

for use in New Zealand, but for exportation to the Islands of the Pacific. The Colonies are indeed exposed to the contingency of having to find silver coinage for all the South Pacific Islands, as in course of time they become settled.

3. A small sum was voted by the Legislature during its last Session for the purpose of introducing new coin, but I am given to understand that it is not likely the Government will use that sum, because they are under the impression that, supposing they brought out new silver, there would be great objection to the defaced coin being collected and sent home in payment. In short, the present want is a larger supply of silver; and until that want has been adequately met, the disadvantage of keeping defaced coin in circulation will be looked upon as comparatively light.

4. As a large amount of silver is extracted in the Colony from the gold (in some cases as much silver as 30 per cent), there would, in all probability, be no necessity to import silver for the purpose of coinage.

Having, then, regard to these facts, the Government, without having as yet come to any conclusion as to the expediency of the Colony undertaking to establish the proposed currency, are desirous of ascertaining whether any objections would be entertained by the Imperial Government against New Zealand coining and issuing silver and copper money.

As the Government are anxious to bring this question before the Legislature at its approaching Session, I should feel obliged if Lord Kimberley, after having considered it, would be pleased to grant me an interview in time to enable me to communicate with the Government on the subject by the mail which will leave on the 13th instant.

In the meantime, perhaps Lord Kimberley will not object to place me in communication with some officer of the Mint, from whom I may obtain information respecting the nature of the necessary apparatus or machinery, its cost and annual expense of working and maintaining it, and also respecting the alloys to be used in it.

The Under Secretary of State for the Colonies.

I have, &c.,
I. E. FEATHERSTON.

Enclosure 2 in No. 3.

Mr. HOLLAND to Dr. FEATHERSTON.

SIR,—

Downing Street, 10th June, 1873.

I have laid before the Earl of Kimberley your letter of the 4th instant, inquiring if any objections would be entertained by Her Majesty's Government against the coining and issuing of silver and copper money by the Government of New Zealand.

You will have learned from the Despatch to Sir George Bowen, of which a copy was sent to you in the letter from this office of the 27th March, that the Lords of the Treasury are not at present prepared to entertain the proposal that a Mint should be established in New Zealand. Lord Kimberley cannot therefore place you in communication with the officers of the Mint, but he will send a copy of your letter to their Lordships for their consideration, together with an application which is already before them from the Government of Victoria, that silver may be coined at the Mint already established in Melbourne, and will ask them if they think it advisable to place you in communication with the Mint.

If, in these circumstances, you still think there would be advantage in explaining your views to Lord Kimberley, his Lordship will be happy to appoint a time to see you.

Dr. Featherston, Agent-General for New Zealand.

I am, &c.,
N. T. HOLLAND.

Enclosure 3 in No. 3.

Mr. HERBERT to Dr. FEATHERSTON.

SIR,—

Downing Street, 27th March, 1873.

I am directed by the Earl of Kimberley to transmit to you, for your information, a copy of a Despatch which he has addressed to the Officer Administering the Government of New Zealand, in answer to a Despatch from Sir George Bowen conveying an inquiry from his Ministers as to the terms on which the establishment of a branch of the Royal Mint in the Colony would be sanctioned.

Dr. Featherston, Agent-General for New Zealand.

I am, &c.,
ROBERT G. W. HERBERT.

No. 4.

The Right Hon. the Earl of KIMBERLEY to the OFFICER ADMINISTERING the GOVERNMENT of
NEW ZEALAND.

(New Zealand, No. 20.)

SIR,—

Downing Street, 27th March, 1873.

I have the honor to acknowledge Sir George Bowen's Despatch No. 109, of the 10th of March, conveying the request of his Ministers to be informed on what terms the establishment of a branch of the Royal Mint in New Zealand would be sanctioned.

The Lords Commissioners of the Treasury, to whom the Despatch was referred, have stated their opinion, that without further experience of the effects of two branches of the Royal Mint being in