Present annual charge:				
Interest on	£1,832,000			
	503,700			
	2,335,700, at 5 per cent.		£116,785	
	3,053,000, at 4½ ,,		137,385	
	5,388,700		254,170	
Crown Agents' commission ...	...	at ¼ per cent.	635	
				254,805
Future annual charge:				
Interest on	5,548,815, at 4 per cent.		221,952	
Bank of England, at £550 per million	3,051			
Less	319*			
			2,732	
				224,684
Saving per annum				30,121
But this saving is reducible by the amount required to be invested annually at 4 per cent. compound interest to produce the amount of the increased capital by the due date of the stock in 1929 ...				1,323
The net saving per annum is therefore				£28,798

No. 35.

The Agent-General to the Hon. the Colonial Treasuser.

Sir,— 7, Westminster Chambers, London, S.W., 14th December, 1883.

Adverting to the conversion scrip belonging to the custodians of the various funds, it has seemed to me necessary to take care that no risk is incurred to the funds by the necessity (which could not be avoided) of first inscribing the stock in the names of the persons among whom I had to divide the various holdings upon surrendering the debentures. I accordingly instructed Messrs. Mackrell to prepare declarations of trust, certifying that we hold the scrip in trust for the custodians; and I shall soon be able to send you those instruments.

Upon looking at the Imperial Act, it appeared to me that the custodians might be debarred from taking out stock certificates in the way they instructed me to do for the stock inscribed in their names. I, therefore, brought this question before Messrs. Mackrell, under whose consideration it still is, and steps will be taken to meet the difficulty. I have, &c.,

The Hon. the Colonial Treasurer, Wellington. F. D. Bell.

No. 36.

The Stock Agents to the Hon. the Colonial Treasurer.

Sir,— 7, Westminster Chambers, London, S.W., 14th December, 1883.

We have now the honour to inform you that the conversion of the 5-30s and short-dated debentures was completed, according to announcement, at the Bank of England on the 30th November. The following are the amounts sent in for conversion, viz.:—

1. 4½-per-cent. 5-30s (1904 and 1905)	£3,053,000
2. 5-per-cent. 5-30s (1906)	503,700
3. Short-dated debentures	1,832,000
Total	£5,388,700

Of this total amount, debentures for the following sums were deposited at the Bank of England, viz.:—

4½-per-cent. 5-30s	£2,901,100	
5-per-cent. 5-30s	475,000	
Short-dated bonds	1,832,000	
		£5,208,100
And notices as to the following amounts were sent in under the notice to Trustees referred to in the Agent-General's letter of the 28th November, viz.:		
4½-per-cent. 5-30s	£151,900	
5-per-cent. 5-30s	28,700	
		180,600
Making altogether the total of		£5,388,700

We suggested to the Agent-General that it would be advisable to obtain an actuarial computation of the value of the operation to the colony; and we now have the honour to transmit herewith

* The sum of £319 represents the saving of £50 per million now effected in the Bank of England's charge on the amount of the stock before the above conversion took place, viz., £6,371,200; new stock, £5,548,815: total stock, £11,920,015.