

No. 6.

The PREMIER to the AGENT-GENERAL.

Agent-General, London.

Wellington, 17th February, 1891.

THREE-AND-A-HALF-PER-CENT. LOAN.—Message of 14th received. Your proposal approved.

No. 7.

The AGENT-GENERAL to the PREMIER.

Premier, Wellington.

(Received 24th February, 1891.)

THREE-AND-A-HALF-PER-CENT. LOAN.—Agents for inscribed stock accounts were sent by last mail. Balance favour the Public Account in round numbers £65,000, amount inscribed £68,000, price being provisionally taken 96½.

London, 23rd.

No. 8.

The PREMIER to the AGENT-GENERAL.

(No. 13.)

SIR,—

Premier's Office, Wellington, 24th March, 1891.

Referring to your telegram of the 23rd ultimo, stating that £68,000 of 3½-per-cent. stock had been inscribed at £96½, and the proceeds paid into the Public Account, I would like to point out that this sum appears to me to be insufficient to meet the expenses which have been incurred in respect of the £2,700,000 loan.

	£	s.	d.
The debentures to be paid off amounted to	2,595,300	0	0
The cash paid to Public Account, including exchanged debentures, &c., amounted to	2,548,364	18	7
Deficient	46,935	1	5
Further charges to come in (see your letter of the 15th April, 1890—[No. 34, B.—14, 1890])—			
Sundry payments by Stock Agents	£350	0	0
Crown Agents' commission	10,590	0	0
	10,940	0	0
Overlap of interest which I have charged to Conversion Account	15,275	6	10
And further charges in respect of the £68,000 now inscribed—say	700	0	0
Required	73,850	8	3
Proceeds of £68,000 at 96½	65,620	0	0
Deficient	£8,230	8	3

I shall be glad to hear from you how the Stock Agents intend to make good this deficiency.

I have, &c.,

The Agent-General for New Zealand, London.

J. BALLANCE.

No. 9.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 200.)

Westminster Chambers, 13, Victoria Street, London, S.W.,
6th February, 1891.

SIR,—

I received in due course your telegram of the 3rd instant, stating that the Controller and Auditor-General desired the account of the conversion of 1889 to be closed, and suggesting that, if the market was not favourable for selling the stock which has to be sold for defraying the expenses of that conversion, the Stock Agents should create a short-dated debenture for £75,000, for which you proposed to make an investment in the colony.

I replied on the same day that, although the market was favourable at the present time, the 3½-per-cent. stock being quoted a little over 97, I was anxious to avoid having to make sales of any 3½-per-cent. stock until we should know how much of the sixes is brought in for conversion; because, if we had to fix in a few days the equivalents to be offered to holders in the loans proposed to be converted, and then, after fixing those equivalents, had to sell any considerable amount of stock, prices would certainly droop during the interval between the issue of the bank prospectus and the date in March when holders would have to declare their election, and any fall in price during that interval would, of course, discourage holders from bringing in their bonds.

We shall know, however, by the middle of March how many of the sixes are brought in, and it is probable that there will be no difficulty then in making the necessary sales to recoup the Public Account for its advances; whereupon it would be unnecessary to create short-dated debentures. I therefore cabled to you asking whether there was any objection to postpone the question of creation until that time, and was glad to receive your reply next day conveying your assent.

With regard to the last paragraph of your telegram of the 3rd, stating that the conversion accounts must arrive at the Treasury before the 31st March, the necessary steps were immediately taken for their preparation, and they will go to you (in as complete a shape as they can) by the next San Francisco mail, leaving on the 21st instant; so that they will reach you within the time desired.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.