

P A P E R S
RELATIVE TO A LOAN OF £3,000,000 STERLING
FOR THE
SERVICE OF NEW ZEALAND.

No. 1.

COPY OF A DESPATCH FROM HIS GRACE THE DUKE OF NEWCASTLE, K.G., TO GOVERNOR SIR GEORGE GREY, K.C.B.

(No. 75.)

SIR,—Downing Street, July 27, 1863.
I enclose copies of correspondence which has passed between this Department, Mr. Crosbie Ward, the War Office, and the Lords Commissioners of the Treasury, respecting the settlement of the Imperial claims upon the colony in respect to military services, and the proposal that the Imperial Government should guarantee a loan of 500,000 £.

You will perceive that, the session being nearly at its close, I took upon myself to offer Mr. Ward to accept the sum of 200,000 £. in satisfaction of the recent Imperial claims, amounting to something more than 207,000 £., to remit an old debt of 67,927 £. in respect of the New Zealand Fencibles, and to recommend to Parliament to guarantee the proposed loan.

These terms Mr. Crosbie Ward did not apparently think himself authorised to accept; and although he subsequently appears to have changed his mind, and was understood at a personal interview to express his readiness to close the negotiation on the proposed conditions, this did not occur till the Bill had been definitively withdrawn, and the rules of the House of Commons rendered it impossible that it should be then re-introduced.

I shall address you again on this subject. I can now only express my regret that Mr. Ward was, or considered himself, precluded from accepting the proposal of Her Majesty's Government till it was too late to do so, and my apprehension that the Lords of the Treasury may not consent to its renewal.

Governor Sir George Grey, K.C.B.,
&c. &c. &c.

I have, &c.,
NEWCASTLE.

Enclosure.

SIR,—War Office, Pall Mall, S.W., April 24, 1863.
I am directed by the Secretary of State to forward, for the information of his Grace the Duke of Newcastle, a copy of a letter addressed to Mr. Crosbie Ward, the accredited agent in this country on behalf of the Government of New Zealand, enclosing a statement of the amount due by that colony to the 30th September, 1862, on account of expenses arising out of the insurrection of the natives.

In regard to that paragraph of the letter to Mr. Crosbie Ward informing him that the account furnished is exclusive of the advances that have been made out of Her Majesty's Treasury Chest in New Zealand on account of the hire of certain colonial vessels and of other naval expenses, I am to state, that the sum of 45,001 £. 10s. 8d., advanced from the Treasury Chest for this service, has been repaid, or is in course of repayment, to this Department, by the Admiralty. It is, however, for his Grace the Duke of Newcastle to determine whether any claim shall be raised against the colony for this service.

The Under Secretary of State for the Colonies,
&c. &c. &c.

I have, &c.,
DOUGLAS GALTON.

SIR,—War Office, April 24, 1863.
His Grace the Duke of Newcastle having referred you to this Department for information respecting the amount due by the colony of New Zealand to the Imperial Government, on account of the expenses arising out of the recent native rebellion in that colony, I am directed by the Secretary of State for War to forward, in answer to your personal application, a statement showing that the amount due by the colony to the 30th September, 1862, is £207,317 1s. 8d.