

currency of the loan is forty years, the Government reserving to itself the right to pay off at any time after ten years on giving six months' notice from dividend-day. Tenders are to be received on Tuesday, the 18th instant.

Under the conditions stated in the prospectus, I am still of opinion that if the loan is subscribed in full, or to a large extent, it will go far to sweep the market of colonial-investment money, and must proportionately injure the prospect of our own second million. I have, however, not been able to see Sir Penrose Julian to consult with him before this mail goes, as he has been extremely occupied by the original negotiations with the Bank of England, and now by those with the London and Westminster Bank.

Upon the announcement of the loan being published, Cape issues fell sharply $3\frac{1}{2}$ per cent., and dragged down our own fours $\frac{1}{2}$ per cent.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

F. D. BELL.

No. 11.

The LOAN AGENTS to the Hon. the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 14th December, 1883.

We duly received, through the Agent-General, the Orders in Council relating to the issue of the second million of the loan, together with instructions for our guidance, and we are taking the necessary preliminary steps for the purpose of carrying those instructions into effect.

You will probably have been made aware by Press telegrams, that the Cape Government are bringing out a loan of nearly five millions, and the New South Wales Government one of three millions. We propose to wait for the result of these operations before deciding as to the time when the New Zealand second million shall be announced by the Bank of England.

We have, &c.,

P. G. JULYAN, }
F. D. BELL, } Loan Agents.

No. 12.

The AGENT-GENERAL to the Hon. the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 21st December, 1883.

In continuation of my letter of the 6th instant (No. 362), I have the honour to inform you that the tenders for the Cape Government loan of £4,837,500 were opened on the 18th instant, when tenders to the amount of £6,500,000 were received. The loan was not only a success in regard to the amount required being covered by subscriptions, but it was quite an unusual success in regard to the number of tenders. There were 1,300 tenders sent in, and 1,100 acceptances, which I think is quite unprecedented in a colonial loan; showing, in fact, that the loan has nearly gone into investment already. It was quoted immediately afterwards at $1\frac{1}{2}$ to 2 premium, and the average price of it was £98 4s.

With regard to the New South Wales loan, the tenders for which were opened yesterday, an even greater success has been achieved. The amount offered for subscription was £7,593,100, the average of the tenders being £100 12s. 6d. There were 673 tenders, at prices ranging from the minimum of par to £101. Tenders at and above £100 13s. receive allotments in full, and those at £100 12s. 6d. about 96 per cent.

The success of these two loans is much beyond what had been expected, and is of good augury for your second million next month.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

F. D. BELL.

No. 13.

The AGENT-GENERAL to the Hon. the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 27th December, 1883.

The Loan Agents informed you, in their letter of the 14th instant (No. 387), that they proposed to wait the result of the Cape and New South Wales loans before deciding upon the time at which they would bring out your second million; and in my own letter of the 21st instant (No. 398) I acquainted you with the success that had attended both the loans in question.

That success has been particularly marked in the case of the Cape loan, not only by the advance of that stock to 4 premium, but by the circumstance that the loan was largely written for by numerous *bond fide* investors direct. In the case of the New South Wales loan, I believe that nearly the whole of it went to six large tenders, which had been syndicated, and only an insignificant amount fell to smaller investors.

Under these circumstances, Sir Penrose Julian and I, having consulted together with much care throughout, arrived at the conclusion that we could safely bring out your second million at the time you wished—namely, early in January. It will be in your recollection that when we brought out the first million, some part of the failure of the Victorian loan was attributed by the Melbourne Press to my having “jostled” my colleague, the Agent-General for Victoria. Although this was of course pure nonsense, I thought it well to prevent any repetition of a similar accusation by taking care that the issue of our second million should not clash with the larger Victorian operation now impending: indeed, it ought obviously to be the policy of the Australasian Colonies to arrange, if possible, that a loan for one colony should not be in immediate competition with that for another. Mr. Murray Smith met me in this matter in the same spirit with which I approached him; and this being arranged, Sir Penrose Julian and I made up our minds to act at once.