

## Enclosure 3 in No. 16.

THE HON. THE COLONIAL TREASURER TO SIR FREDERICK ROGERS.

SIR,—

Westminster Palace Hotel, London, May 28, 1864.

I BEG to acknowledge the receipt of your letter of the 26th instant, in which you state that Mr. Secretary Cardwell will submit to Parliament, at my request, a proposal to guarantee one million of the loan sanctioned by the New Zealand Legislature, upon the following conditions :—

1. That out of the funds borrowed by the colony under the guarantee of the Imperial Parliament all debts due to the mother country shall be discharged.

2. That a proposal to guarantee any portion of this loan can be submitted to Parliament by Mr. Cardwell only under an assurance from me that the Colonial Government desires cordially to co-operate with the Governor of New Zealand in that just and temperate policy towards the native race which is believed to be in accordance with his Excellency's own feelings, and which is embodied in the instructions which have been addressed to him by Mr. Cardwell, under date April 26, 1864.

With regard to the first of these conditions, I agree, immediately upon the funds being raised, to repay to the mother country all debts due, amounting as far as can at present be ascertained, to something less than £500,000.

With reference to the second, I take this opportunity of stating formally and officially that which I have previously had the honour of stating to Mr. Secretary Cardwell verbally, that there is nothing in the Instructions of April 26th to Sir George Grey that does not represent the views of the Colonial Government in practically carrying into effect the policy of confiscation authorized by the Legislature in the New Zealand Settlements Act.

It is quite true that the language of that Act is much wider than that of the Instructions, and the powers given under it are not limited, as they are by the Instructions. It does not follow, however, because powers are given, that therefore they must be exercised. It often happens that an Executive Government is by the Legislature armed with powers which, under certain possible circumstances, may very properly be exercised, and that confidence is felt that under different circumstances those powers will remain unused. This was the case during the last session of the Assembly in New Zealand.

To account for the language of the Settlements Act, and to justify its use, the state of affairs in the Colony at the time that Act was passed must be considered. In consequence of the distance of the various settlements in New Zealand from each other, of the comparative difficulty of locomotion, and the fact that nearly all the members of the Legislature are actually engaged in business, it is only at great personal inconvenience that a session of the Assembly can be held at all, and it is quite impossible, with short notice, to hold a session at which such a number of members can be present as fairly to represent the Colony. During the last session the Government was anxious to be armed with all the powers they felt it necessary to have to enable them to meet any contingency that might arise.

What then was the attitude of the native population? At the time the New Zealand Parliament was in session a very large portion of the Waikato and the whole of the Taranaki and Ngatiruanui tribes were in a state of rebellion, were actually in arms, and fighting against the Queen's authority; a considerable number of the Southern tribes in the province of Wellington were, though not in actual rebellion, in a state of disaffection; large numbers in every part of New Zealand were waiting on events; and there can be no doubt, if we had met with reverses, or if General Cameron had not achieved a success on the Waikato, many who are now peaceable would have joined in the rebellion.

Under these circumstances the Government felt that if they simply specified in the Act the districts then in open rebellion, and confined the powers of confiscating territory to such defined districts only, that soon after the Assembly was prorogued, and members had gone to their homes, it might become necessary and right to exercise the power of confiscation most in districts which had not been included within the defined limits, because the native inhabitants were not in rebellion at the moment the Act passed.

The Government never had any intention whatever of confiscating land in districts about which there could be any doubt as to the native inhabitants being in a state of rebellion. On my own behalf, therefore, and that of my colleagues, I can give to Mr. Cardwell a full assurance that the local policy towards the native race is embodied in the New Zealand Settlements Act, as limited in its operation by his Instructions of April 26.

In the concluding part of your letter you state the views of Her Majesty's Government with respect to the future relations between the mother country and the Colony in respect of military expenditure. On my own part I state, unreservedly, that the proposals which are made have my full concurrence; and that with respect to the charges for the expenses of the present war, they are made by Her Majesty's Government in such a spirit of liberality as cannot fail to command the gratitude of the people of New Zealand.

I cannot, however, disguise from you the fact, that I possess no powers from the General Assembly which will enable me definitely to conclude any arrangement with Her Majesty's Government in reference to military expenditure which will not require confirmation and ratification by the New Zealand Parliament.

I need, however, hardly point out to you, that no assent of mine, under any circumstances, could afford to Her Majesty's Government so good a security as that which they hold in their own hands, namely, the power of refusing to send troops, excepting upon their own terms, or of recalling them if these terms are not satisfactorily complied with.

I have, &amp;c.,

Sir F. Rogers, Bart.,  
&c. &c.

READER WOOD.