No. 11.

(Circular.)

My Lord. Downing Street, 2nd May, 1889.

I have the honour to transmit to you the accompanying copy of a letter which has been addressed to me by the Lords Commissioners of Her Majesty's Treasury on the subject of a proposal to allow soldier-pensioners of fifty years of age and upwards who desire to emigrate to British colonies to commute so much of their pensions as may exceed 6d. a day, upon more liberal terms than are allowed by the Act, 1 William IV., c. 41; and I request that I may be informed whether, in the event of the proposal being sanctioned, your Government will undertake to pay, free of charge, the balance of pension of any pensioners who may emigrate to the colony, such payments, of course, to be reimbursed to the Colonial Governments. I have, &c.,

KNÚTSFORD.

The Officer Administering the Government of New Zealand.

Enclosure.

The TREASURY to the COLONIAL OFFICE.

Treasury Chambers, 9th April, 1889. Sir,-The Lords Commissioners of Her Majesty's Treasury request you to inform Lord Knutsford that they have under their consideration a scheme which is proposed by the Secretary of State for War, on the recommendation of an Inter-Departmental Committee (on which the Colonial Office was represented), for allowing soldier-pensioners of fifty years old and upwards who desire

to emigrate to British colonies to commute so much of their pensions as may exceed 6d. a day, upon more liberal terms than are allowed by the Act, 1 William IV., c. 41.

My Lords have great doubt of the expediency of allowing any part of the pensions of such emigrants to remain uncommuted, because of the trouble and risk of fraud that will be entailed by having to make so many small payments in distant parts of the world. The War Department allege, however, that there is an almost unanimous agreement on the part of the Agents of the colonies as to the proposed non-commutation of 6d. a day, and that when the Agents were consulted an understanding was expressed that the Colonial Treasurers would pay these balances of pension without charging the usual commission.

My Lords would inquire whether Lord Knutsford can confirm this understanding officially, and can give the names of the colonies that are parties to it.

I have, &c., R. E. Welby.

The Under-Secretary of State, Colonial Office.

No. 12.

(New Zealand, No. 8.)

My Lord, Downing Street, 7th May, 1889.

In reply to Sir William Jervois's Despatch No. 2, of the 24th of January last, respecting the proposed annexation of the Macquarie Islands, I have the honour to transmit to you, for communication to your Government, a copy of a letter which I caused to be addressed to the Admiralty on the subject, and of

their Lordships' reply.

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Her Majesty's Government are willing that the annexation should be effected; and the most convenient mode of carrying out this object would probably be for the Colonial Government to despatch a vessel with one of their officers on board to hoist the British flag at the islands, and to proclaim Her Majesty's sovereignty over them; and on your report that this has been done, and when the New Zealand Parliament has adopted a joint address praying for the annexation of the islands to the colony, steps shall be taken for issuing the necessary Letters Patent for the purpose.

I accordingly authorise you to propose this course to your Government, and, when adopted by them, to give instructions to some suitable officer of the Government to declare Her Majesty's sovereignty over the islands in question, subject to the condition that no evidence is found on the spot of the islands

being claimed by any foreign Power.

You should cause a notification of the annexation to be inserted in the Government Gazette; and I enclose for your guidance a description of the islands with which I have been furnished by the Lords Commissioners of the Admiralty.

> I have, &c., KNUTSFORD.

Governor the Right Hon. the Earl of Onslow, G.C.M.G., &c.