with the ordering and inspection of war material for New Zealand, I have the honour to transmit to you, for communication to your Government, a copy of a letter from the War Office on the subject.

I request that you will inform me of the decision at which your Government

may arrive on this subject.

FRED. STANLEY.

I have, &c.,

Governor Sir W. F. D. Jervois, G.C.M.G., C.B., &c.

Enclosure.

Sir,— Surveyor-General's Department, War Office, 3rd November, 1885.

I am directed by Mr. Secretary Smith to acknowledge the receipt of your letter of the 6th ultimo, forwarding a correspondence respecting the remuneration to be given to Major-General Steward for his services in connection with the ordering and inspection of war material for the Colony of New Zealand.

In reply, I am to acquaint you, for the information of Colonel Stanley, that Mr. Smith is of opinion that it would be decidedly preferable to pay an officer in this position by salary rather

than by a percentage on the orders given.

It would, moreover, seem to be worthy of consideration whether the colonies for whom General Steward acts might not make a joint arrangement in respect of the salary to be allowed; in which case it is suggested that, provided a five years' appointment were arranged, £500 a year might be considered an adequate salary.

If, on the other hand, the arrangement were only from year to year, it would probably not be deemed excessive if double that amount, or £1,000 a year, were allowed to the inspecting

officer for his special services.

In any case, I am to request the favour of an intimation of the decision arrived at, as it would be desirable to inform the Lords Commissioners of Her Majesty's Treasury with reference to previous correspondence regarding General Steward's retired pay, and the commutation thereof.

I have, &c.,

The Under-Secretary of State, Colonial Office.

GUY C. DOWNAY.

No. 21.

(New Zealand, No. 70.)

Downing Street, 13th November, 1885.

I have the honour to acknowledge the receipt of your Despatch No. 110, of the 22nd of September, reporting that you had that day prorogued by Commission the second session of the ninth Parliament of New Zealand.

I have, &c.,

FRED. STANLEY.

Governor Sir W. F. D. Jervois, G.C.M.G., C.B., &c.

No. 22.

(New Zealand, No. 72.)

SIR,-

Downing Street, 23rd November, 1885.

I have the honour to acknowledge the receipt of your Despatch No. 108, A.-1A, 1885, of the 12th of September, with its enclosures,* respecting the position of Fiji and No. 73. the islands of the Western Pacific in relation to New Zealand.

Her Majesty's Government have given their fullest consideration to the question of the annexation of Rapa; but it does not appear to them possible to acquire that island unless Her Majesty's Government should be in a position to assent to

France obtaining some valuable equivalent.

The observation that the Pacific Islands Committee "cordially sympathize with "the settlers in Fiji in their desire to procure a government less arbitrary and "more considerate of their interests and feelings than that of a Crown colony," would appear to indicate a belief that the interests of the natives no longer require the direct supervision and protection of the Crown. There is no reason to suppose that the Imperial Parliament would be prepared to withdraw that supervision and protection at the present time, or without proof that the closer relations suggested as desirable between New Zealand and Fiji would be such as fully to secure native interests.

^{*} Report of Select Committee of House of Representatives, dated 4th September, 1885.