

I venture to remark, with reference to the first, that the point to be considered is to what extent the assistance of the Colonial Forces is requisite to co-operate with the Lieut.-General and Imperial troops in the occupation of the country, and the military operations necessary to conduct the war to a successful issue. Secondly, that as the Colony has declared its inability to meet the expenses of the Militia, that the portion of them above decided upon as necessary should continue to be paid and rationed by the Commissariat out of Imperial funds; but, thirdly, that the advances so made shall be covered by Colonial debentures to be sent to the Imperial Treasury from time to time in amount about equal to the advances so made.

It should be clearly understood, however, that this step shall not be considered as binding upon Her Majesty's Treasury to receive those debentures at any fixed rate, but that the whole subject must of course be adjusted as their Lordships shall decide.

I beg to mention that until I saw this Memorandum of His Excellency I had never heard of the proposal to remit debentures to Her Majesty's Treasury to cover the advances now being made. I was made aware of the fact that half a million in Colonial debentures had been sent home to meet previous liabilities, by the copy of His Excellency's letter enclosed in your letter of 2nd April, 1865, but the claims up to that date amounted to £603,917 6s. 8d., as reported in my letter of 13th March last, and must now amount to about £700,000.

I have, &c.,

H. STANLEY JONES,

Commissary-General.

The Assistant Military Secretary, Auckland.

### No. 166.

His Excellency the GOVERNOR to Lieut.-General Sir D. A. CAMERON.

SIR,—

Government House, Wellington, 13th July, 1865.

I have the honor to enclose for your information the copy of a Despatch I have this day addressed to the Secretary of State, in which I inform him that I have for the reasons therein stated, requested you without delay to act on your own discretion in regard to the instructions which you have received from Earl de Grey on the subject of the withdrawal of the Troops from New Zealand.

The Hon. Lieut.-General Sir D. A. Cameron, K.C.B.,

&c., &c., &c.

I have, &c.,

G. GREY.

### No. 167.

Lieut.-General Sir D. A. CAMERON to His Excellency the GOVERNOR.

SIR,—

Head Quarters, Auckland, 26th July, 1865.

I have the honor to acknowledge the receipt of your Excellency's letter of the 13th instant, enclosing the copy of a Despatch of the same date addressed by your Excellency to the Secretary of State for the Colonies, in which you state the reasons for which you had thought fit to re-transfer to me the discretion of reducing the force of Her Majesty's troops in New Zealand.

To whatever motives this change of purpose on the part of your Excellency is to be attributed, I feel it my duty to adhere to the resolution which I acquainted you in my letter of the 3rd June I had taken, and which was forced upon me by your Excellency's proceedings.

In endeavouring to exercise the discretion which your Excellency informed me you understood Her Majesty's Government to have entrusted to me, my desire was at once to send home two regiments, and as long as your Excellency confined yourself to a mere general expression of opinion against the measure, I continued to urge its being carried into effect, as I believed it might have been done with perfect safety.

When however your Excellency, as Her Majesty's Representative, formally protested against any reduction on the ground of the public danger it involved, I felt that His Royal Highness the Commander-in-Chief, and the Secretary of State for War, could no longer expect me to carry out their instructions in the face of such a prohibition, and I informed your Excellency accordingly, stating that the whole responsibility of the detention of the troops rested with you, and that it would be for you to decide when the reduction should be commenced. Your Excellency accepted the responsibility by not communicating with me further on the subject. I reported my proceedings to the Secretary of State for War, and I must therefore decline taking any further action in the matter.

I have only to add on this subject, that instead of the concert and support which I should have looked for from your Excellency, in striving to perform the difficult duty devolving on me under the instructions of Her Majesty's Government, I had from the first to contend against a spirit of opposition which, in place of indirectly thwarting my efforts by raising difficulties, should I submit, have at once declared itself as a determination to take all discretion out of my hands.

I only hope that with my departure from New Zealand the public service will in this, as in all other things, cease to suffer from the exhibition of the bitter personal feeling which has of late characterized the whole of your Excellency's conduct and correspondence on all public measures in which I have in any manner been concerned in my official position.

I cannot discuss with your Excellency the Memorandum of Ministers of the 26th June, in which, for reasons not difficult to comprehend, they profess a desire for the withdrawal of the whole of Her Majesty's troops; nor is it at all necessary for me to discuss with your Excellency the contents of your despatch to the Secretary of State for the Colonies, on the subject of which it will be my duty to address the Secretary of State for War; I must however observe that the statement in the second paragraph of your Excellency's despatch, that I had resolved not to give effect to the opinions you had expressed, does not convey a correct impression.

I certainly could not concur in your Excellency's opinions regarding the Weraroa Pa. The correspondence referred to in your Excellency's despatch shows that the occupation of the coast line, in pursuance of your Excellency's instructions, received subsequently to those conveyed in the letter