I shall therefore be obliged if you will bring the matter under the notice of the proper authorities, with the view of ascertaining whether they are prepared to meet the views of my Government, and to return the debentures in question on receiving in exchange the amount for which they were originally placed as collateral security in the hands of Her Majesty's Treasury.

My Government are aware that these debentures were, when they were handed to the Treasury, deposited with the Bank of England, but that subsequently the Imperial Treasury received from the Bank the sum of £500,000 in respect thereto, and this transaction was carried into effect without the concurrence of the colonial authorities first being obtained. My Government objected at the time to the mode of sale, and in the correspondence that ensued between the Crown Agents and the Treasury, those officers after reviewing the facts expressed themselves as follows:—

"*The Crown Agents were not in any way prepared for the statement contained in your letter of 13th September last, that the £500,000 bonds had been sold to the Governor and Company of the Bank of England, as the Lords Commissioners had, by your letter to Sir F. Rogers of the 19th August, 1865, accepted those bonds only as 'collateral security' for a portion of the debt due to Her Majesty's Government by the New Zealand Government, and had decided that when prepared they should be deposited with the Bank of England in your name and those of the Crown Agents, their Lordships having reserved to themselves the power to dispose of the interest from time to time accruing.

"Moreover the Crown Agents had been requested by their Lordships to prepare those bonds in such amounts, and for such periods as would best suit the convenience of the Colonial Government in disposing of them when returned to them after payment of the debt to the Imperial Government."

My Government trust that under these circumstances there will be no objection on the part of those concerned to the proposal to pay them off as originally contemplated, it being assumed that it is not desired by the Imperial Government that any advantage shall be derived beyond the payment of the interest at the rate of 4 per cent. per annum, which has been regularly paid, and the payment of the principal amount which, as I have stated, my Government are now prepared to arrange.

I have, &c.,

The Under-Secretary of State for the Colonies. W. B. PERCEVAL.

No. 5.

(No. 51.) The PREMIER to the AGENT-GENERAL.

SIR,— Premier's Office, Wellington, 31st October, 1892.

I have the honour to acknowledge the receipt of your letter of the 2nd September last, No. 1584, reporting the action you had taken in regard to obtaining the consent of the Imperial Government to our paying-off the half-million guaranteed debentures of the loan of 1863, and enclosing copy of a letter you had written to the Colonial Office on the subject, and to express my approval of the steps you have so far taken. I shall be glad to find your negotiations lead to a successful result.

I have, &c.,

P. A. BUCKLEY

The Agent-General for New Zealand, London. (For the Premier).

No. 6.

The PREMIER to the AGENT-GENERAL.

(Telegram.) Wellington, 16th December, 1892.

GUARANTEED Loan of 1863. Any progress?

Agent-General, London.

No. 7.

The AGENT-GENERAL to the PREMIER.

(Telegram.) (Received 17th.)

GUARANTEED Debentures. Imperial Treasury pleads estoppel in consequence of settlement after Bank of England purchase. The Governors decline surrender except market value estimated 115.

Premier, Wellington. London, 16th.

No. 8.

The PREMIER to the AGENT-GENERAL.

(Telegram.) Wellington, 19th December, 1892.

GUARANTEED Debentures. Am anxious to negotiate with Bank of England and have conversion effected so as to release sinking fund.

Agent-General, London.

No. 9.

The AGENT-GENERAL to the PREMIER.

(Telegram.) Received, 20th December, 1892.

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MESSAGE of 19th received. Guaranteed debentures: Will negotiate Bank of England.

Premier, Wellington. London, 19th.

No. 10.

The AGENT GENERAL to the PREMIER.

(No. 1641.) Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,— 24th November, 1892.

Referring to your letter No. 35 (Treasury), of the 8th August last, and also to the letter I addressed to yourself on the 2nd September on the question of the £500,000 Imperial-guaranteed

* Letter to Mr. Hamilton of the Treasury, dated 23rd August, 1867.