

SIR F. ROGERS TO MR. HAMILTON.

Downing-street,
17th June, 1863.

SIR,—

In my letter of the 20th March last, I forwarded to you, by desire of the Duke of Newcastle, a copy of a Despatch from the Governor of New Zealand, reporting that in accordance with the wishes of his Responsible Advisers, Mr. Crosbie Ward was proceeding to England to represent the local Government upon several important questions.

One of those questions, as the Lords Commissioners of the Treasury will have learnt, was “the final settlement of accounts between the Imperial Government and this Colony, arising out of Commissariat advances during the Insurrection.”

Upon the arrival of Mr. Ward in England, he was, by His Grace's directions, placed in communication with the War Office, for the purpose of examining these accounts, with a view to their ultimate settlement.

I am now to transmit to you, to be laid before the Lords Commissioners, a copy of a letter from the War Office, dated the 24th April, and a copy of a letter from Mr. Ward, dated the 11th May; the first, showing the result of the examination of the accounts, according to the Secretary of State's view; the second, showing the result, according to Mr. Ward's view.

According to the War Office statement, the amount due from the Colony, up to the 30th September last, is £207,317 1s. 8d., exclusive of the sum of £67,927 5s. 9d. for advances made several years back for New Zealand Fencibles; and of a sum of £45,001 10s. 8d., advanced for the hire of certain Colonial vessels and other Naval expenses, and which has been repaid to the War Department by the Admiralty; whilst, on the other hand, Mr. Ward puts the total amount due at about £150,000, exclusive of what is due for the Fencibles.

But it will also be found that, irrespective of a difference of opinion as to what items can or cannot fairly be chargeable against the Colony, it is stated both by Captain Galton and Mr. Ward that, under any circumstances, no conclusive account can be rendered without a reference to New Zealand for further information.

In the Duke of Newcastle's opinion, such a delay is much to be regretted; and I am, therefore, to submit for the consideration of the Lords Commissioners, whether it may not be possible to arrive at a final settlement by a compromise between the Lords Commissioners on the part of the Imperial Treasury, and Mr. Ward on the part of the Colony. I am, however, to add that his Grace is not in a position to state whether Mr. Ward is prepared to entertain the question of compromise, as he has not thought it right to communicate with him on the subject, without previous reference to the Lords Commissioners.

I am also to transmit to you, as being closely connected with this question, a copy of an Act passed by the General Legislature of New Zealand, “for raising a loan of £500,000,” under an Imperial guarantee; £200,000 to be devoted, as shown by the Schedule attached to the Act, towards “the reinstatement of the settlement and inhabitants of Taranaki;” and £300,000 to repay advances from the Imperial Treasury, on account of Militia and Volunteers, and other Military Expenditure, and for the construction of roads and other public works. I am also to transmit a copy of a report upon the Act by Mr. Reader Wood, the present Treasurer of the Colony; together with a Financial Statement made by Mr. Dillon Bell, the late Treasurer, in the House of Representatives, on the 14th August last year.

It will now remain for the Lords Commissioners and the Secretary of State for War, to whom a copy of this will be forwarded, to determine whether a compromise shall be entertained. But the Duke of Newcastle desires me most seriously to impress upon their Lordships and upon Earl De Grey, how desirable it is that a final settlement of the accounts should be completed without further loss of time; and that having this object in view, a stated sum should be accepted from the Colony, which amount could be liquidated from the monies to be raised under the Loan Act, and could be immediately and surely liquidated in no other way.

The Duke of Newcastle is also of opinion that it might be advisable to meet the present claims of the New Zealand Government, rather by the remission of certain disputed claims of long standing, which it may be difficult under existing circumstances to recover, than by any material reduction of the present claim of the War Office.

This recommendation of course implies that the Imperial guarantee should be given for the payment of the interest of the Loan. But I am to state that, taking into consideration the Financial condition of the Colony, which cannot be considered otherwise than satisfactory, the Duke of Newcastle feels no hesitation in recommending that this guarantee should be given, and that the necessary Bill should be submitted to Parliament for this purpose during the present Session.

I have, &c.,

F. ROGERS.

G. A. Hamilton, Esq.

THE RIGHT HONORABLE F. PEEL TO SIR F. ROGERS, BART.

Treasury Chambers,
16th July, 1863.

SIR,—

I am commanded by the Lords Commissioners of Her Majesty's Treasury to request that you will state to the Duke of Newcastle that, under the circumstances stated in your letter of the