thus acquired may properly be employed in meeting the expenses of carrying on the war, nor do I see any objection to using them as the sites for military settlements, which, moreover, must soon lose their distinctive character, since it is probable that the Natives of these districts, unlike those in the Cape

Colony and Kaffraria, will soon become an unimportant minority of the inhabitants.

But while I acquiesce generally in the principles which you have adopted, I must add that the application of these principles is a matter of great danger and delicacy, for which the Colonial Government must remain responsible. It will be evidently very difficult to control within wise and just limits that eagerness for the acquisition of land which the announcement of an extended confiscation is likely to stimulate among old and new settlers, and which, if uncontrolled, may lead to great injustice and oppression. Still more evidently is it possible that the Natives who still remain friendly to the Government may view this measure, not as a punishment for rebellion and murder, but as a new and flagrant proof of the determination of the colonists to possess themselves of land at all risks to themselves, and at any cost, and as thus furnishing the true explanation of the past and present policy of the Government.

Such belief would obviously tend to make the Maoris desperate, and aid the efforts of the King

party to effect a general rising throughout the Northern Island.

Your Ministry do not notice this danger in their memorandum, but they cannot have been blind to it, and I do not doubt (though you do not so inform me) that they feel their power to control the application of the principle which they have introduced, and have taken sufficient means to persuade the Maories in general that the property of innocent persons and tribes will be strictly respected, and that a different measure of severity will be administered to those who have taken a lead in the war and those who, though in some degree accessories to what has passed, have, as far as circumstances would allow, favoured the cause of order.

Whether due caution has been used in these respects is a question of which the Home Government can only judge by the result. And I must not disguise from you that if this important determination of your Government should have the effect of extending and intensifying the spirit of disaffection, and of thus enlarging the sphere or prolonging the period of military operations, these consequences will be viewed by Her Majesty's Government with the gravest concern and reprehension.

I have, &c., &c.,

NEWCASTLE.

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

## No. 2.

## MEMORANDUM by MINISTERS on the DUKE OF NEWCASTLE'S Despatch, No. 110.

1. Ministers desire to make a few remarks on the Despatch of the Duke of Newcastle (No. 110) dated the 26th of November, 1863, in which His Grace states that, while he acquiesces generally in the principles which have been adopted in reference to the confiscation of Native land, he must add that the application of those principles is a matter of great danger and delicacy, for which the Colonial Government must remain responsible, and His Grace then proceeds to point out two dangers, which he observes that the Colonial Ministry (Mr. Domett's) have not noticed in their Memorandum, but which, he remarks, that they cannot have been blind to.

2. The Colonial Government fully recognise the responsibility that rests upon them, and they will

endeavour to fulfil their duties with prudence and with justice.

3. Ministers do not feel any apprehension that the confiscation of land cannot be confined within wise and just limits, and they fully believe that if they were to attempt to carry this principle beyond such limits, their acts would not receive the sanction of the General Assembly.

4. With respect to His Grace's apprehension that the Natives who still remain friendly may view

confiscation, not as a punishment for rebellion, but as a flagrant proof of the determination of the Colenists to possess themselves of land at all risks. Ministers have to state that every means have been taken to persuade the Maoris in general that the property of innocent persons and tribes will be strictly respected, and that the measure of punishment will be apportioned to the degree of guilt.

5. Ministers are glad to be able to add that, though the proceedings of the Government were at

first naturally looked upon with some degree of anxiety and distrust by the Natives, those feelings have much subsided generally, and in some instances complete confidence has been established in the inten-

tions of the Government.

6. Ministers request that His Excellency will be pleased to transmit, for His Grace's information, this Memorandum, and the copies enclosed herewith, of two notices circulated by the Government in

reference to one of the points referred to in the Despatch.

FREDK. WHITAKER.

Auckland, 29th February, 1864.

## No. 3.

## MEMORANDUM by MINISTERS as to the Terms of Peace.

Ministers have perused the terms of peace offered by General Cameron to the rebel Natives. Ministers respectfully beg to express their approval, provided that it is distinctly understood that the Colonial Government are in no way committed to anything inconsistent with the terms proposed at the date of the occupation of Ngaruawahia (but not promulgated) a copy of which is appended. Auckland,

FREDK. WHITAKER.

\*l'rinted in page 4 of this paper.

25th February, 1864.