

No. 7.

The COLONIAL TREASURER to the LOAN AND STOCK AGENTS.

Loan Agents, London.

Wellington, 12th July, 1889.

MESSAGE of 8th received. Your proposals approved. Government much gratified therewith, and thank you. With reference to inclusion Bank prospectus of the loan offers conversion, exercise your discretion.

No. 8.

The LOAN AND STOCK AGENTS to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 12th July, 1889.

It will be in your recollection that among the reasons we had for advising you, in the early part of this year, to put off calling in the 10-40 bonds for payment was the hope that whenever the time came for operating we might close the issue of any more 4-per-cents, and make the first creation of a 3½-per-cent. stock.

A number of things lately combined to make us think the right moment had come for the double operation of calling in the ten-forties and paying off the outstanding bonds of 1879. It was necessary, however, to make sure that the Bank of England concurred with us, and would promise to issue a 3½-per-cent. stock, at the proper time, for the amount required—namely, about £2,600,000; and we are glad to say that, at a conference with the governors a few days ago, they consented to bring out a conversion loan accordingly in the early part of October.

An important point discussed at the conference was whether the loan should be issued simply to pay off the debentures in cash, and without giving an opportunity to the holders to convert, or whether the prospectus of the loan should contain an offer of terms of conversion. You will remember our saying last February that it would probably be inexpedient to call in the ten-forties without making such an offer; but of course everything depends on the state of the market at the moment, and, as there is no necessity for deciding the point now, it was agreed at the conference to leave it open till the time approaches for bringing out the loan.

We telegraphed the result of the conference to you on the 8th, and were much gratified by your approval of our proposals in such generous terms.

We shall, as on former occasions, send you in good time a set of special ciphers prepared to cover the points we shall have to decide, so that you may know the steps actually taken when bringing out the loan.

We have, &c.,

P. G. JULYAN,

F. D. BELL,

Loan and Stock Agents.

The Hon. the Colonial Treasurer, Wellington.

No. 9.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 26th July, 1889.

With reference to the Loan Agents' letter of the 12th instant, I beg to enclose copies of the notices we have issued calling in the outstanding bonds of the loan of 1879 and of the ten-forty series.

The appearance a few days ago of a Reuter's telegram from Wellington—of which a copy is also annexed—called the attention of the market to the fact of an operation being pending, and it may be said that the result has so far been favourable to the prospect of establishing the new 3½-per-cent. stock.

Meanwhile, the Actuaries have been desired to calculate the equivalent in the new 3½-per-cent. stock for £100 of the fours at the market price of the day within a range of quotations between 102 and 107 and at every ¼ per cent. of the range, on the supposition of a currency of fifty years from the 1st November, 1889.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

Enclosure 1 in No. 9.

NEW ZEALAND.—To the holders of New Zealand Government 5-per-cent. ten-forty debentures issued under the Acts of the General Assembly of New Zealand intituled respectively "The New Zealand Loan Act, 1876," and "The New Zealand Loan Act, 1877."—The Government of New Zealand hereby give notice that the outstanding 5-per-cent. ten-forty debentures issued under the above Acts will be paid off at par on the 1st day of March, 1890, at the offices of the Crown Agents for the Colonies in Downing Street, London, after which date interest will cease. The debentures must be left at the offices aforesaid for examination three clear days prior to payment.

For the Government of New Zealand,

PENROSE G. JULYAN,

F. D. BELL,

Westminster Chambers, London, 16th July, 1889.

Loan Agents of the said Government.

Enclosure 2 in No. 9.

NEW ZEALAND.—To the holders of New Zealand Government 5-per-cent. debentures issued under the Act of the General Assembly of New Zealand intituled "The New Zealand Loan Act, 1879."—The Government of New Zealand hereby give notice that the outstanding 5-per-cent. debentures issued under the above Act will be paid off at par on the 1st day of November, 1889, at the offices of the Crown Agents for the Colonies in Downing Street, London, after which date interest will cease. The debentures must be left at the offices aforesaid for examination three clear days prior to payment.

For the Government of New Zealand,

PENROSE G. JULYAN,

F. D. BELL,

Westminster Chambers, London, 16th July, 1889.

Loan Agents of the said Government.