

P A P E R S

RELATIVE TO

CLAIMS AND COUNTER-CLAIMS

OF THE

IMPERIAL AND COLONIAL GOVERNMENTS.

PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY BY COMMAND OF
HIS EXCELLENCY.

WELLINGTON.

—
1867.

P A P E R S

RELATIVE TO

CLAIMS AND COUNTER-CLAIMS OF THE IMPERIAL AND COLONIAL
GOVERNMENTS.

No. 1.

Copy of a Despatch from the Right Hon. the Earl of CARNARVON to Governor Sir GEORGE GREY, K.C.B.

(No. 6.)

SIR,—

Downing Street, 26th July, 1866.

I have to acknowledge the receipt of your Despatches, as noted in the margin, having reference to matters of account between the Colonial and Imperial Treasuries.

No. 42, May
12, 1866.

I have forwarded copies of your Despatches to the Treasury, but you will have learnt from Mr. Cardwell's Despatch No. 32, of the 26th March, that it was the wish of Her Majesty's Government that, as recommended by your Advisers, some person should be appointed, on behalf of the Colony, who might be authorized to examine these accounts with Commissary-General Jones, in order that some definite agreement might be arrived at as to the precise amount of the liabilities of the Colony to the Imperial Government.

No. 43, May
12, 1866.No. 45, May
12, 1866.

Governor Sir George Grey, K.C.B.

I have, &c.,
CARNARVON.

No. 2.

Copy of Warrant appointing the Hon. Major RICHARDSON to be Commissioner to examine and report on Claims and Counter-claims of Imperial and Colonial Governments.

G. GREY, Governor.

To the Honorable JOHN LARKINS CHEESE RICHARDSON, one of the Members of the Executive Council of the Colony of New Zealand.

In pursuance of all powers vested in me in that behalf, I do hereby appoint you, the Honorable John Larkins Cheese Richardson, on behalf of the aforesaid Colony, to examine, in concert with Commissary General Jones, Companion of the Most Honorable Order of the Bath, into certain accounts, including claims and counter-claims (exclusive of the capitation charge) more specially referred to in certain Despatches specified in the Schedule hereunto annexed, between the Imperial Government and the Government of the aforesaid Colony, and into such other accounts as may by you be considered to arise between those Governments out of the Native disturbances in the aforesaid Colony during the years 1860, 1861, 1862, 1863, 1864, 1865, and 1866, and to report to me the results of such examination with a view to ascertaining the precise liabilities incurred by the Colony.

Given under the hand of His Excellency Sir GEORGE GREY, Knight, Commander of the Most Honorable Order of the Bath, Governor and Commander-in-Chief in and over Her Majesty's Colony of New Zealand and its Dependencies, at the Government House at Wellington, this twenty-seventh day of September, in the year of our Lord one thousand eight hundred and sixty-six.

E. W. STAFFORD.

SCHEDULE.

Sir GEORGE GREY to Mr. CARDWELL.

No. 1—January 1st, 1866	No. 42—May 12th, 1866
6—January 8th, 1866	43—May 12th, 1866
9—January 12th, 1866	44—May 14th, 1866
11—January 13th, 1866	45—May 14th, 1866

Mr. CARDWELL to Sir GEORGE GREY.

No. 32—March 26th, 1866	No. 52—April, 26th, 1866
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No. 3.

Copy of a Despatch from Governor Sir GEORGE GREY, K.C.B., to the Right Honorable the Earl of CARNARVON.

(No. 35.)

MY LORD,—

Government House, Wellington,
5th April, 1867.

I have the honor to transmit a copy of a letter addressed on the 1st instant by the New Zealand Government to the senior Commissariat Officer in the Colony, on the subject of serious frauds committed on the Colonial Revenue under the authority of certificates issued by Commissariat Officers.

2. I wish to draw your Lordship's attention to the fact that, so long ago as the 19th of October last, the Colonial Government requested the Commissariat to furnish returns of the actual number of rations issued by the Contractors in each month, which returns would have enabled these frauds to have been fully traced out, and that up to this date the returns asked for have not been supplied.

3. From the enclosed letter from the Military Secretary to General Chute, your Lordship will find that every day increases the difficulty of tracing these frauds, as in consequence of the reduction of the Force in the Colony, many civilians, clerks, issuers, &c., &c., are being discharged, and the non-commissioned officers and men of the Commissariat Staff Corps are about to embark for England.

I have, &c.,
G. GREY.

The Right Honorable the Earl of Carnarvon,
&c., &c., &c.

Enclosure 1 in No. 3.

The Hon. E. W. STAFFORD to Deputy Commissary-General STRICKLAND.

(No. 317.)

SIR,—

Colonial Secretary's Office,
Wellington, 1st April, 1867.

I have the honor to draw your attention to a correspondence dating from 9th October, 1866, to 28th January, 1867, which passed between the Collector of Customs at Auckland and certain Commissariat Officers with respect to certificates issued for payment of drawback on grocery rations supplied by Contractors to the Troops from January 1863 to 1866.

The Collector of Customs at Auckland pointed out in his letter of the 9th October last some grave errors committed in respect of these certificates by Commissariat Officers, and in his letter of the 19th of that month furnished a Return of all the drawbacks paid by the Customs on grocery rations for the Troops, and requested to be supplied with a Return of the actual number of rations issued by Contractors in each month and at each place since 1st January, 1864. Up to the 12th ultimo this Return had not been supplied to the Collector. A Return was furnished on the 10th of January last of the gross number of rations received from Contractors in the Province of Auckland in the year 1863, and on the 14th of that month another was given of the total number of rations received in the Waikato District from 1st January, 1864, to 31st August, 1866; but these Returns do not specify what each Contractor was entitled to for drawback for rations supplied at each of the Stations, and therefore do not contain the information requisite to enable the Government to ascertain the exact amount of over-payments which have been made.

An examination of the Returns received shows that in 1863 a Contractor, J. Hall, was overpaid the drawback on 39,840 rations. For the subsequent period (1st January, 1864, to 31st August, 1866,) a Contractor, W. J. Young, obtained certificates from the Commissariat which enabled him to secure overpayment on no less than 590,377 rations. The average amount of duty on each ration is about one farthing. Mr. Young must therefore have received an overpayment from Colonial funds of more than six hundred pounds.

It appears that in one case a certificate was signed twice by the same Commissariat Officer (D.A.C.G. Dunn) in favor of one Contractor, R. Simpson.

In another case, the certificate for certain rations was signed twice by different Commissariat Officers (D.A.C.G. Graham and A.C.G. Moore) in favor of one Contractor, J. Hall.

And again, one Commissariat Officer (D.A.C.G. Innes) signed certificates to two Contractors, R. Simpson and W. J. Young, for the same rations.

In all the above cases the Customs paid the drawback on each certificate.

And further, another Commissariat Officer (D.A.C.G. Marshall) signed a certificate in favor of the Contractor, R. Simpson, for rations which had twice before been signed for by the Commissariat, and the drawbacks on which had twice been paid by the Customs.

It is to be borne in mind that the Customs Department accepts the certificates on the faith of the signatures of the Officers of the Commissariat Department, on whom rests the responsibility of preventing unjust claims (vouched by themselves) for drawback of duty being made against the Colonial Government. All ascertained overpayments on this account will accordingly have to be refunded by the Commissariat Department, and it also remains to be considered what steps are to be taken to prosecute such of the Contractors or other persons as have defrauded or attempted to defraud the Government.

I have now to request that you will be good enough to furnish for the information of the Government the detailed Return of Rations required so long since by the Collector of Customs at Auckland referred to in a previous part of this letter.

I have, &c.,
E. W. STAFFORD.

Deputy Commissary-General Strickland, Auckland.

P.S.—The information referred to in my letter of the 29th ultimo to Commissary-General Jones has no connection with the cases referred to herein.

Enclosure 2 in No. 3.

The ASSISTANT MILITARY SECRETARY to the PRIVATE SECRETARY.

SIR,—

Head Quarters, Wellington, 30th March, 1866.

I have the honor, by direction of the Major-General Commanding, to acknowledge the receipt of your letter of yesterday's date, enclosing the copy of a communication addressed to Commissary-General Jones, C.B., by the Honorable the Colonial Secretary, in which it is stated that the Government has recently received information to the effect that frauds on the Colony have been perpetrated by persons in the service of the Imperial Government.

The Major-General requests that His Excellency the Governor may be pleased to cause him to be placed in possession of the information referred to, in order that the Major-General may institute the necessary enquiry into the matter, and this he is most anxious to do with as little delay as possible, for, in consequence of the reduction of the Force in the Colony, many civilian clerks, issuers, &c., are being discharged, and the non-commissioned officers and men of the Commissariat Staff Corps are about to embark for England, of whom some may be required.

I have, &c.,

G. W. DEAN PITT, Lieut.-Colonel.

A.M.S.

The Private Secretary, Government House, Wellington.

No ..

Copy of a Despatch from Governor SIR GEORGE GREY, K. C. B., to the Right Honorable the Earl of CARNARVON.

(No. 37.)

Government House, Wellington.

MY LORD,—

6th April, 1867.

I have the honor at the request of my Responsible Advisers, to transmit for your information a copy of a correspondence between the Honorable Major Richardson, and Commissary General Jones, C.B., who were appointed for the purpose of examining the accounts which relate to claims and counter-claims of the Imperial Government for Military Expenditure in New Zealand.

From this correspondence your Lordship will learn that Commissary General Jones has decided upon quitting New Zealand for England upon Monday next, the 8th instant, leaving unfinished the enquiry, which was rapidly approaching completion, and upon which a large amount of labor and some cost has been consequently uselessly expended.

The Right Honorable the Earl of Carnarvon,

I have, &c.,

&c., &c., &c.

G. GREY.

Enclosure in No. 4.

MEMORANDUM by MAJOR RICHARDSON.

Wellington, April 6th. 1867.

To His Excellency SIR G. GREY, Knight, Commander of the Most Honorable Order of the Bath, Governor and Commander-in-Chief of the Colony of New Zealand, and Vice Admiral of the same, &c., &c.

MAY IT PLEASE YOUR EXCELLENCY,—

I have the honor to submit to your Excellency a copy of a correspondence which has taken place between Mr. Commissary General Jones, and myself in execution of the duties which Your Excellency was pleased to entrust to me, in conjunction with that officer.

Your Excellency will learn from these documents that after having agreed on a certain plan of procedure, which in my opinion has worked well, considering the constant reference which was obliged to be made to Auckland by the Commissariat, Mr. Jones departs for England on Monday next, leaving the work, which was rapidly approaching completion, unfinished. His reasons for acting thus will be found in the correspondence, together with my counter objections.

I received on the 4th instant a complete account of the Imperial claims against the Colony, amounting to £1,304,963 17s. 1d., differing from that professedly incomplete account rendered in October, viz., £444,429 2s. 4d.

The Colonial counter claim would in all probability have been presented complete this day, had not the Imperial Commissioner adopted the unusual and illegal course of charging compound interest, which has had the effect of arresting the Treasurer's interest account pending consideration of the subject. An approximate account similar to that rendered by the Imperial Commissioner, was rendered to me early in October, and forwarded to Mr. Commissary General Jones on the 23rd January.

It is a source of much regret to me that when by a persistence in a judicious course of examination we were rapidly approaching the termination of our duties, the Imperial Commissioner should have retired from the work.

An accountant and clerk have been almost constantly at work thoroughly examining the Imperial Vouchers, under my general instructions, at which examination being merely accountant's work there was no need of my actual presence—this work is all but complete, but, by the departure of Mr. Jones, cannot be made available by the present Commissioners.

I will do myself the honor, at an early date, of drawing up a progress report, and of soliciting your Excellency's further instructions.

J. RICHARDSON.

Sub-Enclosure 1 to Enclosure in No. 4.

MEMORANDUM by MAJOR RICHARDSON.

Wellington, 2nd October, 1866.

To Commissary General JONES, C.B.,—

Having made enquiry of the Colonial Treasurer as to the probable time at which I might hope to receive a statement of the claims preferred by the Government of the Colony against the Imperial Government—duly supported by the production of copies of authority for such claims, and Vouchers—I have to state that I am informed that the account may be furnished in about three months.

As the Treasury minutes of Mr. Hamilton, of the 24th March last, instructs you “to go minutely into the several items comprehended” in the accounts, and, as my instructions, as communicated in my commission, a copy of which I enclose, are equally comprehensive, I think that too much care cannot be taken in preparing the respective claims and counter-claims, if, as may be hoped, it is expected that the reports to be made on this long outstanding question may lead to a final and satisfactory adjustment.

I shall be glad to learn when the entire claims of the Imperial Government against the Colony, supported by authorities and Vouchers, will be ready for examination.

J. RICHARDSON,
Commissioner for Colonial Government.

Sub-Enclosure 2 to Enclosure in No. 4.

MEMORANDUM by COMMISSARY GENERAL JONES, C. B.

(No. 19.)

Wellington, New Zealand, 4th October, 1866.

In acknowledging the receipt yesterday of your Memo. of the 2nd instant, I cannot refrain from submitting the following remarks for your consideration; and in doing so I beg to disclaim the remotest desire to press forward the duty imposed upon us by the two Governments, in any way that may be considered as tending to the prejudice of the Colony. Indeed my great desire is to approach the task before us with deliberation and impartiality, having solely in view a final settlement of those long outstanding claims satisfactorily to both Governments.

Having thus expressed my views and desires I trust I shall not be misunderstood in what I now proceed to record.

By the Parliamentary papers you were kind enough to send to me, I find that a copy of the Treasury letter to myself of the 24th March, directing this enquiry, was received by His Excellency the Governor, in Wellington, on the 23rd May last, and that so far back as the 10th April last, a statement was prepared by the Colony of the Colonial claims against the Imperial Government, amounting to £405,146 11s.

On the 11th August last, when I was informed that His Excellency had appointed Dr. Knight for the duty you have now been commissioned to perform, I wrote to him suggesting that an account of Colonial claims should be then prepared in order to expedite the work.

From all these circumstances I am led to the hope that the three months you allude to as necessary to prepare the Colonial accounts have by this time nearly expired, and that a short period will now suffice to bring them into a sufficiently advanced state for us to take them into consideration. In the meantime I would recommend that the Imperial claim should be at once considered.

These claims are complete with the exception of the three or four items, the information connected with which I hope to receive before the discussion upon the other items is concluded, when they can be considered and placed in their proper place in the account which it will be our duty to prepare.

Referring to the concluding paragraph of your Memo. it seems to me that we are not altogether in accord upon one point in the nature of the duty before us; you appear to expect that complete accounts of all claims by both Governments supported by authorities and Vouchers will be submitted for examination. But I think you will gather from a reference to the various Treasury letters, published in the Parliamentary Papers you sent me, that the complete statement of these accounts is to be prepared by ourselves, and I am now ready to proceed at once to discuss the several claims and prepare the statement in question.

In the copy of your Commission, signed by His Excellency the Governor, several letters between the Imperial Government and His Excellency are referred to on subjects relating to these claims, and I am quite prepared to consider them in so far as they relate exclusively to accounts.

But as it appears by the copy of your Commission that you are required to go “into such other accounts as may by you be considered to arise between these Governments out of the Native Disturbances,” and as portions of the correspondence to which you are specially referred relate to matters beyond mere accounts, and virtually calling in question the Military proceedings and policy of the General Officer Commanding Her Majesty's Troops during the period of active service in the field, you will I trust concur with me that it is neither expedient nor possible for me to discuss them with you.

Before proceeding further, it would be well that this point be clearly understood, and I hope it may prove that there exists no reason for supposing that it is intended to import into our proceedings any such extraneous subjects as those I have referred to.

I would again guard against the idea of my being actuated by any motive other than a conscientious discharge of the duty entrusted to me, and I consider that I shall best discharge that duty by uniting with you in a mutual and cordial effort to bring the respective claims to an amicable adjustment.

As, however, my detention and duty now in this Colony are solely for the adjustment of these accounts, I can entertain no doubt that I shall be held to have failed seriously in my duty were I not in a position to show that I have exhausted every means in my power to avoid any delay that may not be absolutely necessary.

The Hon. Major Richardson,
&c., &c., &c.

H. STANLEY JONES,
Commissary General.

Sub-Enclosure 3 to Enclosure in No. 4.

(No. 2.)

MEMORANDUM by MAJOR RICHARDSON.

To Commissary-General Jones, C. B.,—

I have duly received your Memorandum No. 19, of the 4th instant, in reply to mine of the 2nd, on the subject of the examination of the claims and counter-claims of the Imperial and Colonial Governments.

I beg to assure you that the disclaimers made by you were not at all necessary, as, I believe, we enter on the consideration of the subject remitted to us in the same spirit of deliberation and impartiality.

With reference to your remarks on the subject of the time required for the preparation of the accounts I would observe :—

That the statement made in Mr. Stafford's letter of the 10th April, 1866, was only an "approximate" statement, and the previous statement made in Mr. Weld's letter of the 12th August, 1865, bears on its very face evident traces of a similar character, and was only furnished by the Colonial Government from an earnest desire to come to some approximate arrangement with the Imperial Government; and, therefore, with this view, the Colonial Treasurer, to place beyond all doubt the sincere desire of the Government to meet its engagements without delay, forwarded the sum of £500,000 in four per cent. debentures in liquidation of the same.

The Imperial Government, however, has not up to the present moment decided on any clearly defined charges against the Colony. The amount and form of them have varied from time to time, and, even at this, the last moment, you inform me that there is an additional charge, never before heard of, to the extent of about £80,000, which you have been instructed to enter as a claim, but in support of which you are not provided with any vouchers, and this too accompanied by one or more charges of a similar character. Under these circumstances, the Colonial Government, impressed with the importance of the subject in debate, are anxious to prepare and submit a full and final claim against the Imperial Government, which claim I understand is now under preparation, as stated in my former Memorandum.

I feel it necessary to inform you that you are under a misapprehension with reference to the appointment of Dr. Knight, the Auditor-General, as a Commissioner on the part of the Colony. That gentleman was at one time recommended for the duty, and the Government believed from his thorough acquaintance with the subject that the claims of the Colony would speedily assume the form which was necessary to their submission for examination, but when that officer's other important duties prevented his undertaking the work, it necessarily fell to another to prepare the account, and thus arises some little delay.

With respect to the way in which the performance of the duties into which we have entered should be carried out, I would observe that I cannot concur in your view of the case. I am instructed to examine into the various subjects, in concert with yourself, and to report the result of my examination to His Excellency the Governor. So soon as the Colonial accounts are prepared I shall forward them to you in order that you may "go minutely into the several items," in accordance with Mr. Hamilton's letter of the 24th of March last and so soon as you have furnished me with the claims of the Imperial Government I shall be prepared to act in a similar way.

I apprehend that we shall thus be in a position to act in concert with more intelligence and greater despatch, and, I would further state that while all the accounts are familiar to you, being indeed your own accounts, the whole subject of claims and counter-claims comes under my consideration almost for the first time; and it is but justice to the trust confided to me that I should not act hastily nor unadvisedly.

I have no objection to confine my examination, in concert with yourself, simply to the question of accounts, reserving to myself the right in my report to His Excellency to make such remarks on the subjects remitted to me as, after examination of the claims preferred by the Imperial Government, I may deem expedient and called for.

There need not be one hour's delay in my entering upon the examination of the Imperial Accounts so soon as forwarded; which I will place in the hands of a competent accountant for detailed examination immediately after their receipt by me.

J. C. RICHARDSON.

Sub-Enclosure 4 to Enclosure in No. 4.

(No. 20.)

MEMORANDUM by COMMISSARY GENERAL JONES, C. B.

To the Honorable MAJOR RICHARDSON,—

Your Memo. of the 4th instant, reached me late that evening. I delayed replying in order to have a copy of my account against the Colony prepared, in so far as it is possible at the present moment to complete it, and I now hand it to you in accordance with your wish.

If I understand you correctly you propose in the first instance exchanging between ourselves accounts of the claims of our respective Governments, submitting them with their Vouchers for the arithmetical examination of accountants appointed by us separately, and on the completion of this examination, meeting and in concert entering into the broad principles upon which each item of service is made a charge; and then to consider what, if any, objection exists to the admission of each item or service as a proper or just claim in our respective accounts.

My proposition is that we should meet now, and in the first instance consider the items or heads of service—admit such of them upon which no question can arise, and then submit the Vouchers supporting those items to a Colonial and Commissariat Accountant for a joint arithmetical examination. In the meantime the discussion upon the items or services which are questioned might be proceeded with, and where the fullest information has been obtained the reasons and decisions might be arrived at and duly recorded.

The claim for £16,422 2s. 10d. for the steamers Tasmanian Maid and Wonga Wonga is withdrawn also, under the authority of the Secretary of State for War, as being properly a part of the claims which may hereafter be raised by the Admiralty, which have been roughly stated as about £45,000. Instructions on this point are expected from the Admiralty.

Note.—The capitation charge is ordered to be excluded from the discussion, but I may state that some alteration has been made in the amount charged for the years between 1858-9 and 1860-1, and no charge is included for the year ended 31st March, 1866, as sufficient data does not exist in my office for the computation.

H. STANLEY JONES,

Commissary-General.

A. There remains the old outstanding claim of £67,927 5s. 9d. for Fencibles, which has been altogether omitted from the account now under consideration, but which my Lords are of opinion should clearly be included in any comprehensive statement of the liabilities of the Colonial to the Imperial Government.

Letter from Treasury to Sir F. Rogers, Bart, dated 18th Nov., 1865.

B. Statement by War Office showing the sums which should be added to or deducted from the account against the Colony, transmitted with War Office letter of 9th April, 1866, E. 493 :—

E. 4383.

(Copy.) "Amount expended in erection of Iron Barracks at Taranaki, 1855-6 and 1856-7, £6,931 5s. 5d."

Vouchers for £6,922 1s. only can be produced, which lesser amount only is now charged.

C. Statement by War Office showing the sums which should be added to or deducted from the account against the Colony, transmitted with War Office letter of 9th April, 1866, E. 493 :—

(Copy.) "Amount due for Arms and other Military Stores supplied, £79,756 19s. 10d." (*Vide* also account by the Treasury showing the debt incurred by the Colony as far as could then be ascertained, up to 26th September, 1865.)

1st. Cash Advances to the Colonial Authorities—

On 20th August, 1863	...	...	...	...	£12,000
On 14th September, 1863	...	...	...	...	12,000
On 9th October	..	...	...	...	12,000
On 7th December	..	...	...	...	100,000
On 29th December	..	...	...	...	50,000

186,000

Enclosure of Treasury letter to Senr. Comst. Officer, dated 26th October, 1865.

E. 4159.

N.B.—Repayment of these advances was promised within six months from the date of each advance.

2nd. Expenses incurred for Colonial Forces wholly chargeable upon Colonial Funds, up to 31st March, 1866, viz.—

Pay, &c., of Mounted Volunteers of Maori Irregular Force of Taranaki, Wanganui, and Hutt Militia	...	...	...	...	£67,699
Commissariat Supplies	...	...	...	...	185,621
Military Stores	...	...	...	...	82,168
Hire of Vessels	..	...	...	...	16,422
Road Making	...	...	...	...	31,805
Field work and Colonial allowance to H.M. Ships	...	...	...	...	7,224
Add money advanced to Colonial Government, issue of Rations, &c., at £15,000 a month for six months, to September, 1865	...	...	...	...	90,000
					<u>480,939</u>
					<u>£666,939</u>

The above sum is exclusive of the old debt (about £68,000) in respect of advances for the New Zealand Fencibles.

H. S. JONES, C.G.

Sub-Enclosure 5 to Enclosure in No. 4.

(No. 3.)

MEMORANDUM by MAJOR RICHARDSON.

To Commissary-General JONES, C. B.—

I have to acknowledge with thanks the receipt of a copy of the account against the Colony which accompanied your Memo. No. 4 of this day's date.

As I apprehend that any deviation from the plan of examination which I suggested would lead to the complications, difficulties, and misunderstandings which you fear may arise from its adoption, but which fear I cannot share, I will consider that we have agreed on that plan of procedure.

As you represent the vouchers which support the Imperial claim to be originals, and not copies, as I understood them to be, I of course cannot press that you should entrust them to me. I shall, therefore, be prepared to instruct my accountant to examine the documents in presence of an officer of your Department, whom you will doubtless instruct to furnish him with what he requires.

I have to thank you for the assistance you offer in explanation of accounts, and, which I shall be most happy to reciprocate when I submit to you the accounts of the Colonial Government.

I do not doubt that, in reporting to our several Governments, we shall find no difficulty in affording to each other the opportunities necessary for enabling them to arrive at a clear understanding of the whole subject.

I do not think that any other point in your memorandum under reply requires immediate notice.
J. RICHARDSON.

Sub-Enclosure 6 to Enclosure in No. 4.

(No. 21.)

MEMORANDUM by COMMISSARY-GENERAL JONES, C.B.

Wellington, 6th October, 1866.

To the Hon. Major RICHARDSON, M.E.C.—

Your memorandum of this date (No. 3) has just been handed to me. I have endeavoured throughout our communication to be clear and explicit on all points, and I have confidently attributed similar desires on your part towards myself.

But there is one point you have (perhaps unintentionally) left still doubtful, and that is whether or not you intend to let me know the opinions you form upon the several items of service in my accounts, and the reasons upon which you found those opinions.

Your reply in the memorandum under consideration is so ambiguous that I trust you will pardon the extra trouble I am giving you in thus pressing for an explicit statement of your intentions.

H. STANLEY JONES,
Commissary-General.

Sub-Enclosure 7 to Enclosure in No. 4.

(No. 4.)

MEMORANDUM by MAJOR RICHARDSON.

Wellington, 6th October, 1866.

To Commissary-General JONES, C.B.—

In reply to your Memorandum (No. 21) of this day's date, I have only to say that I will communicate to you the opinions I form upon the several items of service, and the reasons upon which I form these opinions.

I differ from you in the opinion you have formed as to the ambiguity of my language in the former Memorandum to which you allude. It was intended to be explicit, and I see no reason to doubt that it might have been so regarded.

J. RICHARDSON.

Sub-Enclosure 8 to Enclosure in No. 4.

MEMORANDUM by MAJOR RICHARDSON.

Wellington, March 30th, 1867.

To Commissary General JONES, C. B.—

It appearing from certain documents which have been submitted to me that certificates in favour of contractors for drawback of duty on groceries supplied to the Imperial Troops have been issued by the Commissariat several times over on account of the same rations, and that the Customs have paid the drawback on each certificate; and it being probable that there may be other cases of a similar kind, I would feel obliged if you would favor me with a return of the actual number of rations issued by the various contractors in each month and at each station since the 1st January, 1864, in order that it may be ascertained what each contractor was entitled to for drawback for rations supplied at each of the stations, so as to enable me to ascertain the exact amount of overpayments which have been made.

I may mention that the Collector of Customs at Auckland asked on the 19th of October last to be supplied with such a return, but, up the 12th instant, he had not been furnished with it, though a return was sent of the gross number of rations received from contractors in the Auckland Provinces in the year 1863, and on the 14th January, another was given of the total number of rations received in the Waikato District, from 1st January, 1864, to 31st August, 1866.

It is evident that such returns cannot be used for purposes of comparison.

J. RICHARDSON.

[A MEMORANDUM by Commissary-General JONES, of the 30th March, was sent to England, and no copy has been kept.]

Sub-Enclosure 9 to Enclosure in No. 4.

MEMORANDUM by MAJOR RICHARDSON.

To Commissary-General JONES, C.B.

I duly received your memorandum of Saturday, the 30th ultimo, on my return home in the afternoon of the same day, and I take the earliest opportunity of replying to it, as it appears to me that you misapprehend the circumstances under which we entered on the duty entrusted to us by our respective Governments.

Had I thought that our unreserved conversation of that morning alluded to by you would have been so pointedly referred to in an official memorandum, I should either have entered more fully into

all the reasons which led to the conclusions at which I had arrived as to the impossibility of drawing up my report before the 8th instant, or I should have adopted the more formal course of an official memorandum.

In my present reply I shall refrain from any allusion to our frank and unreserved semi-official interviews, because I should not like to import into our communications anything which might not bear a strictly official character.

I cannot but regret that you should have thought it necessary to observe that had I complied with your suggestion six months since, and first gone with you personally into the general question of the justness of each service charged, you feel satisfied that our duty would have been completed long ere this; while, you further observe, by the system adopted "you are quite convinced that it will be all but impossible to complete the duty with satisfaction either to ourselves or the Governments concerned."

Had you, in reply to my memorandum of the 4th October last (in which I objected to your system and proposed my own), then stated your objection as strongly as you now state it, when the work is all but complete, I should at once have tendered to His Excellency the resignation of my commission, as I could not have been a party to an inquiry which, in my opinion, would have been barren of useful results. But, instead of so doing, your memorandum No. 20, without date, intimates your withdrawal of all opposition, "beyond recording your fears that very considerable delay will be the result, and possibly that complications, difficulties and misunderstandings may be engendered." My reply to this communication stated that as I apprehended "that any deviation from the plan of examination which I suggested would lead to complications, difficulties and misunderstandings which you fear may arise from its adoption, but which fear I cannot share, I will consider that we have agreed on that plan of procedure."

Your reply of the 6th of October offers no objection to this course, and I would observe that it appears too late to remark, on the 30th of March, "that you cannot see any probability of our arriving at a satisfactory result under the system adopted."

After such a strong and unequivocal expression of your opinion of the system of examination which we adopted, it is almost unnecessary to dwell further on the subject; but I would remind you that, as Commissioners, we have no power to decide anything. Whatever judgment we might form on any particular item might be set aside by either the Imperial or the Colonial Government, even though we both agreed as to its justness; and, therefore, it appeared to me, considering that the vouchers in support of the Imperial claim would be removed to England, while those in support of the Colonial counter-claims would remain in New Zealand, it was a very important element of our duty, in fact, the very basis on which it rested, that we should, while together with the vouchers before us, examine whether they supported the claims and counter-claims. That part of our work, at least, would not have been required to be done over again, and the respective Governments would decide as to the justness, or otherwise, of the claims and counter-claims which we had no power to decide. With reference to the return of rations issued which I asked for, I would say that I am not aware that you had intimated to me that you had been relieved from the charge of the Commissariat Department. I have invariably referred to you for documents connected with the Department, and you have generally supplied them.

I notice that you lay great stress upon what you term the "new matter" involved in my memorandum of the 30th. I would beg to observe that the subject cannot well bear that designation, as it refers to drawbacks on groceries paid for by the Colonial Government some years since, in some cases twice over, on certificates of officers then under your orders. It became necessary, on discovering these double payments, to institute an inquiry into the whole system, and I have no doubt that had the return asked for by the Collector of Customs at Auckland, so far back as the 19th of October last, been furnished in detail as required, this question would have been settled long ere this; because I believe that you would have admitted at once a counter-claim founded upon certificates before you bearing the signatures of officers of your Department.

I must demur to the exactness of that part of your memorandum in which you state that nearly six months since you handed in the Imperial account complete to the 31st March, 1866, with the exception of three or four services, a note of which was made upon that document. The interest which you were instructed to charge had not been inserted, nor was any total given. But supposing the gross amount of the Imperial claim to be about a million, inclusive of interest, it appears to me that the two sums of £79,000 and £45,000, being War Office and Admiralty charges, and which have not yet been officially submitted to me, though forming but a small element in the view of the Imperial officers, present themselves to me in quite another light when considered as relating to an overburdened Colony staggering under exertions to uphold the supremacy of the Queen's authority in these lands.

I shall be happy to receive the complete account of the outstanding claims to the 30th September, which you propose handing to me in a day or two, or at least certainly before you leave New Zealand on the 8th instant.

I thank you for your expressions of readiness to meet me in conference during the period you remain, and for your proffered assistance. I need not say that I shall avail myself of the offer when necessity arises, and shall be happy to see you at any time that you may desire a conference or any assistance.

With reference to your proposal to adopt a new system at this stage of our examination, a system which I objected to in October last, and one which I would not, under any circumstances adopt, I would remark that though all the vouchers in support of the Imperial claims are examined generally, though a portion of them are not officially audited, you do not tell me that those in support of the counter-claims have been examined by you. I believe that both the one and the other might be disposed of within a reasonable time, and then we might have proceeded to the examination of the justice of each claim, of which I must say that I do not think that much benefit will arise except from the expression of our opinion supported by arguments. In order to facilitate the compilation of a complete statement of accounts between the two Governments, which is needful to enable me to decide upon the correctness or otherwise of the account rendered by you, it was agreed that a memorandum should be furnished to you of all payments made by the Colony to Imperial officers from June, 1860, to June, 1866. Such a memo-

random was furnished on the 15th January last, and, in reply to your request, a detailed statement of the same items was supplied on the 27th February, but up to the present time, although certain returns have been made by various departments, no statement sufficiently complete in form or detail to enable me to ascertain whether or not all the payments made by the Colony have been duly credited, has yet been furnished to me.

With reference to your concluding paragraph, I would state that the Treasurer promises me in the course of the day a complete statement of the counter-claims similar to the account of the claims which I hope to receive from you.

J. RICHARDSON.

Sub-Enclosure 10 to Enclosure in No. 4.

MEMORANDUM by MAJOR RICHARDSON.

Wellington, 2nd April, 1867.

To Commissary-General JONES, C. B.

In accordance with your request, I asked the Colonial Treasurer to compare the return of payments made from the Treasury to Imperial Officers with the documents which you placed in my hands. He reports that the accounts can only be made to agree in a few particulars. The return was subsequently handed to an Audit Officer, who after some hours trial has arrived at the same conclusion.

As your books must show the dates on which the several sums were received, may I request that you will institute the necessary examination and favour me with the result.

J. RICHARDSON.

Sub-Enclosure 11 to Enclosure in No. 4.

MEMORANDUM by MAJOR RICHARDSON.

Colonial Commissioner's Office, Wellington, 2nd April, 1867.

To Commissary-General H. S. JONES, C.B.—

The Colonial Commissioner wishes to refer to some of the Vouchers in support of the Imperial Account, and would therefore be obliged by the Imperial Commissioner sending to this office all Vouchers connected with the claim, which were returned to Mr. Gallagher's charge.

J. RICHARDSON,

Colonial Commissioner.

Sub-Enclosure 12 to Enclosure in No. 4.

MEMORANDUM by COMMISSARY-GENERAL JONES, C. B.

Wellington, New Zealand, 3rd April, 1867.

To the Honorable Major RICHARDSON.—

Your Memo. of the 1st instant reached me at 8 o'clock last night, and I hasten to reply to it.

The system you insisted upon adopting in prosecuting the duty entrusted to us, was from the first quite opposed to my views, and I only consented to it as you decidedly objected to mine, but I considered my objections at that time amounted to a protest against your system, and I have never seen any reason to change my views—on the contrary, I am more convinced than ever that I was correct.

The object of the Treasury in requesting me to remain in the Colony is distinct viz., to discuss with an officer appointed on behalf of the Colony, the disputed portion of the outstanding claims, and counter-claims between the Governments, and thus obtain each from the other the reasons that might be adduced for or against those claims. But I do not understand that we are to enter into an official correspondence on the various points remotely bearing upon the questions at issue.

I must reiterate my opinion that had the course I suggested been adopted at first, the wishes of the Home Government could long ere this have been satisfied by obtaining fully the reasons of the Colony for objecting to any services forming portions of the claims against the Colony.

I have patiently given your system six months trial, and find at the end of that time that in place of appearing nearer a termination of the duty, I have reason to believe we are as far from that object as we were months since.

I understood on the 30th ultimo that you now require the account to be closed and completed before you discuss a single question, and you also require that it should be kept open for the introduction of new questions as they may arise.

By my consenting to these terms I should be agreeing to remain in the Colony for an indefinite period, and this I do not consider the Home Government ever contemplated, or would sanction under any circumstances.

It gives me some pain to find that my officially quoting our conversation of 30th ult. appears to you to trespass upon the faith of unreserved conversation, and that I should not thus have alluded to it, but I was under the impression before we parted that it was agreed, I should refer to it in an official shape. If I am mistaken on that point I can only express my regret that I should have so misunderstood you.

You appear to mis-apprehend one point and that is that the Vouchers supporting the Imperial claims against the Colony will be removed from the Colony. They will be sent to Auckland, to remain there,

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 myself 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.

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.

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.

H. 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.

Colonial Commissioner's Office, April 5, 1867.

To Commissary-General H. S. JONES, C.B.—

Document referred to.

Statement of sums paid to Imperial Officers by Colonial Government of New Zealand.

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 presented.

J. RICHARDSON,
Colonial Commissioner.

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 compound interest has been charged to the amount of £167,277 18s. 11d., making a difference between your unfinished and untotaled 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

argument that you were requested by the Treasury to discuss with an officer appointed on behalf of the Colony the disputed claims and counter-claims. Mr. Cardwell's letter of the 26th March, 1866, directs me "to examine the accounts with you." Mr. Hamilton's letter, of the 24th March, 1866, to Sir Frederick Rogers, proposes that you should be put "in communication with any person deputed by the Colonial Government," and should "go minutely into the several items." In October last I proposed a certain way of doing this, and after objecting and recording a protest, you acceded to my proposition. Now you retire from following out the system when the greater portion of the work is done, and there is a reasonable prospect of an early settlement.

I altogether differ from you as to the result of the six months' trial of the system, and I regret that you did not, shortly after the early part of October, express the conclusion at which you had arrived, and insist upon an alteration.

In my memorandum of the 30th ultimo, I did require, as you state, that the account should be closed before discussing a single question; but I object to your introduction of the word "now," because I was waiting for your complete account before I would go regularly over the claims which my accountant should report as duly vouched for and audited, and I only yesterday received the vouchers in support of the War Office claim of £79,576 19s. 10d., which I understand only reached you by one of the latest mails; and the Admiralty claim of £45,000 I believe you have not yet received.

I must be allowed to express my regret that you should reiterate the charge that I require "the account to be kept open for the introduction of new questions as they may arise." I beg to state that I have not required, and do not require, any such thing, but I think it right to repeat that several claims on outstanding accounts might have been established ere this, had the returns asked for by the Collector of Customs at Auckland, in October last, been furnished.

I learn from your memorandum under reply that the vouchers supporting the Imperial claim will remain in Auckland, in charge of a Commissariat officer, and not go home on the removal from the Colony of the whole of Her Majesty's military forces, as I had reason to believe they would. I do not know when this change was determined on. Still, as the Colonial vouchers remain, and you leave on the 8th inst., you thus debar yourself from the advantage you would derive from a minute examination of the several items. I do not know to what you refer when you state that the Colonial Government have circulated pretty freely "charges of fraud against persons in the employ of the Commissariat." I can only say, as a member of the Government, that they have seized the earliest opportunity of making known to the Imperial authorities in this country the fact that charges had been preferred of a nature which required investigation. The Superintendent of Wellington was spoken to on the subject, because one of the charges was sent to him by the informant, and was forwarded by him without date or comment. I will not refer to your remarks on the subject of the drawbacks, beyond reminding you that some double payments were acknowledged by the persons concerned to have been received, and by suggesting to you, in opposition to your views, whether, if further double payments shall be found to have been made, the withholding of the return asked for in October last, may not have the effect of shielding the parties guilty of the fraud.

With reference to your remarks on the return showing all the payments made by the Colony to Imperial officers, I would remark that it was necessary that the Treasury should be enabled to admit or disprove the correctness of the Imperial account, and if such payments had been recorded by the Imperial Department as made by the Colonial Treasury, it is not unreasonable to expect that the information asked for could have been furnished with but little labor.

I would remark, with reference to your suggestion that Mr. Gallagher should examine this return in concert with the officers of the Colonial Treasury, that were you not leaving on Monday I would endeavor to carry out your wishes, but I decline to place myself in communication with that officer after your departure. It will only remain for me to draw up a progress report from the evidence before me.

In reply to your remark as to your communication respecting any extant evidence indicating an admission on the part of the Home Government of a liability for the claims advanced by the Colony, I may observe that the queries referred to subjects which we agreed to consider after the examination of the vouchers supporting the claims and counter-claims, and I have to apologize for not having stated this before.

I beg to repeat my conviction that had we continued the course we agreed to pursue, the duty entrusted to us might have been concluded within a reasonable time, considering the large amounts involved, the Imperial claim alone being stated at £1,304,963 17s. 1d.

J. RICHARDSON,
Colonial Commissioner.

No. 5.

Copy of a DESPATCH from the Right Hon. the Earl of CARNARVON to Governor Sir GEORGE GREY, K.C.B.

SIR,—

Downing-street, February 21, 1867.

I have the honor to transmit for your information a copy of a letter from the Board of Treasury, enclosing a letter from Commissary-General Jones, reporting the measures which he had taken for effecting an adjustment of the Accounts between the Imperial and the Colonial Government, together with a copy of the reply which has been returned to that communication.

I request that you will take such steps as will secure a prompt examination of these accounts, if that examination is not concluded when you receive this Despatch.

Governor Sir George Grey, K.C.B.,
&c., &c., &c.

I have, &c.,
CARNARVON.

Enclosure in No. 5.

G. A. HAMILTON, Esq., to the UNDER SECRETARY OF STATE for the Colonies.

SIR,—

Treasury Chambers, February 14, 1867.

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, for the information of the Earl of Carnarvon, copy of a letter which my Lords have received from Commissary-General Jones, C.B., respecting the adjustment of the accounts between the Imperial Government and the Colonial Government of New Zealand, and also copy of the reply of my Lords thereto.

The Under Secretary of State for the Colonies.

I have, &c.,
G. A. HAMILTON.

Sub-Enclosure 1 to Enclosure in No. 5.

Commissary-General JONES, C.B., to the LORDS COMMISSIONERS of the TREASURY.

(No. 16.)

Wellington, New Zealand, 24th November, 1866.

SIR,—

With reference to the instructions of the Lords Commissioners of Her Majesty's Treasury desiring me to put myself in communication with an officer to be appointed by His Excellency the Governor to discuss the points in dispute, and to prepare, in conjunction with him, an account of the claims and counter-claims of the Colony and the Home Government, I now do myself the honor to report as follows, for the information of their Lordships.

As the whole mass of the accounts and all the Officers of the Staff and Departments were at Auckland, I respectfully urged that the proceeding should be commenced there, but His Excellency replied that the Auditor-General of the Colony had been appointed to meet me; and as his services were absolutely necessary at Wellington, he could not proceed to Auckland.

My only course was to prepare my accounts against the Colony in Auckland, and there collect all the supporting authorities and vouchers, and make all the necessary references to other Departments.

Early in August I informed the Colonial Auditor-General what I was doing, and suggested that a similar account of the Colonial claims against the Imperial Government might be contemporaneously prepared in Wellington, and thus materially expedite the business. I received no reply.

On the 22nd September I arrived in Wellington with my accounts, &c. I called several times at the Auditor-General's Office before I could see him, and it was not until the 25th of the month I did so, and then, for the first time, was informed that he had never been appointed: and also that nothing had been done as I suggested towards preparing an account of claims against the Imperial Government.

I at once communicated to His Excellency the Governor, through his Private Secretary, this fact, and intimated that I was now detained in the Colony solely for the purpose of endeavoring to effect an adjustment of these accounts.

In reply, two days afterwards, I was informed that Major Richardson, Member of the Executive Council, was now appointed to meet me in this duty.

I lost no time in seeing this officer, but he informed me that he had not been appointed, although he had been spoken to on the subject, and declined entering with me upon the business until he had been formally commissioned by the Governor.

When the Commission was issued, a few days subsequently, he insisted upon commencing with the mere arithmetical audit of the numerous vouchers supporting my accounts, and for this purpose appointed an accountant from the town, who, of course, is utterly unacquainted with the whole nature of the claims.

Major Richardson then informed me that he was going to Otago for a time, and would give me no information regarding the period of his return, stating generally that he would return when he was telegraphed for. I represented this delay as unnecessary, and tending to my detention in the Colony at some expense to the Home Government. I was merely informed that an account of the Colonial charges against the Imperial Government could not be prepared under three months.

In expostulating I referred to the account already prepared and laid before the House of Representatives, and a copy of which appears to have been enclosed with His Excellency's Despatch No. 42, dated so far back as the 12th May last, to the Right Honorable Edward Cardwell, M.P., &c.; and also to my communication to the Auditor-General of August last, suggesting the preparation of an account, but I was only informed that about three months would be required to prepare the account, and nothing could be done earlier.

I could thus only conclude that it would not become me to press the investigation forward in the manner I considered best, as it was evident that my intentions were viewed with suspicion, as if my object was in some way calculated to prejudice the Colonial interests.

I therefore desisted from all further endeavour to press on the proceedings, but when the stipulated three months are expired, I propose again urging expedition; should further procrastination, however, be continued, without satisfying me that the delay is necessary, I propose to use my own discretion how far it would be right of me to decline remaining longer in the Colony, as I feel confident that on my return to the United Kingdom I shall be quite in a position to satisfy their Lordships in all questions relating both to the claims and counter-claims under consideration.

I would feel obliged by your assuring their Lordships that I shall use my best endeavors to bring these questions to such a termination as will, I trust, be equally satisfactory to their Lordships and the Colonial Government; but at the same time I would solicit their forbearance, should it appear to them that the affair is protracted beyond their expectations.

I may, however, mention that there are several points upon which information is required, both from the War Office and Admiralty; and my letters to both Departments have not yet been answered.

Also, before a complete account can be prepared to the end of last financial year, the instructions solicited from their Lordships' Board by Deputy Commissary-General Strickland, in April or May last, regarding the mode of computing the capitation charge for the year ended last 31st March, have to be received. Under these circumstances, it will be seen the final adjustment of these accounts could not hitherto have been completed.

The Secretary to the Lords Commissioners of
Her Majesty's Treasury, London.

I have, &c.,
H. STANLEY JONES,
Commissary General.

P.S.—A copy of the correspondence between Major Richardson and myself is enclosed herewith for their Lordships' information.—H. S. J.

Sub-Enclosure 2 to Enclosure in No. 5.

G. A. HAMILTON, Esq., to Commissary-General JONES, C.B.

SIR,—

Treasury Chambers, February 14, 1867.

I am directed by the Lords Commissioners of Her Majesty's Treasury to state with reference to the last paragraph of your letter of the 24th November last, and to the instructions conveyed to you in the letter from this Board of 24th March last, that my Lords remain of opinion that the claims of the Imperial and Colonial Governments, with respect to the expenditure in connection with the late war in New Zealand, must be considered by you without reference to the capitation charge.

The question as to the amount of that charge is still under the consideration of Her Majesty's Government, and must be reserved for final settlement in this country. At the same time my Lords desire that your Report may be accompanied with every information in your possession as to the number of Troops employed at various times in the Colony, so as to arrive at a correct estimate of the claim to be prepared against the Local Government, as soon as any decision is agreed to with respect to the amount of the rate.

Commissary-General Jones, C.B.,
Wellington, New Zealand.

I have, &c.,
G. A. HAMILTON.

No. 6.

Copy of a DESPATCH from Governor Sir GEORGE GREY, K.C.B., to the Right Hon. the Earl of CARNARVON.

No. 46.

Government House, Wellington, 27th April, 1867.

MY LORD,—

I have the honor to transmit a copy of a Memorandum of my Responsible Advisers, in which it is shown that the delay which has taken place in the adjustment of the accounts between the Imperial and Colonial Governments is not attributable to the Colonial Government, and in which they suggest for your Lordship's favorable consideration, that the most proper manner in which these accounts could be finally adjusted would be by the appointment of a Royal Commission to investigate them in New Zealand, no member of that Commission being personally interested in respect of the accounts to be examined.

The Right Hon. the Earl of Carnarvon,
&c., &c., &c.

I have, &c.,
G. GREY.

Enclosure in No. 6.

Memorandum by Mr. STAFFORD.

Wellington, 27th April, 1867.

With reference to Lord Carnarvon's Despatch, No. 13, of the 21st February, 1867, enclosing a letter from Commissary-General Jones, relative to the adjustment of the accounts between the Imperial and Colonial Governments, Ministers have the honor to transmit a Memorandum from Major Richardson, which distinctly refutes the imputation conveyed by Mr. Jones, to the effect that delay in adjusting these accounts was caused by the action of the Colonial Government and Commissioner, and shows, on the contrary, that any such delay is attributable to the course pursued by Mr. Jones in the matter.

Ministers have repeatedly urged that no delay should take place in having these accounts finally adjusted, and they would now observe that the most proper manner in which that could be done would be by the appointment by Her Majesty of a Royal Commission to investigate them in New Zealand; and further, that no member of that Commission should be personally interested in respect of the accounts to be examined.

Ministers would scarcely have thought it necessary to point out what is so obviously requisite had it

not been for the course already taken by the Imperial Government in appointing Mr. Jones to examine and report on claims preferred at his own instance, and connected with his own official proceedings, the correctness of many of which was the very question in dispute between the two Governments.

For His Excellency the Governor.

E. W. STAFFORD.

Sub-Enclosure to Enclosure 1 in No. 6.

Memorandum by Major RICHARDSON.

For the Hon. the Colonial Secretary.

Lord Carnarvon's letter of the 21st of February, with enclosures from Mr. Commissary-General Jones and Mr. G. A. Hamilton, having been placed before me for remark, I would observe:—

1. That in my report to His Excellency of the 6th instant, with accompanying correspondence between Mr. Commissary-General Stanley Jones and myself, there will be found a full explanation of the circumstances attending the execution of my duty as Commissioner in the examination of the Imperial claims against the Colony, and the Colonial claims against the Empire.

I would not, therefore, remark further on this subject, were it not for an observation of Lord Carnarvon's, based upon the one-sided testimony of Mr. Jones, which leads me to believe that His Lordship is under the impression that a prompt examination of the accounts had not been undertaken when Mr. Jones penned his letter of the 24th of November last.

2. I must express my regret that Mr. Commissary-General Jones did not furnish me in November last with a copy of his letter in question; but allowed his remarks to remain unchallenged until this month, when, a copy being forwarded from Downing-street, I am enabled to reply.

3. I would observe that Mr. Commissary-General Jones' remark about my appointing an accountant who is "utterly unacquainted with the whole nature of the claims," is very infelicitous,—for, being desirous of an impartial examination, I appointed a gentleman, unconnected with either the Imperial or Colonial Governments, of well established reputation and thorough business habits, and I must be pardoned for saying that I think it would have been more in consonance with the principles of a thorough audit and examination of the claims and counter-claims, if Mr. Jones had not been commissioned to undertake that duty, as the accounts to be examined were principally those of the department over which he presided, and his evidence, if necessary, might have been taken in elucidation of them.

4. My absence from Wellington, within telegraphic communication of my accountant, did not in the remotest degree impede the work entrusted to me, for while the accountant was engaged in an examination of the accounts and vouchers, I was also engaged in examination of the voluminous correspondence on the subjects in question, extending through a series of years.

5. I would further remark with reference to an observation of Mr. Jones, that I considered, and do still consider, that the course he recommended was "calculated to prejudice Colonial interests" to such an extent that I would have resigned the Commission rather than have undertaken it on the unsatisfactory basis which Mr. Jones pressed so urgently on my acceptance. I repeat what I have stated in the correspondence above referred to, that, had Mr. Jones remained a short time longer, we might have fulfilled the instructions of Mr. Hamilton in his Treasury Minute of the 24th March, 1866, "to go minutely into the several items comprehended" in the account, and have made reports to our respective Governments.

I will only further observe that I feel assured that by the end of May I shall submit to His Excellency my opinion in detail on the various claims and counter-claims, and on the large and important questions referred to me.

Wellington, April 27th, 1867.

J. RICHARDSON.

No. 7.

Copy of a DESPATCH from Governor Sir GEORGE GREY, K.C.B., to the Right Hon. the Earl of CARNARVON.

No. 48.

Government House, Wellington, 27th April, 1867.

MY LORD,—

Adverting to my Despatch, No. 37, of the 6th April, reporting the intention of Commissary-General Jones, C.B., to return to England, I have the honor to enclose a copy of a letter addressed to myself by that officer, which was left at Government House an hour or two before his departure by the Panama mail.

2. Why he should have then left this letter I cannot conceive. It should either have been written at an earlier date, or not at all, as when he wrote it all interference on my part with his proceedings was impossible.

3. I cannot but regret that Mr. Jones should, by his hurried departure, have again done that which must tend to promote unjustly a belief that this Colony wishes to avoid meeting its just engagements.

The Right Hon. the Earl of Carnarvon,
&c., &c., &c.

I have, &c.,
G. GREY.

P.S.—Since I have written this Despatch, I have received from my Responsible Advisers a Memorandum upon Commissary-General Jones' letter of the 8th instant, and at their request I have the honor to transmit a copy of that Memorandum for your Lordship's information.—G. G.

29th April, 1867.

Enclosure in No. 7.

MEMORANDUM by Mr. STAFFORD.

Wellington, 29th April, 1867.

Referring to their Memorandum of the 27th instant, on the subject of the adjustment of the accounts between the Imperial and Colonial Governments, Ministers have to transmit a further explanatory Memorandum from Major Richardson relative to Mr. Commissary-General Jones' letter to His Excellency's Private Secretary of the 8th instant.

For His Excellency the Governor.

E. W. STAFFORD.

Sub-Enclosure to Enclosure in No. 7.

MEMORANDUM by Major RICHARDSON.

Wellington, April 29, 1867.

For the Honorable the Colonial Secretary.

With reference to Mr. Commissary-General Jones' letter to the Private Secretary of His Excellency, of the 8th of April, the day of that officer's embarkation for England, Mr. Jones observes :—

"The cause for our failure to work together satisfactorily I attribute to the circumstance that Major Richardson's Commission evidently points to an enquiry into subjects beyond mere accounts, and into which I have no authority to enter. Our objects and intentions thus diverge from each other, and consequently unity of proceeding and satisfactory results are all but impossible. I therefore feel that it is my duty to return to England at once, and am embarking to-day in the Rakaia."

It appears to have escaped Mr. Jones' memory, at the time of penning this remark, that the assumed cause of failure was considered and disposed of by us so far back as October last, when he wrote as follows :—

"But as it appears by the copy of your Commission that you are required to go into such other accounts as may by you be considered to arise between these Governments out of the Native disturbances, and as portions of the correspondence to which you are specially referred relate to matters beyond mere accounts, and virtually calling in question the Military proceedings and policy of the General Officer Commanding Her Majesty's Troops during the period of active service in the field, you will, I trust, concur with me that it is neither expedient nor possible for me to discuss them with you. Before proceeding further, it would be well that this point be clearly understood, and I hope it may prove that there exists no reason for supposing that it is intended to impart into our proceedings any such extraneous subjects as those I have referred to."

In my reply of the same date, I observe with reference to this point that "I have no objection to confine my examination in concert with yourself simply to the question of account, reserving to myself the right, in my report to His Excellency, to make such remarks on the subjects remitted to me as, after examination of the claims preferred by the Imperial Government, I may deem expedient and called for."

If reference is made to Mr. Jones' Memorandum, No. 20, in reply to mine of the 4th, it will be found that Mr. Jones adopts the course I proposed. His words are as follows :—

"The only other points touched upon in your Memorandum requiring reference are—1. Your reserving the right to report to His Excellency upon other subjects after the examination of these claims. I can have no possible objection to such a right, but your reasons for objecting to any of the various items should of course be made to me, as otherwise I shall not be in a position to fulfil the Treasury instructions and report fully to their Lordships."

There were further remarks on the same subject in my reply to Mr. Jones' Memorandum of the 6th, and my final explanatory Memorandum of the same date.

The subject was not again referred to by us, and I would suggest that it is too late on the day of embarkation for Mr. Jones to refer again to it, as the cause of failure to our working satisfactorily together.

I would again repeat what I have constantly urged in my correspondence with Mr. Jones, that it is also too late for that officer to object, in April, so strongly as he does to a plan of proceeding which he agreed to adopt in October last. I adhere to my opinion that the plan in question is the most judicious as regards principle, practice, and finality, and repeat my conviction that, had Mr. Jones remained, we might have drawn up our reports to our respective Governments, after conferences with each other, in less than six weeks from this date.

J. RICHARDSON.

No. 8.

Copy of a MEMORANDUM by MAJOR RICHARDSON.

For the Honorable the Colonial Secretary.

Wellington, 2nd May, 1867.

It appears from an examination of the correspondence between Mr. Commissary-General Jones and myself that the copy of a letter from that officer, of the 30th of March last, to me is missing; may I request that you will move His Excellency to procure a copy of the same from the Secretary for the Colonies, to whom, it is believed, the original was sent; or, in case of it not having been sent, that Mr. Jones may be requested to furnish two copies of the same; one to be placed in the correspondence sent to the Colonial Office, and the other to be forwarded to me at Wellington.

I understand that Mr. Jones took home the whole correspondence with him.

J. RICHARDSON,
Colonial Commissioner.

No. 9.

Copy of a DESPATCH from Governor Sir GEORGE GREY, K C.B., to the Right Hon. the Duke of BUCKINGHAM.

No. 61.

Government House, Wellington, 15th July, 1867.

MY LORD DUKE,—

Adverting to my Despatch, No. 37, of the 6th of April last, I have the honor to transmit for your Grace's information a copy of further correspondence between Mr. Commissary-General Jones, C.B., and the Honorable Major Richardson, in continuation of that enclosed in my former Despatch.

His Grace the Duke of Buckingham and Chandos,
&c., &c., &c.

G. GREY.

Enclosure in No. 9.

MEMORANDUM by Major RICHARDSON.

Wellington, May 2, 1867.

To His Excellency Sir G. GREY, Knight, Commander of the Most Honorable Order of the Bath, Governor and Commander-in-Chief of the Colony of New Zealand, and Vice-Admiral of the same, &c., &c.

May it please your Excellency,—

I have the honor to submit to your Excellency a copy of a correspondence between Mr. Commissary-General Jones and myself, in continuation of that which I had the honor to forward on the 16th ultimo.

J. RICHARDSON,
Colonial Commissioner.

Sub-Enclosure 1 to Enclosure in No. 9.

MEMORANDUM by COMMISSARY GENERAL JONES, C. B.

Wellington, 6th April, 1867.

To the Honorable MAJOR RICHARDSON,—

I have just received your Memorandum of this date.

I beg to refer to your remarks regarding the mode I have adopted of computing interest, to show how necessary my system of personal discussion was. This is one of many points upon which I was anxious to obtain your views, but by demanding my account to be closed before you would confer with me upon the items contained in it, you obliged me to act upon my own responsibility, and to charge the interest at the higher rate, leaving to Her Majesty's Treasury any alteration or revision that should by their Lordships be considered fair and reasonable. I may add that I have specially drawn their Lordships' attention, in my report of two days since, to this particular question, and if I have exceeded their instructions, the error will, I have no doubt, be rectified.

I regret that my departure from the Colony debars me from examining any further claims against the Imperial Government, but you should bear in mind that the delay in rendering them was in no way occasioned by any act of mine.

I have been here six months waiting for you, and in the whole of that period you have only been in the place three times—once for about two days, and twice for possibly ten days each. I would further remind you that three months since I intimated to you verbally my intention to embark in March last; but out of deference to His Excellency, upon whom you were in official attendance, I deferred my departure for a month. In the first week in March I informed the Colonial Treasurer that I was ready and waiting for you; and a few days subsequently, in reply to a message from the Honorable Mr. Stafford, I informed him that I intended leaving on the 8th instant (April). I have been so long in the Colony for this special purpose, and without any other duty, that I am inclined to think I am more likely to be called to question for the delay rather than my departure under existing circumstances.

I am not aware of ever having stated that the vouchers would remain in Auckland after the whole of the Imperial Troops leave the Colony; indeed, I was not aware that the removal of all was intended; but of course in that event the vouchers will be removed with the last of the Commissariat books and papers.

H. STANLEY JONES,
Commissary-General.

Sub-Enclosure 2 to Enclosure in No. 9.

To Commissary-General Jones, C.B.,—

SIR,—

Wellington, 7th April, 1867.

In acknowledging the receipt of your Memorandum of yesterday's date, I would observe with reference to the question of interest which you were directed to charge on the Imperial claim, that you appear to forget that we had exchanged our views on this subject in one or two interviews. Independently of this, I must request you to bear in mind that it was your duty to prepare your claim, which included interest; whereas my duty consisted in examining that claim, when presented, in concert with yourself.

I regret that you should have delayed for a Memorandum to be sent so shortly before your embarkation, what may be considered as a reflection on the way in which I have discharged my duty. If your Memorandum were read, as you had penned it, it would probably mislead the Imperial authorities. I am, therefore, sure you will be glad that I should remind you that your incomplete account was put by me into my accountant's hands in October last, in accordance with our plan, so that he might "go minutely into the examination of the several items," as desired by the Imperial Treasury, and that having done this, I took the necessary books down to the South for that careful investigation into the history of the past, and past negotiations and correspondence, which was essentially necessary to enable me to report to His Excellency in such a manner as would meet Mr. Cardwell's desire that "some definite agreement might be arrived at as to the precise liabilities incurred by the Colony."

You, as Imperial Commissioner, on the contrary, were presenting *your own accounts as Commissariat Officer*, of the justness of which you could have no question, and of nearly every item of which you had a thorough knowledge from having been engaged on them for some past years.

I may also remind you that I was in regular postal and telegraphic communication with the Treasury and my accountant. You, at this time, were, for a short period, in the Middle Island, on the full understanding with me that the accountant's work would take some time, which I may say arose, in no small measure, from the delay which occurred in sending to Auckland for vouchers and other documents, which the Commissariat had to procure.

When I was on duty with His Excellency in the Middle Island, I was still within telegraphic reach and was expecting and prepared to be relieved, if the accountant's work was ready, at any moment. You, I believe, visited Auckland twice during this interval, which was beyond the reach of telegraphic communication with myself. I do not specify the period of your stay on each occasion, as you have deemed it expedient to do in my case. The duty I had undertaken was being performed by me, in the exact mode we had agreed upon, and my actual personal presence was not constantly necessary during the preliminary examination.

I gather from a portion of your remarks that you deemed an intimation of your intention to embark for England on a certain date a sufficient direction to me to conclude my duty by that time. I take a different view of the case, and am of opinion that, when a question concerning more than a million and a-half of money is under examination the greatest circumspection is necessary. This opinion I communicated to you in my Memorandum of the 4th of October, when I wrote "that it is but justice to the trust confided to me that I should not act hastily nor unadvisedly."

There is one more important point I must beg leave to notice. In endeavouring to refute the arguments I adduced in former Memoranda in favor of the system we deliberately adopted, in which I referred to vouchers in support of the Imperial claim being removed to England, while those in support of the counter-claim were remaining in New Zealand, you wrote on the 4th of April, "they," referring to the vouchers, "will be sent to Auckland to remain there, and can always be referred to hereafter by communicating with the senior Commissariat Officer," but you now write in your Memorandum under reply, "I am not aware of ever having stated that the vouchers would remain in Auckland after the whole of the Imperial troops leave the Colony." I thought you were well acquainted with the intention of the General Commanding the Forces to remove all the troops from New Zealand, in compliance with instructions from home. I inferred this from knowing that you were in communication with General Chute when he was here a few days ago. As such removal is intended, and as you state "that the vouchers will be removed with the last Commissariat books and papers," I am sure that you will readily admit the wisdom of the system we adopted when we entered on our investigation, and will do me the justice to acknowledge that the pertinacity with which I adhered to the system has been justified by the result.

J. RICHARDSON,
Colonial Commissioner.

Sub-Enclosure 3 to Enclosure in No. 9.

MEMORANDUM by COMMISSARY-GENERAL JONES, C.B.

8th April, 1867.

To the Honorable Major RICHARDSON,—

I have just (10 a.m.) received your Memorandum dated yesterday, in reply to mine of 6th instant. As I embark almost immediately, it is impossible that I can reply to the several points alluded to by you. I consider it right to correct you in one particular. I have been but once in Auckland since September last, and that visit was expressly in connection with the claims against the Colony: it extended over a period of eleven days, including passage there and back. This visit was made during your absence in the South.

H. STANLEY JONES,
Commissary-General.

P.S.—My visit in the South was during the period of the first three months which you demanded as necessary to prepare the Colonial accounts, when I was waiting with actually nothing to do connected with this duty.—H. S. J.

APPENDIX.

Copy of a MEMORANDUM by Commissary-General JONES, referred to in a note on page 10.

The Honorable Major RICHARDSON, &c.—

Referring to our conversation of this day, when you acquainted me that you find yourself unable to complete your Report before the 7th proximo, I now do myself the honor to inform you that, having already been delayed in the Colony nine months for the sole purpose of adjusting the outstanding accounts with the Colony, I do not feel that I shall be justified in remaining longer, the more especially as I cannot see any probability of our arriving at a satisfactory result under the system adopted.

Had you complied with my suggestion six months since, and first gone with me personally into the general question of the justness of each service charged, I feel satisfied that our duty would have been completed long ere this. But by the system adopted, I am quite convinced that it will be all but impossible to complete the duty with satisfaction either to ourselves or to the Governments concerned. This is the clearer from your Memorandum of this day introducing new matter into the question before us, and that of a description that must in its very nature be protracted, involving as it probably will, a reference to the Supreme Courts of the Colony. It must be seen that if new matter can thus be imported, our duty would be almost endless.

My instructions from the War Office, dated 9th April, 1866, are to the effect that my detention in New Zealand is for the purpose of "considering and reporting, in conjunction with an officer to be appointed by the Governor of the Colony, upon the various disputed points connected with the outstanding accounts between the Imperial and Colonial Governments."

This new question on the subject of Custom drawbacks, is one I must decline to entertain; and I would suggest that the Commissariat Officer in charge of the Department is the proper person to refer to on the subject. But in order to expedite the views of the Colonial Government, I am sending your Memorandum of this date to the officer in charge of the Commissariat Department, Auckland, who, I am confident, will use every means in his power to assist the Colonial authorities to investigate the matter in question.

As nearly six months have elapsed since I handed you my account to the 31st March, 1866, complete, with the exception of three or four services (a note of which was made upon that document), I had hoped that so far as that account went, the various questions might ere this have been discussed and decided between us; but you have invariably declined any such discussion. And you informed me to-day that you could not go into this discussion until I presented to you the Imperial Account of Claims against the Colony complete in every respect. You at the same time require new matters to be introduced, as they transpire, without any limit to the period to which they relate. These two points are quite incompatible with any possibility of an adjustment of the accounts within any reasonable period.

I am now preparing a complete account of the outstanding claims to the 30th September last, which I propose handing to you in a day or two,—certainly before leaving New Zealand on the 8th proximo. This account will comprise all charges against the Colony, excepting those only that may be raised by the Admiralty, which have been referred to as amounting to about £45,000, but the details regarding which have not reached me yet.

During the period I remain I shall be happy to meet you as frequently and for as long as you may wish, to confer upon the various services forming the Imperial claims,—to give you any information in my power regarding them, and to assist you in any other way that may be practicable.

I consider further, that it is my duty here to repeat my unchanged opinion, that the service for which I have been detained in the Colony could be brought to a satisfactory termination in a very short time, were you to adopt the plain practical system suggested at first; and as my vouchers have been examined by your accountant, I can see no real objection to that course of proceeding. I am quite ready to co-operate with you in this respect at once; and I believe there is still ample time for the purpose before the sailing of the Panama steamer on the 8th proximo.

I would remind you that I have hitherto had no complete account of the claims of the Colony against the Home Government, although I have had a statement, several schedules, and supporting vouchers, purporting to be portions of those claims.

H. STANLEY JONES,
Commissary-General.

Wellington, 31st March, 1867.
