

The question of who is to blame for the non-transmission to me of a copy of that letter at an earlier date is one with the adjustment of which I am not concerned, and I shall be quite satisfied with your decision regarding it.

The object of Commissary-General Jones' letter of the 20th of August was to complain that I was employing the Queen's forces in a manner which was in violation of the instructions issued to me by Her Majesty's Government. That a wide discretionary power was left to the General Officer commanding in regard to the employment of these forces. That, notwithstanding this, I had forced General Cameron into certain operations, in opposition to his remonstrances, and against his better judgment. That these operations had been enormously costly, and that consequently large claims, past and prospective, ought to be made against the Colony, upon account of military expenditure already incurred, or about to be incurred.

I think I ought to have had instant notice that such a statement was about to be forwarded to Her Majesty's Government, and that the representations of the Colonial Government on these subjects should have been laid before the Home Government at the same time as Commissary-General Jones' letter, that a fair judgment might have been arrived at on the subject.

If it was intended to subject the Colonial Government to such large financial liabilities, they should also, in justice, have been at once warned of this, that they might have made the requisite preparations to have met them, or, if they had thought proper, at once have brought to a close an expenditure which they could not have met.

There were additional reasons why a copy of Commissary-General Jones' letter should have been immediately communicated to me. I believe an inquiry would have shown that every one of his most important allegations was contrary to fact.

Nothing has tended more to injure the interests of this Colony, and of the Empire, than the communications which have been made to the Home Government, regarding the management of affairs here, without having, at the same time, been communicated to me. Hence, unnecessary orders have been issued in a manner which must create bitterness of feeling in the Colony. Hence, also, has originated a bitterness of feeling in the minds of a portion of the public of Great Britain against the Colony and the Colonists, which has most seriously injured its interests and jeopardized its future.

I am not, as Commissary-General Jones thinks, under the impression that the annual Army Estimates include all items of extraordinary expenditure; but I am under the impression that an individual's extraordinary expenditure depends a good deal upon the size of his house, and the extent of his establishment, and that if I can regulate these latter items, I can in a great degree indirectly regulate the former ones: and I think no valid excuse has been offered for withholding from me that control over the expenditure which I had a right to exercise over it.

My belief is that Her Majesty's Government determine whether or not a campaign is necessary, and that my views and conduct in advising and originating it are questions that they decide; and that the duties of Controller of Army Expenditure are not to make incorrect reports to Her Majesty's Government on these points, but carefully to watch and control the military expenditure which is being carried on upon such objects.

I regret that I must adhere to the opinion I have expressed—that the military expenditure in this Colony has been in many respects wasteful and unnecessary,—and that had I been allowed to exercise that control over it which by right belonged to me, I could have saved very large sums to Great Britain and the Colony. I feel it my duty to state this because no circumstance has more tended to damage the Colony of New Zealand and myself with the Government and public of Great Britain than this expenditure to which I so much object, and which has brought such evils on this Government and Colony.

Commissary-General Jones is wrong in stating that I said that I considered that extravagance, carelessness, or worse, existed in the Commissariat Department. I have always regarded the officers of that department as a body, as being in their own branch amongst the ablest of Her Majesty's servants. Commissary-General Jones proposed to the Home Government that the Colony should be made to pay "the value of all stores lost in transit or otherwise." On this I remarked what is undoubtedly the case, that this would be to "make the Colony answerable for every act of extravagance, carelessness, or worse of every individual in his large department," over which it exercised no control whatever.

I wish to observe for your information that Commissary-General Jones informs Her Majesty's Government that within a few days after General Cameron's leaving the command, Her Majesty's troops were ordered to occupy a line of eighty miles along the banks of the Wanganui River. What took place was this—Her Majesty's Colonial Forces held certain posts on the Wanganui River: the murder of Mr. Fulloon and other circumstances rendered it necessary that an expeditionary force should be sent to the East Coast. To save Her Majesty's Government from the cost of another campaign of the regular forces, that campaign was, by my orders, entered upon by Her Majesty's Colonial forces, the Colony paying the whole cost of it. I could only use Her Majesty's Colonial Forces on this service and save Great Britain the cost of a new campaign by taking up with the regular forces posts, we could not abandon.

The Hon. Major-General J. Chute.

I have, &c.,

G. GREY.