

7. From this it might be thought that the Natives will readily grasp at the institutions of self-government now offered to them ; but I see no reason to hope that such will immediately be the case in some districts. They are proud of the government they have set up, of the position of independence they have gained, and of the influence they have obtained over their countrymen. Having enjoyed these for several years, they have become attached to them. They are also more attached to their own government from their having successfully defied our attempts to put it down ; and, viewing our anxiety to do so, think it must have some intrinsic value. I find in many of them, at present, a sort of sullen, desperate determination to maintain it at all hazards, and a kind of pride in making personal sacrifices for what they regard as a national object. It is as if they had for the first time acquired a new faculty of their existence, of which they were not previously aware, and in the exercise of which they feel great enjoyment. Many populous districts in the Island do not, however, participate in those feelings. In these parts I shall have no difficulty in introducing the proposed institutions.

8. My belief as to the present state of the Maori King movement is, that a great number of the Natives in the part of the country which lies to the South of Auckland—say perhaps 30,000 of them—have entered into an agreement of nearly the following purport:—

9. That they will not directly or indirectly attack the Europeans: they will not permit the Europeans to be robbed or molested : but that upon all lands, the property of the Natives, justice shall be only administered by Natives, and laws shall be only made by Natives. That no more lands within such districts shall be for the present sold to Europeans; and that the so-called Maori King and his Council shall watch that these regulations are, if possible, maintained throughout all Native lands, and shall try to lead the whole Native population to acquiesce in them ; and that any attempt by the Government to put down these proceedings by force shall be regarded as the signal for a general rising of the Native population.

10. Within the last few days a European settler living on Native land about forty miles from Auckland had his house robbed by Natives of a few articles. Immediate enquiries were made into the circumstances by a European Magistrate : the Natives without delay made ample amends : but the enclosed copies of letters will show that the Council of the Maori King at once wrote to the principal chiefs in the neighbourhood, stating their disapproval of their having allowed the case to be brought before a European Magistrate, and reminding them that from the first establishment of the Native King, it was arranged that crimes committed on Native lands were only to be settled by the King's Magistrates : they also warned them to prevent all crimes being committed against Europeans, or the Natives would by such offences be led into difficulties.

11. These letters show the nature of the agreement entered into by the King party : but I think the whole circumstances of the case show that they will have great difficulty in inducing the Natives to adhere to it. In the case under consideration they did not do so, and when the Natives who acted with us were reprimanded for what they had done, they showed the letters to the Government.

12. I have also already stated that large bodies of Natives are ready to side with the Government, and will adopt my plans. Thus by degrees I hope the King movement will be eaten out; and when the inferiority of their form of government is seen side by side with the superior one which will be given to them, that the whole will at last readily embrace offers which are so advantageous to them. The difficulties in the way of this are their pride, their vanity at their successes, and their want of confidence in the Government : this latter circumstance presents a very great difficulty.

13. It is possible that the adherents of the Native King, seeing that their power is shaken, may attempt by force of arms to prevent some of their countrymen from acquiescing in the proposals of the Government, or may try to punish them for having done so: in this case it will be necessary for the Government to interfere to prevent such acts of violence. I can only hope that so trying a contingency as this would be, may not arise.

I have, &c.,

G. GREY.

His Grace the Duke of Newcastle, K.G.,  
&c., &c., &c.

Enclosure 3.—Correspondence in T. Hawke's case

Enclosure 1 in No. 17.

A.— ESTIMATE OF EUROPEAN POPULATION (exclusive of Military) in the Northern Island in	
1860.....	41,159
Estimate of Native Population in Northern Island .....	53,056
Estimate of European Population in Middle (or Southern) Island in 1860 .....	40,061
Estimate of Native Population in Middle (or Southern) Island .....	2,219
Amount of Territorial and Ordinary Revenue of New Zealand, derived from Northern Island	
during 1860 .....	£190,624
Ditto ditto derived from Middle (or	
Southern) Island during 1860 .....	274,114
Estimate of Expenditure of General Government in Salaries to Europeans in Northern	
Island during 1860 .....	50,000
Ditto ditto in Middle	
Island during 1860 .....	15,000
Estimate of Expenditure of Provincial Governments in Northern Island during 1860 .....	
Ditto ditto in Middle Island during 1860 .....	44,000