No. 4. MEMORANDUM by MINISTERS.

Ministers beg to acknowledge the receipt of His Excellency's Memorandum of the 2nd October. Ministers do not fail to notice His Excellency's reference to an expression of opinion in a late report by Mr. Mackay, to the effect that if he had been authorized to negotiate for peace with William Thompson, he would probably have been successful. Ministers beg most respectfully to express their opinion that the practice so usual with His Excellency of supporting his views by extracts from documents isolated from the context, as in this case, does not in reality contribute much to the elucidation of truth; but, on the contrary, too often tends to create misapprehension. Ministers have carefully read Mr. Mackay's report, and they find, in the facts and conversations with Thompson recorded by him, no ground for adopting the sanguine expression of opinion quoted by His Excellency. On the contrary, they arrive at the exactly opposite conclusion. Thompson has known at all times since the war begun what is the way to peace; and that the first step towards it must be the abandonment of the King he has set up, accompanied by the recognition of the authority of the Queen. In his late conversation with Mr. Mackay he hints at no intention of submitting to the Queen or the law; he simply intimates that he is tired of fighting, and does not wish to renew the appeal to arms. He is willing to abstain from hostilities if we will also. This position of sulky independence is precisely that which the Natives, when beaten, would apparently like to be permitted to assume; to be restored to the advantages of intercourse and trade with us, to retain all their lands, to give no compensation for the losses they have inflicted on us; to say nothing about their King and nothing about the Queen; not to recognise the authority of European law or Magistrates, but merely to draw off from the contest on condition that we do not follow them up. This does not seem to Ministers to be such a peace as His Excellency is directed by Mr. Cardwell to treat for with "defeated Rebels," nor likely to possess that permanent character, to secure which, His Grace the Duke of Newcastle says, Her

Majesty's forces have been placed at His Excellency's disposal.

Ministers would also observe that Mr. Mackay is very slightly acquainted with the district in which he met Thompson, and had never before seen that Chief. Thompson seems, as usual with him, to have been very reticent and cautious: to have dealt in general expressions, without coming to any definite or tangible proposal; and it would be taking a very sanguine view of the subject to infer from anything he said that he was in a frame of mind to make such a submission as alone would satisfy the requirements of Mr. Cardwell or the Duke of Newcastle; still less which would give the smallest

security to the Colony for the future.

Ministers should add that they have received information from Tauranga that Thompson is reported to have become a convert to the new superstition which forms the bond of union between the rebels on the West Coast, and they have reason to believe that he has gone down to Taranaki to join that party.

If His Excellency has used, or intends using, Mr. Mackay's report in his correspondence with the Home Government, Ministers respectfully request that he will oblige them by forwarding this

Memorandum with it.

4th October, 1864.

W. Fox.

No. 5.

MEMORANDUM by Ministers.

It appears from His Excellency's Memorandum of the 2nd instant, that His Excellency expressed the opinion attributed to him, but that "he had no wish or intention, in his conversation with Mr. Reader Wood on the 28th instant, of bringing against his Ministers a grave accusation of prolonging the war, and closing the avenues of peace." Ministers transmit herewith a statement from Mr. Wood, giving his account of the manner in which His Excellency's opinion was expressed.

Ministers do not think that His Excellency ought to have "suppressed his opinion that Ministers in standing in the way of his publishing the Proclamation" submitted to Ministers on the 6th of September, "were doing that which would prolong the war and close the avenues of peace." Ministers may regret that such was His Excellency's opinion, but they do not complain that he has given expression to it. On the other hand, Ministers are assured that His Excellency will feel that when Her Majesty's Representative in the Colony entertains such an opinion of the conduct of his Ministers, that it was their duty no longer to hold their office as His Excellency's Responsible Advisers, as they believed that, under the circumstances, they could no longer conduct the administration of public affairs with advantage to the interests of the Colony.

With regard to the effect to be anticipated from the issue of the Proclamation, a wide difference of opinion exists between His Excellency and his Advisers. His Excellency thinks the Proclamation will produce "good and important results." Ministers, on the contrary, believe that it will produce the reverse, and feel assured that it will create in the minds of the Natives a feeling of contempt for the vacillation and weakness of the Government. It is Ministers' conviction that if a firm and consistent policy had been steadily pursued, Peace, in the Province of Auckland at least, would by this time have been established on a safe footing; but unhappily the Natives have been led to hope and believe that a prolongation of the war would induce the Governor to give way, and His Excellency's Proclamation will be pointed to as a proof of the realization of these expectations, and as an encouragement to perseverance.

It is, however, satisfactory to Ministers to feel that although they have "stood in the way" of the publication of the Proclamation by withholding their concurrence, yet they have not been the means of "prolonging the war and closing the avenues of peace." In His Excellency's Memorandum of the 14th of September, he informed Ministers that "he considers it to be his duty—sorry as he is to differ in opinion with them—to adhere to his intention of issuing it;" but that the Natives having left Kawau might cause some delay, "until the Governor has ascertained what effect this proceeding may produce on the Native population." So that it is the Natives, and not the Ministers, who have really "stood in the way" and prevented His Excellency from publishing the Proclamation.