3½-per-cent. Stock.

I BEG to enclose copy of brokers' sale-note relating to the further sale of £10,000 of New Zealand 3½-per-cent. stock.

The proceeds of this sale, as well as those advised in my memorandum, No. 264, of the 23rd instant, went into the Public Account yesterday, the total amount thus paid in being £45,449 5s. 6d.

The Hon. the Colonial Treasurer.

W. B. PERCEVAL.

No. 14.

The AGENT-GENERAL to the COLONIAL TREASURER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
3rd April, 1895.

(No. 349.)

SIR,—

Referring to my letter, No. 168, of the 18th February last, I beg to report further on the conversion operations.

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

From the commencement of the present year up to the 23rd March, £35,000 of these debentures have been converted into £37,100 $3\frac{1}{2}$ -per-cent. stock, on the terms offered in the prospectus of the 25th of January, copies of which I sent with my letter of the 18th February last; and of these £35,000 debentures, 900 are included in the list of those drawn on the 21st March for redemption.

The total amount of the drawing was £242,600, represented by £196,900 debentures converted in previous years, £900 converted as mentioned above, and £44,800 in the hands of the public, which will be redeemed at par on the 15th instant by the proceeds of sales of $3\frac{1}{2}$ -per-cent. stock.

Towards providing the funds to meet this payment of £44,800, £24,000 $3\frac{1}{2}$ -per-cent. stock has been already sold, and the proceeds (£24,119 14s.) paid into the Public Account, and a further amount of stock will be sold at once for the purpose of providing the further amount required.

This £24,000 stock thus sold formed part of the £50,000, the proceeds of the sale of which went into the Public Account on the 28th February, the proceeds of the sale of the balance (£26,000) providing for the adjustment of the Conversion Account with the Public Account.

I am proceeding with the conversion of these debentures, and am at present offering £106 $3\frac{1}{2}$ -per-cent. stock for every £100 in debentures, with all coupons subsequent to that of 15th instant attached.

5-per-cents of the Loan of 1863.

From the 1st January to the 31st March of this year £5,100 of these debentures have been converted (on the terms given in the prospectus of the 25th January last), at £114 10s. into £5,839 10s. $3\frac{1}{2}$ -per-cent. stock.

The conversion of these debentures will be continued, at the rate of £114 stock for every £100 in debentures, under the terms specified in the above-mentioned prospectus.

Provincial Loans.

With the exception of one £100 debenture of the Otago Loan, which has been converted into $3\frac{1}{2}$ -per-cent. stock, at the rate of £106 stock for the £100 debenture, with all undue coupons attached, no further conversion of the debentures of these loans have been effected.

Cheviot Estate Debentures.

The additional £50,000 of these debentures received from the Honourable Postmaster-General on the 2nd ultimo were, in accordance with your instructions, converted into £50,000 $3\frac{1}{2}$ -per-cent. stock, which has been sold, and the net proceeds (£50,504 18s.) paid into the Public Account.

Inscription of Stock for the Conversion Purposes.

The £3,839 5s. 3d. $3\frac{1}{2}$ -per-cent. stock which was held by the Bank of England has, at my request been transferred to the joint names of myself and the Audit Officer. This stock was a portion of that which was inscribed in the name of the bank in 1891–92, as a security for advances, which have since been paid off.

The Stock Agents have also, at my request, authorised the inscription of a further amount of £7,000 $3\frac{1}{2}$ -per-cent. stock in the names of myself and the Audit Officer. This additional amount of stock was required to make up the amount payable on the 15th instant on account of the drawn consol. debentures, and for stamp duty and other conversion expenses.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

W. B. PERCEVAL.

No. 15.

The AGENT-GENERAL to the COLONIAL TREASURER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
4th April, 1895.

(No. 346.)

Sales of Stock and Conversion Account.

Memorandum to the Hon. Colonial Treasurer.

REFERRING to the telegrams which have passed relating to the sale of stock, and the adjustment of the Conversion Account, I give below a statement showing how the proceeds of the sale of the £100,000 $3\frac{1}{2}$ -per cent. stock sold since the beginning of the present year should be allocated.

Date of Payment into the Public Account.	Amount of Stock. £	Net Proceeds. £ s. d.	How allocated.
1895. February 28.	26,000	26,129 13 6	Adjustment of Conversion Account.
March 14.	5,000	5,055 12 6	Towards providing for payment of drawn consol. debentures.
March 28.	45,000	45,449 5 6	Cheviot Estate Debentures.

W. B. PERCEVAL.

No. 16.

The AGENT-GENERAL to the COLONIAL TREASURER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
5th April, 1895.

(No. 348.)

Sale of 3½-per-cent. Stock.

Memorandum to the Hon. Colonial Treasurer.

I BEG to enclose copy of brokers' sale-note relating to the further sale of £13,000 New Zealand 3½-per-cent. stock for the 10th instant account. The proceeds of this sale will be paid into the Public Account in due course.

W. B. PERCEVAL.

No. 17.

The AGENT-GENERAL to the COLONIAL TREASURER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
17th April, 1895.

(No. 406.)

Sale of 3½-per-cent. Stock.

Memorandum to the Hon. Colonial Treasurer.

REFERRING to memorandum, No. 348, of the 5th instant, I beg to enclose copy of sale-note of £10,000 New Zealand 3½-per-cent. stock, the proceeds of which, together with that of the £13,000 stock (sale of which I advised in the above-mentioned memorandum), amounting in all to £23,344 6s. 6d., went into the Public Account on the 10th instant.

W. B. PERCEVAL.

No. 18.

The AGENT-GENERAL to the COLONIAL TREASURER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
17th April, 1895.

(No. 409.)

SIR,—

Some weeks back I suggested to the Agent-General for New South Wales that the time was opportune when he, with the Agent-General for Queensland and myself, should interview the Governor of the Bank of England and urge the bank to reduce the charges for the management and inscription of the colonial stocks domiciled with it.

At the interview we strongly urged the claims for the reduction, and discussed the matter very fully. No hopes were, however, held out to us by the Governor that our application would be favourably considered. Subsequently, I formally wrote to the bank asking for a reduction in the charges, which was formally declined. A few days later the Hon. J. G. Ward and I again brought the matter under the notice of the Governor and the Deputy-Governor, who then promised to reconsider the whole question. At a subsequent interview the Governor informed us that the bank had decided to make a reduction of £100 per million per annum. This will effect a saving of some £3,000 a year, but the charge is still, in my opinion, much higher than it should be.

A copy of the correspondence is herewith enclosed.

You will also see from the correspondence that the bank has conceded the point raised in my letter of the 7th November last as to special charges hitherto made by the bank for conversion work.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

Enclosure 1 in No. 18.

SIR,—

Bank of England, London, E.C., 12th October, 1894.

With further reference to the conversion of New Zealand debentures, I beg to state that the total amount of debentures now converted is as follows, viz. :—

£5-per-cent. Consols—		£	£
Annual drawings .. .. .	.. .. .	285,000	
Drawn bonds .. .. .	.. .. .	7,500	
			292,500
£5-per-cent. loan of 1863 .. .. .	.. .. .		78,700
District Railways Purchasing Act, 4 per cent., 1885 .. .. .	.. .. .		12,000
Province of Auckland, 6 per cent., 1896 .. .. .	.. .. .		1,000
Province of Otago, 6 per cent., 1898 .. .. .	.. .. .		9,100
Province of Canterbury, 6 per cent., 1915-16 .. .. .	.. .. .		1,000
			£394,300

The bank's charge for management of conversion amounts to £236 11s. 7d., being at the rate of £600 per million, and I shall feel obliged if you will forward a cheque for that amount.

I may add that the bank does not appear to have received payment for the conversion of a further amount of £24,700—viz., £14 16s. 4d. These bonds were received subsequent to the amount of £247,600 of the conversion of 1891, on which management was paid in September, 1892.

I am, &c.,

The Agent-General for New Zealand,
Westminster Chambers, 13, Victoria Street, S.W.J. G. NAIRNE,
Deputy Chief Cashier.*Enclosure 2 in No. 18.*

SIR,—

Bank of England, London, E.C., 6th November, 1894.

With further reference to the conversion of New Zealand debentures, I beg to enclose herein a list, which is in continuation of those already forwarded.

I shall be obliged if, when forwarding the cheques asked for in my letter of the 12th October, you will include the following amounts, due in respect of the above-mentioned bonds, viz.: For commission to broker, £11 10s.; for management, £2 15s. 2d.

I am, &c.,

The Agent-General for New Zealand,
Westminster Chambers, 13, Victoria Street, S.W.H. G. BOWEN,
Chief Cashier.

Enclosure 3 in No. 18.

SIR,—

13, Victoria Street, S.W., 7th November, 1894.

Referring to your letters of the 12th ultimo and 6th instant, in which you request the payment of a charge made by the bank for the management of the conversion of outstanding debentures into stock, I desire to direct your attention to the letters which passed between the Governor of the Bank and Sir Julius Vogel, in November, 1875, and which contained particulars of the agreement then made, under which the bank undertook the inscription, conversion, &c., of the public debt of New Zealand. I may observe that these letters were, in April, 1881, the subject of further correspondence with Sir F. D. Bell, when they were mutually recognised as covering all the duties arising out of future conversions.

The letters of November, 1875, specified the duties which were to be performed by the bank, and amongst these is named that of the conversion of outstanding debentures into stock, and the consideration for the performance of the duties thus stated is given as £600 per annum for every million pounds of stock up to the amount of ten millions, and thereafter of £550 per million pounds.

I am unable, therefore, to come to any other conclusion but that the consideration payable to the bank for the duty of converting outstanding debentures into stock is included in the amount which is paid half-yearly by my Government, and that any further charge is inadmissible under the agreement made in 1875, and confirmed in 1881.

I am, &c.,

W. B. PERCEVAL.

The Chief Cashier, Bank of England.

Enclosure 4 in No. 18.

SIR,—

Bank of England, London, E.C., 10th November, 1894.

I beg to acknowledge the receipt of your letter of the 7th instant, with reference to the charge made by the bank in connection with the recent conversion of outstanding New Zealand Government debentures into inscribed stock.

Before replying to the question which you raise, I shall be glad to know what, in your opinion, constitutes the difference between this charge and those previously made and met by your Government, namely:—

February, 1884.—	Conversion of £5,397,900; charge, £3,238 14 10
July, 1885.—	„ £3,651,700; „ £2,191 0 0
May, 1886.—	„ £4,162,600; „ £2,497 11 2
September, 1891.—	„ £247,600; „ £148 11 8

I am, &c.,

H. G. BOWEN,

Chief Cashier.

The Agent-General for New Zealand,

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

Enclosure 5 in No. 18.

SIR,—

13, Victoria Street, S.W., 13th November, 1894.

I beg to acknowledge the receipt of your letter of the 10th instant, with reference to the charge made by the bank for the conversion of outstanding debentures, and, in reply, I beg to state that I am unable to reconcile the fact of the bank having received the payments specified by you with the terms of the arrangement made with the bank in 1875, and confirmed in 1881.

I can only assume that my predecessor, under special circumstances, deemed it expedient to admit the bank's claim for a charge which is not provided for in the above-mentioned arrangement as set forth in the letters of 1875.

I am, &c.,

W. B. PERCEVAL.

The Chief Cashier, Bank of England.

Enclosure 6 in No. 18.

GENTLEMEN,—

13 Victoria Street, S.W., 25th March, 1895.

I have received instructions from my Government to bring under your notice the annual charge made by the bank in respect to the inscription and management of the New Zealand loans.

My Government consider that, under the present circumstances, the amount which is thus charged is exceptionally heavy, and that the time has arrived when they are justified in asking that a substantial reduction should be made.

I am also instructed to direct your attention to the charge of $\frac{1}{2}$ per cent made in respect to the issue of new loans, with a view to such charge being reduced as regards future loans.

I have therefore the honour to request, on behalf of my Government, that you will give the matter your careful consideration, and state what reductions you will be willing to concede.

I have, &c.,

W. B. PERCEVAL.

The Governor and Company, Bank of England.

Enclosure 7 in No. 18.

SIR,—

Bank of England, London, E. C., 26th March, 1895.

I beg to acknowledge the receipt of your letter of yesterday's date in reference to the bank's charges for the inscription and management, &c., of the New Zealand loans, to which I hope to reply fully in the course of a few days.

I am, &c.,

H. G. BOWEN,

Chief Cashier.

Sir W. B. Perceval, K.C.M.G., Westminster Chambers, London, S.W.

Enclosure 8 in No. 18.

SIR,—

Bank of England, London, E.C., 27th March, 1895.

In continuation of my letter of yesterday, I beg to say that yours of the 25th was to-day considered by the directors.

I am instructed to say, in reply, that the bank are not prepared to vary the terms on which they have in the past issued and managed the New Zealand inscribed stocks.

With regard to the inscription of stock created in connection with the conversion of outstanding bond issues, the bank are prepared not to press the claim for remuneration made some little time ago, and are further prepared to make any further inscriptions of a similar nature free of charge, out-of-pocket expenses excepted.

You will remember, however, that the bank have been paid for such services more than once.

I am, &c.,

H. G. BOWEN,

Chief Cashier.

The Agent-General for New Zealand Government,

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

Enclosure 9 in No. 18.

SIR,—

Bank of England, London, E.C., 11th April, 1895.

I am directed to forward you herein a copy of a letter the bank have this day sent to the Agent-General of the New South Wales Government relative to the future charge for the management of Colonial inscribed stocks.

I am, &c.,

H. G. BOWEN,

Chief Cashier.

The Agent-General for the New Zealand Government,

13, Victoria Street, Westminster, S.W.

Enclosure 10 in No. 18.

SIR,—

Bank of England, London, E.C. 11th April, 1895.

In reply to your letter of the 8th instant, relating to the bank's charge for management of New South Wales Government inscribed stocks, I am directed to inform you that the Bank of England are prepared to manage in future the inscribed stocks of the New South Wales, Queensland, and New Zealand Governments for an annual payment in each case, viz.: £500 per million of stock per annum up to a total of ten millions of stock, £450 per million per annum on the next five millions of stock, and at the rate of £400 per million per annum on any amount of stock in excess of fifteen millions, it being understood that the dividends will in each case continue to be paid half-yearly.

The reduced charges will date from the 1st proximo.

I have forwarded a copy of this letter to the Agents-General of the Queensland and New Zealand Governments.

The Agent-General for the New South Wales Government,
9, Victoria Street, Westminster.

I am, &c.,
H. G. BOWEN,
Chief Cashier.

No. 19.

The PREMIER to the AGENT-GENERAL.

(No. 14.)

SIR,—

The Treasury, Wellington, 10th June, 1895.

I have the honour to acknowledge the receipt of your letter of the 17th April last (No. 409), containing the gratifying intelligence that the Bank of England had consented to reduce its charges for the management and inscription of our stocks by £100 per million per annum.

I have read the correspondence on the subject (copies of which accompanied your letter) with much interest, and heartily congratulate you that, in conjunction with my honourable colleague Mr. Ward, you succeeded in overcoming the natural opposition of the Governors of the Bank to any reduction of the very high charges originally imposed upon the colony; but I quite agree with the opinion you express that the charges are still excessive.

The relief to the colony by the present reduction of £3,600 per annum in its permanent charges is of sufficient importance to warrant me in thanking the Hon. Mr. Ward and yourself, on behalf of the Government and the colony, for your services in the negotiations you so ably and successfully conducted.

I must also specially thank you for your successful resistance of the demand of the bank for payment of its claim for services in managing conversion operations, which services, as you pointed out to the bank, are clearly included in those for which the per-millionage is paid for management of our stocks. It is to be regretted that similar claims were paid without question by your predecessors.

Sir Westby B. Perceval, K.C.M.G.,
Agent-General for New Zealand, London.

I have, &c.,
R. J. SEDDON.

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