

## D E S P A T C H

## RESPECTING ADVANCES FROM THE COMMISSARIAT CHEST TO THE COLONY.

COPY OF DESPATCH FROM THE RIGHT. HON. EDWARD CARDWELL, M.P., TO GOVERNOR SIR  
G. GREY, K.C.B.

Downing Street,  
26th September, 1864.

SIR,—

I have received the enclosures which I have only time to forward to you by to-day's Mail. I understand that all advances in cash from the Imperial Treasury Chest to the Colonial Government have long since ceased; but before you can give your certificate under the "Imperial Loan Act," of last Session, it will be necessary for you to ascertain that all payments to which the Imperial Government is entitled, are provided for. Those payments may be due partly in New Zealand and partly in this country. If, as is possible, in the case of expenditure incurred by the War Department, repayments are to be made by the Colony, the amount of which cannot be ascertained with accuracy at the time, you will do well to concert with the Officers more immediately responsible to the War Department and to the Treasury for the appropriation by the Assembly of a sufficient sum to be retained by the Lords Commissioners of Her Majesty's Treasury out of the Guaranteed Loan, in order to provide for these repayments when the amounts shall have become accurately known.

You should also determine with those Officers what arrangements are in future to subsist between them and your own Government, in order that no new liabilities may be contracted by the Colony towards the Imperial Government after the old ones shall have been discharged.

I need not remind you that by the terms of the Imperial Act the loan can only be contracted by the Lords of the Treasury after they shall have been satisfied that all existing debt from the Colonial Government to the Imperial Government has been provided for; or, that the clear intention of Parliament is, that after those debts have been discharged, no new ones shall be incurred.

It is also important to avoid any misunderstanding on this subject, which might prevent the contracting of the loan, and thereby occasion serious inconvenience to the Colony.

I have, &c.,

EDWARD CARDWELL.

P.S.—I also transmit to you a copy of the letter from the War Office to this Department, dated the 7th of June, and referred to in the letter from the Treasury.

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

## Enclosure.

MR. HAMILTON TO THE UNDER SECRETARY OF STATE FOR THE COLONIES.

Treasury Chambers,  
26th September, 1864.

SIR,—

With reference to former correspondence on the subject of the expenditure connected with the New Zealand War, I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit herewith copy of a letter from the War Office, dated 24th instant, and I am to request that in laying the same before Mr. Secretary Cardwell, you will inform him that my Lords approve of the agreement which is reported to have been made by direction of the Lieut.-General Commanding, between Deputy-Commissary-General Jones and the Local Government of New Zealand regarding the division between the Imperial and Colonial Governments of the expense to be incurred on account of Water Transport; and, that their Lordships consider that the principle of that arrangement should be extended to the expense of the Land Transport, which formed the subject of Sir E. Lugard's letter to the Colonial Office, dated 6th June last.

Their Lordships request that you will suggest to Mr. Cardwell that the claims of Her Majesty's Government on account of these services, should be arranged and admitted as a charge against the Colonial Government, to be provided for out of the guaranteed loan of £1,000,000 before the issue of the certificate by the Governor referred to in the Despatch, the draft of which was submitted for the approval of this Board in Mr. Elliott's letter of the 16th of August last.

I am at the same time to transmit for the information of the Secretary of State, copy of a letter from the War Office, dated 22nd August, and its enclosure respecting the liability of the Colonial Government for clothing, stores, and arms supplied.

The whole liability on this account will of course be settled by the Commissariat Office, before the issue of the certificate referred to.

I am, &c.,

GEO. A. HAMILTON.

The Under Secretary of State  
for the Colonies.