

No. 38.

MEMORANDUM by MINISTERS.

Ministers request the Governor to draw the attention of the Secretary of State for the Colonies to the following paragraph of Lieut.-General Sir Duncan A. Cameron's Memorandum of the 26th July, 1865.

"The Colony appears to have experienced no difficulty in raising funds to remove the Seat of Government from Auckland to Wellington; to purchase Government Houses, residences for Ministers; increasing the number of Ministers, and augmenting their salaries; paying large sums as compensation to Taranaki Settlers; and entering into a costly new Postal Service to England in addition to the existing one."

This paragraph assumes importance, as it affords additional evidence of that strong political *animus* which has exercised so unfortunate an influence upon the actions of Lieut.-General Sir Duncan A. Cameron, to the great detriment of the public service in this Colony.

It was not to be expected that Lieut.-General Cameron should possess accurate information upon political subjects; but Ministers think that an Officer in Her Majesty's service, holding a high and responsible position, ought not, without proper inquiry, to have given the authority of his name to statements incorrect in themselves, and calculated injuriously to affect the Government of a Colony which it was his duty to assist.

Ministers do not admit that the Civil Government of this Colony is answerable to the Officer Commanding Her Majesty's Imperial Forces for a course of political action which they may consider conducive to the public service; nevertheless they will shortly notice the accusations brought against them.

1.—*Removal of the Seat of Government from Auckland; the purchase of New Government Houses; Residences for Ministers.*

The removal of the Seat of Government had been decided upon as indispensable for the proper Government of the Colony by the Legislature before the advent to office of the present Ministry, and an appropriation had been made, to provide for the necessary expenses, of a sum in Six per cent. Debentures, which sum Ministers could legally have applied to no other purposes than those to which they have applied it. The change in the Seat of Government was, in the opinion of Ministers, as well as of the Legislature, imperatively required on financial no less than on political grounds.

2.—*Increasing the number of Ministers.*

The usual number of Ministers has been six: the addition of one, now proposed by Ministers, bears no proportion whatsoever to the increasing pressure of business.

3.—*Augmenting the Salaries of Ministers.*

The salaries of Ministers have not for some years been augmented in any way directly or indirectly. As a matter of fact, the salaries of Ministers in New Zealand are on a lower proportionate scale than those of Ministers in other Colonies, or of many other high officials in New Zealand.

4.—*Paying large sums as compensation to Taranaki Settlers.*

The compensation to the Taranaki Settlers was voted by the Legislature in 1862; interest has since been paid upon it, and the principal has recently been satisfied by Colonial Debentures, the Colony not having cash at its disposal.

5.—*The entering into a new and costly Postal Service to England, in addition to the existing one.*

The Panama contract was completed in fulfilment of obligations which had already been entered into by a previous Ministry, in the expectation that the financial advantages, direct and indirect, would be more than commensurate with the cost; in this belief the present Ministry concurs.

In regard to the question of the advances from the Commissariat chest Ministers will simply state that they made a *bonâ fide* offer to repay such advances in cash upon demand, with the full intention of carrying that offer into effect.

This arrangement was, however, immediately followed by a demand on the part of Lieut.-General Sir D. A. Cameron for additional Colonial troops, and at the same time it became evident to Ministers that they might expect an unnecessary prolongation of the campaign, and consequent waste of Colonial resources. Ministers consequently represented their inability to render additional assistance to the General, or to keep up the Colonial steam service for the use of the Imperial Commissariat without a modification of the agreement respecting advances. They understood that their proposal had been accepted—they provided the additional forces—they allowed their steamers, which they had proposed to sell, to remain in the Imperial service. Then, after a lapse of three months, a sudden and unexpected demand was made upon them in the terms of the original agreement. Ministers at once referred to the Governor for his opinion as to the circumstances of the case. His Excellency's view as to what had really taken place coincided with theirs. They confidently trust that neither their character nor that of the Colony will suffer from a candid review of these facts.

In reference to Sir D. A. Cameron's statement, that he does not see how the remittance of Debentures to the amount of £500,000 could be expected to cover liabilities amounting in March to upwards of £600,000, when these liabilities were being increased by £10,000 a month, Ministers transmit a Statement of Account, prepared by the Auditor of Public Accounts, which will show that the remittance already made to the Imperial Government covers all liabilities, as nearly as may be, up to the 30th June last.

Wellington, 12th August, 1865.

FRED. A. WELD.