

instance. If no considerable portion of this first instalment is taken up before that date, I intend to authorise them to sell as opportunities offer at a price equivalent to a Six per Cent. Loan at par, or at 83. I shall also be obliged before I return to leave them unfettered by any minimum, as before the middle of September one half of the first instalment must be had.

I append a statement of the equivalents from 83 to 90 and the amount of interest payable at each price:—

5 per cent. Stock at 83	= 6	per cent. at par	= 6	per cent. per ann.
" " 85	= 6	" " 102	= 5	17 7
" " 87½	= 6	" " 105	= 5	14 3
" " 90	= 6	" " 108	= 5	11 1

The Honorable the Colonial Secretary,
Auckland, New Zealand.

I have, &c.,
READER WOOD.

No. 19.

THE HON. THE COLONIAL TREASURER TO THE HON. THE COLONIAL SECRETARY.

Westminster Palace Hotel, London, July 19th, 1864.

SIR,—

I have the honour to report that on Thursday evening, the 14th instant, the second reading of the New Zealand Loan Guarantee Bill was carried in the House of Commons by 92 to 55. I have instructed Mr. Morrison to forward to you some copies of the *Times* containing a report of the debate.

You will see from that report how strong an opposition was offered to the guarantee of any sum whatever for New Zealand, and that the majority was only obtained on the distinct understanding that as a condition the Colony should agree to the proposals made by Her Majesty's Government with reference to the future payment for troops; a clause to this effect is to be added to the Bill.

You will have seen, I have no doubt, with as much pain as I have, the attacks that have been made on the Colonial Government and on the Colonists generally in the *Times*, accusing them of closing all avenues to peace, and of employing the British troops to fight—not in a war of defence—but in a war of aggrandizement and for the purpose of wresting land from the natives by force. I felt my own position here, under these circumstances, to be one of peculiar difficulty. I could not shut my eyes to the fact that statements of the kind I refer to produced a very considerable effect, and accompanied as they were by the story of military disaster after disaster, they commanded a degree of attention which otherwise perhaps would not have been the case.

For me to have rushed into a newspaper correspondence and to have denied the allegations, could not have produced the effect I desired; I should have at once laid myself open to the retort that I was one of those accused, and that my denial should be regarded as the plea of not guilty from an accused person, rather than as the impartial testimony of a disinterested witness.

I frequently had opportunities of discussing this subject with Mr. Secretary Cardwell and Mr. C. Fortescue, and from both I had received assurances of their confidence that the Colonial Government had no other motive in prosecuting this war than Her Majesty's Government—that of securing a permanent peace. I felt if a statement of that kind came from these gentlemen in the House of Commons that the answer to the attack I have referred to would be complete. I drew the attention of Mr. Secretary Cardwell and Mr. C. Fortescue to these attacks on the day on which the debate was to take place. I brought under their notice the mischief that I thought these attacks were doing, and my own powerlessness to offer such an answer as is alone worth making. I said that they would be doing the Colony a great service if in the House of Commons they would state publicly that which they had stated to me personally, and thus afford the best evidence that could be given from unprejudiced and disinterested parties that those attacks were without foundation.

I received an assurance from both those gentlemen that if an opportunity offered they would do as I had asked, and I think after reading their speeches you will agree with me that a complete answer has been given to the allegations respecting the origin of the war, and the purposes for which it is being conducted, which have been latterly so frequently made in the English press.

The Honorable the Colonial Secretary,
Auckland, New Zealand.

I have, &c.,
READER WOOD.

No. 20.

THE HON. THE COLONIAL TREASURER TO THE HON. THE COLONIAL SECRETARY.

Treasury, Auckland, 13th October, 1864.

SIR,—

I have the honour to forward for your information, copies of the correspondence between Messrs. Julyan and Sargeaunt, Mr. Lurkworthy, and myself, with reference to financial arrangements to meet the debt due to the Bank of New Zealand, in consequence of the failure of the Loan.

I have, &c.
READER WOOD.

The Hon. the Colonial Secretary, Auckland.