

“An account should be furnished to the Controller of the Treasury Chest of such application of the contribution, for the information of Her Majesty’s Government and Parliament; and it should be expressly understood and enjoined upon the Governor that no advances are to be procured from that chest nor any other of its funds than those military contributions due from the Colony employed towards paying the expenses of the scheme.

“It will, of course, be understood that, although the calculations on which this arrangement is based, are founded on the present amount of military force in New Zealand, it will not interfere with the discretion of Her Majesty’s Government regarding the force which shall be retained in the Colony; and, further, that in giving up for a limited time the claim of this country to a portion of the military contribution at the rate of £5 per man, no pledge is to be implied of the continuance of that contribution as a permanent arrangement, but that the aid to be required from New Zealand for military protection shall remain subject to any general measure which Parliament may adopt with regard to the maintenance of Her Majesty’s troops in the Colonies.

“My Lords concur with the Duke of Newcastle that the concession of the diversion of a part of the military contribution to Colonial objects, should be accompanied by the requirement of the payment of the large debt due to the Treasury Chest on account of advances for the militia and other purposes, which amounted on the 29th October last to £193,180 5s. 6d.

“With regard to this claim, their Lordships would wish that Sir George Grey’s attention should be called to the passage in the Colonial Treasurer’s financial statement of the 23rd July, 1861, in which, in reference to the demands properly made against the Colonial Government by the Commissariat, he observed that ‘he had no hesitation in stating that they are most unfairly charged against the Colony at the present time,’ and to the very strong animadversions made in the Colonial Legislature on the conduct of the Commissariat officer in bringing forward these claims in the simple discharge of his duty to this Board. They have no doubt that His Grace will concur with them in opinion that the disposition shewn to avoid the recognition of pecuniary obligations to this country ought to be checked rather than encouraged by the Governor.”

Enclosure 3 in No. 2.

Statement of Claims by the Imperial Treasury against the Government of New Zealand to 30th June, 1862.

Particulars.	Amount.			Total.		
	£	s.	d.	£	s.	d.
Amount due to 29th October, 1861, as per Treasury Minute ...				193,180	5	6
Pay of Militia for October, 1861.....	2658	16	6			
Underpaid to R. Parris in May, paid 14th November, 1861.....	27	0	0			
Pay of Militia for December, 1861.....	2351	8	1			
Enrolment of Pensioners at Auckland, paid 13th Dec., 1861 ...	37	0	0			
Cost of Rations Taranaki Militia for December quarter, 1861...	2297	16	1			
Pay of Militia for November, 1861.....	1350	0	0			
Pay of Taranaki Militia for quarter ending 31st March, 1862...	4578	15	2			
Cost of Rations Taranaki Militia for quarter ending 31st March, 1862	1082	2	11			
Pay of Militia at Taranaki for quarter ending 30th June, 1862	1840	10	0			
Sums due in December quarter, 1860, omitted to be charged in statements rendered	55	6	2			
Cost of Rations Taranaki Militia for quarter ending 30th June, 1862.....	115	9	6			
				17,394	4	5
Contribution at £5 per man for year ending 31st March, 1862				27,718	15	0
Expenses of Great South Road, including extra cost of provisions, &c.				31,337	17	5
Total.....				269,631	2	4

Commissariat, New Zealand,
Auckland, 1st September, 1862.

H. STANLEY JONES,
Deputy-Commissary General.