signification of Her Majesty's pleasure, for the alteration of the Governor's salary It is my opinion that the terms proposed are satisfactory. and allowances.

2. Soon after my arrival in June, my attention was called by my Advisers to a correspondence which had passed between my predecessor and the then Ministry, with reference to the allowances of future Governors.* Sir George *Vide Appendix Bowen transmitted to your Lordship, on the 21st of February last, a copy of a to Journals, House of Representative Lordship and of a Minute of his own time 1873 A. Memorandum which Ministers had addressed to him, and of a Minute of his own tives, 1873, A. He deprecated therein any alteration of the allowances previously pro-No. 1B. vided, so as to affect my position, inasmuch as my appointment had been made and notified to the Colony before the proposal of Ministers. I did not, however, think it expedient to avail myself of this proviso on my behalf.

3. Hitherto the provision for the Governor has been as follows:—

Salary fixed by Act of 1865 Allowances Annually Voted Allowances for Travelling	•••	•••	•••	£4,500 1,600 600
Under the second head were paid—				£6,700
Private Secretary	•••	•••	•••	£383
$egin{array}{ll} { m Aide-de-Camp} & \dots \end{array}$	1 * 6	•••	•••	300
Clerk of Council	•••	• • •	•••	250
Orderlies, Messengers, Forage	e, Gas, &c.	•••	•••	

But owing to the allowances being drawn under such various heads, there was sometimes an excess upon some of them, which, though of no considerable amount, has led to remarks in and out of Parliament, and, not unnaturally, to exaggerated

4. The Ministry proposed to raise the salary of the Governor to £5,000, and that a sum of only £1,150 should be voted for the pay of the Staff, Clerk of Council, and office expenses, placing the tenure of Government House on the footing of what is known as the Queensland Act. A Bill was accordingly introduced to give effect to this arrangement, but as it appeared that there were other expenses connected with the house which had been accustomed to be charged to the public, and generally an excess upon the travelling expenses, Mr. Stafford, the leader of the Opposition, proposed that a sum should be fixed so as to include all payments whatsoever, and to this the Ministry asked my assent, naming £7,500 as likely to be sufficient.

5. The whole arrangement would be as follows:—Salary £5,000, allowances £1,500, paid monthly, and to be apportioned at the pleasure of the Governor, provided that £300 be paid to the Clerk of the Executive Council; travelling expenses, £1,000, the Governor's expenses under this head having averaged nearly that sum of late years; total, £7,500. Provision will also be made for keeping up the grounds at Government House, at £350, which I think adequate. The house and grounds at Auckland will be kept in repair during the absence of the Governor, and the Provincial Government of Otago maintain one for his use

6. There has hitherto been kept for the use of the Governor a rough farm of about 600 acres on the opposite side of Port Nicholson, where there is a small cottage for his own use, and others for workpeople, with a kitchen garden, orchard. This place, called Lowry Bay, was purchased during the administration of Mr. Weld, who intended to build a handsome country house for the Governor; but the idea was abandoned, and the continued tenure of it has been rather tolerated than sanctioned by Parliament. It has been, however, maintained by the Government, though not in good repair. An Act has now been passed, by which Enclosure 4. the public will be at no further cost in connection with it; but as I regard such dence and Lowry possession as being very desirable, seeing that the grounds about Government Bay Sale Act, House are confined, and that there are there no kitchen garden ground or buildings 1873. for a dairy, laundry, poultry-yard, &c., I have expressed a wish to retain possession of it. The cost of repairing and adding to the existing buildings, fencing, draining, &c., estimated at from £1,500 to £2,000, will be advanced by the

3—A. 1.