

REPORT OF COMMISSIONERS OF

ever driven to a forced sale, as we should be in the month of April of every year, in order to provide the necessary funds for paying off the bonds drawn, in accordance with the terms upon which the 5 per cent. consols were issued.

The Hon. J. E. FITZGERALD, Chairman,
Public Debts Sinking Funds Commission.

We have, &c.,
P. G. JULYAN,
W. C. SERGEAUNT.

Enclosure 3 in No. 1.

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

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

GENTLEMEN,—

I beg to acknowledge the receipt of your letter of the 19th February, 1869, in reply to the letter of the 8th December, 1868, which I did myself the honor to address to you on behalf of the Commissioners of the Public Debts Sinking Funds.

The Commissioners have taken into their consideration your letter under reply, with its enclosures, and desire to acquaint you that they recognize the force of the objections which you have raised to the transfer of the sinking funds of the Loan of 1863 from your hands to those of the Commissioners. It is, however, no part of the duty of the Commissioners to deal with questions involving matters of policy, but strictly to carry out the intentions of the Legislature in the Act under which they derive their powers. They have therefore submitted your letter with its enclosures to the Government, together with an expression of their opinion that it would not be 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.

The sinking funds of the Consolidated Loan, including the converted portion of the Loan of 1863, of which you send accounts, are not amongst those which were placed in the power of the Commissioners by the Act.

I beg, on behalf of the Commissioners, to thank you for your attention to their views, and to state, that so soon as they shall be informed of the determination of the Government, they will again communicate with you on the subject.

I have, &c.,

JAMES EDWARD FITZGERALD,
Chairman of the Commissioners of the Public
Debts Sinking Funds.

Messrs. Julyan and Sargeant,
Spring Gardens, London.

Enclosure 4 in No. 1.

Copy of a Letter from Mr. S. SELFE to Mr. J. E. FITZGERALD.

SIR,—

15, St. George's Square, London, February, 1869.

I have the honor to acknowledge the receipt of your letter of the 8th December last, written in your capacity as Chairman of the Board of Commissioners of the Public Debts Sinking Funds of New Zealand. The letter did not reach me till the afternoon of the 29th January, a few hours before the departure from London of the mail for New Zealand *via* Marseilles, so that I could not reply fully to it on that day. I have to thank you for transmitting to me a copy of "The Public Debts Sinking Funds Act, 1868."

As one of the Trustees of the Canterbury Loans Sinking Funds, it had become my duty, before receiving your letter now under reply, to give my careful attention to the provisions of the Act in question. The result was that I felt bound to address to the Secretary of State for the Colonies a request that the Act might be disallowed. I sent you by the mail of the 29th ultimo a printed copy of my letter to Earl Granville, and I forward to you by this mail three additional copies of the same. I was informed by Earl Granville on the 1st instant, that he had referred to the Governor of New Zealand a copy of my letter, and that he will in the meantime refrain from offering any advice to Her Majesty on the subject of the Act. I assume, therefore, it is at present uncertain whether it will be disallowed or left to its operation. But in either case, I calculate that you cannot be made aware of the ultimate decision of the Crown on this point before July next. I do not think, however, that this unavoidable delay ought to prevent me from complying at once with your first request, that I would furnish you with an account of all moneys which have been placed in my hands by the Provincial Government of Canterbury, and of the manner in which the same have been disposed of on account of their sinking funds.

I have been, and I hope always shall be, ready to comply with any request for information from yourself, or from any one interested in New Zealand, when such request is courteously preferred—as yours is; and I raise no question as to the possibility of your having no official right to call for these particulars.

I have much pleasure, therefore, in enclosing copies of all the accounts asked for. I trust you will find them sufficiently clear. I do not think they require explanation from me. You will be so good as to bear in mind that, with the exception of the Immigration Loan of 1856, these loans were raised by instalments—that the sinking fund is on the amount from time to time borrowed, and consequently that even had such yearly fund been always paid to the day, and invested instantaneously (and no allowance made for the time necessary for the transmission of money from Christchurch to London), the accumulation could never have amounted to the full sum necessary to discharge the principal by the