Enclosure 2 in No. 11.

EXTRACT OF A LETTER FROM THE REV. MR. MORGAN, OTAWHAO, TO HIS EXCELLENCY SIR G. GREY, K.C.B., NOVEMBER 6TH, 1861.

Having a Maori marriage at Rangiawhia to-day, I had a long conversation with Taati Te Waru, (son of old Hori Te Waru). He informed me that before Rewi and Porokoru started for Mokau, Rewi proposed to him that he and Reihana Te Huotare, of the Mania, should go down as a deputation from the Upper Waikatos to see your Excellency. Taati urged Rewiti to go himself, and the matter was to be discussed in the Hangatiki Runanga with Ngatimaniapoto. He, however, thought that Rewi, Porokoru, and the other Chiefs who had been in arms would not go to town. Shortly afterwards I met the Roman Catholic priest, Rev. Mr. Garavel, and had a long conversation with him. He said that he did not think that Hoani Papita, Rewi, &c., would accept Tamati Ngapora's invitation to town : fear would prevent them. Hoani Papita informed Mr. Garavel that they had received at Tamahere a letter from town, without a signature, recommending them not to go to town : that your Excellency when at the Cape had invited a number of Kaffir Chiefs to a feast, and then made them all prisoners. Hoani Papita then expressed a wish that Your Excellency should come up the Waikato. He remarked that if you remained in Auckland to make laws, they should expect war, but that if you paid them a personal visit, they should feel assured of your good will and friendly feeling towards them, and that all the Chiefs would meet you at Ngaruawahia and Rangiawhia. I requested Mr. Garavel to allow me to mention his name as having heard from Hoani Papita the statement in the anonymous letter in reference to the Cape Chiefs, as it exactly agreed with the reasons given me at Horotiu, last Sunday evening, why Ngatihaua are opposed to Wm. Thompson's journey to town. Amongst our own people we find those who trouble the minds of the Natives. The plan of sending up anonymous letters to the Waikatos was adopted some months before Colonel Browne left, and I regret to find that it is continued. I heard this tale as far back as three weeks ago. I think it better to let your Excellency know the exact reason why the Chiefs who met Tamati and the Bishop are not likely to visit town. They, however, will send a deputation. After their visit, if you consider it advisable to pay a personal visit to the Waikato, I can assure you that you will be well received, confidence will be restored, and more real good will arise from such a visit, than from any letters or deputations which your Excellency could send up. The first step to peace and goodwill will arise from the presence of your Excellency amongst the Waikato Chiefs.

No. 12.

COPY OF A DESPATCH FROM GOVERNOR SIR GEORGE GREY TO HIS GRACE THE DUKE OF NEWCASTLE.

Government House, No. 29. Auckland, 27th November, 1861.

MY LORD DUKE,-

Your Grace is aware that, from the necessity which exists here that large numbers of Native Chiefs should resort to Auckland to consult with the Governor, it has been requisite from the first establishment of the Colony, to provide some means for supporting on a moderate scale the Chiefs and their followers whilst they are detained in Auckland on public business.

2. The Governor also, at times, subjects Native Chiefs to some expense for entertaining himself and his retinue whilst he may be travelling through the country. It has been customary to make presents to the Chiefs in return for this entertainment. Again, in the early stages of the Colony, Industrial Boarding Schools were established; it was necessary to provide these schools with carts, horses, ploughs, books, and other necessarics. As I have seen many erroneous statements published on this subject, I called for the enclosed Return, from which your Grace will see that the total sum so expended since (sixteen years ago) I assumed the Administration of the Government of this Colony, to the present date, is $\pounds 16,720$ 2s. 0d, including the cost of entertaining the Chiefs at the Kohimarama Conference. Of which total amount the sum of $\pounds 5,171$ 0s. 1d., was expended in seven years, under my direction; $\pounds 4,399$ 6s. 2d. in four years, under the direction of Lieut.-General Wynyard; and the sum of $\pounds 7,150$ 3s. 9d. in six years, under the direction of Governor Browne.

I have, &c.,

G. GREY.

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