Lieut.-General Sir D. A. Cameron will be from time to time informed of the intentions of the Government in this respect.

15th July, 1865.

F. A. WELD.

No. 36.

MEMORANDUM by Ministers to His Excellency Sir George Grey, K.C.B.

In their Memorandum of 12th instant, Ministers inform the Governor that "it will be the duty of Ministers, having placed before the Colonial Parliament the exact state of affairs, to tender their resignation to his Excellency the Governor, so as to replace in the hands of the Assembly a trust which

they can no longer hope to carry out."

Ministers having taken into consideration Mr. Cardwell's despatch of 26th April, 1865, which has been received by them this day, and having at the same time received information that the resignation of Lieut.-General Sir Duncan A. Cameron, has been accepted, understand that their policy is recognised by the Home Government, and that the discretionary powers which had been recently vested in the Lieut General Commanding by the Home Government, have reverted to his Excellency the Governor, and consequently that they are no longer under the necessity of placing their resignation in the hands of his Excellency.

Wellington, 24th July, 1865.

FRED. A. WELD.

No. 37.

MEMORANDUM by MINISTERS.

Ministers acknowledge the receipt of the Right Honourable Mr. Cardwell's despatch No. 36, dated 22nd of May last, to His Excellency the Governor, stating the reasons which preclude the Secretary of State for War from recommending Major Heaphy, of the Auckland Militia, for the decoration of the Victoria Cross, for his conduct at the skirmish on the banks of the Mangopiko River, in February, 1864

It appears that the Royal Warrant instituting this decoration limits the grant of it to the Officers

and men of the Regular Army and Navy.

Ministers express their regret that technical rules prevent a recommendation to Her Majesty to confer an honorable distinction on officers and men of a Colonial Militia, even as in the case in question, for gallantry displayed by an officer of that corps while fighting side by side with regular troops, under the same command and subject to the same discipline, and who was himself wounded

while saving the life of one of the Queen's soldiers.

In a memorandum to the Governor, dated 27th January, 1861, His Excellency's then Responsible Advisers expressed their opinion "that it is of the highest consequence, in order to secure the efficiency and zeal of the Militia and Volunteer forces in New Zealand, that the services of those forces, when in the field together with Her Majesty's regular troops, should be recognized by such

acknowledgement and honorary rewards as they may in each instance be considered to merit, in accordance with the course adopted in similar cases with respect to the regular forces."

His Excellency in transmitting that memorandum to the Duke of Newcastle, in a despatch No. 18, dated 19th February, 1863, states "I concur with my Responsible Advisers in thinking that it would be well if some special Order of Merit for the Colonies could be conferred upon those officers of Militia and Volunteers who distinguished themselves in the defence of any of Her Majesty's possessions. In past years, both in New Zealand and the Cape of Good Hope, the want of some such special distinction has been felt as a great hardship by gallant men who have rendered Her Majesty good service in the field. This subject is well worthy of your Grace's consideration."

Ministers fully concur in the opinion then expressed both by His Excellency and his Responsible

Mr. Cardwell further states that Lord de Grey and Ripon "is not of opinion that the Royal Warrant could properly be extended beyond the Officers and soldiers of the Regular Army, who, he observes, have no chance of receiving that substantial reward in land or otherwise which Colonial

Officers may receive from the Governments whose servants they are.

Ministers would observe that in the Province of Auckland, in which the skirmish referred to occurred, Officers and men of the Regular Army have for many years been and are still entitled to "substantial reward in land" on their retirement from the service for the purpose of settling in that Province. Nor are Ministers aware of any precedent in the past of such reward being given by the Colonial Government to Militia Officers in any case, or even to Officers of the Military Settlers, as distinguished from those in the Queen's service.

Ministers, however, only notice this point because Mr. Cardwell states that he is unable to dispute the force of the considerations on which Lord de Grey rests his decision. They would not for a moment be understood as instituting, either in the case of the Regular Forces or of Colonial Militia, the slightest comparison between the relative value of a bestowal by Her Majesty of the Victoria Cross, and of a grant of land, either as a reward for gallantry or as a proper object of military ambition. comparison of that kind, they consider, would be derogatory to the high honour of the Imperial army; and they extremely regret that Lord de Grey should have felt justified in making such an invidious

insinuation as against Her Majesty's Colonial Forces.

A Colonist, although he is far removed from his native land, is, when called upon by the Representative of the Crown to take the field, anxious to do his duty, and to earn by his gallantry and devotion the decorations which testify the approbation of his Sovereign, and which Her Majesty can alone confer; and his sense of pain at his exclusion from a share of such honorary rewards is unnecessarily embittered when such exclusion is intimated to him in terms which indirectly convey an imputation of sordid motives.

Wellington, 11th August, 1865.

F. A. WELD.