

PAPERS RELATIVE TO

Enclosure 5 in No. 20.

MR. LARKWORTHY TO THE HON. THE COLONIAL TREASURER.

Bank of New Zealand,
London, 23rd July, 1864.

SIR,—

I am in receipt of your letter of the 22nd instant, informing me of the financial arrangements you propose should be carried out by the Crown Agents for the Colonies and this Bank, on behalf of the New Zealand Government, which are as follows:—

The Crown Agents shall pay into this Bank from time to time, say in sums of £10,000 or £20,000 as may be received, the proceeds of the first £100,000 of the General Government debentures sold by them, and you expect this sum will be sold in the course of one month from the present date. The Crown Agents, in addition to the sum of £100,000, shall pay into this Bank on the first of September, and not later than the fourteenth idem, the sum of £500,000; and to ensure the punctual payment of this sum you state you have given Messrs. Julyan and Sargeaunt full powers to obtain advances upon these debentures. The Crown Agents shall pay into this Bank the balance of the first million of the debentures, without, in the first instance, providing for any sums which may have been raised by way of loan.

The Bank of New Zealand is expected, out of monies to be received, to place to the credit of the New Zealand Government Emigration Board the sum of £30,000, and £20,000 to the credit of Archibald Clark, Esq., of Glasgow, these two amounts to include all payments already made to account.

That the Bank of New Zealand will liquidate, out of monies to be received, the debt at present due by the New Zealand Government, on account of advances made to Mr. Morrison, and that a further sum of £16,000 is expected to be placed at the disposal of Mr. Morrison.

That in the absence of any information as to the arrangements which may have been made by the Government with the Bank of New Zealand for further advances, you have placed a further sum of £250,000 in Debentures, in the hands of Messrs. Julyan and Sargeaunt, to enable them to provide funds to carry out these arrangements, and you request me to give due notice to Messrs. Julyan and Sargeaunt when such arrangements shall have been made.

Your request that, on payment of the £500,000 on or before the 14th of September next, the authority given by the Government to our Directors to make and to sell, under certain conditions, debentures value £500,000, is to be handed over to Messrs. Julyan and Sargeaunt is duly noted.

Your proposal that the New Zealand Government should pay interest at 1 per cent. above the Bank rate of discount, for all advances made by this Bank, does not meet the approval of the London Board, and we should prefer that this matter should be arranged by the Auckland Board.

In conclusion, I may state that every effort shall be made by this Bank to assist the Government in their present difficulties; but inasmuch as our resources here depends upon the arrangements made by our Head Office in Auckland, over which we have no control, we may be deprived of the means of assisting to the extent we should desire.

I am, &c.,

F. LARKWORTHY,
Managing Director.Hon. Reader Wood,
Westminster Palace Hotel.

Enclosure 6 in No. 20.

THE HON. THE COLONIAL TREASURER TO MR. LARKWORTHY.

Westminster Palace Hotel, London, July 23, 1864.

SIR,—

In reply to your letter of this day's date, I beg to inform you that I have brought the two points to which you refer under the notice of the Crown Agents, with a request that they will comply with your request.

I have, &c.,
READER WOOD.

F. Larkworthy, Esq.

Enclosure 7 in No. 20.

THE HON. THE COLONIAL TREASURER TO MESSRS. JULYAN AND SARGEAUNT.

Westminster Palace Hotel, London, July 23, 1864.

GENTLEMEN,—

The financial arrangements which I have requested you to make will be generally satisfactory to the Bank of New Zealand, but they wish modifications in the two following particulars:

1. It would be more convenient for the Bank if the £500,000 were paid on the 1st September; it must, however, as you are aware, not be delayed beyond the 14th under any circumstances.

2. With reference to the payment of the balance of the million, the Bank would be obliged if in the first instance, after the hypothecation of the £500,000, you could continue to pay in the proceeds of the sales of the Debentures left in your hands to enable the Bank to meet the drafts it is anticipated will be drawn monthly by the New Zealand Government till they hear of the extreme difficulty of obtaining money in London for the service of New Zealand.

I have, &c.,

READER WOOD.

Messrs. Julyan and Sargeaunt.