B.-No. 5. 14 PAPERS RELATIVE TO CLAIMS AND COUNTER-CLAIMS

Sub-Enclosure 13 to Enclosure in No. 4.

MEMORANDUM by COMMISSARY-GENERAL JONES, C.B.

Wellington, New Zealand, 4th April, 1867.

To the Hon. Major RICHARDSON, &c., &c., &c.—

In my Memo. of 31st ultimo, I informed you that I was preparing an account of outstanding claims to the 30th September last. I now enclose herewith that document, which I beg may be substituted for the more incomplete one, the receipt of which you acknowledged in your Memo. of 6th October last.

This account includes all claims against the Colony, outstanding on 30th September last, with the exception of any charges that may be raised by the Admiralty, which have been frequently referred to

as amounting to probably £45,000.

I have credited to the Colony in this account the various sums that have been authorized as counter-

claims from home, and such other services as appeared to me to admit of little or no question.

This account has now been prepared by me with the utmost attention and anxiety for its correctness, but having been deprived of the benefit of your views on behalf of the Colony regarding the various services, I am, of course, unable to give you any explanation of what may be viewed by you as objectionable.

Regarding your further counter-claims against the Imperial Government, as I have not been furnished, as I requested to be, with any indication on the part of the Home Government of an intention to bear those expenses, I did not consider myself in a position to include them in the account now

rendered, with one or two exceptions only.

The whole of this account, therefore, must be considered as liable to alteration and adjustment both in the Debtor and Creditor sides by the Home Government.

You will find in this account several items not inserted in the account first handed to you; the supporting Vouchers for each are now with the other Imperial Vouchers open to your inspection.

II. Stanley Jones,

Commissary-General.

P.S.-I should have stated that I cannot anticipate the acceptance of the Home Government of the counter-claims I have inserted in my account, unless the original vouchers supporting them accompany my account to England. But if you consent on behalf of the Colony to entrust them to me, I will either return them to the Colony or see that the sums they represent shall remain finally as Colonial credits in the ultimate adjustment of accounts between the Governments.

H. S. Jones.

Sub-Enclosure 14 to Enclosure in No. 4.

MEMORANDUM by MAJOR RICHARDSON.

The Colonial Commissioner desires that the accompanying document, handed in by Mr. Gallagher to this office this day, may be returned, and, if necessary for his information, that it may be officially sums paid to presented.

Imperial Officers by Colonial Go-

Colonial Government of New Zealand.

Sub-Enclosure 15 to Enclosure in No. 4.

MEMORANDUM by MAJOR RICHARDSON.

6th April, 1867.

To Commissary-General Jones, C.B.

Your Memorandum of the 3rd instant was only received by me on the evening of the 4th, and together with a complete account of the Imperial claim against the Colony of New Zealand. I understand that in the course of yesterday the Vouchers in support of the War Office charge of £79,576 19s. 10d. were sent to my accountant.

I observe that the new items introduced into this account amount to £277,151 3s. 5d., and that

Tobserve that the new items introduced into this account amount to £211,151 3s. 3d., and that compound interest has been charged to the amount of £167,277 18s. 11d., making a difference between your unfinished and untotalled account of October last of £444,429 2s. 4d.

The entirely unusual, and I may say illegal course of charging compound interest without agreement, and especially on disputed items of nearly twenty years' standing, I considered to be of so serious and so objectionable a character that I pointedly directed the attention of the Colonial Treasurer to it, in order that he might decide as to the course he would adopt in the preparation of his interest account, which was all but completed. He regards the plan adopted by you as of such great consequence that he requires time to consider it, and must, therefore, in consequence, delay his complete statement of counter-claims for a day or two.

I regret that your completed account was not rendered earlier, or that you had not indicated your intention to charge compound instead of simple interest, as the delay which is now unavoidable might have

been prevented.

It may be considered almost idle to continue the correspondence as to the nature of our respective appointments, the more especially as I placed in your hands in October last a copy of the commission, and of the printed despatches under which I acted. I fail to recognise in these documents any support of your