

It is proposed that the Province shall also pay :—

1. Losses in the War ... ..	85,000	0	0
2. Money compensation to Natives ... ..	15,000	0	0
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		100,000	0 0
		<hr/>	
		320,000	0 0
Supposing Auckland pays half-a-crown an acre ... ..		87,500	0 0
		<hr/>	
		407,500	0 0
Say... ..		400,000	0 0
		<hr/>	

It is understood that Auckland requires £100,000 to carry on the work of settling Waikato and Tauranga.

Supposing that a loan of half a million were sanctioned, and the interest charged on the Province of Auckland, the General Government will not interfere with the working of the scheme, but will require a entire surveillance and audit, with the power of putting an end to the scheme and taking it again into their own hands if the Province should fail in its work.

The Government will consent to replace the General Government Agent at Auckland if the General Assembly will pass a Bill for replacing the elected Superintendent by a Lieutenant-Governor.

The General Government cannot suspend the work in the meantime of putting the Natives on their land which is in progress.

The Government is about to introduce a Bill for constituting separate Provinces in the centre of the Island, comprising the Ngatiamaniapoto, Taupo, Arewa, Opotiki, and East Coast tribes.

### No. 8.

The Hon. COLONIAL SECRETARY to the SUPERINTENDENT, Auckland.

SIR,—

Colonial Secretary's Office, Wellington, 2nd October, 1865.

I have to acknowledge your letter of the 22nd instant, conveying proposals from yourself and several members of the House of Representatives from the Province of Auckland, for the administration of confiscated lands in Waikato and Tauranga. In reply I have first to express the regret of the Government that they should not have been afforded the opportunity which they sought by previous informal discussion with the gentlemen referred to, of arriving at terms likely to be satisfactory to all parties interested.

The Government propose that after satisfying all those claims on the land under the New Zealand Settlements Act, which can be paid in land under the Bill now before the Assembly for amending the Settlements Act, and after making Reserves at their discretion for the location of Natives who may wish to return to the district, the whole of the confiscated lands in the above districts be made over to the Provincial authorities of Auckland for administration on the following conditions :—

1. The Province of Auckland to satisfy all engagements for land made by the General Government with Military and other settlers.
2. The Province of Auckland to bear all charges for the permanent advantage of the Province.
3. Claims for losses by war.
4. Claims for compensation awarded in money by the Compensation Court under the New Zealand Settlements Act.
5. Half-a-crown an acre to be paid for all land sold or otherwise disposed of, except in fulfilment of engagements by the General Government.

The General Government will not interfere in the working out of the plans of the Auckland Government for the settlement of the country, but will retain a power of inspection and audit, and a power of cancelling this engagement should the Province of Auckland fail to fulfil its part.

I have, &c.,

His Honor the Superintendent, Auckland.

J. C. RICHMOND.

### No. 9.

The Hon. the COLONIAL SECRETARY to the SUPERINTENDENT, Auckland.

SIR,—

Colonial Secretary's Office, Wellington, 3rd October, 1865.

The subject of the management and settlement of the confiscated lands in Auckland has, since the recent interviews with yourself and other representatives from that Province, been under the most anxious consideration of the Government, with a view to proposing terms on which those lands may be handed over to Provincial administration.

The first liability to which the lands in question are subject is compensation for the ascertained claims of loyal Natives. This is a liability of which the Government cannot divest themselves, but as its amount and nature will be exactly defined by the Compensation Court under the New Zealand Settlements Act, they are willing to leave its discharge to the Province, subject to a general supervision and power of re-entry on the lands in case of default.

The duty of settling those Natives who may wish to return to the districts, and to accept the Queen's authority, and take grants from the Crown, is one which the Government cannot delegate without breaking the engagements entered into with the Imperial Government when the New Zealand Settlements Act was left to its operation. The Government must, therefore, retain this duty in their own hands, but they are prepared to deal with the subject promptly and definitely before handing the rest of the lands over to the Province.

This liability disposed of, they propose to transfer the remaining lands, subject to the following charges and conditions :—