

debentures presented at the domicile of the loan and paid off by the Crown Agents is £108,300. The total amount of debentures of the loan of 1863 converted and paid off up to the present time is accordingly £158,400.

You are aware that by section 8 of the Act of the New Zealand Legislature intituled "The Consolidated Stock Act, 1884," it is provided that when any loan is partially converted the Sinking Fund Trustees shall retain in their hands such amount in money or securities as will be sufficient for the redemption of the outstanding portion of the loan, with the accruing interest thereon; and that the balance of the sinking fund over and above such amount is set free. Pending the progress of the conversion, the sum of £110,622 13s. has been paid into the New Zealand Public Account, in part release of the amount of sinking fund to be ultimately set free, corresponding with the amount of debentures converted and paid off.

Immediately after the 15th June next, pursuant to the terms of the conversion, I shall be able to inform you of the aggregate amount of debentures of the loan which will then have been respectively converted or paid off, whereupon it will be expedient to make an apportionment of the further amount of sinking fund that can then be properly released. I shall accordingly be prepared at that time to submit a proposal for your consideration as to the proportion of sinking fund which should be retained in your hands for the redemption of the balance of the loan outstanding, and as to the proportion over and above that amount which it would be safe to release.

The Trustees of the Sinking Fund of the Loan of 1863.

I am, &c.,  
F. D. BELL, Agent-General.

No. 11.—The AGENT-GENERAL to the BANK OF ENGLAND.

SIR,—

Westminster Chambers, 14th April, 1891.

As the new 3½-per-cent. New Zealand stock issued for the conversion now in course of being effected will have to be added at the proper time to the official list, it will be convenient to give at once the following particulars for the information of the Stock Exchange committee:—

I understand the committee will require to be satisfied that the stock is issued under sufficient authority, and is applied to the sole purpose of converting or paying off debentures of the loans comprised in the conversion. As regards amounts, I presume that the Crown Agents' certificates from time to time of debentures paid off, and your own certificates of debentures converted, will be sufficient; but, if any further declaration should be required, I shall be glad to supply it. In the meanwhile I enclose herewith prints of the deed-poll creating the stock, of the New Zealand Acts under which the issue is made, and of the warrants of the Governor in Council under which the Stock Agents have full authority to make the issue. Stock is created to the amount of £1,000,000, but the actual issue is strictly limited by the terms of the deed-poll.

The Chief Cashier, Bank of England.

I am, &c.,  
F. D. BELL, Agent-General.

No. 14.

The STOCK AGENTS to the PREMIER.

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

9th April, 1891.

SIR,—

A few days after our letter of the 31st March, No. 508, in which we had submitted for the decision of the Government the question whether 3½-per-cent. stock should be sold to pay off unconverted debentures of the loans of 1860 and 1863, we were informed by the Agent-General that the matter had practically been already decided by the Government, and we received a minute from him recording the circumstances, copy\* of which we now beg to enclose.

From that minute it appears that the Agent-General had arranged with the Bank of England to make an advance of £100,000 to the Government on the security of 3½-per-cent. stock; and, in accordance with his request, we addressed a letter to the Bank of England, copy\* of which is also enclosed, instructing them to inscribe, on the 2nd June next, the sum of £110,000 of 3½-per-cent. stock in the name of the Bank.

The reason for our directing the inscription to be made on the 2nd June is that all the stock to be issued under the Bank prospectus of the conversion will only bear interest from the 1st July, and is not inscribable earlier than the 2nd June. If stock had been given now to the Bank as security such stock would have had to bear interest from the 1st January last, in which case there would have been two interests running—namely, the interest on the stock and the interest on the debentures; whereas, by postponing the inscription to the 2nd June, we have given the Bank a stock on which interest does not begin to run till the 1st July.

We have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL,  
P. G. JULYAN, } Stock Agents.

\* Printed as enclosures to No. 13.

No. 15.

The TRUSTEES of the SINKING FUND of the LOAN of 1863 to the PREMIER.

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

11th April, 1891.

SIR,—

We beg leave to report the steps that we have taken, as Trustees of the sinking fund of the loan of 1863, with reference to the conversion of loans now in the course of being effected.

While the question was still pending whether a conversion was to be offered we concurred in the following arrangements, in preparation for releasing whatever portion of the sinking fund might have to be set free under "The Consolidated Stock Act, 1884:"—

1. To cease investing contributions accruing under the Loan Act of 1863, and to place the money on deposit at interest:

2. To apply all sums coming into the hands of Sir Penrose Julian, as Trustee of the sinking funds of other New Zealand loans, during 1890–91 to the purchase of part of the stock in the sinking fund of 1863, the proceeds being also placed on deposit at interest on account of that loan:

3. To go on gradually with the realisation of a portion of the stock in the sinking fund before the first series of debentures for £154,800 fell due on the 15th March, the proceeds being also, as in the other cases, placed on deposit at interest: