No. 151.

Lieut.-General Sir D. A. CAMERON to His Excellency the GOVERNOR.

Sir,—

Head Quarters, Auckland, 5th June, 1865.

I have the honor to forward the copy of a letter I have received from Commissary-General

Jones, C.B., with reference to the existing issues of pay and rations on account of the Colonial Government.

I beg to inform your Excellency that I fully concur with Commissary General Jones; and I propose to cancel all the existing authorities for present issues from the 1st August next. I believe that it would be an advantage to the Colony as well as to the Imperial Government that the whole subject of these issues should be carefully reviewed and that a special application, with full particulars, be made for each case in which the assistance of the Commissariat is required by the Colonial Government.

I have, &c.,

D. A. CAMERON, Lieut.-General.

His Excellency Sir George Grey, K.C.B.

Enclosure to No. 151.

The COMMISSARY-GENERAL to the Assistant MILITARY SECRETARY.

Commissariat, New Zealand, Auckland, 3rd June, 1865.

With reference to your letter No. 4267 of this date, and the previous correspondence alluded to therein, I consider it my duty to bring to the Lieut.-General's knowledge that an expenditure of Imperial funds to the extent of £15,000 per month is being incurred on account of advances of money and cost of rations for Colonial forces and Military Settlers, and although under a promise of repayment, still the power of the Colony to meet the accounts appears to me very problematical, as if the money were available, the necessity for cash advances to pay the Militia could not be requisite.

I conceive that there could be no better opportunity than the present, when His Excellency the Governor and two of his Ministers are in the Province, to bring this long open question to an issue, and would suggest that in order to do so, the Lieut.-General should direct that all issues both of money and supplies shall cease from a fixed early date, say the end of next month, and that no further issues be allowed except upon an application from the Colony for each individual case, shewing the necessity for the same. and giving all particulars such as numbers, and description of force, rates of pay. &c., locality, and all other details necessary to form an estimate of the amount of money or supplies demanded. By this means the Lieut.-General will be able, by reviewing the various questions in detail, to see and judge of the necessity that exists for sanctioning or disallowing each.

I have, &c.,

The Assistant Military Secretary, Head Quarters, Auckland. H. STANLEY JONES, Commissary-General.

No. 152.

His Excellency the GOVERNOR to Lieut.-General Sir D. A. CAMERON.

Government House, Auckland, 9th June, 1865.

I have the honor to acknowledge the receipt of your letter of the 5th instant, forwarding a copy of a letter from Commissary-General Jones, C.B., dated 3rd June. From this correspondence I gather that you propose to cancel all the existing authorities for the present issues of pay and rations by the Commissariat on account of the Colonial Government, from the first day of August next, with a view of reviewing in detail the various questions connected with each of such issues, and of seeing and judging of the necessity that exists for sanctioning or disallowing each; and that you believe that it will be an advantage to the Colony as well as to the Imperial Government, that the whole subject of these issues

should be carefully reviewed, and that a special application with full particulars be made for each case. In reply, I have the honor to state that I can see no advantage that would result to the Colony from a careful review at the present time of the whole subject of these issues. The Colony is responsible for the cost incurred on account of them, and is to repay the amount.

The case of every one of the issues which is being made was carefully considered by the Colonial Government before I applied to you to order such issue; and the Colonial Government is satisfied in the case of each of these issues that it is still necessary, or it would not allow that it should continue to be made.

If you choose to cancel all the existing authorities for all present issues from the first of August next, with the intention of reviewing the various questions in detail, and of seeing and judging the necessity which exists for sanctioning or disallowing each one of them, I cannot prevent you from taking such a course, and the Colonial Officers shall be instructed to afford you any information connected with these subjects for which you may ask. But I think it my duty to state why I think it would be disadvantageous to the Colony as well as to the Imperial Government that you should at

the present time follow the course you propose to adopt.

There is now within a few miles of the settlement of Wanganui a post occupied by rebel Natives, of which they have been long allowed, and are still allowed to retain undisturbed possession. They thus keep alive in the country the smouldering embers of insurrection, which may at any time burst out into a flame and involve in serious disasters the settlements of Wanganui, Rangitikei, Manawatu, and the district of Wellington. These rebels who hold the Wereroa Pa, are connected with the fanatics on the East Coast. Their pa was the last point on the South-west Coast, from which the party of fanatics, bearing a head, who murdered Mr. Volkner, were sent upon their atrocious mission, and through their influence, which increases from their being allowed to remain undisturbed, the East Coast tribes may at any time be roused to revolt.