

after redeeming debentures issued for increases of the fund under "The Consolidated Stock Act, 1884." I replied in the affirmative, that ultimately the Treasury will get back the entire amount of the sinking-fund accretions, except the proportion statutorily appropriated to redeeming such debentures, but that ample time must be given for the realisation both of the 4-per-cents. released from the fund and the 3½-per-cents. to be sold for repaying the Bank of England advances.

Yesterday I received your further telegram stating that you presumed the Trustees of the sinking fund would place to the credit of the Public Account the total amount of the sinking-fund accretions, whereupon the debentures for increases would be paid off at once. This raised a question, which often has been considered, whether section 9 of the Act of 1884 requires that, whenever merely interim releases of the sinking fund are made, debentures for increases must be immediately cancelled to an equal amount, or whether the cancellation has only to take place after the Trustees have made a formal determination under section 8 of the sum to be retained in their hands, thereby fixing the balance which is statutorily "set free," and bringing section 9 into operation. The latter interpretation is the one the Trustees are acting upon, as you will have seen from my letter to them of the 10th April, and their letter to you of the 11th, No. 585, copies of which went to you last mail. They have paid a certain sum into the Public Account in part release of the sinking fund of 1863, but no formal determination under section 8 will be made till after the 15th June, when the number of debentures of that loan which have been then converted and paid off is known; and they may even decide not to make a determination at all till after the last series of the sixes of 1863 is paid off in December, but this is not yet settled.

I am not clear as to the meaning of your reference in yesterday's telegram to section 6 of the Act of 1884, but will look into the matter presently.

The Hon. the Premier, Wellington.

I have, &c.,

F. D. BELL.

No. 18.

The AGENT-GENERAL to the PREMIER.

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,
30th April, 1891.

In continuation of the steps taken by the Trustees of the sinking fund of the loan of 1863, as reported to you in their letter of 11th instant, No. 585, they have sold £100,000 4-per-cent. stock out of the fund of that loan, in further part releases of the fund they will have to make when the June series of debentures are paid off. The proceeds of the sale will be placed as before—on deposit at interest—until after the 15th June.

I have also to state that, in accordance with your telegram of the 6th instant, I have bought about £21,900 of debentures of the loans of 1860 and 1863; and am in treaty for a considerably larger amount, for which I hope to arrange in a short time.

By paying for these bonds in anticipation of their due date the Government will lose interest upon the amount of the purchase-money and commission to the brokers, but against this has to be set a saving of the ½ per cent. commission which would become payable if the bonds were paid off instead of being purchased for conversion.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

No. 19.

The AGENT-GENERAL to the PREMIER.

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W.,
8th May, 1891.

Since my letter of the 30th April, No. 668, I have looked at the "Consolidated Stock Act 1884," but am still not clear as to the reference in your telegram of the 29th April to section 6 of that Act. I am inclined to think that the word "six" in your message may have been an error in transmission, and ought to be read as "eight," but the main question in your message is not affected, and no change in my reply of the same date is necessary.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

No. 20.

The AGENT-GENERAL to the PREMIER.

SIR,—

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

The amount of debentures of the various loans sent in for conversion at the Bank of England up to the present time is as follows:—

					£
1.	Loan of 1863 (March series)	...	...	...	42,400
	Loan of 1863 (June series)	...	...	...	7,800
	Loan of 1863 (December series)	...	...	...	1,700
2.	Loan of 1860 (July series)	...	...	...	2,900
3.	Loan of 1867	...	...	...	...
4.	Provincial loans—				
	Lyttelton and Christchurch	...	...	...	6,200
	Auckland	...	...	...	10,800
	Otago	...	...	...	20,100
	Westland, Canterbury, and Nelson	...	...	...	...
	Total	...	...	...	£91,900