No. 46.

(Circular.)

SIR,— Downing Street, 17th October, 1887.

No. 42. With reference to my circular despatch of the 14th September last, transmitting to you copies of revised regulations governing the examination and entry of naval cadets, I have the honour to transmit to you, for information in the colony under your Government, an extract from a letter from the Lords Commissioners of the Admiralty, stating that they have decided to allow to colonial candidates who fail to pass successfully at their first examination the opportunity of being examined again in about six months' time, provided they are still within the prescribed limit of age.

I have, &c.,
H. T. HOLLAND.

The Officer Administering the Government of New Zealand.

[For enclosure, see *New Zealand Gazette*, 12th January, 1888, page 16.]

No. 47.

(New Zealand—Emigration.)

SIR,— Downing Street, 31st October, 1887.

I have the honour to acquaint you that I have received a letter from the Secretary of the Auckland Chamber of Commerce, enclosing a copy of the annual report of that body, which expresses concurrence in the views of Captain Daveney with regard to the settlement of army pensioners in the colony under your Government.

I request you to cause the Chamber of Commerce to be informed that I have received their communication.

I have, &c.,
H. T. HOLLAND.

Governor Sir W. F. D. Jervois, G.C.M.G., C.B., &c.

No. 48.

(New Zealand, No. 64.)

SIR,— Downing Street, 31st October, 1888.

With reference to Sir J. Prendergast's Despatch No. 63, of the 26th August, 1882, and to the memorandum which accompanied it respecting the sinking fund for the repayment of the guaranteed loan of £1,000,000, I have the honour to transmit to you, for communication to your Government, a copy of a letter from the Treasury on the subject.

I request that you will inform me whether your Government agree to the proposal made in this letter in respect of an increase in the half-yearly contribution from the colony.

I have, &c.,
H. T. HOLLAND.

Governor Sir W. F. D. Jervois, G.C.M.G., C.B., &c.

Enclosure.

SIR,— Treasury Chambers, 26th October, 1887.

I am directed by the Lords Commissioners of Her Majesty's Treasury to request that you will call the attention of the Secretary of State to the arrangement made in 1882 with the Colonial Government of New Zealand that the state of the sinking fund for repayment of the loan of £1,000,000 guaranteed by this Board under the powers conferred by the Act 33 and 34 Vict., cap. 40, should be reviewed in five years from that date.

You will recollect that the Act provided for a sinking fund of 2 per cent., which was calculated to produce sufficient to pay off the bonds when they fall due in June, 1907. The calculation was based on the assumption that the sinking fund for the whole £1,000,000 would come into full operation in the year 1870. Owing, however, to circumstances which need not here be repeated the full sinking fund did not come into operation until ten years later; so that the provision of 2 per cent. will not have accumulated a sufficient sum by 1907 to meet the bonds falling due.

The amount of the accumulated sinking fund in the year 1907 will depend upon varying circumstances, which cannot be exactly reckoned beforehand. But assuming that the fund can be invested at 3¾ per cent., the accumulation (including the £143,179, stock already held) would amount on the 1st June, 1907, to £899,160; less income-tax at, say, 6d., £9,300=£889,860. The