

REPORT OF COMMISSIONERS OF

The Commissioners have hitherto exercised the powers vested in them by the Act, of releasing sinking funds, only in one instance, in pursuance of an award which is appended hereto.

The Commissioners have found that part of the securities of Provincial Sinking Funds have been handed to them in the form of mortgages upon private estate. Deeming such securities to be an undesirable form for the investment of public moneys, they have taken such steps as were open to them to recover payment of all sums so invested at the earliest possible date.

The Commissioners append hereto an account current of their transactions for the period ended 30th June, 1869, together with a statement of the balances of cash and securities held by them at that date on account of each loan, and a statement in detail of the whole of the securities in their possession. They also append a statement of the sums expended on account of the Commission to the 30th June, 1869. The only liability incurred by the Commissioners is for legal advice, of which the account has not been received.

JAMES EDWARD FITZGERALD,
Chairman.

APPENDIX I.

No. 1.

Copy of a Letter from Mr. J. E. FITZGERALD to the Hon. the COLONIAL TREASURER.

Office of the Commissioners of the Public Debts Sinking Funds,
Wellington, 10th June, 1869.

SIR,—

On behalf of the Commissioners of the Public Debts Sinking Funds, I have the honor to submit to you copies of correspondence which has taken place between the Commissioners and the Crown Agents for the Colonies in England, on the subject of the sinking funds of the unconverted portion of "The New Zealand Loan, 1863," and between the Commissioners and Mr. Selfe Selfe on the subject of the sinking funds of the Canterbury Loans, for which those gentlemen are respectively trustees.

In the case of the sinking funds of "The New Zealand Loan, 1863," the Commissioners desire respectfully to convey to the Government the expression of their opinion, that it does not appear desirable to disturb arrangements made in England, in the maintenance of which the credit and good faith of the Colony may be deemed, whether reasonably or otherwise, to be involved; and they have submitted for the consideration of the Government whether it may not be prudent to bring the matter before the General Assembly which is now in session, with the view of passing an Act for relieving the Commissioners from the control and custody of the sinking funds upon the unconverted portion of the Loan of 1863. They base this opinion upon the fact, which was stated in the letter of the Crown Agents to Mr. Stafford, dated February, 1867, that the advertisements calling for tenders for the Loan of 1863 contained a promise, on behalf of the Government, that the sinking funds should be placed in the hands of trustees in England; and they are under the impression that Parliament may not have had this fact within its recollection at the time of passing the Act of 1868.

In the case of the Canterbury Loans, the Commissioners do not think it necessary to express any opinion, as they do not gather that any such promise was made or implied. But as legal difficulties may present themselves in the way of enforcing the provisions of the Act for the transfer of sinking funds in the case of trustees resident and invested with their trust beyond the jurisdiction of the Colonial Government, the Commissioners have acquainted Mr. Selfe that they have determined to take no steps in the matter of the Canterbury Sinking Fund until they shall have learned whether it is the wish of the Government and of Parliament that the Act should be enforced, or, if not, whether the Legislature will relieve the Commissioners from the duty of enforcing it, which is imposed upon them by the existing law.

I have, &c.,

JAMES EDWARD FITZGERALD,
Chairman.

The Hon. the Colonial Treasurer.

Enclosure 1 in No. 1.

Copy of a Letter from Mr. J. E. FITZGERALD to Messrs. JULYAN and SARGEANT.

(Circular No. 7.)

GENTLEMEN,—

Treasury, Wellington. 8th December, 1868.

As Chairman of the Board of Commissioners of the Public Debts Sinking Funds of New Zealand, and by the direction of that Board, I have the honor to address you on the subject of the sinking funds for the loan raised by the Government of New Zealand (excepting the sinking funds in respect of the debentures, amounting to £500,000, guaranteed by the Imperial Government), under the authority of "The New Zealand Loan Act, 1863," for which funds the Commissioners are informed you are the trustees.

By referring to the provisions of the Public Debts Sinking Funds Act, a copy of which I do myself the honor to enclose, you will perceive that all the sinking funds, accrued and to accrue, on account of such loan, together with all investments of every description made on behalf of such sinking funds, are now vested in the Commissioners. It therefore becomes the duty of the Commissioners to ascertain the present state of the accounts of these sinking funds; and the Commissioners will be greatly obliged if you will be so good as to furnish them, at your earliest convenience, with an account of all moneys which have been placed in your hands by the New Zealand Government, and of the manner in which the same have been disposed of on account of such sinking funds.