

MEMORANDUM by MINISTERS in reply to foregoing.

Ministers beg to acknowledge His Excellency's Memorandum of the 17th instant, expressing His opinion that a plot exists among the Natives to effect a general rising, and that the escape of the prisoners from Kawau was a part of it.

Ministers have not concurred in His Excellency's views as to the inclination of William Thompson and other Natives to make peace, which have formed the subject of very recent communication from His Excellency to Ministers and to the Secretary of State; nor do they now concur in his belief that a plot exists for a general rising. The evidence for the latter seems to Ministers quite as insufficient as that previously adduced in favour of the former position.

Ministers believe the position of the Natives at this moment to be this. The result of the campaign of last summer, terminating in the evacuation of Maungatautari; the decisive actions of Te Ranga, Orakau, Ma'ah, and Moutua (Wanganui); together with the occupation by our forces of nearly the whole of Waikato, properly so called, did undoubtedly go far to quell the rebellion and break the bond of union which held the disaffected Natives together: and had these events been promptly followed up by confiscation of part of the rebel territories, as originally recommended by His Excellency, affording evidence of our determination, Ministers believe that the finishing stroke would have been put to the rebellion, and that with the exception of probably a very brief campaign between Taranaki and Wanganui, no further occasion would have existed for the employment of Her Majesty's forces.

But the vacillation which has been allowed for several months to supersede the previous action, and the knowledge which the Natives have obtained of the view taken in England of the struggle going on, and of the intention of Her Majesty's Government—particularly of the proposal to substitute a voluntary cession for confiscation; as well as of the serious differences existing between His Excellency and his Ministers, have given renewed vigour to the rebel cause and may probably incite them to a renewal of hostilities, which but for the stimulus so given would have been at an end. As a proof of this, circumstances were such a short time ago as to induce His Excellency to report our position in Waikato as a recognized cession to us of the district by the Natives. Now these very Natives are threatening to recapture Waikato, to restore their King to Ngaruawahia, and drive us back to our old lines.

Still the King cause is so far crushed, the union of tribes so broken up, and so much wholesome dread of our arms has been instilled, that Ministers do not believe that any such concerted plan of action, or anything which can fairly be designated a plot for a general rising, exists. Least of all do they think that there is evidence of any such combination among the tribes North of Auckland, although the presence of the escaped prisoners in that district affords a very obvious rallying point for any disaffected sections of tribes or individuals there may be; and unless promptly and judiciously dealt with may lead to very serious disasters.

October 18th, 1864.

W. Fox.

MEMORANDUM by the GOVERNOR.

There is one part of the Ministerial Memorandum of this day's date on the subject of the present state of the country on which the Governor ought perhaps to remark, without, by refraining from saying more, either admitting that they justly represent his views or that he coincides in theirs; but he ought not to withhold from them that it is still his opinion, founded on what he believes to be good ground, that William Thompson and other natives with him are sincerely desirous at the present time of making peace, and of separating themselves from those natives who are preparing for renewed disturbances.

Government House, Auckland, 18th October, 1864.

G. GREY.

MEMORANDUM by MINISTERS on SECRETARY OF STATE'S Despatch, 20th August, 1864.

Her Majesty's Secretary of State for the Colonies in his Despatch of the 20th of August refers to an assurance given by Mr. Reader Wood when in England, "that the Local Government will cordially co-operate with Sir George Grey in carrying out that just and temperate policy toward the native race embodied in the New Zealand Settlements Act, as limited in its operation by his (the Secretary of State's) instructions of April 26th;" and adds that Mr. Wood's reply "was perfectly satisfactory and complete in this respect." Ministers would regret exceedingly if Her Majesty's Secretary of State should come to the conclusion that Mr. Wood's assurance was not fully assented to by them. Ministers have always earnestly desired and endeavoured to co-operate cordially with His Excellency, and with that object have time after time modified and in some instances altogether abandoned their own views to meet those of the Governor. In the matter of the Proclamation referred to by the Secretary of State in his Despatch, they have assented to several different forms of proclamation to conform, if possible, to His Excellency's wishes, and on more than one occasion have given up their intention of issuing a Proclamation in deference to His Excellency's opinion. When Mr. Wood on behalf of Ministers expressed his readiness to co-operate cordially with the Governor, it was to carry out a clear and definite policy which was well understood, and which Mr. Wood had the honour to explain personally to Mr. Cardwell; but Mr. Wood, as is clear from his language, had no intention of pledging himself or them to anything so absurd as that Ministers would change their mind and policy whenever Sir George Grey might think fit to set the example by taking such a course. Of all the difficulties that Ministers have had to contend with since they accepted office, one of the greatest has been the Governor's vacillation and infirmity of purpose. So complete indeed in some matters of the