Enclosure 2 in No. 19. HIS EXCELLENCY'S REPLY.

GENTLEMEN.

It is fitting that I should briefly acknowledge the far more than mere friendly words which you have addressed to me on my removal from my office of Governor of New Zealand.

These words, coming from those who not only have seen and known the trials and difficulties I have had to encounter, but who also amidst those difficulties, have been my advisers and fellow-

laborers, are very valuable to me, and I shall often think of them in my retirement.

I will only further say to those who by their advice, by their sympathy, and by their own trials and devotion to public duty, have so often guided my path in difficulties, and lightened the labors imposed upon me, that I thank them for the services they have rendered their Queen and Country. That I also thank them for their affectionate farewell, and that whatever may be the future trials and changes of my life I shall always think myself fortunate that they were for so long given to me as companions and associates in the trying duties I had to perform in New Zealand.

Auckland, 28th December, 1867.

G. GREY.

No. 20.

Copy of a DESPATCH from Governor Sir George Grey, K.C.B., to His Grace the Duke of Buckingham.

(No. 144.) My LORD DUKE, Government House, Auckland, 27th November, 1867.

I have the honor to state, for your Grace's information, that upon the 22nd May, 1866, I wrote to the General Commanding the Forces in New Zealand requesting that the attention of the Secretary of State for War might be called to See Appendix to requesting that the attention of the Scottern, of States I for R. a correspondence between the General and myself, regarding a complaint I had No. 12 to No. 15. made of the Comptroller of the Army Expenditure not having taken care that the estimates for army services were submitted for my consideration, with a view to my suggesting such reductions and alterations in them as I might deem expedient

2. In this Colony there was a peculiar necessity for an adherence to this rule, which had been drawn up after a full discussion of the subject by the late Duke of

Newcastle, the late Lord Herbert, and myself.

3. For, at the time the rule was set aside, the Officer in command of Her Majesty's Forces and the Senior Commissariat Officer were entailing very heavy

charges upon the Mother Country and the Colony.

4. When first the correspondence between the General Commanding in New Zealand and myself upon this subject was brought under the notice of the Secretary of State for War, only incomplete information regarding it was sent home, and as no reply has been returned to the letter I then requested the General to transmit to the Secretary of State for War, I think it my duty to ask your Grace's attention to the subject.

I have, &c.,

His Grace the Duke of Buckingham and Chandos.

G. GREY.

No. 21.

Copy of a DESPATCH from Governor Sir George Grey, K.C.B., to His Grace the Duke of Buckingham.

(No. 1.)

My LORD DUKE,— Kawau, 13th January, 1868.

I have been requested by my Responsible Advisers to transmit to your Grace, for the purpose of being laid before the Queen, a petition from a large number of the inhabitants of the Province of Otago, praying for the separation of the Northern and Middle Islands of New Zealand into two separate Colonies.

2. My Responsible Advisers have requested me, in transmitting this petition to your Grace, to acquaint you that they desire to tender the same advice with respect to this petition as they gave with regard to a similar petition from the Provincial Council of Otago, which has already been laid before the Queen, who was not advised by Her Majesty's Ministers to accede to the prayer of it.

3. They also desire to state that in their belief a compliance with the prayer of this petition, if it were possible (regard being had to the existing mutual