

3. Until your instructions reach me, I shall act in this matter in the manner which I may think Her Majesty's interests require me from time to time to adopt, carefully reporting to your Grace each step that I may take.

4. I ought to mention to your Grace that I believe I was the first to recommend the forfeiture of lands by those Natives who took arms against us, and I did so for the following reasons:—Because such a proceeding is in conformity with their own customs. It will only affect lands of those who have forced us into war, and leaves secure to the Native owners who have remained at peace, their large landed possessions in other parts of this island. They will thus, from contrast, see the advantages secured by being protected by British rule, and the punishment which follows wanton attacks upon the European race and their properties. At the same time, from enactments recently made, the well-disposed Natives, who retain their lands can deal as they please with them.

It seems perfectly just that those who forced us into a war we did our utmost to avoid, and which entails great losses on us, should pay the cost of that war, and they can do so in no other way but by the sale of their lands.

It also appeared just that those who by their acts had shown that the lives and properties of the Queen's inoffensive European subjects were not safe from them, should afford us the means from their properties of placing the lives and properties of the Europeans in security for the future.

5. These reasons will be understood by the great mass of the Natives, who have not hitherto taken up arms against us, and I think they will admit the substantial justice of such proceedings, and acquiesce in them.

6. Some persons, however, as I gather from articles I see in the local papers, appear to desire that the Native lands should be taken, not for the reasons and objects, and to the extent which would follow from the views I have above stated, but in order that a magnificent and extensive territory may be thrown open to any amount of prosperous colonization; such persons may not unnaturally think with uneasiness that I may not in the confiscation of the lands of the Natives go so far as they desire for I think that if it was believed that such views were being acted on, nearly all the Native tribes would join in rebellion against us, and that we should be drawn into a long and most expensive war for objects which Her Majesty's Government ought not to sanction.

I have the honor to be, my Lord Duke,

Your Grace's most obedient humble servant,

G. GREY.

No. 2.

MEMORANDUM by MINISTERS as to Responsible Government.

In the present state of the country, when the hearty co-operation of everyone is an imperative duty, Ministers have the greatest repugnance to entering on any subject of controversy with His Excellency the Governor, but an occasion has arisen which, in their opinion, leaves them no alternative, without committing what they would feel a serious dereliction of their duty. It appears to Ministers that on a recent occasion His Excellency the Governor has ignored the principles of Responsible Government, as Ministers understand them, and notwithstanding the greatest respect for His Excellency's opinions, they feel bound not to let the occasion pass without notice.

A cabinet meeting was held on Monday night, at the instance of Mr. Russell (the Minister for Colonial Defence) to consider a requirement by General Cameron, that 500 men should be advanced from the Auckland district towards the front, and their places supplied by sending into the field an equal number of the Auckland Town Militia.

Mr. Russell informed his colleagues that, on consultation with the Governor, the conclusion had been arrived at that the required force should either be made up by a draft of 350 men of the Auckland Militia (150 being already in the field) or that 300 of the regular troops should be withdrawn from Tauranga, if the news expected by the "Corio" on the following day would justify the reduction of that force. This was the alternative that Ministers were required, at the request of His Excellency, to decide.

They did decide on adopting the latter course, and communicated that decision the same night to General Galloway, in accordance with the arrangement made with His Excellency. On the afternoon of the following day, however, Ministers found that their decision had been reversed, without any communication with them, and without any subsequent explanation, and Ministers still remain in ignorance of the reasons even which caused the course adopted to be taken.

On a careful consideration of recent events, especially His Excellency's Despatch of the 17th December, 1863, (referred to in the Ministerial memoranda of 29th December, 1863), His Excellency's correspondence with their subordinate officer, Mr. Smith,* and now the matter under notice, Ministers fear that the conclusion is inevitable that the views of the Governor and those of his Ministers differ essentially as to the practice of Responsible Government.

Justice to both parties, and the interests of the Imperial Government and the Colony, require that such differences should be removed, and with that object Ministers respectfully submit that the subject should be referred to Her Majesty's Imperial Government, and afterwards, if necessary, to the General Assembly, at the earliest time at which the state of the country will permit a session to be held. Ministers propose, with His Excellency's concurrence, to embody their views in a Memorandum for transmission to Her Majesty's Secretary of State for the Colonies.

3rd February, 1864.

FREDE. WHITAKER.

* See page 11.