force comply with the requirements of the Government as they are specified in the printed form of efficiency certificate; viz., that the grantee of each certificate has attended the prescribed number of parades, and that he has a competent knowledge of squad and company drill, and manual and platoon exercise. Now, as you who are now present appear to have no knowledge whatever of these things, I conclude that your captain and the Officer Commanding the district can hardly, under their hand, certify that you have that knowledge; and the rule is, that when efficiency certificates are not issued, capitation cannot be granted: but as the capitation return is not made out yet, I advise you to set to

work and acquire the knowledge necessary to obtain these certificates as soon as possible." These observations appear to have given dire offence to Captain Lipsey, for immediately after-wards I extracted from a public newspaper the annexed order,* published under his hand, disarming his company

On the following Sunday morning the Volunteer companies paraded in large numbers, and presented a highly creditable appearance, but conspicuous by its total absence was No. 1 Hauraki Company, and amongst the spectators, and in plain clothes, was its captain, who did not deign to

come near me to apologize for or explain the absence of his entire company. On the next morning I sent for Captain Lipsey to the Volunteer Office, when (in the presence of another captain of Volunteers) I called his attention to the advertisement, signed by himself, calling in the arms of his company, and asked him if he had obtained the consent of His Excellency the Governor or of the Government to disarm his company.

He answered that he had not, but that after the way in which I had spoken to his company on the Thursday preceding, it would not serve any longer, and that he had deemed it necessary— particularly as it was the wish of the company—to call in the arms preparatory to resignation. I then asked him to account for the total absence of his corps from the parade on the day

previous.

His answer was that, as it had determined to resign, the members thought it advisable to remain absent.

I now required him to explain why he had not presented himself on parade, as an officer holding a commission, in obedience to the order he had received from his superior officer.

His reply was, "Oh, after the way you spoke to us the other night, I wasn't going to any parade. You had no business to suppose that I was going to claim capitation for those men you saw, for they are all recruits.'

I hereupon intimated to him that, for having taken measures to disarm his company without any authority, and for having approved of the absence of his company, as well as for having absented himself intentionally from a parade ordered by his superior officer, I suspended him from the control of his company, and would place his lieutenant (Quinton) in command; and he is now suspended, as I reported to you by telegram.

I subsequently cancelled, in the memorandumt in the margin, Captain Lipsey's order disarming his corps.

As Captain Lipsey intended me to understand that the men of his company who were on parade on the night of the 16th ultimo were recruits, and consequently that he could scarcely ask for capitation for them, I beg to annex a memorandum of the names of the men who were present on the occasion in question, and a copy of his capitation return for year ending 31st March, 1873, when, from a com-parison of one document with the other, inferences may be drawn to which it would not be prudent for me, at present at all events, to give expression. In this capitation return of March, 1873, is included the name of one William Plant, who informs

me in a letter, which I annex, that under the Regulations he knows he was never entitled to the grant, but that, nevertheless, he knows it was drawn by Captain Lipsey; and, truly enough, his name is embraced in the capitation claim for 1872-73. And so also in the same return is included the name of

W. Woon for £2, a man who was never in Captain Lipsey's company at all. Under these circumstances, I think it very desirable that the connection between Captain Lipsey and the Volunteer service should be severed as soon and as summarily as possibly, and I would recommend that his company capitation return for 31st March, 1874, and the cash accounts of his corps to mend that his company capitation return for 51st filaten, 10, 2, and the case account of the same date, be subjected to the closest official scrutiny before capitation is paid. I have, &c., WM. GORDON, Major,

The Under Secretary for Defence, Wellington.

Inspector of Volunteers.

NAMES of MEMBERS of No. 1 H.R.V. present at Annual Inspection Parade.

Shortland, 16th April, 1874.

Captain F. Lipsey, Lieutenant Jas. Quinton, Colour-Sergeant Jas. Collins, Sergeant Jas. McDonald, Sergeant Wm. Newman, Corporal Jas. Wilson, Bugler Geo. Smith, Volunteer T. A. Bell, Volunteer Jos. Read, Volunteer J. E. Hansen, Volunteer Geo. Denby, Volunteer J. Maingay, Volunteer H. Hay, Volunteer F. Cashen, Volunteer J. Ryan, Volunteer G. Walton, Volunteer H. Menary, Volunteer Job. Fathers, Volunteer Jno. Tooher, Volunteer Jas. McCauley, Volunteer P. Leyland, Volunteer J. Fauch. [These names are two in excess of the numbers returned in the parade state, but as I took account of the numbers at an early period of the inspection, the others probably came in while the Cadets and No. 3 H.R.V. were exercising.—J. GRANT, Sergeant-Major, Militia and Volunteers I. Volunteers, Thames.]

^{*} No. 1 ROYALS.—In consequence of the unfavourable report as to the efficiency of the company, by Major Gordon, the members of the No. 1 Royal H.R.V. are requested to return the uniforms, arms, and accoutrements of the company to me on or before Thursday, the 23rd of April instant, preparatory to the resignation of the whole company.— F. LIPSEY, Captain.

^{*} MEMOBANDUM.—Shortland, 20th April, 1874. The officer lately in command of No. 1 H.R.V. having, by public advertisement, taken measures towards the disarming of that corps without the authority of His Excellency the Governor, the advertisement in question is hereby cancelled.—WM. GORDON, Major, Inspector of Volunteers.