

Bank of England it would be better not to convert. I answered the same day, asking whether there would be any objection to sending the original scrip, and was glad of your message of the 3rd June saying that the scrip would be sent.

In one or two of the former parliamentary returns the investment of £50,000 made for the Post Office had been described as in "scrip," but the paper of last session—B.-9, 1890—described it as in "debentures of the Westland Loan." The original scrip will, however, do as well, having been actually existent before the conversion prospectus.

In the last paragraph of your letter you point out that the interest on the 3½-per-cent. stock into which the scrip will be converted must be paid in the colony. This interest will, in the first instance, be collected here at the Bank of England, but on its payment into the Public Account the necessary credit can be passed to the Post Office Account at the Treasury.

The Hon. the Premier, Wellington.

I have, &c.,
F. D. BELL.

No. 4.

The AGENT-GENERAL to the PREMIER.

(No. 922.)

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

SIR,—

12th June, 1891.

Notwithstanding continued large arrivals of gold upon bank rate being raised to 5 per cent., the kind of panic which existed when I last wrote became aggravated for a few days, and prices collapsed in every stock market. For the first time for many years New Zealand 4-per-cent. were quoted during twenty-four hours at 99 to 101, while the 3½-per-cent. went down to 91-93, even these quotations being merely nominal, and sales of any but trifling amounts being impossible. I enclose a statement of highest and lowest prices this year, which will be found interesting.

The gold, however, came in so fast that enough had been accumulated last week to allow of bank rate being put down to 4 per cent. The sinister rumours which had been afloat as to the stability of eminent houses died out, while the prospects of the Baring liquidation became much improved; and a better tone has been established in all markets. The change, unfortunately, comes too late to affect the amount of New Zealand debentures converted, as there would be a loss in converting at present prices; and debentures for more than £111,000 have already been sent in for payment.

My letter of the 29th May said that unless a revival took place soon, it might be necessary to reconstruct the financial arrangements I had made; but at the first sign of improvement the Trustees of the sinking fund of 1863 went on with their sales, though at the very low prices of 101 and 101½, as will be seen by the enclosed copies of letters from the Crown Agents. There is no need, therefore, to disturb any of the arrangements that had been made. An offer of 102 for some more of the 4-per-cent. stock was received, but the brokers have been instructed to wait a little. I expect to be able to sell enough 3½-per-cent. stock to recoup the Public Account for paying off the unconverted bonds of the loan of 1860, but shall have to be content with about 94 as price.

No further debentures of either loan have been purchased. Those for £30,000 already bought have been duly sent in for conversion, so that there is already enough 3½-per-cent. stock inscribed in the names of the Audit officer and myself to begin selling when the price reaches 94.

The improvement in the markets has enabled the Queensland Government to place the remainder of their 3½-per-cent. loan of £2,500,000 not applied for, though I hear this had to be done below 90. Subscribers who received allotments on the tendering-day will now have an allowance made to them, bringing their subscriptions down to the price at which the rest of the loan has been arranged for. Two days ago the Indian Government placed a new 3-per-cent. loan for £2,600,000, at an average of £94 10s. 2d.

The Hon. the Premier, Wellington.

I have, &c.,
F. D. BELL.

Enclosure 1 in No. 4.

STATEMENT showing the Highest and Lowest and Present Prices of Inscribed Stocks in 1891.

Stock.	Highest in 1891.	Lowest up to 30th May.	Present, June 11.
Canada 4 per cent.	108½	102	102
Canada 3½ per cent. .. .. .	..	100	100½
New South Wales 4 per cent.	114½	110	108
New South Wales 3½ per cent.	103½	98	100
Victoria 4 per cent.	109½	104	104½
Victoria 3½ per cent.	100½	96	97½
Queensland 4 per cent.	109½	104	104
Queensland 3½ per cent.	98½	93½	91½
South Australia 4 per cent.	109½	103	104½
South Australia 3½ per cent.	100½	96½	97½
Tasmania 4 per cent. .. .. .	..	..	..
Tasmania 3½ per cent. .. .. .	..	96	96½
Western Australia 4 per cent.	108½	106	104
Western Australia 3½ per cent. .. .. .	..	..	..
New Zealand 4 per cent.	107½	101 x d.	102 x d.
New Zealand 3½ per cent.	98½	94	93½, 94, 93½ x d.
Cape 4 per cent.	110½	104	104½
Cape 3½ per cent. .. .. .	..	98	98
Natal 4 per cent.	109½	104	103
Natal 3½ per cent.	98½	91½	91½