

and guides for officers of Her Majesty's regular forces, and in other similar charges, which the Colony was not by instructions from Her Majesty's Government required to take upon itself.

9. All advances from the military chest have also been made with a view of doing away with Imperial expenditure in this country. The Colonial Forces paid or rationed by such advances have taken the place of the regular troops, thus effecting a large saving to Great Britain; and in addition to this, the Colony has recently in as far as possible undertaken all operations at its own cost. The entire campaign on the East Coast has been conducted by the Colonial Forces, and has been paid for from Colonial funds. This could not have been done had not its forces in other directions been paid or rationed by means of advances made from the military chest.

10. The Colony was so impoverished by the exertions it had made to carry on the war, its means were so exhausted, and it found such difficulty in raising funds, that it was only by the aid of the advances made it could have taken upon itself charges which have relieved Great Britain from so large a past and prospective expenditure, and I feel sure the more carefully the matter is considered the more fully it will appear that the regulations under which the Treasury sanctioned the issue of such advances have worked well, and have resulted in a considerable saving to the British Treasury.

I have, &c.,

The Right Hon. Edward Cardwell, M.P.

G. GREY.

#### Enclosure in No. 18.

##### STATEMENT OF AMOUNTS advanced from COLONIAL TREASURY on account of IMPERIAL TROOPS and SERVICES.

Flying column—Officers and men belonging to Her Majesty's Imperial Troops, but receiving pay from the Colonial Government	£ 4,320
Royal Artillery as a mounted troop—Cost of saddles, arms, and accoutrements provided by the Colonial Government	1,500
Pay of ditto	2,440
Interpreters and guides to officers commanding Her Majesty's Forces	4,000
Pay of men belonging to the Colonial Forces, but attached to the Imperial Transport Corps	81,880
Amount paid to Imperial Troops as working pay, cost of tools, &c., for ditto, and cost of services performed at the instance of the Lieutenant-General commanding	37,032
Cost of steamers for sea and river service	48,500
Working expenses for ditto, 1863, 1864, and 1865	66,600
Cost of working coal mines on Waikato to provide coals for ditto, 1864-5	6,000
Cost of working plant at Waikato Heads for dockyard	5,000
Subsidy paid by Colonial Government to Her Majesty's Ships of War on the station	9,000
	£266,272

Colonial Defence Office,  
Wellington, 4th January, 1866.

J. HOLT,  
Under Secretary Colonial Defence.

#### No. 19.

COPY of a DESPATCH from GOVERNOR SIR GEORGE GREY, K.C.B., to the Right Hon. EDWARD CARDWELL, M.P.

(No. 2.)

SIR,—

Government House, Wellington,  
1st January, 1866.

I beg to thank you for forwarding to me General Cameron's Despatch of the 4th September, 1865, to the Secretary of State for War, complaining of my having made misrepresentations. Some obscurity rested on the matter from General Cameron having omitted to send to each of the persons interested in this question some portions of the correspondence which were necessary to a clear understanding of the matter. For instance, he transmitted to me a copy of a reply he had received from Brigadier-General Waddy, but kept back from me his own