

time. This computation has been checked in various ways, and I annex two statements showing the methods by which the same figures are brought out.

In addition, however, to this £170,000 for completed transactions, it had to be kept in mind that provision would have to be made sooner or later for winding up incomplete matters such as—(a) the outstanding debentures of 1860 and 1863, and (b) the expenses of the conversion. It was in contemplation of such a provision being necessary that £310,000 of stock was created last May as security to the bank, because on the supposition of the process being a continuous one, until at any rate the loan of 1863 was all extinguished, further advances would be required at the end of this year.

Under these circumstances, the Stock Agents had to consider whether they should make provision now by anticipation for such future advances; but, having regard to the fact that their functions were on the point of termination, they came to the conclusion that in the absence of instructions they ought not to forestall the decision of the Government by any arrangement not immediately necessary. On the other hand, as the £310,000 of stock had been actually created and issued, and as in any case the whole of it would soon be wanted, it has been decided simply to transfer £170,000 more into the names of the Agent-General and the Audit officer now, in addition to the £110,000 already inscribed, leaving the balance of £30,000 to be dealt with later on as might be directed by the Government. This decision was recorded in a minute for the Stock Agents, and thereupon the necessary instructions were sent to the Bank of England, in accordance with which the £170,000 stock has been transferred.

Copies of the following documents are now annexed:—

1. Computations by Mr. Kennaway and Mr. Palliser of the Further Amount of Stock that should now be transferred by the Bank of England to the Agent-General and Audit Officer.

2. Minute by the Agent-General for the Stock Agents recording their Decision in Conference, 12th August.

3. Instructions to the Bank of England to transfer £170,000 Stock into the Names of the Agent-General and Audit Officer, and Chief Cashier's Reply.

4. Instructions to the Bank of England to convert the £50,000 Westland Scrip into £53,750 of 3½-per-cent. Stock, and the Chief Cashier's Reply.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

Enclosure 1 in No. 21.

STATEMENT showing—(1) The Total Amount of Stock required in respect to the Debentures of the 1860 and 1863 Loans; (2) the Amounts of Stock representing Debentures sent into the Bank of England for Conversion, and of that required to meet Debentures still outstanding; and (3) the Amount of Stock which should now be inscribed in the Names of Sir F. D. Bell and Mr. Palliser, holding the same on behalf of the Government.

	£	s.	d.	£	s.	d.
1. Amount of 1863 debentures	417,000	0	0			
Add 4 per cent. for conversion	16,680	0	0			
				433,680	0	0
Amount of 1860 debentures	74,100	0	0			
Add 4 per cent. for conversion	2,964	0	0			
				77,064	0	0
Total amount of stock required				510,744	0	0
2. Stock representing debentures (1863) sent in to Bank of England				78,520	0	0
Stock representing debentures 1860 sent in to Bank of England				76,336	0	0
Stock required to meet debentures 1863 and 1860 outstanding				76,544	0	0
				231,400	0	0
3. Total stock required				510,744	0	0
Less stock (No. 2)				231,400	0	0
				279,344	0	0
Less stock already transferred to Sir F. D. Bell and Mr. Palliser				110,000	0	0
				169,344	0	0
Stock representing £1,285, Crown Agents' commission				1,336	8	0
Amounts which should now be inscribed in the names of Sir F. D. Bell and Mr. Palliser				£170,680	8	0

10th August, 1891.

STATEMENT showing the Amount of Stock required to be held on behalf of the Government on account of the Conversion of the 1863 Debentures.

	£	s.	d.
Total amount of debentures (1863) to be converted	417,000	0	0
Debentures not yet come in	72,900	0	0
	344,100	0	0
Debentures sent in direct to the Bank of England for conversion	75,500	0	0
	268,600	0	0
Add 4 per cent. for conversion	10,744	0	0
	279,344	0	0
Stock already inscribed in the names of Sir F. D. Bell and Mr. Palliser	110,000	0	0
	169,344	0	0
Stock to represent amount (£1,285) paid to Crown Agents for commission	1,336	8	0
	£170,680	8	0

10th August, 1891.