

completed with their aid and with their assistance, will be much more satisfactory than any arrangement which I could carry out by my individual will.

4. Regarding the sentiments of a considerable portion of the Native population, I am not yet so well satisfied, and I fear that the views expressed in the last despatch of my predecessor on this subject may prove to have been too sanguine.

5. I have had frequent and anxious consultations with the Ministers regarding the future; and if the present crisis is got over, and peace established, I think I see my way quite clearly to the introduction of plans which will completely and lastingly set upon a proper footing the interests and mutual relations of the Native and European races. I am unwilling to speak too confidently on so extremely difficult a subject, and I desire to say nothing that seems rash or presumptuous: but if peace can be established, I really think I can shortly introduce institutions which will satisfactorily solve the whole question, and establish Her Majesty firmly in the affections of Her Native subjects in New Zealand.

6. But the re-establishment of peace will be very difficult. Two of the three parties of Natives we were treating with have arrogantly and contemptuously refused the terms proposed by my predecessor, and the third party have already broken the terms they seemed to have accepted. I have declined, at present, to offer any terms to the Waikato Natives, leaving to themselves the commencement of the matter. My main hope at present is, that if I make no demand or threats, they may possibly, from a feeling of personal regard to myself, do all we could hope for: but they are so exasperated, sullen, desperate, and anxious to avenge the death of the Chiefs they have lost, as they believe under circumstances of injustice, that I cannot now with any confidence calculate upon the Chiefs I was so intimate with being able to control the feelings of their tribes, and to lead them in the direction we should desire.

I have, &c.,

His Grace

The Duke of Newcastle, K. G.,  
&c., &c., &c.

G. GREY.

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### Enclosures 1 and 2 in No. 3.

[Printed separately in Sessional Papers 1862, E—No. 2.]

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### Enclosure 3 in No. 3.

#### MINUTE BY MINISTERS IN REFERENCE TO THE SUSPENSION OF THE CONSTITUTION.

Auckland, 8th October, 1861.

Ministers are aware that the question has been raised, and may be raised again, how far the form of Constitutional Government bestowed upon this Colony by the Imperial Parliament in 1852, is adapted to its present circumstances, and whether a suspension of the Constitution might not facilitate the adjustment of the difficulties of the present crisis.

Before entertaining any such proposition it ought to be made clear, 1st. That the existing system of Government has in any way contributed to the present difficulties; and 2nd. That the suggested suspension would be likely to lead to their removal.

Ministers are decidedly and unanimously of opinion that neither position is tenable.

As to the first:—The difficulties referred to have arisen solely in reference to the administration of Native affairs. Now this has, partly by the operation of the Constitution Act, and partly by the action of the late Governor on the introduction of Responsible Government, been practically reserved in the hands of the Governor as the Representative of the Imperial Government: and the Colonial Government has, in fact, had little or nothing to do with it. The Colonial Government has done what it could, consistent with the limited powers vested in it, to advise and legislate in support of the Governor's Administration of Native affairs; but substantially the whole control and action has been with him; and it may be safely asserted, that the present difficulties are in no way chargeable on any exercise by the Colonists of the Constitutional powers vested in them by Parliament.

As to the second point, the proposed suspension of the Constitution:—The principal result of this would in the opinion of Ministers be this, that while at present one department of Government, the Native Administration, is in difficulty and confusion, the whole Government of the Colony would by such a course be placed in the same predicament. It must be borne in mind what are the character of the Constitution of the Colony, and the distribution of functions created by it in the hands of the General and Provincial Governments; the latter, in particular, being charged with what may be termed all the constructive work of the Colony—Immigration, Public Works, the Surveys and Sales of Land, as well as with the organization and control of the Police, and other social régime of the community. The machinery by which these functions are executed is in active operation, and nothing but the most inextricable confusion and paralysis would arise from any sudden suspension of its exercise. Even the General Government of the Colony would prove incapable of taking over the functions of the Provincial Governments; and if the General Government itself as at present constituted were suspended also, the difficulties of the Colony would be indefinitely increased.

Ministers believe that the difficulties of the present crisis are of a character which can only be met by a large and liberal policy towards the Natives, which may go to the root of the disease, and not merely remove or repress the external symptoms. Any such policy will necessarily affect not only the interests of the Natives *per se*, but their relations to the Europeans also, and must be of a permanent