

B.—No. 1A. 14 FURTHER PAPERS RELATIVE TO THE LOAN OF £3,000,000.

The two above-named sums of £50,000 and £40,000, which at ordinary times we should have placed at interest with some of the leading Joint Stock Banks until the money was required, are now lying idle at our bankers—the Bank of England; and in the present state of doubt and uncertainty which extends to all other banks, we are unwilling to risk placing it elsewhere, although the rate of interest is just now exceptionably high on money deposited at a few days' call.

The bill for £27,000 on the Bank of New Zealand, remitted in your letter of the 15th March last, was duly accepted on the 14th instant, and made payable at the Bank of London, of which Mr. Larkworthy, the managing director of the Bank of New Zealand, is also a director. Since then the Bank of London has stopped payment; but the Bank of New Zealand will doubtless make provision for the retirement of their acceptance at maturity, which will not be until the 16th of July.

Finally, I enclose for your information, a paragraph cut from the report of the financial statement of the Chancellor of the Exchequer made in the House of Commons, by which you will perceive that the suggestion originally thrown out by the Crown Agents, that the Imperial Government should guarantee the £500,000 New Zealand 4 per cents., has been proposed to Parliament.

The Hon. the Colonial Secretary, &c., New Zealand.

I have, &c.,
P. G. JULYAN.