No. 10.

The Agent-General to the Premier.

(No. 283.) Westminster Chambers, 13, Victoria Street, London, S.W.,
21st February, 1891.

Sir,—

After writing to the Treasurer on the 6th instant (No. 200) on the subject of the creation of short-dated debentures, and an investment in them pending the sale of stock for recouping the Public Account, it struck me that, if it had been decided to make the investment, it might be as well, instead of creating any short-dated debentures, to inscribe an amount of 3½-per-cent. stock at once, about equal in round numbers to the expenses of the conversion, in the names of the Agent-General and the Audit Officer, thereby enabling the accounts to be closed. I accordingly telegraphed to you to that effect on the 14th instant, and was glad to receive your reply of the 17th approving the proposal. I am therefore taking steps for the inscription, and the result will be reported to you shortly.

I have, &c.,

The Hon. the Premier, Wellington. F. D. Bell.

No. 11.

The Premier to the Agent-General.

Agent-General, London. Wellington, 2nd April, 1891.

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Understood from telegram 24th February proceeds £68,000 paid Public Account. If not, should be, as investment not made here. Reply.

No. 12.

The Agent-General to the Premier.

Premier, Wellington. (Received 3rd April, 1891.)

Three-and-a-half-per-cent. Loan.—Message received. There has evidently been misunderstanding with reference to £68,000 inscribed stock. Shall now sell, placing proceeds to the Public Account.

London, 2nd.

No. 13.

(No. 18.) The Premier to the Agent-General.

Sir,— Premier's Office, Wellington, 23rd April, 1891.

Referring to the correspondence and telegrams which have passed between us in relation to the closing of the Stock Agents' Conversion Account of the 1889 3½-per-cent. loan, I think it is right to explain that your telegram dated the 23rd February last was understood to mean that the proceeds at 96½ of £68,000 of stock had been paid into the Public Account, and the New Zealand Public Account, London, was accordingly debited in our books with the sum of £65,620. On receipt, however, of the statement of account enclosed in your letter of the 21st idem it was at once discovered that your telegram referred to the balance *due* to the Public Account; hence my telegram to you dated the 2nd April.

The entries in our books have been reversed, and I am now waiting to hear from you the result when the sale of the parcel inscribed has been effected.

I am unable at present to deal with the entries in connection with the interest charges contained in the account you have been good enough to send. I note that you intend to forward an explanatory memorandum in connection with this account, and I therefore defer making any remarks until the receipt of same.

I have, &c.,
A. J. Cadman,
For the Premier.

The Agent-General for New Zealand, London.

No. 14.

The Agent-General to the Premier.

(No. 569.) Westminster Chambers, 13, Victoria Street, London, S.W.,
3rd April, 1891.

Sir,—

I received yesterday your telegram stating that you had understood from my message the 23rd February, that the proceeds of the £68,000 of 3½-per-cent. stock which had been inscribed for the balance due to the Public Account in connection with the loan of 1889 would be paid into the Public Account, and instructing me that if this had not been done it should be, as no investment had been made in the colony.

These instructions will now necessitate the sale of the 3½-per-cent. inscribed stock, and I telegraphed to that effect in reply to your message. It will, however, be necessary for the sales to be gradually made, so as not to bring down the market.

There has evidently been some misunderstanding between us. Your telegram of the 3rd February proposing the creation of short-dated debentures to the amount of £75,000 for clearing the accounts of converting the 10-40s went on to say that you would make an investment in the colony. Replying the same day, I expressed the desire to avoid having to press sales of stock at that time; and on the 14th February I cabled again, on the supposition of your having decided to make the investment, asking whether it would not be better, instead of creating short-dated debentures, to