

HONGKONG.

## CORRESPONDENCE RE ISSUE OF LOAN UNDER ORDINANCE No. 2 OF 1893.

*Laid before the Legislative Council by Command of His Excellency the Governor, on the 19th June, 1893.*

HONG KONG.  
No. 80.

DOWNING STREET,  
5 May, 1893.

SIR,

I have the honour to transmit to you, for your information, with reference to my despatch No. 43 of the 9th of March, a copy of the correspondence noted below respecting the issue of £200,000 Hong Kong Government 3½ per cent. Stock.

I have the honour to be,

Sir,

Your most obedient humble Servant,

R. H. MEADE,  
*for the Secretary of State.*

*The Officer Administering the Government of*  
HONG KONG.

Date.	Description of Document.
26 April,.....	Copy of a letter from the Crown Agents.
5 May, .....	Copy of reply.

(Copy.)

DOWNING STREET,  
26th April, 1893.

HONG KONG.

SIR,

With reference to your letter of the 9th instant I have the honour to enclose two copies of the advertisement which we issued on the 19th instant for Tenders for £200,000 Hong Kong Government 3½ per cent. Stock, authorised by Ordinance No. 2 of 1893. The tenders called for by this advertisement were opened yesterday, and amounted to £625,500 ranging from the minimum of £98 up to £102.1.0. The average price realised was £100.12.7.

2. We telegraphed this result to the Colonial Secretary yesterday, and we think it may be regarded as satisfactory. Hong Kong 3½ per cent. Stock has secured a position surpassed only by the similar stock of Canada and the Cape, both large, well known and marketable issues. We have not overlooked the suggestion made by the Governor in his despatch No. 9 of the 13th January that, having regard to the price quoted for Ceylon 3 per cent. Stock, a three per cent. Hong Kong Stock would probably be well received. It appears to us that the position of the two Colonies as far as they are known as borrowers here is not quite identical, Ceylon Government Securities having for many years ranked among investments of the highest class, while Hong Kong is known only by its single small issue of four per cent. Debentures. Moreover the Ceylon three per cent. Stock was issued during a period of great inflation and, even then, was not placed without some difficulty.

*The Under Secretary of State,*  
*Colonial Office.*

Any considerable further issue at the present time would undoubtedly depress the stock to a figure which taken as a basis for estimating the probable result of a similar issue for Hong Kong would give a price at so great a discount as to leave a saving in interest, as compared with a  $3\frac{1}{2}$  per cent. Stock at par, altogether insufficient to compensate the Colony for the loss in repaying the debt.

3. The conversion of the four per cent. Debenture loan into the new Stock will be taken into consideration as soon as we have secured a Stock Exchange quotation for the Stock.

4. The original enclosures to your two letters of the 9th ultimo are returned herewith.

I have, &c.

(Sd.) M. F. OMMANNEY.

(Copy.)

DOWNING STREET,  
5 May, 1893.

GENTLEMEN,

I am directed by the Marquess of Ripon to acknowledge the receipt of your letter of the 26th ultimo and to convey to you an expression of his Lordship's pleasure at the satisfactory price which has been obtained for the recent issue of £200,000 Hong Kong Government  $3\frac{1}{2}$  per cent. Stock.

I am &c.

(Sd.) EDWARD FAIRFIELD.

*The Crown Agents  
for the Colonies.*