

No. 36.

COPY of a DESPATCH from Governor Sir GEORGE GREY, K.C.B., to the
Right Hon. the Earl of CARNARVON.

(Separate.)

MY LORD,—

Auckland, 3rd June, 1867.

I have the honor, in reporting by the Panama Mail the present condition of New Zealand, to state that the Colony continues rapidly to advance in general wealth, population, and in the increase of stock and cultivation.

I regret, however, to add that within the last fortnight or three weeks Native disturbances have again broken out, almost simultaneously, at Patea, Kawhia, Tauranga, and Opotiki, at which latter place there is much reason to fear that either two or four Europeans have been killed.

I am unwilling to make any lengthened report upon these disturbances at present. My Responsible Advisers have already brought under your Lordship's notice that, in their belief, no more effectual mode could have been adopted to encourage those in rebellion, than the manner in which your Lordship's orders for the removal of the troops were being carried out; and I cannot but attribute the recent disturbances, at least in great part, to this cause; but as the local Government is doing its utmost to repress these without delay, I hope by the next mail I may be able to make a more favourable report, and thus find it unnecessary to advert to the manner in which the troops have been removed.

I have, &c.,

The Right Hon. the Earl of Carnarvon.

G. GREY.

No. 37.

COPY of a DESPATCH from Governor Sir GEORGE GREY, K.C.B., to the
Right Hon. the Duke of BUCKINGHAM.

(Separate.)

MY LORD DUKE,—

Auckland, 8th June, 1867.

I have been requested by my Responsible Advisers to transmit, for your Grace's information, the enclosed Memorandum which they have drawn up in relation to Lord Carnarvon's Despatch, No. 9, of the 1st of February last, enclosing copies of letters from Mr. Deputy Commissary-General Strickland.

I have, &c.,

His Grace the Duke of Buckingham and Chandos.

G. GREY.

Enclosure in No. 37.

MEMORANDUM by Mr. STAFFORD.

Wellington, 16th May, 1867.

THE Ministers of the Crown in New Zealand have read Lord Carnarvon's Despatch No. 9, of the 1st February last, forwarding copies of letters addressed by Mr. Deputy-Commissary-General Strickland to the Lords Commissioners of the Treasury and to the Officer in command of the Forces in the Colony, relative to the alleged expenditure of Imperial funds for Colonial purposes. Lord Carnarvon refers to the statement made by Mr. Strickland that issues from the Treasury Chest on account of the Colony were still going on for which no monthly repayments were made, and that the debt of the Colony to the Imperial Government was daily increasing, and forwards the letters to the Governor for explanation. These letters, which were addressed, on the 8th November last, by the Officer in charge of the Commissariat to the Imperial Government, but never communicated until a few days ago to the Governor, convey charges and insinuations against the Colonial Government of a grave character upon which Ministers are compelled to comment.

After eliminating a mass of irrelevant imputations, frequent mis-statements, and mere expressions of political opinion or conjecture, the charges or insinuations which remain would appear to be:—

1. That the Colony makes no monthly repayment, as agreed upon, for issues by the Commissariat of rations to Colonial Troops.

2. That the Colony has made no provision for the capitation charge on account of Imperial Troops.

3. That the Governor was employing Imperial Troops in aggressive war against the Natives.

With respect to the first, it is to be observed that the issue of rations by the Commissariat to the Colonial Forces, on condition of monthly repayment, was arranged in May last between the Military Authorities and the Colonial Government, and has been confirmed by two successive Secretaries of State. The Colonial Legislature has provided for these repayments, and the Government has made them as they became due from time to time, and has never declined nor delayed to make them beyond the time which was required to ascertain their correctness. A Minute on this subject by the Colonial Treasurer is enclosed, from which it will be seen that, so far from delaying payments, that