

have endeavoured to show that the sum of £150,000 is—first, not less than the amount, which is fairly chargeable on the Colony ; and, secondly, the extreme amount which its resources enable it to pay without serious injury. I submit that the Colony cannot, in justice to itself, incur the additional liability which is sought to be imposed upon it ; and that, therefore, the offer of payment which I have had the honor to make, and now repeat on its behalf, is one which Her Majesty's Government may honorably accept.

I have, &c.,

CROSBIE WARD.

The Under-Secretary of State for the Colonies, Colonial Office.

No. 3.

THE HONORABLE CROSBIE WARD TO THE COLONIAL SECRETARY, NEW ZEALAND.

Office of the New Zealand Government Agency,
3, Adelaide Place, King William-street,
London, 25th June, 1863.

SIR,—

Vide Enclosures to No. 2

I have the honor to forward for your information Copies of the Correspondence which has already passed between the War Office, the Colonial Office, and myself, with reference to the settlement of the Imperial claims upon New Zealand arising out of the late war. I have as yet received no reply to my letter of the 11th May last, but learn from enquiries made from time to time that it is still under consideration by the Government.

I have, &c.,

CROSBIE WARD.

The Honorable the Colonial Secretary, New Zealand.

No. 4.

THE HONORABLE CROSBIE WARD TO THE COLONIAL SECRETARY, NEW ZEALAND.

Office of the New Zealand Government Agency,
3, Adelaide Place, King William-street,
London, 18th July, 1863.

SIR,—

Vide Enclosures to No. 2

In continuation of the correspondence forwarded to you by last mail upon the subject of the settlement of the Imperial claims for Military assistance rendered to the Colony during the Native Insurrection, I have now the honor to enclose for your information Copies of Letters which have passed between myself and the Colonial Office since that time.

You will observe from this correspondence that on the 16th of the present month a proposal was made to me that the Colony should pay a round sum of £200,000 in satisfaction of all Naval and Military claims whatever, of the Imperial Government to the 30th September, 1862. These claims are stated to comprise nominally the following amounts :—

Military assistance during the Native Insurrection ...	...	£207,317	1	8
Hire of Steamers during ditto ...	...	45,001	10	8
Expense of locating New Zealand Fencible Force ...	...	67,927	5	9
Total ...	...	£320,245	18	1

Assuming these claims to be considered by Her Majesty's Government as equally valid, the offer to commute them for the sum of £200,000 must be termed one of liberality.

Without, however, entering into detailed criticism of the various claims advanced, it is obvious that if the sum of £200,000 is to be considered as a payment for Military assistance alone, it is much greater than the Colony can admit to be justly due on that account ; but if it is to include to any extent a liquidation of the claim for the location of Fencibles, it is impossible for me to undertake its payment.

The validity of the claim itself has yet to be established ; the withdrawal of so large a sum from the proceeds of the loan would seriously diminish the amount intended for application to other objects ; but above all, this liability had never been provided for, nor even considered by the General Assembly, and it was, therefore, impossible for me to undertake its discharge, directly or indirectly.

Upon these grounds I immediately replied declining the proposal made, but stating that I was prepared to repeat my previous offer of £150,000 in liquidation of the war claim, and to undertake that the Colonial Government would bring the claim on account of the Fencible Force under the consideration of the General Assembly at its next session. My reply was dispatched on the morning of the 17th instant.

On the same day I had a conversation with Mr. Chichester Fortescue at his request. He informed me that owing to the lateness of the session the Government had already prepared a bill to