

Meantime, in consideration of the provision made for native purposes, my Lords do not hesitate to assent to that particular portion of the plan (as well as to the rest) which provides for the supply of one regiment free of charge.

It would be desirable, in case the circumstances of the Colony should admit of an augmented payment to the sinking fund from a larger surplus revenue in any given year, that such a course of action should be facilitated and encouraged.

Their Lordships would commend this topic to such consideration as Mr. Secretary Cardwell may think it deserves.

I am, &c.,

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

F. PEEL.

NOTE.—For the remainder of the Correspondence forming Enclosure No. 1 in Despatch No. 84, *vide* B, No. 2.

### Enclosure 2 to No. 42.

I hereby certify that the General Assembly of New Zealand have adopted such proposals as I have made to them, by authority of the Right Honorable Edward Cardwell, one of Her Majesty's Principal Secretaries of State, respecting the repayment of any moneys due to the Imperial Treasury from the Treasury of the Colony, and for the payments to be made from the Colonial Revenue, as well for the support of Her Majesty's Troops employed in the said Colony, as for the benefit of the Native inhabitants thereof.

### No. 43.

SIR,—

Downing Street, 20th August, 1864.

I have received your Despatches noted in the margin. That which is latest in date is also by far the most satisfactory in the information it conveys to me. I sincerely rejoice to learn that the confidence of the Europeans in the natives has been much restored, and that this most desirable result has been produced by very substantial services rendered by friendly natives to the cause of British supremacy and law. Above all, I am rejoiced that you feel justified in expressing your opinion that a rapid succession of events, in the main so disastrous to the rebel cause, has produced a great effect upon the native mind, and that there is a fair prospect of the war being soon brought to a close.

I have read with great regret the continuation which has reached me by this mail of the correspondence between yourself and your Responsible Advisers on the subject of terms of peace proposed, or to be proposed, to the natives, and of the extent to which the principle of confiscation ought to be carried. It is quite true, as stated in one of these minutes, that the principle of confiscation had been sanctioned by you, and that your sanction of it had been approved by the Duke of Newcastle. But the application of that principle is a question of degree, and in my Despatch of the 26th April, I conveyed to you as fully as I could the views which, after the most deliberate consideration of a subject so important, Her Majesty's Government desired you to adopt. Referring to that Despatch, which had then been printed by order of Parliament, I stated to Mr. Reader Wood that his acceptance of my proposal for a guaranteed Loan would be regarded by Her Majesty's Government as an assurance on his own part and that of his colleagues, of their desire cordially to co-operate with you in that just and temperate policy towards the native race; and his reply, which was also subsequently laid before Parliament, was perfectly satisfactory and complete in this respect.

I feel, therefore, that you are on every ground fully entitled to expect, and I trust you will have received from your Ministers, all possible assistance and support in carrying your instructions into effect. Nothing could be more calculated to excite a strong feeling of disappointment, and even of indignation in this country, than any well-founded belief that the war was unnecessarily protracted in consequence of any indisposition in New Zealand to give full effect to a just and generous policy towards the native race. I know that it is your own desire to carry such a policy into effect; and I have nothing now to add either to the instructions in which I have conveyed to you the views of Her Majesty's Government, or to the assurances I have given you that in using every legitimate means to give effect to those instructions, you may count upon my cordial support.

I do not recollect with certainty what Proclamations have been actually issued, and request that you will send to me by the next mail, for my information, a series of all the documents bearing that character which have been issued by your authority or that of your Government. I shall be glad if you are able to inform me that none which has been issued has tended to alienate returning feelings of allegiance, to check reviving confidence, or to awaken feelings of unnecessary distrust and animosity among the native population. I entirely agree with you that the interests of the races are inseparable, and earnestly hope that on the receipt of your instructions, you will have been enabled to publish terms of submission which the hostile natives have been able to accept, and which promise to secure a just and lasting settlement.

I have, &c.,

Governor Sir George Grey, K.C.B., &c., &c., &c.

EDWARD CARDWELL.

### No. 44.

SIR,—

Downing Street, 21st August, 1864.

I transmit to you herewith, to be laid before your Responsible Advisers for their information, copy of a correspondence with the Lords Commissioners of the Admiralty with reference to the purchase by the Commissariat Department in New Zealand of the "Alexandra" steam vessel, for the conveyance of troops and stores between the Manukau and the ports on the Western Coast.

I have, &c.,

Governor Sir George Grey, K.C.B., &c., &c., &c.

EDWARD CARDWELL.