

instant,\* Her Majesty's Government evidently fail to appreciate the condition of the Colony. Referring to former Despatches it will be seen that no loans were asked for or contemplated being made to mercantile firms or banks nor eleemosynary aid solicited. The failure of very many mercantile firms and the only two banks in the Colony, with the exception of the Savings Bank, has embarrassed the Government and the community. In the insolvent banks were deposited 200,000*l.* of the Savings Bank funds wanted for current requirements. The insolvent banks were also the Government depositories, and from them the Government drew such funds as they required. The funds of the Savings Bank deposited in the insolvent banks, being preferential, are perfectly safe, though unavailable for many months. By this failure and the discredit attaching to the Colony thereby the Government are temporarily deprived of the means of meeting promptly the claims of depositors in Savings Bank, which by law are guaranteed by Government, and Government's own requirements for some time to come without a loan, which can only be obtained on its unaided credit, at the moment, at exorbitant rate of interest. If my Government can place the Savings Bank in a position to meet all the probable demands of depositors immediately, the probability of further distress will be materially lessened.

As Her Majesty's Government have decided on sending Commissioner for the purposes expressed in your Despatch of 5th instant,\* my Ministers, desiring a disinterested report and distribution of the funds placed at his disposal, respectfully request that a stranger wholly unconnected at any time, either officially or commercially, with the Colony, should be appointed. My Ministers desire that copy of this message be forwarded to Evans, Special Commissioner, to save cost second message, and they most respectfully solicit early reply, as prompt action necessary.

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No. 3.

THE MARQUESS OF RIPON to SIR TERENCE O'BRIEN.  
(Sent March 9, 1895.)

TELEGRAPHIC.

[*Answered by No. 4.*]

(Extract.)

Can you inform me how much the Colonial Government was indebted to the banks when they failed? Also how much the banks were indebted to Savings Bank at that time, and how much at the present time?

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No. 4.

SIR TERENCE O'BRIEN to the MARQUESS OF RIPON.  
(Received March 11, 1895.)

TELEGRAPHIC.

(Extract.)

In reply to your telegram of the 9th March,† on 15th December Colonial Government was indebted to the Union Bank 868,000 dollars, Union Bank was indebted to Savings Bank 969,000, Commercial Bank was indebted to Savings Bank 430,000; at present time, Government to Union Bank 635,000, Union Bank to Savings Bank 650,000, Commercial Bank to Savings Bank 391,000, Savings Bank to the Bank of Montreal 100,000.

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No. 5.

SIR TERENCE O'BRIEN to the MARQUESS OF RIPON.  
(Received March 14, 1895.)

TELEGRAPHIC.

(Extract.)

The Savings Bank have now borrowed another 100,000 dollars at 6 per cent. payable on demand from the Bank of Montreal, against preferential claim on the Commercial Bank for the same sum and double the amount in Colonial bonds.

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\* No. 23 in [H.C. 104] March 1895.

† No. 3.