

of stock will be a material aid to the funds to be placed at your disposal, besides providing ways and means for the Public Works Fund during the current year arising from the surplus sinking funds released by the conversion operation. These two results are in themselves matters of the utmost importance.

I have, &c.,

JOHN MCKENZIE
(for the Premier).

The Agent-General for New Zealand, London.

No. 33.

The AGENT-GENERAL to the PREMIER.

(No. 546.)

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

SIR,—

12th May, 1893.

I beg to transmit herewith copy of correspondence with the Bank of England, with reference to the payment of the amount still due to the Bank on account of the purchase of the £500,000 guaranteed debentures of the loan of 1863.

The Bank appears to be anxious to complete the transaction by the 30th June next; but, as it was aware at the time, it is necessary to sell a sufficient amount of the $3\frac{1}{2}$ -per-cent. and 4-per-cent. Stock held by the Bank as security in order to provide the necessary funds. In the present state of the stock market, depressed as it is by the Australian bank failures, there is complete stagnation as regards sales of colonial stock, so that, except at a great sacrifice, it is not possible to realise; and, considering that the Bank holds ample security for the payment, I do not consider the Government ought to be called upon to press sales.

At the same time, circumstances might occur which will necessitate the use of some portion of the £800,000 guaranteed debentures, in order to avoid the sale of the stock at a sacrifice; but I shall not consent to this unless absolutely necessary, and, at all events, without first communicating with you by telegraph for your instructions.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

Enclosure 1 in No. 33.

SIR,—

13, Victoria Street, 3rd May, 1893.

Referring to the arrangement under which the £500,000 Imperial guaranteed debentures were surrendered to my Government, and to your letter of the 8th February, in which you stated that the Governors would be glad if the last instalment of the purchase-money could be paid not later than the 1st instant, I beg to express my regret that the unforeseen financial circumstances which have lately occurred have prevented me from selling a sufficient amount of the stock which was transferred to the Bank as security, and that I have therefore been unable to meet the wishes of the directors. I trust, however, that the market for the sale of the stock in question will shortly recover itself, and thus enable me, on behalf of my Government, to pay off the balance (£335,194 11s.) which is still due.

I am, &c.,

The Chief Cashier, Bank of England.

W. B. PERCEVAL.

Enclosure 2 in No. 33.

SIR,—

Bank of England, London, E.C., 11th May, 1893.

I beg to acknowledge the receipt of your letter of the 3rd instant, with reference to the arrangement for the payment for the £500,000 New Zealand 4-per-cent. guaranteed debentures recently purchased by your Government of the Bank.

In reply, I am directed to inform you that, under the circumstances, the Governors are willing to postpone the time for the payment of the final instalment of the purchase-money for a further reasonable period; they would, at the same time, be glad to know if, in your opinion, the matter can be concluded by the 30th June next.

I am, &c.,

The Agent-General for New Zealand, 13, Victoria Street.

F. MAY, Chief Cashier.

Enclosure 3 in No. 33.

SIR,—

13, Victoria Street, London, E.C., 12th May, 1893.

I beg to acknowledge the receipt of your letter of the 11th instant, in which, in reference to the arrangement for the payment for the £500,000 4-per-cent. guaranteed debentures, you inquire whether the matter can be concluded by the 30th June next, and in reference thereto I desire to state that, as the payment of the balance still due depends upon the sale of a sufficient amount of the stock remaining in the Bank's hands as security, I am unable, in the present state of the money-market, to give any definite assurance that full payment will be completed at the date named. I need scarcely add that it will be my endeavour to realise the necessary amount of stock as soon as possible.

I venture to point out that a payment of £120,000 was made to the Bank on the 17th March last without the release of an equivalent amount of stock, thus affording a considerable increase to the security held for the balance still payable.

I am, &c.,

The Chief Cashier, Bank of England.

W. B. PERCEVAL.

No. 34.

The PREMIER to the AGENT-GENERAL.

(No. 28.)

SIR,—

Premier's Office, Wellington, 12th July, 1893.

I have the honour to acknowledge the receipt of your letter of the 12th May last, No. 546, transmitting copy of correspondence between the Bank of England and yourself in regard to paying off the balance of the advance made by the Bank for the purpose of paying off the guaranteed debentures of the loan of 1863.

The request of the Bank for repayment by the 1st of May, and then by the 30th ultimo, came as a surprise to me, and, considering the very ample margin of security they held, and knowing, as