

tures. I have therefore to-day despatched the following telegram, conveying the determination of the Government: viz., "Not intended convert any loans at present, Government having sent in their resignation to-day."

The Agent-General for New Zealand, London.

I have, &c.,

H. A. ATKINSON.

### No. 6.

The COLONIAL TREASURER to the AGENT-GENERAL.

The Agent-General, London.

Wellington, 2nd February, 1891.

LETTER relating to the sixes of 1891 has been received and considered by the Government. An offer of conversion is to be made to the holders: it is to be one to convert into  $3\frac{1}{2}$ -per-cent. stock. The equivalent in stock to be offered is to be determined by the Stock Agents. Omit Consolidated Loan of 1867 and District Railways debentures.

### No. 7.

The COLONIAL TREASURER to the AGENT-GENERAL.

SIR,—

The Treasury, Wellington, 24th February, 1891.

Referring to your telegram of the 13th instant, announcing the issue of the prospectus of the new  $3\frac{1}{2}$ -per-cent. conversion loan, and to your later telegram, of the 17th idem, stating that holders of the first series of the loan of 1863 must declare before the 14th March, and all others before the 15th June next, although you have not advised me of the total amount of the Provincial loans it is proposed to convert, I have taken the figures at £313,800, which agrees with the amount expressed in a Press Association telegram to our newspapers.

Included in this £313,800 is the Westland Loan of £50,000 and the Nelson Loan of £15,000. In regard to the former the debentures are held by the General Post Office, and the latter by a gentleman in Nelson, in this colony. The £64,000 of the Consolidated Loan of 1867 is held in Sydney (at least, the coupons are paid there); and the debentures contain the following paragraph: "The principal sum of this debenture, and the last instalment of interest thereon, may be made payable in London by this debenture being presented for the purpose of having such change of place indorsed thereon, within the month of July, in the year 1892, at the bank or other place at which the interest due on the first of the said month of July had been appointed to be paid."

I do not know what arrangements you propose to make with the view of giving publicity in Sydney for holders of the 1867 loan to come in and convert; but probably your letters announcing particulars of the conversion scheme will afford the necessary information, more especially with regard to the proposed equivalents; and I shall then be in a position to advertise in Sydney, if such be necessary. I very much doubt whether the parcel of £15,000 Nelson Loan will be handed in, as the debentures bear 7 per cent. interest, and do not mature until five years hence.

I take this opportunity of thanking you for the great personal interest you have taken in securing the conversion of our outstanding heavy-interest-bearing loans, and I trust the operations will result in a complete success.

I have, &c.,

The Agent-General for New Zealand, London.

J. BALLANCE.

### No. 8.

The AGENT-GENERAL to the COLONIAL TREASURER.

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

SIR,—

25th January, 1891.

It will be convenient for record to mention the steps that were taken in regard to conversion between the date of my letter to your predecessor of 9th January, No. 51,\* and the resignation of Sir Harry Atkinson's Ministry. Up to the date of that letter the Stock Agents had not made up their minds whether it would be wise to advise the Government to include in the proposed conversion the Consols (drawing loan), or the fives of 1914, or any of the District Railway debentures except the £35,000 falling due in 1896.

In the meantime I had prepared a minute for the Stock Agents, copy of which is enclosed, on various points that had to be determined; and the actuaries soon afterwards completed their computations of equivalents, copies of which are also now enclosed.

The Stock Agents had come to the conclusion that, while it would be inexpedient to renew the offer of a seven years' 5-per-cent. debenture to holders of Consols, that series should only be included in the conversion provided that the increase thereby made to the public debt was not excessive. The actuaries' computations, however, showed that (according to relative market-prices at that time) the equivalent in  $3\frac{1}{2}$ -per-cent. stock of a £100 Consol bond was about £110, to which would have to be added stamp duty, initial charge of the Bank of England, commission to brokers, &c., amounting to about  $1\frac{1}{2}$  per cent. more; and, although in any case only a part of the Consols could be expected to be brought in, I was unwilling to make that addition to the debt without consulting the Government.

\* Confidential letter referring to interview with Governor of Bank of England.