

of the troops from New Zealand, and that I trust that you will be able not only at an early period to complete the reduction of the Force contemplated in my despatch of the 27th of February, but that the instruction sent by the Secretary of State for the Colonies to the Governor will be so carried into execution by that officer as to lead to the almost immediate removal of the whole.

I have, &c.,

Lieut. General Sir D. Cameron, K.C.B.,
&c., &c., &c.

DE GREY and RIPON.

No. 30.

No. 63.

Downing Street, 19th August, 1865.

SIR,—

I have the honor to acknowledge the receipt of your Despatch, No. 43, of the 6th April, forwarding for my information a Memorandum from your Responsible Advisers in answer to the communication which I addressed to you on the 26th of October last, in common with the Governors of the different Australian Colonies, respecting an Imperial Act which it was proposed to pass for establishing the validity of certain Colonial Acts and ascertaining the powers of Colonial Legislatures.

There are two points to which your Ministers call attention in this statement: 1st. The inconvenience resulting from the clause in the Imperial Guarantee Act 1857, which provides that no Colonial Act varying the security given shall be valid, unless passed with a suspending clause; and 2ndly. The insufficiency of the power granted to the Colonial Legislature by the "Constitution Amendment Act 1857" to alter the provisions of the "Constitution Act 1852."

You will have learned from my Despatch, of the 26th ultimo, that an Imperial Act "to remove doubts as to the validity of Colonial laws," had already been assented to by the Queen when your Despatch was received, and consequently that no opportunity was afforded of considering the remarks of your Advisers with a view to immediate legislation.

The question, however, of any alteration in the security for the Guaranteed Loan of 1857 is too peculiar and too important to have been properly dealt with by the recent Act. I shall be ready to give it full consideration, in concert with the Lords Commissioners of the Treasury, and in connection with the general proposals for the settlement of the present liabilities of the Colony, which I am expecting to receive from you.

The doubts entertained by your Ministers respecting the validity of Colonial laws, repealing inferentially any part of the Constitution Act, were treated of in a report from Sir W. Atherton and Sir Roundell Palmer which was forwarded to you in my predecessor's Despatch, No. 67, of the 26th June, 1863. Remembering the tenor of that opinion, and remembering also that the local legislature is unquestionably competent to repeal any Acts passed in implicit contravention of the Constitution Act, and to re-enact them in such a form as they may consider unimpeachable, in point of form, I am not inclined to think that the doubts which your Ministers bring under my notice, furnish sufficient reason for a special application to the Imperial Parliament.

I have, &c.,

EDWARD CARDWELL.

Governor Sir George Grey, K.C.B.,
&c., &c., &c.

No. 31.

No. 66.

Downing Street,
23rd August, 1865.

SIR,—

In your Despatch of the 10th March last, No. 34, you informed me that the Crown Agents had been instructed to deliver to the Imperial Government, New Zealand Government Debentures for Five Hundred Thousand Pounds, with a view to the adjustment of the debt due by the Colony to the Imperial Government, and by the letter from the Lords Commissioners of the Treasury of the 26th ultimo, a copy of which was enclosed in my Despatch, No. 54, of the same date, you will have learnt that their Lordships had determined to accept the Debentures as a collateral security for a portion of the debt, and to draw the interest, from time to time, becoming due thereon.

I now transmit copy of a further correspondence with the Lords Commissioners in regard to the creation and deposit of the Bonds.

You will observe that I have advised the postponement of the final appropriation of any of the monies until there has been time for the receipt of your answer to this Despatch.