

settled and finally disposed of. Unless action is at once taken to approach the bondholders our opportunity will be lost, for the reason that the increase of the rate by the last valuation was 40 per cent. upon the previous one. With the increased rate and the Land Fund the Board will be able to meet their coupon in May next in full. This would give the bondholders renewed confidence in their securities, and so prevent their acceptance of the terms suggested. I am certain that if the Government made the overtures there would be few, if any, of the bondholders who would refuse to exchange their 6-per-cent. debentures for a guaranteed bond at 4 per cent. and payment in cash of the coupons in arrear at the 6 per cent. A potent inducement to many of the bondholders to accept terms is that they have invested trust funds in these bonds, and would be only too glad to seize the opportunity of obtaining bonds at a par rate, and so avoid any action being brought against them for a breach of trust.

It may be said by you that the Government giving a guarantee to the New Plymouth bondholders would open the door to the claims of other harbours that like treatment should be extended to them. No analogy whatever exists between the case of this Board and any other, as you know the endowments on which the New Plymouth Harbour Board raised the loan was administered by the present and past Governments, the Board having no voice whatever in the matter. The Government was really the Board's trustee, and is therefore responsible for the carrying-out of its trust. In all other cases the land endowments have been given to the Boards to deal with by themselves.

Hoping to receive your reply almost at once, as there is not a moment to lose,

Hon. J. Ballance, Wellington.

I have, &c.,

F. McGUIRE.

### No. 5.

The PREMIER to Mr. F. McGUIRE, M.H.R.

SIR,—

Premier's Office, Wellington, 24th March, 1893.

The Government have had under consideration your letter of the 18th ultimo, and in reply I have to inform you that they are unable to entertain the proposals contained therein, believing that to do so would be to take advantage of the ignorance of the bondholders as to the actual position of the Board. The financial operation, it seems to the Government, would therefore be of an objectionable character.

The Government have received with pleasure the intimation contained in your letter that the Harbour Board will shortly be in a position to redeem its credit by the payment of interest in full and the discharge of its obligations.

F. McGuire, Esq., M.H.R., Mount Royal, Hawera.

I have, &c.,

J. BALLANCE.

### No. 6.

The CHAIRMAN of the Council of Foreign Bondholders to the COLONIAL TREASURER.

Council of Foreign Bondholders, 17, Moorgate Street, London, E.C.,  
23rd February, 1893.

SIR,—

I have the honour to enclose, for your information, a copy of two resolutions passed yesterday at a general meeting of holders of New Plymouth Harbour Board 6-per-cent. debentures, held at the offices of this Council.

The committee, a list of whom I had the honour to send you in my letter of the 12th July last, has been strengthened by the addition of Mr. J. S. Scrimgeour.

I have, &c.,

The Hon. J. Ballance,  
Colonial Treasurer and Minister of Native Affairs, New Zealand.

JOHN LUBBOCK, Chairman.

### *Enclosure in No. 6.*

COUNCIL OF FOREIGN BONDHOLDERS, LONDON.

At a general meeting of holders of New Plymouth Harbour Board 6-per-cent. debentures, held at the offices of the Council of Foreign Bondholders, 17, Moorgate Street, London, on Wednesday, the 22nd February, 1893, it was resolved,—

1. That this meeting of holders of New Plymouth Harbour Board 6-per-cent. debentures hereby confirms the appointment of the committee already constituted by the Council of Foreign Bondholders, and requests the Council, in conjunction with the committee, to take such measures as they may deem desirable for the protection of the bondholders' interests.

2. That this general meeting calls on bondholders to deposit their bonds with the Council, against certificates of deposit, with authority to conclude arrangements for a settlement of their claims, subject to ratification at a general meeting of bondholders; and to provide for the expenses by an assessment not exceeding 2 per cent. on the facevalue of the bonds deposited.