be very unfortunate; and it is always a subject for careful consideration, in dealing with a Native race, whether any concession even in the hour of conquest may not be regarded in that light. On the other hand, to push into the heart of a hostile country, like the Upper Waikato, a narrow line of undefended settlements, might be to lay the certain train for future conflicts. If you considered that you were called upon to confiscate in the Taranaki District the entire Native Territory of friendly Natives and all others, you had evidently no alternative but to refuse your assent. Such a course would evidently be at variance with your instructions and with the plainest rules of justice, and would be incompatible with any hope of enduring peace. I will not attempt to prescribe to you in detail the frontier which you should establish either at Waikato or at New Plymouth. It would be impossible for me safely to do so. But acting in the spirit of your instructions, you will take care to lay down such limits as may in your judgment, after consultation with the General, appear to be most consistent with justice, both towards tribes and individuals, and best calculated to secure the safety of the Colonists. All land included under such Confiscation will be justly assigned to the Colonial Government for purposes either of settlement, or of sale, or for fulfilling the pledges given to the proposed Military Settlers. But to conquer more land than may be necessary with a view to the future safety of the Colonists, is not an object for which Her Majesty's Government consider that it is possible to maintain an army in Newland; nor can they consent to the confiscation of territory, however justly forfeited by rebellion, which would render necessary the employment of an Imperial Force to protect the new occupiers against the former owners of the land.

There may, indeed, be districts conquered from the hostile Natives which they may justly deserve to lose, and which the Colony may fairly expect, as a result of its efforts and expenditure to acquire; and yet these districts may, in your opinion and that of the General, be so situated as not to justify you in holding them by scattered detachments of the Queen's Troops, both on account of the heavy expense for transport to which the Imperial Government would continue to be exposed, and the unsuitable nature of the service itself. In this case, you wi'l be at liberty to retain the territory so situated, subject to the general conditions which I have attached to every act of forfeiture, provided that the Colonial Government be prepared to hold it with its own Local Forces, or Military Settlers, or both: and that in your opinion it can be safely forfeited without sowing the seed of future hostility with the Natives.

The Imperial Parliament has provided with great liberality for the expenses incurred in two campaigns, and has offered to the Colony to guarantee a loan unusually large in proportion to the resources of the Colony. This liberality has been shown upon the faith of repeated statements respecting the policy which has been prescribed to you in your instructions with regard both to the operations of the War, and to the Confiscation of Native Land. It would not be possible for Her Majesty's Government to submit to Parliament for the ensuing year estimates rendered necessary by an opposite policy; or by an intention of continuing the War longer than was required for carrying into affect the policy which had been declared.

I saw with great satisfaction that your Assembly was about to meet; and trust that their deliberations will have done much to terminate those painful controversies, in which you have been involved with your Responsible advisers. I do not think that I should advance the public interest by entering into any lengthened discussion of those differences which have so frequently arisen between yourself and your Ministers, or of the voluminous Minutes in which they are conveyed. Indeed, voluminous as are the papers already before me respecting the unfortunate escape of the prisoners from Kawau, that controversy is not closed, and the subject is not even ripe for me to form, or to express, my view upon it.

I will, however, say, I do not consider myself as reversing the principles laid down in the Duke of Newcastle's Despatch of the 26th of February, 1863, No 22, but as dealing with a state of things to which that Despatch was not in any degree intended to apply. The Duke of Newcastle wrote when a comparatively small number of Her Majesty's Troops were present in the Colony, and before those Troops were engaged in hostilities, and he explained with reference to that state of things that the Governor had certain limited responsibilities respecting the Government of the Natives and the exclusive power of determining whether, and in what manner, Her Majesty's Forces should be employed. But he did not define or endeavour to define the relations between the Imperial and Colonial Governments after a Civil war should have actually broken out. So far was the Duke of Newcastle from intending to give up to the Colonial Ministers the control of questions affecting peace and war, that in his Despatch of 26th of February, 1863, No. 22, he stated expressly—

"You would be bound to judge for yourself as to the justice and propriety of employing and the best mode of employing Her Majesty's Forces. In this matter you might of course fortify yourself by taking the opinions of your Ministers, but the responsibility would rest with yourself and the Officer in Command."

In these words he plainly indicated, as I think, that principle of conduct in these matters, which it has been necessary for me, under very different circumstances to carry into practical effect. On my own part, I have always declared my dertermination not to interfere with the principle of Local Self-Government, as regards the affairs either of the Colonists or of the Natives. But Self-Government means the control by any people of their own forces, their own finances, and their own relations of peace and war. It does not mean that the right of establishing a policy shall belong to one body, and the duty of providing the means of carrying that policy into effect shall be laid upon another. The principal responsibility of carrying on this war, and even the chief share in the cost of its operations,