

COPY OF A DESPATCH FROM HIS GRACE THE DUKE OF NEWCASTLE TO GOVERNOR SIR G. GREY, K.C.B.

NEW ZEALAND.
No. 104.Downing Street,
22nd November, 1861.

SIR,—

You are aware that, on account of the great and sudden increase in the price of all articles of consumption at the time of the discovery of gold, large special allowances were granted to Her Majesty's Troops serving in Australia, and also to those in New Zealand. Special allowances, but of smaller amount, have likewise been assigned, on account of local circumstances, to the Troops serving at the Cape of Good Hope.

After much enquiry and deliberation, the Secretary of State for War has come to the conclusion that the rate of allowances in Australia and New Zealand, established as it was at a peculiar crisis, has become excessive, and further, that on account of the manifest objections to any needless inequalities in the advantages granted to Regiments called upon to serve in different parts of the Empire, these allowances should be assimilated to those at the Cape of Good Hope.

13th November, 1861.

I transmit to you an extract of a letter from the War Office, with its enclosure, from which you will more fully learn the views of the Secretary of State for War.

You will perceive that it is his intention to introduce the change at once, in those of the Colonies where the special allowances are paid from Imperial funds. For the sake of the important object of uniformity, in order to guard against jealousies amongst the Troops, and out of fairness also to the Colonial Exchequer, it is very desirable that the same change should be effected simultaneously in the remaining Colonies which provide for these allowances from their own funds.

The Officers in command of the Troops at the several stations have been instructed by the Secretary of State for War, to afford every co-operation in their power to the Civil Authorities, in carrying these measures into effect, and to put your Government in possession of them, with a view to any communication which may be requisite to the Legislature in order to accomplish the objects which I have explained.

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

I have, &c.,

NEWCASTLE.

Enclosure in No. 3.

EXTRACT OF LETTER FROM SIR B. HAWES TO THE UNDER-SECRETARY OF STATE, COLONIAL OFFICE,
DATED WAR OFFICE, 13TH NOVEMBER, 1861.

The Secretary of State for War, having for some time past had under consideration the special allowances issued to Her Majesty's Troops in the Australian Colonies, with the view to their reduction or abolition, it has been determined for the present to place the Troops serving in New Zealand, Tasmania, and Western Australia, where these allowances are defrayed from Imperial funds, on the same footing as the Troops at the Cape, thereby reducing the allowances to an average of about one half the present amount.

The reasons for this change, and the nature of the new allowances, are detailed in the accompanying draft of a Circular Despatch which it is proposed to address to the Officer in command at each of the stations above named, and are such as, it is believed, will ensure the desired reductions being effected without delay.

In connection with the general question, and also in reference to your letters of the 7th May and 2nd instant, on the subject of the allowances of the Head Quarter Staff in Victoria, it is considered very desirable (in order to prevent jealousy on the part of the Troops) that simultaneous reductions should be effected in the allowances provided out of Colonial funds in Victoria, New South Wales, South Australia, and Queensland, and I am accordingly to request that this subject may be brought under the notice of the respective local Governments, with the view to an early and, if practicable, an uniform revision of these allowances.

Sub-Enclosure to Enclosure in No. 3.

DRAFT OF CIRCULAR DESPATCH TO THE OFFICERS IN COMMAND OF THE TROOPS AT NEW ZEALAND,
TASMANIA, AND WESTERN AUSTRALIA.War Office,
November, 1861.

SIR,—

The question of the issue of special allowances to Her Majesty's Troops serving in the Colonies having been under consideration, I am directed by the Secretary of State for War to acquaint you that he has come to the conclusion that there are no longer any just grounds for continuing in any of the Australian Colonies the allowances which were some time since sanctioned in order to meet the special and exceptional circumstances which existed during the earlier years of the gold discoveries, and the continuation of which, now that these circumstances have passed away, gives rise to dissatisfaction