and can always be referred to hereafter should a reference become necessary, by communicating with the senior Commissariat Officer there.

You remark somewhat strongly upon the fact of some statements called for by the Custom House some months since, from the Commissariat Officer in charge, not having been furnished. I can only regret such delay, but I really had no more control or direction in the matter than you had yourself, and, until you mentioned the circumstances about the 30th ultimo, I had never heard a word upon this subject.

As the Colonial Government have circulated pretty freely charges of fraud against persons in the employ of the Commissariat I could not have consented to admit such double claims for drawback, as correct claims against the Imperial Government, until those accusations had been sifted, and the criminal offence either disproved or substantiated, and the guilty parties, if any, punished as the law requires. By acting in the manner indicated by you, I am inclined to think, I should have made mself a party to condoning a criminal offence.

If these claims against the Home Government turn out just and reasonable, they can be adjusted as readily and completely hereafter as they can be by keeping the past claims open until legal proceedings have terminated.

I regret that you dispute the exactness of my statement, to the effect that you have had my accounts for nearly six months, but I cannot admit the correctness of your objections.

You acknowledged the receipt of my account on 6th October, 1866. In that account only three or four services were omitted.

If you had agreed to my system all the charges so rendered could have been gone into, and the general question discussed, and reasons for and against each service recorded.

The same process could have been adopted with the counter-claims and, in so far as the charges were complete, a clear Debtor and Creditor account could have been prepared by us in conjunction, as contemplated by the Home Government.

If the information required from England respecting the omitted claims for arms, ammunition, &c., of nearly £80,000, and those of the Admiralty for about £45,000, had been received when the other items were disposed of, there could have been little difficulty in giving the reasons for and against them to the Commissariat Officer then in charge, and adding the amount agreed upon to the debt of the Colony, and thus my detention might have come to an end some months since.

With regard to the return you allude to showing all the payments made by the Colony to Imperial Officers, it can scarcely have escaped your recollection that I have invariably declined to admit the right of any such official demand on your part, although I have repeatedly in conversation stated that I would render you all the assistance possible. My objection to admitting an official demand was, that I am here merely to endeavour to adjust outstanding accounts, and your demand if officially entered upon, would probably lead to opening up numerous transactions between the Governments which might have occurred in England or the Australian Colonies, of which I had no cognizance, and might have included liabilities extending back to the New Zealand Company's claims.

I was neither authorized to do this, nor have I the means at my command to enable me to enter into such questions. In furtherance, however, of the personal and private assistance promised, I obtained at a great amount of labour and trouble to the Commissariat Officers in Auckland, the returns you now admit having received, and in handing them to you, I consider that I had done all that was necessary and certainly all that I undertook to do. If, however, the information furnished does not afford you the required data, I would suggest that Mr. Gallagher, the Commissariat Officer now assisting me, be permitted to confer with the Officers of the Colonial Treasury for the purpose of comparing the return of sums paid by the Colony with the Imperial return of sums received into the chest from Colonial Officers, and if found necessary he will furnish you with any further information from Auckland, upon points that may yet be defective.

I shall be happy to obtain the accounts you mention in the concluding paragraph of your Memo., but as it is so long in reaching me, I fear I shall be unable to give any new matter it may contain that careful attention before embarkation on the 8th, which I might have done, had those accounts been furnished to me at the end of the three months you first demanded as requisite to prepare them.

been furnished to me at the end of the three months you first demanded as requisite to prepare them.

I may inform you that I have examined the Vouchers handed to me in support of the Colonial claims in so far as is sufficient to obtain a clear view of their nature and bearing, and to enable me to satisfy the Home Government regarding them.

As you, however, decline giving me the opinion of the Colony respecting the Imperial claims, I must reserve mine of the Colonial claims for the Imperial Government.

In a Memo. of mine some months back I asked for any evidence extant indicating an admission on the part of the Home Government of a liability for the claims advanced by the Colony, but I have hitherto received no reply,

Since writing the above, your Memo. of the 2nd instant has reached me, an answer to which I think you will find embodied in the foregoing.

I may further remark, however, that I never entertained your opinion of the value of sifting the past settled transactions between the Governments; I consider my duty limited to the disputed outstanding claims, and must again distinctly decline to enter officially upon other questions.

If you have any suspicion that I am advancing claims against the Colony already settled, I have no doubt the Colonial Government can readily detect them by comparing the Vouchers now open for examination with those upon which payments have been made, and which are now in the possession of the Colonial authorities.

The documents already furnished show the date of credit in the Imperial accounts, and also in many cases the number of the Voucher in the accounts of the Military Accountant.

I, therefore, do not see what further information can possibly be required.

H. STANLEY JONES, Commissary-General.