The following is the reply, dated 7th April:-

"SIR,-I have the honour to acknowledge receipt of your letter dated the 6th instant, and in reply beg to inform you that the proposed payment to you of £102 13s. 4d., less deductions shown in statement embodied in my letter of the 30th ultimo, is in full and final settlement of all claims and demands whatsoever against the Imperial and Colonial Governments. I have noted your remarks re voucher for £9 5s. 5d.—I have, &c.,

"J. B. HEYWOOD, Paymaster-General."

On the 21st April I wrote to the Paymaster-General:-

"SIR,—I should be glad to know when the voucher for £9 5s. 5d., mentioned in your letter of the 30th ultimo, will be forwarded to me. - I have, &c.,

"J. J. CLARK, Captain, N.Z.M." On the 2nd May, no reply to my letter of the 21st April having reached me, I again wrote to the Paymaster-General,-

"Sir,—I am not yet in receipt of reply to my letters of the 6th and 21st ultimo re voucher for £9 5s. 5d. I should be glad of same.—I have, &c.,

"J. J. CLARK, Capt., N.Z.M."

On the 4th May I received the following letter:

"SIR,-I have the honour to acknowledge receipt of your letter dated the 2nd instant. Voucher in your favour amounting to £9 5s. 5d. has been passed for payment and you should receive cheque during the course of a few days. With reference to voucher for £102 13s. 4d., reduced by overpayments to £46 1s. 2d., I am awaiting your reply to my letter of the 7th ultimo, in which you are informed that the payment of the latter sum is in full and final settlement of all claims and demands whatsoever against the Imperial and Colonial Governments. Your letter of the 6th ultimo was duly answered on the 7th of the same month, and the request contained in your letter

I replied to that on the 11th May as follows:--

"Paymaster-General, Wellington.
"Sir,—I have the honour to acknowledge receipt of your letter of the 4th instant. now in receipt of cheque for £9 5s. 5d., in payment of sundry-expenses voucher. With reference to amended voucher of 23/6/03, amounting to £102 13s. 4d., I regret I am unable to accept the sum of £46 1s. 2d., as shown in your statement of the 30th March, in full satisfaction of my claim. It is my intention to bring the matter before the House during the coming session. I have, &c., "J. J. CLARK, Capt., N.Z.M."

I wrote again to the Paymaster-General on the 20th May as follows:-"Sir,—Adverting to your letter of the 30th March last, in which the sum of £102 13s. 4d., less the deductions shown by you, is offered to me in full satisfaction of my claim, I would be glad of a fuller explanation of the items £5 5s. and £6 4s. included in the deductions.—I have, &c., "J. J. Clark, Capt., N.Z.M."

I received a reply to that on the 23rd May:--

"Sir,-Items £6 4s. and £5 5s. deducted from claim, also extra-duty pay £5 2s.-With reference to the above, I have the honour to acknowledge receipt of your letter of the 20th instant, and in reply beg to inform you: (1st.) You received thirty-one days' New Zealand furlough-pay on return of Ninth Contingent at 15s. per diem, the correct rate for lieutenant being 11s., hence you were overpaid thirty-one days at 4s.—£6 4s. (2nd.) You claimed payment for period 12th to 18th September at 15s. per diem, whereas this period was included and paid for included and paid for included and paid for the 18th September 1802. Zealand furlough, which expired on the 18th September, 1902. Seven days at 15s.—£5 5s. The amount was accordingly struck out of claim sent in by you. On looking up the copy of your claim for £102 13s. 4d. you will find that you claimed 10s. too much, by an error in your addition. I have also to inform you that the question of extra-duty pay, £5s 2s., claimed by you as ship's adjutant, has been with other matters submitted to Army Council for consideration.—I have, &c.

"F. Burton Mabin, For Paymaster-General."

I replied to that on the 24th May: -

" Paymaster-General, Wellington.

"Sir,—I have the honour to acknowledge receipt of your letter dated the 23rd instant, resums £6 4s. and £5 5s. deducted from claim, and in reply beg to make the following statement: (1st.) Deduction £6 4s.: This is practically a continuation of the 'Difference-in-rank question,' and the decision governing that would, I take it, apply also to this. (2nd.) Deduction £5 5s.: I maintain that I was entitled to thirty days' furlough, whether employed during that period or not. If, as you maintain, my furlough ceased on taking up employment, I maintain the balance of my furlough should be granted at the expiration of such employment. In the case of officers entering civil employment immediately on their return, were any deductions made? In the first deduction you already reduce the furlough from 15s. to 11s. per diem for the thirty-one days: how, then, can you now deduct 15s. per diem for the seven days under discussion? I wish it to be clearly understood that in making this explanation I in nowise admit the correctness or otherwise of any of the deductions, and still adhere to my reply of the 11th instant.—I have, &c.,
"J. J. Clark, Capt., N.Z.M."

On the 30th May I received the following letter from the Paymaster-General:-

"SIR,-I am in receipt of your letters (three) dated the 24th instant, and in reply beg to inform you that—(1.) You have already been notified that the question of your promotion to rank of captain in the Ninth Contingent has been finally decided by the Army Council, the promotion being disallowed. Owing to the absence of the Hon, the Minister of Defence the matter has not vet been placed before him, but will be submitted on his return. (2.) As you have given sufficient