

Enclosure 2 in No. 21.

CONVERSION OF 1891.—MINUTE FOR THE STOCK AGENTS.

THE arrangements made with the Bank of England last April and May provided that, for the objects then set forth, the Bank should make a first advance to the Government of £100,000 on security of £110,000 3½-per-cent. conversion stock, and a second advance, in sums from time to time as required, to an amount not exceeding £150,000 on security of £200,000 more of the same stock.

Upon the first advance of £100,000 being paid off on the 24th June, the £110,000 stock given in security was transferred into the names of the Agent-General and Audit officer. The second advance, made at various times and in various sums, and amounting in the aggregate to £125,000, has also been all paid off, the last repayment being made on the 4th instant; and the question now is how to deal with the £200,000 stock given in security for that advance.

The annexed computation shows that, taking the transactions connected with the loans of 1860 and 1863 as the same are actually completed up to the present time, a further amount of £170,000 3½-per-cent. stock should now be added to the £110,000 already transferred; and the Stock Agents in conference to-day decided that instructions should be given to the Bank accordingly.

The loan of 1860 is practically extinguished, there being only £700 of debentures now outstanding. But the December series of the loan of 1863 has still to be provided for to the extent of £69,400, and if the Government should decide to apply to that series the same process as for the March and June series it will be necessary to obtain fresh advances from the Bank before that series falls due. The Stock Agents accordingly considered whether provision should be now made in anticipation of such advances being required in December; but, having regard to the approaching termination of their engagements as Stock Agents, they came to the conclusion that, in the absence of instructions, they ought not to forestall the action of the Government by making any arrangement with the Bank for possible future advances. On the other hand—as in any case the whole £200,000 of stock already created will be required when the December series is extinguished—they considered that it would be expedient to keep in reserve the residue of £30,000 stock, after transferring the £170,000 as above mentioned, the same to be dealt with as the Government may direct later on, and that the Bank should be instructed accordingly.

Westminster Chambers, 12th August, 1891.

F. D. BELL, Agent-General.

STATEMENT showing the Amounts drawn from the Public Account on account of the March and June Series of the 1863 Loan, and of the Loan of 1860, and the Amount of Stock which should be held on behalf of the New Zealand Government in respect thereto.

	£	s.	d.
On account of the March series, 1863 loan	110,800	0	0
" June series, 1863 loan	157,800	0	0
" July series, 1860 loan	66,600	0	0
	335,200	0	0
Add 4 per cent. for conversion.. .. .	13,408	0	0
Amount of stock required	348,608	0	0
Amount already inscribed on behalf of the New Zealand Government, 1860 loan	£ 69,264		
Amount already inscribed on behalf of the New Zealand Government, 1863 loan	110,000		
	179,264	0	0
Balance	169,344	0	0
Add stock representing £1,285, commission paid to Crown Agents	1,336	8	0
Amount of stock still required	£170,680	8	0

12th August, 1891.

F. D. BELL.

Enclosure 3 in No. 21.

The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,—

Westminster Chambers, 12th August, 1891.

The particular transactions connected with the present conversion of the New Zealand loans, to provide for which the Bank of England lately made certain advances to the New Zealand Government, have now been brought to a point when an interim arrangement can be made in regard to the £200,000 3½-per-cent. New Zealand stock still in the hands of the Bank as part security for those advances.

The first advance of £100,000 was made on security of £110,000 of 3½-per-cent. stock, and upon that advance being paid off the stock was transferred into the names of Sir Francis Bell and C. Wray Palliser. The second advance, made at various times and in various sums on security of £200,000 3½-per-cent. stock, has also been now paid off, but none of the stock has been transferred.

A computation of the amount of stock to be inscribed in respect of various transactions, so far as the same have been completed up to the present time, shows that a further amount of about £170,000 stock should now be added to the £110,000 already transferred as above mentioned, pending the final adjustment that will have to be made in due course.

I have accordingly to request, on behalf of my Government, that, out of the £200,000 stock still in the hands of the Bank, £170,000 may be transferred into the same names of Sir Francis Dillon Bell and Charles Wray Palliser. As to the remaining £30,000, I shall address you again later on, but it will not be necessary to take any step at present.

The Chief Cashier, Bank of England.

I am, &c.,

F. D. BELL.

Enclosure 4 in No. 21.

The BANK OF ENGLAND to the AGENT-GENERAL.

SIR,—

Bank of England, 13th August, 1891.

I beg to acknowledge the receipt of your letter of yesterday's date, and to inform you that, in compliance with the request contained therein, £170,000 New Zealand 3½-per-cent. stock has been transferred into the names of Sir Francis Dillon Bell and Charles Wray Palliser.

The Agent-General for New Zealand.

I am, &c.,

E. E. BALY, Deputy Chief Cashier.

Enclosure 5 in No. 21.

The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,—

Westminster Chambers, 11th August, 1891.

With reference to the Westland Provincial Loan of £50,000, which, as you are aware, is one of the loans comprised in the conversion, I requested my Government last April to send the debentures to me for conversion. It turned out, however, that only scrip had been issued under "The Westland Loan Act, 1873," and thereupon a debenture