

Enclosure 2 in No. 3.

MEMORANDUM from the BANK OF NEW ZEALAND, Wellington, to the SECRETARY to the TREASURY, Wellington.

INTEREST, NEW PLYMOUTH HARBOUR BOARD.—Referring to my letter addressed to the Colonial Treasurer, dated the 25th October, our New Plymouth office now write me to the effect that an error of $\frac{1}{8}$ per cent. has been made in calculating the exchange chargeable on the remittance of £5,025 to London; and I have now to ask you to send me your cheque for £6 5s. 7d., being the amount of the difference caused by calculating the exchange at $\frac{1}{8}$ per cent. instead of 1 per cent.

13th November, 1889.

ALFRED SMITH (*pro Manager*).

No. 4.

The CONTROLLER AND AUDITOR-GENERAL to the COLONIAL TREASURER.

The Hon. the Colonial Treasurer.

In respect to the payment made in November last of the interest due in London by the New Plymouth Harbour Board, I presume that instructions will be sent to the Agent-General to procure and hold the coupons uncanceled as security for the advance made by the Government.

12th February, 1890.

JAMES EDWARD FITZGERALD.

No. 5.

The AGENT-GENERAL to the COLONIAL TREASURER.

(Memorandum.)

Westminster Chambers, 13, Victoria Street, London, S.W., 2nd April, 1890.

NEW PLYMOUTH HARBOUR BOARD COUPONS.—I beg to enclose copy of a memorandum from the Audit Officer, covering a letter from the Controller General, relating to an advance of £5,000 made by the Treasury to pay the coupons on the bonds of the New Plymouth Harbour Board which fell due in 1889. Neither the Audit Officer nor I can, however, take steps for giving effect to the Controller General's desire, in the absence of instructions showing that the Bank of New Zealand is authorised to deliver the coupons to me uncanceled.

The Hon. the Colonial Treasurer.

F. D. BELL.

Enclosure in No. 5.

MEMORANDUM for the AGENT-GENERAL.

HEREWITH I submit a copy of a letter received by me from the Controller and Auditor-General, stating that he has pointed out to the Government that the New Plymouth Harbour Board coupons should be delivered to yourself uncanceled when the interest for the same has been advanced by the Government, and I should be glad to learn if you have received any instructions to that effect from the colony.

Audit Office, London, 1st April, 1890.

C. F. W. PALLISER.

Minute from Agent-General.

I HAVE no orders yet from the Government, but it is obvious that the Bank of New Zealand will not let us have the coupons uncanceled without full authority.—F. D. B.—1st April.

Sub-enclosure to Enclosure in No. 5.

SIR,—

Audit Office, 1st February, 1890.

The Government has paid the interest due by the New Plymouth Harbour Board in November last, amounting to over £5,000.

This money, I find, could not be advanced to the Board, who would have been liable to the penalties for illegal borrowing had they accepted such an advance. The money was issued as "unauthorised," and, so far, under the sanction of law; but it must be regarded as having been expended in the purchase of the coupons from the Bank of New Zealand in London. These coupons should therefore be delivered up uncanceled to the Agent-General as security for the money advanced by the Government to meet them. I have represented this to the Government, who will no doubt instruct the Agent-General on the subject.

C. W. Palliser, Esq.

I have, &c.,

JAMES EDWARD FITZGERALD.

No. 6.

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 29th April, 1890.)

BANK OF NEW ZEALAND cannot, without aid, meet interest due on Taranaki Harbour coupons. Instruct whether shall do anything.

London, 28th.