

nor until the said Commissioners shall be satisfied by certificate under the hand of the Officer administering the Government of New Zealand, or otherwise, that the said General Assembly have adopted such proposals as shall have been made to them by authority of any of Her Majesty's Principal Secretaries of State respecting the repayment of any monies due to the Imperial Treasury from the Treasury of the Colony, and for the payments to be made from the Colonial revenue as well for the support of Her Majesty's troops employed in the said Colony as for the benefit of the native inhabitants thereof.

3. All the sums which shall be so issued and paid out of the said Consolidated Fund in respect of the interest of the sums borrowed as aforesaid, or the liquidation of the principal sums, with interest upon the sums so issued after the yearly rate of five pounds for one hundred pounds, to be computed from the several times of issuing the same, shall be charged upon the general revenue of the Colony of New Zealand as hereinbefore defined.

4. No Act passed by the Legislature of New Zealand in anywise discharging or varying the security to be given in accordance with this Act, upon the revenue arising from the duties of import and export, and from the disposal of Waste Lands of the Crown, for the repayment of the sums of money borrowed as aforesaid, and the interest thereon, shall be valid unless such Act contain a clause suspending the operation of the same until Her Majesty's pleasure shall have been taken thereon, and the same shall have been confirmed by Her Majesty, with the advice of Her Privy Council, and a Proclamation of such confirmation having been given shall have been made by the Governor or person administering the Government of the said Colony.

5. The Commissioners of Her Majesty's Treasury shall from time to time certify to one of Her Majesty's Principal Secretaries of State the amount so paid from time to time on account of the interest or principal of the sums borrowed as aforesaid; and such certificate shall be communicated to the Governor or person administering the Government of New Zealand, and shall be by him communicated to the General Assembly of the said Colony; and such certificate shall be conclusive evidence of the amount so paid out of the Consolidated Fund of the said United Kingdom and of the time when the same was paid on account of the interest or principal of the sum so borrowed.

6. The Commissioners of Her Majesty's Treasury shall cause to be prepared, and shall lay before both Houses of Parliament within fourteen days next after the beginning of every Session, an account of all sums from time to time issued out of the Consolidated Fund of the said United Kingdom by virtue of this Act towards making good any such deficiency as aforesaid, and also an account of all sums repaid by or recovered from New Zealand by reason of such advance, with the interest paid or recovered thereon.

7. And whereas by an Act of the General Assembly of New Zealand, passed in the twenty-seventh year of Her Majesty, intituled, "An Act to enable the Governor to establish Settlements for Colonization in the Northern Island of New Zealand," provision was made for the proclamation of certain Districts within the said Colony, and for setting apart within such Districts eligible sites for settlements for colonization, and for other matters therein mentioned: And whereas doubts are entertained whether the provisions of the said Act, or some of them, may not be void by reason of their repugnancy to the third section of an Act of Parliament of the twentieth and twenty-first years of Her Majesty, intituled, "An Act to guarantee a Loan for the Service of New Zealand:" Be it enacted as follows:—

Nothing in the said Act to enable the Governor to establish settlements for colonization in the Northern Island of New Zealand shall be or be deemed to have been void or inoperative on account of any repugnancy to any of the provisions of the last-mentioned Act of Parliament or of this Act.

No. 39.

SIR,—

Downing Street, 26th July, 1864.

I have to acknowledge the receipt of your Despatch of the 3rd May, No. 63, forwarding an account of the tour made by Mr. Fox, the Colonial Secretary, through the Kaipara District in March last.

I have read the account with much interest, and learn with much satisfaction that such a loyal spirit exists amongst the Natives in this District.

I have, &c.,

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

EDWARD CARDWELL.

No. 40.

SIR,—

Downing Street, 4th August, 1864.

I have received your Despatch, No. 60, of the 26th of April, enclosing, with other papers, a copy of a letter from Lieutenant-Colonel Logan, giving further particulars respecting the death of Captain Lloyd, and the treatment to which his remains have been subjected.

I need hardly say that I have been greatly shocked at the perusal of this report.

It is widely at variance with the report given by Sir D. Cameron of the conduct of the natives to the officers wounded at Tauranga, and shows a marked distinction between those insurgents who have endeavoured to conform their practices to the usages of civilized life and those who have resumed the inhuman habits of their ancestors.

I have, &c.,

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

EDWARD CARDWELL.

No. 41.

SIR,—

Downing Street, 5th August, 1864.

I have the honour to acknowledge the receipt of your Despatch, No. 54, of the 8th of April, enclosing for the information of the Secretary of State a copy of an important address which you had received from this country in relation to the war in New Zealand, together with a copy of your reply, of which I entirely approve.