and well founded complaints in other Colonies, where no such allowances are issued, and where the expenses of living are now on a par with those in Australia.

Pending further enquiry, however, into this subject, the Secretary of State does not propose altogether to abolish these allowances, but he considers that the Troops throughout Australasia should now be placed on the same footing as those at the Cape of Good Hope, thus reducing the money allowances of Officers from 5s. to 3s. per diem; that of employers in the several departments in proportion; and, in the case of the soldier, resuming the stoppage of 3½d. for the ordinary ration, granting in lieu an extra ration of bread and groceries, for which no stoppage will be required. And I am accordingly to request that the change, as respects the money allowances, may take effect from the 1st of the month succeeding the receipt of this instruction, and that the payment of the stoppage by the Troops may be resumed so soon as the Commissariat, to whom the necessary instructions will be forwarded, shall be prepared to commence the issue of the extra ration. This ration will consist of—

1 lb. Bread,
1 oz. Coffee,
2 " Tea,
2 " Sugar,
3 " Salt,
4 " Pepper,

—And it is considered that, with this addition to the ordinary ration, the requirements of the Troops will be fully and liberally met, and in a manner which, while less costly to the Government, is likely to conduce more to the health and comfort of the Troops than the present allowance. It is, therefore, expected that no delay need arise in effecting the desired change.

I have, &c.,

No. 4.

COPY OF A DESPATCH FROM HIS GRACE THE DUKE OF NEWCASTLE TO GOVERNOR SIR GEORGE GREY.

NEW ZEALAND. SEPARATE.

Downing Street, 23rd November, 1861.

SIR,-

In my Despatch, No. 104, of yesterday's date, I have apprized you that it is intended to reduce the special allowances to Her Majesty's Troops serving in Australia and New Zealand, and to assimilate them to the allowances granted to the Troops at the Cape of Good Hope.

As, however, there is always more or less difficulty in withdrawing indulgences from the soldier, and it is desirable to guard against any embarrassment in introducing the change amongst the large body of Troops now serving in New Zealand, the Secretary of State for War has, with my concurrence, empowered Lieutenant-General Cameron to apply to you, under certain circumstances, requesting you to endeavour to obtain a grant from the Colonial Treasury of any excess in New Zealand beyond the standard to which it is proposed to reduce these allowances.

You will find it recorded amongst the archives of your Government that, by the contents of a Despatch from this department to the Governor, dated the 12th of September, 1860, and of the Governor's answer, dated the 22nd of December, an annual payment at the rate of Five pounds per man has, for the present, been adopted as the contribution of the Colony towards the general expenses of the Queen's Troops serving in New Zealand. But, as special allowances, exclusively occasioned by the employment of the Troops in any particular Colony, and, therefore, over and above the regular cost of the Queen's forces, have always been recognized as fit subjects for Colonial payment, I instructed your predecessor, in my Despatch, No. 27, of the 7th March last, to apply to the Legislature to provide for these allowances out of Colonial funds, independently of the general annual contribution of Five pounds per man. The result 1 have not heard. Should the Legislature have agreed to the proposed course, the special allowances, whatever may have been their amount, will be a Colonial charge; and I doubt not that your Government and the Legislature will consider liberally any reasons, if such should occur, for not reducing them at once to the uniform rate above contemplated.

But, should the Legislature not have adopted the proposal which I instructed your predecessor to ask for, treating the whole of the special allowances as a Colonial charge, I still trust that, if New Zealand alone, on account of peculiar circumstances of its own, is to be excepted from a reduction made in all the neighbouring Colonies, the Legislature will readily admit the fitness of the Colony's defraying an excess entirely occasioned by its own special wants. There are many reasons why such a provision would come not only more graciously, but more appropriately, as a Colonial grant than as an exception made by the Imperial Government to a scale laid down for all the British Troops serving in other Colonies in the same part of the world.

I enclose, for your information, a copy of a Despatch from the War Department, conveying to Lieutenant-General Cameron his instructions on this subject.

I have, &c.,

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

NEWCASTLE.