

and that if the intention is to give the Colony such a substantial assistance as will secure beyond doubt its future welfare, then the Imperial Government should cover by its guarantee a four per cent. loan for three millions instead of for two millions.

8. In giving this guarantee, Great Britain would incur no risk, and would get rid of a very large annual expenditure at no cost to itself. At the same time it would confer a great boon on this Colony, and I think it will be generally admitted that New Zealand is now so cheerfully taking upon itself such large responsibilities, in pursuance of a line of policy which the Home Government wishes to see adopted, has really established large claims upon the consideration of Great Britain, and that it seems a sound and generous policy not wholly to abandon a people involved in such difficulties as Her Majesty's subjects in New Zealand are, but rather to afford them an aid, which whilst it will cost nothing, may determine the question as to whether a large number of British subjects and their descendants are for many years to come to live in safety and comfort and on good terms with the natives, or are, on the other hand, to be involved in constant wars, sufferings, and privations, whilst the native race will probably melt away before them.

I have, &c.,

The Right Hon. Edward Cardwell, M.P.,
&c., &c., &c.

G. GREY.
