

*Enclosure 6 in No. 8.*

CONVERSION OF 1891.—New Zealand 5-per-cent. Consols.—Table showing, for the 15th April in each Year during the Currency of this Loan and immediately after the March Drawing and the ensuing Redemption, the Average After-duration, or Mean Subsequent Life-time, of a Bond.

No.	Date.	Average After-duration, or Mean Subsequent Life- time, of a Bond.	No.	Date.	Average After-duration, or Mean Subsequent Life- time, of a Bond.
		Years.			Years.
1	15th April, 1884	13·52	13	15th April, 1896	5·98
2	" 1885	12·85	14	" 1897	5·40
3	" 1886	12·19	15	" 1898	4·83
4	" 1887	11·53	16	" 1899	4·26
5	" 1888	10·88	17	" 1900	3·71
6	" 1889	10·24	18	" 1901	3·16
7	" 1890	9·61	19	" 1902	2·62
8	" 1891	8·98	20	" 1903	2·09
9	" 1892	8·37	21	" 1904	1·56
10	" 1893	7·76	22	" 1905	1·02
11	" 1894	7·16	23	" 1906	0·14
12	" 1895	6·56			

19th January, 1891.

A. H. BAILEY.  
RALPH P. HARDY.

## No. 9.

The AGENT-GENERAL to the COLONIAL TREASURER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
6th February, 1891.

SIR,—

My letter of the 25th January brought up the report of what had taken place respecting the proposed conversion to the date of the resignation of Sir Harry Atkinson. I beg now to continue the account since that time.

Immediately after my receipt of your predecessor's cable of 23rd January, Press messages appeared announcing the meeting of Parliament and the formation of the new Ministry. Upon this information reaching the Stock Agents, it became necessary to know what course the present Government intended to take in regard to the conversion, because the arrangements with the Bank of England for bringing out the loan in the beginning of February had either to be carried out or cancelled; and, having regard to the fact that the first series of the sixes of 1891 (£154,800) fall due on the 15th March, there was no time to be lost in ascertaining definitely whether the conversion was to go on or not. I accordingly cabled to you on the 29th January, stating that, in accordance with the late Treasurer's instructions, action had been suspended in the matter until further instructions; and inquiring whether it had been finally decided not to proceed with the conversion, as in that case it would be necessary for the Sinking Fund Trustees to press the sale of the 4-per-cent. stock in the Fund in order to provide for paying off the first series; while, if the operation was to go on, the Bank prospectus ought to appear without delay, in order to give a reasonable time to holders to decide between now and the middle of March whether to come in to the conversion or not.

I was glad to receive your reply of the 2nd February, instructing me that the offer of conversion was still to be made to the holders of the sixes, but that the Consols of 1867 (annual drawing) and the District Railway bonds were to be omitted. In order to make sure that I did not misunderstand your instructions I cabled the same day that I assumed we were only to convert the sixes of the loans of 1860 and 1863, leaving out all other loans for the present. The next day I received your further telegram saying that the old Provincial loans might be included, as well as the sixes of 1860 and 1863, as had been arranged at my conference with the Governor of the Bank, and reported to your predecessor by cable on the 7th January. I accordingly replied on the 4th February, stating that the Provincial loans would be included, and that we proposed also to include the £64,000 of the loan of 1867 (not drawing loan) falling due in 1893, as had been arranged with the Governor. I have to thank you for your reply of yesterday.

In the meantime I have received, with many thanks, your second cable of 3rd February, containing the very satisfactory figures of revenue and expenditure, to which are now added those of imports and exports for 1890, which you were pleased to cable to me yesterday.

Since the receipt of your instructions I have been in daily communication with my colleague, Sir Penrose Julian, and we have been considering a variety of plans out of which to choose the one likely to be most attractive to the holders of the sixes. This has prevented the Bank prospectus coming out this week, but I have no doubt it will appear in the course of the next few days. In the meanwhile the Sinking Fund Trustees had taken advantage of the favourable turn in the market, and had been quietly proceeding with sales of stock in the Fund, so as to be provided in due time for whatever might happen. The cash has been placed in deposit at the London and Westminster Bank, including proceeds of sale of the first £25,000, and will be supplemented by proceeds of sale of a further amount of £25,000 for the next Stock Exchange Account. When this is completed the necessary steps will be taken for transferring the balance of the Fund into the names of Sir Penrose Julian and myself.

The Hon. the Colonial Treasurer, Wellington.

I have, &amp;c.,

F. D. BELL.