

The question is, to what extent and for what period the British public is to be burthened with the expense of paying and rationing not only the Colonial Militia and Military Settlers, actually performing military service, whose number is inconsiderable; but also those who have been placed on their land, and are only liable to be called upon for service in cases of emergency. This question has been referred to Her Majesty's Government, and until their decision is known, if the Colonial Government are really unable to fulfil the engagement they entered into with the Military authorities, on the 18th and 22nd February, the Lieut.-General will authorize the Commissariat to continue to pay and ration the number of Militia and Military Settlers who are now paid and rationed, on the conditions mentioned by Commissary-General Jones, namely: that Colonial Debentures, bearing 4 per cent. interest, be remitted from time to time to Her Majesty's Treasury, sufficient to cover the full amount of all the advances and the cost of the rations, and that the terms upon which the debentures will be accepted be left entirely to the decision of the Lords Commissioners of the Treasury.

Whatever arrangement may be decided upon, however, it is highly desirable that the Colonial Ministers should henceforward be more careful and explicit in their money transactions, and that they should not contract any engagement with the Imperial authorities which they do not intend, and are not able strictly to fulfil. It would also prevent misunderstanding, if, before calling upon the Lieut.-General to sanction any arrangement for paying and rationing the Militia out of Imperial funds, the Governor would make himself acquainted with the exact nature of that arrangement.

The Lieut.-General has little to say to the three last paragraphs of the Governor's Memorandum, as the statement of general principles they contain, affords no justification for escaping from liabilities indirectly entered into.

Head Quarters, Auckland, 26th July, 1865.

D. A. CAMERON,
Lieut.-General.

Enclosure 2 to No. 165.

The Hon. COLONIAL SECRETARY to the COMMISSARY-GENERAL.

SIR,—

Colonial Secretary's Office, Wellington, 18th February, 1865.

I have addressed His Excellency the Governor direct on the subject of your letter dated the 9th instant, to the Private Secretary, reporting the orders which you have given for the discontinuance from the 28th of this month, of the issue by the Commissariat of rations to the Colonial Forces in the Province of Auckland; but as it is probable His Excellency may be absent from Auckland when that communication arrives, I have the honor to address to you this letter on the same subject.

As serious embarrassment to the public service would ensue from this sudden change of the system of supplying the Colonial Forces through the Commissariat, I have strongly to urge upon you the propriety of not carrying your orders into effect, especially as the guarantee which Ministers will give removes the alleged cause, namely—the prevention of further increase of the liabilities of this Colony to the Imperial Government: Ministers give their assurance that for the future the Commissariat accounts for rationing the Colonial Forces in the Province of Auckland, shall be paid monthly, on presentation at the Sub-Treasury, Auckland.

It is however desired that the arrangement for supplying the Colonial Forces with rations by the Commissariat, should only be of a temporary character pending the completion of permanent arrangements contemplated by the Colonial Government, and which it is hoped will take effect within a few months at the furthest.

Ministers confidently rely upon your acceptance of this proposal, as the shortness of the notice which you have given entirely precludes the Colonial Government from making other necessary arrangements.

I have, &c.,

FRED. A. WELD.

Enclosure 3 to No. 165.

MEMORANDUM for His Excellency the GOVERNOR.

With reference to the letter from the Commissary-General of the 9th instant, His Excellency is respectfully requested to move the Lieut.-General Commanding to continue the issue of rations to the Colonial Forces at present on active service, as it is quite impossible that the Colonial Government can provide in a satisfactory manner rations for so large a body of men on so short a notice. Ministers will guarantee immediate payment upon the presentation of the account by the Commissary-General for any rations that may be issued.

Taranaki, 22nd February, 1865.

H. A. ATKINSON.

Enclosure 4 to No. 165.

The COMMISSARY-GENERAL to the Assistant MILITARY SECRETARY.

SIR,—

Commissariat, New Zealand, Auckland, 22nd July, 1865.

Having carefully perused the Memorandum of His Excellency, dated 11th July, 1865, addressed to his Responsible Advisers on the subject of the continued increase of the liabilities of the Colony to the Imperial Government, I now do myself the honor to submit the following remarks for the consideration of the Lieut.-General Commanding:—

Without entering into the detail of the various points touched upon by His Excellency, I think I may consider the whole question as resolving itself into

1st. The fact stated on pages 5 and 6 that the Civil Government finds it impossible to raise funds, at present, to pay or ration the Colonial Forces.

2nd. And in order to meet the existing exigencies of the present crisis the Colony appeals, through His Excellency, for the assistance of the Imperial Government in advancing as a loan the means necessary for that purpose.

3rd. Proposes to liquidate these advances by means of Colonial debentures, remitted from time to time to the Imperial Treasury, these debentures bearing interest at the rate of four per centum per annum.