A.-No. 1.

Memo. by Mr. Gisborne, 30th August, 1871, with 3 subenclosures.

Imperial and Colonial Governments, I am again requested by my Responsible Advisers to forward the enclosed Ministerial Memorandum, with other papers.

I have, &c.,

The Right Hon. the Earl of Kimberley.

G. F. BOWEN.

Enclosure in No. 4.

MEMORANDUM by Mr. GISBORNE.

ADVERTING to the Memorandum to His Excellency, No. 20, 1871, of the 7th ultimo, and to Mr. Assistant Commissary-General Lewis' letter of the 19th ultimo in reply to the said Memorandum, Ministers beg to inform His Excellency that Dr. Pollen has been instructed to act in accordance with the terms of a Memorandum on the subject by the Assistant Treasurer and the Paymaster-General of

the Colony (a copy of which is enclosed).

In thus instructing Dr. Pollen to give a receipt on payment in full of the sum of £1,951 10s. 7d., and to take a receipt on paying in full the sum of £794 2s. 11d., Ministers respectfully desire to represent that this arrangement is made without prejudice to the claim against the Imperial Government for the sum of £871 1s. 11d., referred to in the Ministerial Memorandum of the 7th ultimo, and of which details are given in the Memorandum to His Excellency of the 27th May, 1871, and also without prejudice to such further claims as may yet be outstanding.

His Excellency is respectfully advised to communicate the contents of this Memorandum to Mr. Assistant Commissary-General Lewis, and to forward copies of the correspondence noted in the margin, together with a copy of this Memorandum to the Right Honourable the Secretary of State for the

Colonies.

Wellington, 30th August, 1871.

W. Gisborne.

Sub-Enclosure 1 to Enclosure in No. 4.

Assistant Commissary-General Lewis to the Private Secretary.

(No. 105, C.)

Control Office, New Zealand, Auckland, 19th July, 1871.

SIR, With reference to the Ministerial Memorandum of the 7th instant, I have the honor to acquaint you, for the information of His Excellency the Governor, that I am prepared to pay over to the Colonial Government the sum of £1,157 7s. 8d., being the amount authorized on account of maintenance of military prisoners, less £794 2s. 11d. due to the Imperial Government for Customs drawbacks on supplies.

The question of the counter claim made by the Colony on account of double payment of drawback

to form the subject of a representation to the Imperial authorities

I have, &c.,

The Private Secretary to His Excellency the Governor, Auckland.

HENRY C. LEWIS, A.C.G.

Sub-Enclosure 2 to Enclosure in No. 4.

Assistant Commissary-General Lewis to the Private Secretary.

(No. 107, C.)

Control Office, New Zealand, Auckland, 19th July, 1871.

With reference to my letter of this day's date, I have the honor to request that instructions may be given to the Government Agent at this place to receive the amount payable to the Colonial Government.

It is necessary that a receipt should be given to me for £1,951 10s. 7d. on account of maintenance of military prisoners, and I, in return, will furnish a receipt for £794 2s. 11s. on account of Customs drawbacks, together with a cheque for the balance of £1,157 7s. 8d.

I have, &c.,

The Private Secretary to His Excellency the Governor, Auckland.

HENRY C. LEWIS, A.C.G.

Sub-Enclosure 3 to Enclosure in No. 4.

MEMORANDUM by Messrs. J. WOODWARD and C. T. BATKIN.

(No. 358, A. T.) THE claims of the Imperial Government on the one hand, and of the New Zealand Government on the other, which Mr. Assistant Commissary-General Lewis proposes to adjust by a payment of the difference and an exchange of receipts, are so entirely distinct in character as to require that each account should be the subject of a distinct and separate settlement. The Colonial Government, acting on behalf of the several Provinces concerned, has put forth claims amounting to £1,951 10s. 7d. for the maintenance of military prisoners in the Provincial gaols. These claims are admitted by the Imperial Government, and it is considered that payment should be made without reference to claims subsisting between the Imperial Government and the Colony on other grounds.

The Imperial Government has, however, made it a condition of the settlement that a deduction of £794 2s. 11d. should be made on account of Customs drawbacks due from the Colony.

This sum should, we think, be forthwith paid; not only because it is a claim admitted by the Colony, but because it will enable a complete and separate settlement to be obtained in respect of the sums claimed by the Provinces.

Letter from A.C.G. Lewis No. 107, C., 19th July, 1871. Memo. by Messrs. Woodward and Batkin, of 5th August.

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794 2 11