Enclosure 8 in No. 10.

STATEMENT showing how the Amount of £193,763 10s. 6d. released from the Sinking Fund of the Loan of 1863, paid into the Public Account on the 23rd June, 1891, is made up.

		£ s. d.
Proceeds of sale of 4-per-cent. stock to 1914 and 1915 sinking funds		12,912 19 9
Proceeds of sale of £100,000 4-per-cent. stock		102,124 8 0
" £15,000 "		15,112 9 6
" £35,000 "		35,262 9 6
" £10,000 "		10,124 19 6
" £15,000 "		15,187 9 6
Cash in hand—Amount received 15th June		2,622 0 0
Interest on deposit	£368 19 5	
"	47 15 4	
		416 14 9
		£193,763 10 6

Westminster Chambers, 24th June, 1891. F. D. BELL.

No. 11.

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

(No. 1013.) Westminster Chambers, 13, Victoria-Street, London, S.W.,

SIR,— 6th July, 1891.

In continuation of our letter of the 11th April, No. 585, we resume the report of the steps we have taken since then as Trustees of the Sinking Fund of the loan of 1863.

Up to that time we had realised £110,622 13s. from sales of 4-per-cent stock in the fund, to which was added on the 5th May the sum of £195, being the May dividend on £10,000 of the stock sold; making a total of £110,817 13s. We then continued making sales of stock to be prepared for the further release corresponding to the amount of debentures of the loan respectively paid off and converted, the proceeds being placed as before on deposit; and on the 23rd June a sum of £193,763 10s. 6d. had become thereby accumulated in cash, the particulars of which will be duly received by the Government in the usual periodical accounts of the sinking funds.

We now enclose copy of a further letter from the Agent-General [see Enclosure 1 in No. 10], in continuation of his previous one of the 10th April, certifying to us that the total amount of debentures of the loan converted up to the 24th June was £75,500, and the total amount paid off was £249,000, making an aggregate amount of £324,500 of debentures extinguished. Accordingly we paid over to the Agent-General the above-mentioned sum of £193,763 10s. 6d., bringing up the aggregate amount released up to this time to £304,581 3s. 6d.

In the same letter the Agent-General made us a proposal to the effect that £100 of stock should be retained in the fund against each £100 of debentures of the loan still outstanding, and that the Crown Agents should be instructed to go on with further gradual sales of the stock until this limit should be reached. On consideration it was thought more prudent not to value the stock still left in the fund above 95; but subject to this we adopted the Agent-General's proposal, and the necessary steps are being taken accordingly between the Crown agents and the Executive Trustee.

We have not deemed it necessary to make any formal determination yet under section 8 of "The Consolidated Stock Act, 1884." Although the sinking fund of the loan has been separated into subdivisions allocated to the various issues—namely, the five-per-cents, the six-per-cents, and the guaranteed half-million—the Trustees who were acting in 1887 were of opinion that, as the loan was one entity, the sinking fund should be treated as one entity also. Agreeing with them in that view, we think it will be more convenient, for the present at any rate, and until the six-per-cents are finally extinguished, in December, to continue making only interim releases out of the fund corresponding approximately to the amount of debentures that may be from time to time paid off and converted.

We have, &c.,
P. G. JULYAN,
F. D. BELL,
Trustees of the Sinking Fund of the Loan of 1863.

The Hon. the Premier, Wellington.

No. 12.

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

(No. 40.)

GENTLEMEN,— Premier's Office, Wellington, 7th September, 1891.

Referring to your letter, No. 1013, of the 6th July last, in which you resume the report of the steps you have taken in connection with the release of the sinking fund, I have the honour to inform you that the arrangements which have been made are entirely satisfactory to the Government.

I have, &c.,
J. BALLANCE.

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

No. 13.

The STOCK AGENTS to the PREMIER.

(No. 1014.) Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,— 6th July, 1891.

Resuming our report of the progress made in the conversion from the date of our last report on the 21st March last, No. 501, we now beg to state as follows:—

The amount of 6-per-cent. debentures of the various loans sent in or ready to be sent in to the Bank of England for conversion up to the 23rd June was as follows:—