

MR. WARD TO SIR F. ROGERS, BART.

New Zealand Agency Offices,
3, Adelaide Place, London Bridge, E.C.,
17th July, 1863.

SIR,—

I have to acknowledge the receipt of your letter of the 16th instant, in which you acquaint me that His Grace the Duke of Newcastle, having considered my letter of the 11th May last, and that of the Under Secretary of State for War, of the 24th April last, on the subject of the claims of Her Majesty's Government against the Colony of New Zealand, in respect of Naval and Military Expenditure, has suggested to the Lords Commissioners of the Treasury whether some arrangement might not be arrived at, having for its object a final settlement of all outstanding Imperial claims against the Colony; and that His Grace would be prepared, on behalf of Her Majesty's Government, to accept a sum of £200,000, in satisfaction of all such claims, up to the 30th September last, to be paid out of the £500,000 to be raised by Loan under the Imperial guarantee; and further, that, upon my immediately making known my acceptance of this proposal, Her Majesty's Government will lose no time in submitting a Bill to Parliament, authorizing the raising of such Loan under an Imperial guarantee.

If the proposal now made were to be understood as a waiver of all claims upon the Colony, except for Military assistance rendered since the Native outbreak in New Zealand, in the year 1860, I should reply that the sum named exceeds that which the Colony admits as properly chargeable for such assistance by an amount so important to the Colony as to oblige me, on its behalf, to decline the proposal.

But the proposal, as stated, embraces the settlement of all Imperial claims, in respect to Military and Naval Expenditure, up to 30th September, 1862—among which claims, that for the balance of expenses incurred many years ago in locating the New Zealand Fencible Force appears as a very important item. Viewed in this light, the proposal must be characterized as one of liberality on the part of Her Majesty's Government.

But I regret to say that I am prevented from entertaining any proposal for discharging the last-mentioned claim, since it has never yet been submitted for the consideration of the General Assembly of New Zealand. From the year 1853, when the charge was raised against the Colony in an incomplete state, and before the General Assembly was constituted, the claim dropped out of sight until just previous to the last Session of that body, when a Despatch from His Grace raised the question again, but too late, considering the circumstances of the time, for its proper consideration in that Session. No legal appropriation, therefore, having yet been made for the discharge of this claim, I am unable to do more than receive from Her Majesty's Government any proposal which they may be pleased to make for its separate settlement, and to undertake that any such proposal, or, in the absence of any new proposal, the claim as it has already been raised, shall be submitted to the General Assembly of the Colony at the earliest opportunity: and Her Majesty's Government have, doubtless, full confidence that the General Assembly will promptly and fully discharge any liability which fairly rests upon the Colony. I am to be understood, however, as not pledging the Government of New Zealand to any particular recommendation with regard to this claim.

In addition, I have to point out that the claim in question is not of that kind for the discharge of which the Colony has deemed it right to request the guarantee of Her Majesty's Government to the proposed Loan, and that, to pay so large a sum out of the proceeds of the Loan for such a purpose, would have the effect of materially diminishing the amount applicable to those requirements which, springing out of the Native insurrection, are declared to be the legitimate objects to which the moneys borrowed may be devoted.

The proposal now authorized by His Grace the Duke of Newcastle, and that which I had the honor to make in my letter of the 11th May last, are, I venture to submit, materially the same. The objection now raised to the former is one, not of principle, but of legal form. I trust, therefore, that His Grace will consent to treat the liability of the Colony for Military assistance rendered during the Native insurrection as a separate debt to the Imperial Government, taken at the round sum of £150,000, to be paid as proposed by His Grace, leaving the claim for the sum of £67,927 5s. 9d., for the location of the New Zealand Fencible Force, to be a distinct charge, untouched in the present settlement.

I beg that you will convey to His Grace an assurance of the sincere regret which the Government of New Zealand will feel that, in submitting the immediate answer which his Grace has required to his proposal, I have been unable to suggest a final settlement of all the claims raised by the Imperial Government against the Colony.

I have, &c.,

CROSBIE WARD.

Sir F. Rogers, Bart.,
Colonial Office, Downing-street.