

MEMORANDA

BETWEEN HIS EXCELLENCY THE GOVERNOR

AND MINISTERS.

PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY, BY COMMAND OF
HIS EXCELLENCY.

WELLINGTON.

—
1865.

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ERRATA.

A.—No. 1, PAGE 18. ENCLOSURE 1 TO No. 30:

For "The Hon. the Native Minister to the Deputy Commissary-General," read "The Hon. W. Mantell to E. Strickland, Esq., D.C.G."

In paragraph 4, line 2, the word "them" should be printed in italics.



MEMORANDA BETWEEN HIS EXCELLENCY THE GOVERNOR AND MINISTERS.

No. 1.

MEMORANDUM by MINISTERS.

Ministers recommend that prompt and immediate action should be taken at Taranaki and Wanganui, and are of opinion that the state of the Auckland district does not demand a larger disposable reserve force than one British regiment added to the militia force of the Province which might be rendered available on an emergency.

The objects proposed to be attained by the action indicated are—the military occupation of sufficient country to give possession of the Patea river from the sea to the bush, and of the country between that river and Wanganui, thereby enabling the Waitotara road to be carried on; such extension as may be found practicable of the area of operations from Tataraimaka southwards, so as to enable a block of land to be taken between Tataraimaka and the Stoney river—the ultimate object of Ministers being the construction of a thoroughfare between Taranaki and Wanganui, and the establishment of military settlements wherever necessary. It will also be the desire of Ministers, as soon as circumstances may permit, to occupy as a military settlement a block north of the mouth of Waitara river, between the land of the friendly chief Nikoruna and the river.

The Bushrangers and the Militia of Taranaki and Wanganui to be at the absolute disposal of the Officers commanding the districts.

It is proposed with reference to the Waikato regiments of Militia to place them upon their land with the least possible delay.

FRED. A. WELD.

Auckland, 19th December, 1864.

No. 2.

MEMORANDUM by MINISTERS.

Ministers submit for the consideration of the Imperial Government the following Resolutions relative to the withdrawal of Her Majesty's Land Forces, and the cessation of the system of double Government in Native Affairs. They were adopted without division by the Legislative Council and House of Representatives:—

(1.) That the Council [House] takes this occasion of expressing its loyalty and devotion to the Crown, its deep gratitude for the generous assistance rendered by the Mother Country to this Colony, and its cordial appreciation of the gallant services performed by Her Majesty's Land and Naval Forces in New Zealand.

(2.) That this Council [House], having in its last Session accepted the decision of the Duke of Newcastle upon the subject of the responsibility of directing and controlling the Native Policy of the Colony, as imposed upon it by his Despatch, No. 22, of the 26th February, 1863, which decision has been interpreted by the instructions to His Excellency the Governor, contained in Despatches No. 43, of 26th April, and No. 65, of 26th May, 1864, of the Right Honorable Edward Cardwell, expresses its confident trust that these instructions were issued to meet a temporary emergency and may lapse the moment a normal state of things shall be restored in the Colony.

(3.) That this Council [House] (without disputing) does not dispute the claim of the Imperial Government to exercise a reasonable control over policy upon which the restoration of peace must necessarily depend, whilst the Colony is receiving the aid of British troops for the suppression of internal disturbances, (yet) cannot shrink from the expression of its conviction that the joint responsibility of Governor and Ministers has resulted in divided councils, which have been productive of great evils to both races of Her Majesty's subjects in this Colony, and have entailed heavy and unnecessary expenditure both upon Great Britain and on New Zealand.

(4.) That the resources of New Zealand have been already heavily burthened, and their development retarded by the great sacrifices that have been entailed upon the Colony by the Native Insurrection. That, nevertheless, the Colony is resolved to make every further possible effort to place itself in a position of self-defence against internal aggression, with a view to accept the alternative indicated by the Home Government, namely, the withdrawal of Her Majesty's Land Forces at the earliest possible period consistent with the maintenance of Imperial interests, and the safety of the Colony, thereby enabling the Imperial Government to issue such instructions to His Excellency the Governor, as may permit him to be guided entirely by the recommendations of his Constitutional Advisers in Native, as well as in ordinary, affairs; excepting upon such matters as may directly concern Imperial interests and the prerogative of the Crown.

(5.) That these Resolutions be embodied in an humble address to His Excellency the Governor, requesting him to transmit them to Her Majesty's Principal Secretary of State for the Colonies.

Upon the debate on these Resolutions, the following counter-Resolutions, by way of amendment, were moved in the House of Representatives, and negatived, on a division, by a majority of 35 to 18:—

Mr. Graham's Amendment.

(4.) That in the present circumstances of the Colony it is expedient, as a temporary measure, that New Zealand should be divided into two separate Colonies. That the Southern Colony should have a Constitutional Government, administered on the principle of Ministerial Responsibility. That

the Northern Colony should have such a Constitution as will enable the Imperial Government to exercise such control over the management of Native Affairs, as will enable Her Majesty's Government to take such measures as it may deem necessary to suppress the present Rebellion, and provide safeguards against rebellion for the future.

(5.) That when the management of Native Affairs shall cease to form a special difficulty in the Government of New Zealand, the two Colonies be re-united as one Colony under a single Government, to be established in the locality which shall be most convenient to the Members of the Legislature, and for the general interests of the Colony at large.

(6.) That Her Majesty's Imperial Government be most respectfully but strongly urged to give effect, without delay, to these Resolutions.

(7.) That these Resolutions be embodied in an humble address to His Excellency the Governor, requesting him to transmit them to Her Majesty's Principal Secretary of State for the Colonies.

Similar counter Resolutions were moved by Mr. Whitaker in like manner in the Legislative Council, in which the Auckland influence disproportionately preponderates over that of the other Provinces, and were negatived on a division by a majority of one.

The Resolutions on this question, as originally proposed by the Government, were as follows:—

(1.) That the joint responsibility of Governor and Ministers in the management of Native affairs has resulted in divided councils, and in a vacillating policy which has been productive of great evil to both races of Her Majesty's subjects in the Colony, while it has entailed heavy and unnecessary expenditure both upon Great Britain and on New Zealand.

(2.) That this House, recognising the right of the Home Government to insist upon the maintenance of the system of double Government so long as the Colony is receiving the aid of British troops for the suppression of internal disturbances, accepts the alternative, and requests the Home Government to withdraw the whole of its land force from the Colony, and to issue such instructions to His Excellency the Governor as may enable him to be guided entirely by the recommendation of his Constitutional Advisers in Native as well as in ordinary affairs, excepting upon such matters as may directly concern Imperial interests and the prerogatives of the Crown.

(3.) That the House takes this occasion of expressing its loyalty and devotion to the Crown, its deep gratitude for the generous assistance rendered by the Mother Country to this Colony, and its cordial appreciation of the gallant services performed by Her Majesty's Land and Naval Forces in New Zealand.

(4.) That these Resolutions be embodied in an humble address to His Excellency the Governor, requesting him to transmit them to Her Majesty's Principal Secretary of State for the Colonies.

The subject of these Resolutions was much discussed. It was urged against them in their original form that they might appear precipitate and rash; that they might be construed into a request for the instantaneous withdrawal of the troops, no regard being had to circumstances, or to the safety of the Colony. To meet these objections they were modified by Government into the form adopted, in which their principle remains intact, though more guardedly laid down. At the same time it was stated in the House of Representatives by the Head of the Government, Mr. Weld, that there was no change in the policy of the Government; that the same action would be taken by Ministers under either form of the Resolutions, although the one form allowed greater latitude to the Government than the other; and that whilst they would not rashly urge on the withdrawal of the troops, yet nevertheless it was their policy to bring about the removal of Her Majesty's Land Forces from the Colony at the earliest possible moment.

Ministers believe their policy to be in conformity with the views of the Imperial Government, and they see no reason at present to prevent its being carried into effect. Whatever risk may attend it (and it is impossible that at any time it could be absolutely free from risk), they consider that it may be undertaken now with as little danger as under any circumstances likely to arise for many years to come. There may be partial disturbances; there will be imaginary alarms; the timid, and those who have largely benefited by the presence of the troops, will raise the usual outcry; but it is hoped that the war in the Waikato has practically come to an end. His Excellency the Governor has, by the advice of Ministers (and as they understand fully concurring), issued a Proclamation, a copy of which is enclosed, which is virtually a declaration of cessation of active operations, at least in the Waikato, a district now occupied in strong positions by no less than 2,500 military settlers armed, organised, and capable of self-defence. The operations at Taranaki, which at present it is intended should be confined to the opening up of roads through rebel districts, the occupation of one or more strong positions, and the establishment of self-defending settlements, may be carried on with a local force, which, when the troops are withdrawn, the Colony must supply.

Ministers are of opinion that that spirit of self-reliance which constitutes real strength, and the surest guarantee for the future of a country, would be fostered by the withdrawal of Her Majesty's Forces, and by the substitution of a small Colonial Force, partaking of the nature of an armed constabulary, officered, equipped, and disciplined with especial reference to the services it would have to perform, and to the country in which it might be called upon to act. Such a force, with officers amenable to the Colonial Government, would, it is hoped, be especially effective for colonial requirements; it would also offer a career, as circumstances might permit its development, to the young men of the colony of both races; it would form one system with the Volunteer and Militia Forces, and its value would be the greater, because it would not be liable to sudden withdrawal on emergency by the Imperial Government.

Ministers would further submit to the Imperial Government that it is absolutely impossible for the Colony to incur the heavy war expenditure that already menaces New Zealand with financial ruin. The Colony has already made unprecedented efforts to meet the liberal assistance rendered to it by the Home Government; it has kept on foot for a long period about 4,500 armed men, exclusive of Militia and Volunteers; besides partially maintaining a steam flotilla for military and transport requirements: moreover, the New Zealand Legislature has this Session raised the Customs Duties by 30 per cent., the utmost limit in fact to which the tariff can be increased.

But whilst laying great stress upon the financial—the political aspect of this question is, in the opinion of Ministers, even of more vital importance. It is confidently hoped that when the troops are withdrawn, the entire control of all its internal affairs, Native as well as others, will be left to the Colonial Government. The system of double Government has, in the opinion of Ministers, been fraught with the most disastrous consequences to both races of Her Majesty's subjects in this Colony. There need be no alarm at the proposal to leave the management of Native affairs entirely in the hands of the colonists. If the course of legislation since the Constitution Act be fairly examined, it will be seen that there has been throughout a sincere and earnest desire on the part of the colonists to advance the condition of the Native inhabitants; and that its tendency is to place the Native land owner in the same position as the European in the land market, by giving him a secure title, and to enable him to sell or let his land free from the restrictions imposed by the Home Government.

It is a main feature of the policy of the present Ministers to carry out and extend these principles, believing, as they do, that they tend to the only possible peaceful solution of the Native difficulty by removing one great cause of quarrel between the Native inhabitants and the Government, and a fruitful source of inter-tribal Native wars.

In the Session of 1863 the Legislature decided on the removal of the Seat of Government from Auckland to a place in Cook's Straits, and in the Session of 1864 it confirmed the decision of the Commissioners appointed by the Governors of the Australian Colonies in favour of Wellington as the Seat of Government. It is a necessary part of the policy of Ministers to carry into effect the determination arrived at by the Legislature, and in accordance with the arrangement proposed by Mr. Weld on taking office, and acceded to by His Excellency the Governor, the Government is being at once transferred to Wellington. If the Colony is to remain united, and the control of Native affairs, with all its attendant cost, is to rest exclusively with it, it is absolutely necessary that the Seat of Government should be removed to a place where the Southern Provinces, from which the revenue of the Colony is principally drawn, and which contain its greatest resources, may exercise their legitimate control over the management of public affairs, and where their wants may not, as hitherto, be almost entirely neglected; nor has the counter-argument that the larger proportion of the Native population belongs to the Province of Auckland, much weight in the opinion of Ministers. Wellington is much more easily accessible to the great majority of the population of both races than Auckland; while events do not appear to have shown any very successful result from constant personal negotiations between the Governor and Natives. Ministers, on the contrary, believe that more may be expected from broad political views, steadily and firmly carried out, than from any amount of personal influence and diplomacy, and they are of opinion that the position of a Governor would be more respected by Natives, were he only to appear amongst them on rare and grave occasions, befitting the interposition of the Representative of the Crown.

Ministers are aware that resolutions from the Provincial Council of Auckland have been transmitted to Her Majesty, praying in effect that the Province of Auckland may be erected into a separate Colony. Such a scheme would probably meet the determined opposition of every other part of the Colony, as the Southern Island would not even then be relieved from the Native difficulty, in which she has no immediate material interest of any kind, while she is heavily taxed to defray the consequent expenses. Another alternative suggested is the division at Cook's Straits; a third, the creation of three Colonies, viz., Auckland, Wellington, and the Middle Island. Such a plan might find favour in Auckland at the price of surrender of all privileges of self-Government, should it be construed to mean continued British expenditure—continued military protection, coupled with exemption of the inhabitants of the Province from contributions towards the cost of such protection. Men, too, might be found in the Southern Island who, forgetful of the future of the Colony, content in the full enjoyment of representative institutions, and in relief from the Native difficulty, might accept with readiness such a proposal, whilst the Southernmost districts of the Northern Island would doubtless oppose it to the utmost. Ministers do not contemplate the probability of the Imperial Government meeting the wishes of the Province of Auckland; but, were it otherwise, they would not the less earnestly deprecate a step fraught with disaster to the Colony.

Ministers are of opinion that the division of New Zealand into two or three small separate Colonies would dwarf the political intellect of the Colony, confining it to the consideration of narrow and personal interests; whilst there is no slight security for the future of the Native race in the fact that the questions affecting them and their relations with the Europeans are influenced by men beyond the reach of local passions and interests.

Ministers are further of opinion that, as a united Colony New Zealand, may have a future before her not unworthy of consideration on the part of the Mother Country, and that the formation of a group of two or three small independent Colonies is the utter destruction of such a hope.

30th December, 1864.

FRED. A. WELD.

No. 3.

MEMORANDUM by MINISTERS.

Ministers respectfully request that His Excellency will be pleased to bring under the consideration of the Imperial Government the accompanying resolutions of the House of Representatives:—

The grounds on which the House respectfully declines the offer of an Imperial guarantee for One million, part of the Three-million Loan of 1863, are stated in the Resolutions.

The failure of this resource, to which the Colony had looked with confidence, has the effect of placing the finances of the Colony in great embarrassment. The Legislature, in accordance with the proposal of Ministers, has done what lies in its power, under such an emergency, by raising the rate of interest on the loan, by authorising the issue of One million of short-dated debentures bearing 8 per cent. interest, and by raising the Customs Tariff so as to increase the revenue by about £190,000 a year. Ministers have under consideration further measures of taxation to be proposed to the Legislature next Session. They hope, by these means, to be enabled to restore and sustain the credit of the

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Colony. But the result will be, to impose a burthen on the Colony which it will be difficult to bear and which may, it is feared, seriously check its progress.

Ministers have had under their consideration the expressed intention of the Imperial Government to insist on immediate repayment of all advances to the Colony on account of the war, to withhold from it all future pecuniary aid, and to require for the future a rate of payment per man upon a greatly increased rate for all Her Majesty's land forces employed in the Colony.

As regards the withdrawal of the troops at the earliest possible period, Ministers have expressed their views in a separate Memorandum. Ministers have also, in a Minute dated yesterday—a copy of which His Excellency is respectfully requested to transmit to the Home Government—conveyed to the Governor their views in reference to the operations between Taranaki and Wanganui. They are aware that they can exercise no control over the military details of these operations.

If from any cause the withdrawal of Her Majesty's land forces should be delayed for any lengthened period, and the terms now imposed by the Imperial Government should be insisted on, Ministers are of opinion that the Colony will be wholly unable to bear the burthen, and that financial ruin will be the result.

Ministers respectfully submit the following equitable grounds on which they claim the favorable consideration of the Imperial Government:—

New Zealand is a very young Colony, placed in a position of unexampled difficulty. It owes its foundation to the Imperial Government, and therefore, it would seem, may not unreasonably look to it for help in time of need like the present. This claim the Government has hitherto recognized in a spirit of liberality for which the Colony is duly grateful.

But in whatever light the circumstances of the present war be regarded, it is indisputable that the war, whether in its commencement at Taranaki in 1860 under Colonel Browne, or in its revival in the Waikato in 1863 under Sir George Grey, has resulted, to some extent at least, from the action of the Governor as an Imperial Officer at a time when the absolute control of Native affairs was in his hands independently of Responsible Ministers. These operations have been throughout, up to the present time approved of and encouraged by the Imperial Government itself. Ministers do not think that, under these circumstances, the Imperial Government can justly throw off its share of the responsibilities for the direct consequences of the war.

It is true that these operations were approved of or recommended by Responsible Ministers, and adopted by the General Assembly; but the Colonists have borne their share of the burthen and perils of the war. A large portion of the population has been for a long time withdrawn from its ordinary pursuits, and employed in active service. Active operations are indeed suspended; but between Taranaki and Wanganui measures are in progress which will involve the Colony in heavy cost. Ministers find themselves called on to grapple with difficulties on all sides, with an absolutely exhausted Treasury, the Government being only able to command the funds needed for pressing exigencies by borrowing temporarily at high rates of interest. The Colony has incurred a debt of nearly three millions. It is maintaining on full Colonial pay a force of 4500 men, besides militia and volunteers.

Under these circumstances, Ministers do not think it will be consistent with the spirit of liberality and justice in which the Imperial Government has hitherto acted towards the Colony to exact from it conditions which, particularly in case of any lengthened detention of the troops, will involve it in financial ruin.

Subject to these remarks, Ministers will be prepared to give effect to the Resolutions of the House of Representatives, by entering at once upon the accounts of the war expenditure with the Imperial Government, and making provision for repayment.

H. SEWELL.

3rd January, 1865.

No. 4.

MEMORANDUM by the GOVERNOR.

The Governor begs to acquaint his Responsible Advisers that Sir D. Cameron has written to him recommending that the Governor should repair to Wanganui as soon as possible, and that some Minister should be there at the same time, in order that the Governor being fully acquainted with the state of affairs there, it might be determined whether the instructions he has issued to Sir D. Cameron can be carried out consistently with the safety of the settlement of Wanganui, or whether they are to be carried out at any risk.

In compliance with the wishes of Sir D. Cameron, the Governor purposes to embark in H.M.S. "Esk" on Saturday next, for the purpose of proceeding to Wanganui; he will probably be able to call at Wellington on his way to Wanganui.

16th February, 1865.

G. GREY.

No. 5.

MEMORANDUM by the GOVERNOR.

The Governor begs to state for the information of his Responsible Advisers, that Sir D. Cameron has informed him that in consequence of the critical state of the Wanganui settlement, he has had to send reinforcements for its protection, and that he fears he will be obliged to send additional forces for the same object, which will put a stop to his operations.

Sir D. Cameron therefore recommended that the detachment of the 68th Regiment at Auckland should be sent to Wanganui as soon as possible, and that not a moment should be lost in organising the two troops of the Colonial Defence Force, as promised by the Minister for Colonial Defence, as they will be extremely useful.

In pursuance of this application, the Governor has ordered the detachment of the 68th Regiment,

now in Auckland, about two hundred and fifty strong, to proceed to Wanganui on Saturday next, and they will embark on that day in H.M.S. "Brisk," and the Governor further recommends that not a moment should be lost in organising the two troops of the Colonial Defence Force, for which Sir D. Cameron has applied.

16th February, 1865.

G. GREY.

No. 6.

MEMORANDUM by MINISTERS.

Ministers transmit to His Excellency copy of a letter of instructions sent by this mail to the Crown Agents, requesting them to deliver to the Lords of the Treasury £500,000 Colonial Debentures, being part of the Three-Million Loan authorised to be raised under the "Loan Act 1863," the interest to be at 4 per cent.

The arrangement contemplated by the late Colonial Treasurer, Mr. Reader Wood, was founded on a supposed guarantee to be given by the Imperial Government for a loan for One Million sterling at 4 per cent., out of which a sum somewhat less than £500,000 was to be retained by the Imperial Government to liquidate the claims on the Colony. For reasons already sufficiently made known, that proposal failed.

Adverting to the various negotiations which from time to time have been entered into respecting the liquidation of the debt due from this Colony to the Imperial Government, and to the fact that the promises relative thereto, whether expressed or implied, still remain unfulfilled, Ministers are of opinion that the good faith of the Colony absolutely requires that it should no longer delay making definite provision for the discharge of this debt.

It now remains for the Colony to do its part towards carrying out an arrangement for satisfying the Imperial claim, which it is considered will practically be effected in the manner stated. The Colony having transferred to the Imperial Government £500,000 4 per cent. debentures, it will rest with the Imperial Government either to hold such securities or to cover them with a guarantee, and realise them in the English money market. The Colony will account annually for the Interest and Sinking Fund provided for in the Act of 1863.

In taking this step, Ministers have been anxious to avoid the dilemma of an indefinite postponement, into which the increasing liabilities of the Colony might otherwise have unavoidably placed it; on that point they observe that, on the one hand, the Colonial Parliament would not, in their opinion, sanction—nor, indeed, could the Colony bear—the burthen of any additional unguaranteed loan; and, on the other, that, after deducting the present large payment, the most sanguine calculations, based upon an assumption that hostilities will almost immediately cease, only show a possible remainder of the Three-Million Loan barely adequate to meet such an expenditure as may enable the Colonial Government to carry out the outline of those precautionary measures of defence which prudence will demand on the conclusion of five years' warfare in a country of mixed races.

His Excellency is aware of the extreme financial embarrassment under which Ministers have had to conduct his government during the last few months, and will at the same time, they believe, readily admit, that they have never proposed to recoup war expenditure by hasty and indiscriminate sale of confiscated land, whilst they have endeavoured cordially to co-operate with him in a firm but just and temperate policy towards the Native race.

Under all the circumstances of the case, at a time when the Colony, instead of clinging to a Commissariat expenditure, is proposing to rely on the energy and manhood of the settlers, and the loyalty of both races, in order to secure the future peace of these islands, and is thus adopting a policy one of the main features and immediate results of which will be to relieve the Imperial Exchequer of an annual expenditure of at least one million—an expenditure which for some years past has entailed a sacrifice on the British Taxpayer which the Colony recognises with gratitude—at a time when capitalists decline the Colonial securities, because New Zealand has been involved in a protracted and disastrous war, for which the Colony cannot certainly be deemed wholly, if at all, chargeable; and at a time when the Colony is parting with a considerable portion of its remaining securities to repay arrears to the Imperial Government; Ministers submit that, at such a time the Colony has a reasonable and just claim on the Mother Country for some pecuniary aid towards enabling it to bear the heavy responsibilities it is about to undertake. They trust, therefore, that the Home Government will extend its aid to the Colony either by covering the remainder of the Three Million Loan by the Imperial guarantee, or by making to the Colony an annual grant in aid of extraordinary expenditure for the next four or five years.

Ministers request that His Excellency will be pleased to transmit this Memorandum to Her Majesty's Secretary of State.

Wellington, 23rd March, 1865.

W. FITZHERBERT.

Enclosure to No. 6.

Colonial Secretary's Office, Wellington, 11th March, 1865.

GENTLEMEN,—

I transmit herewith a copy of a Resolution (No. 50) passed by the House of Representatives, relative to the claims of the Imperial Government upon this Colony. I also transmit copy of an Official Minute by Ministers (of 15th December, 1864) relative to the same subject, which has been transmitted by His Excellency the Governor to the Right Hon. the Secretary of State for the Colonies. In accordance with the above Resolution and Minute, and referring to the letter to you (No. 1, 2nd Jan, 1865) from this Department, relative to the disposal of the unraised portion of the Three Million Loan, I have the honour to request that you will be so good as to issue, under the "New Zealand Loan Act, 1863," in favour of the Imperial Government, Debentures to the amount of Five hundred thousand pounds, £500,000 (part of the unraised portion of the Three Million Loan),

MEMORANDA BETWEEN HIS EXCELLENCY

such Debentures to bear interest at the rate of 4 per cent. per annum, and to be taken by the Imperial Government towards liquidation of the debt due from this Colony to the Imperial Government.

You will be good enough to place yourselves in communication with the Imperial Government, and arrange for making the Debentures in such form and for such amounts, &c., as may best suit their views; the interest may be made payable in London at the Crown Agents' Office. The interest and the sinking fund provided by the "Loan Act, 1863," will be remitted in due course.

In the Order in Council, dated 29th December, 1864, (a copy of which was transmitted to you in the letter before referred to) the Governor, in pursuance of the "Rate of Interest Act, 1864," ordered that the rate of interest on monies to be hereafter from time to time borrowed under the "New Zealand Loan Act, 1863," may be raised to 6 per cent., and you are therefore not precluded from issuing Debentures at a less rate of interest.

Messrs. Julian & Sargeaunt,
Crown Agents for the Colonies,
Spring Gardens, London.

I have, &c.,

WILLIAM FITZHERBERT,
For the Colonial Secretary.

No. 7.

MEMORANDUM by MINISTERS.

Ministers have learned from the Governor's Despatch to the Right Honourable the Secretary of State for the Colonies, of the 7th January, 1865, No. 10 (which was laid before them on the 3rd inst.), that His Excellency is desirous of receiving a formal statement of their views with regard to the defence of the Colony.

Her Majesty's Secretary of State has pointed out the futility of any expectation on the part of the Colony that Imperial troops will be retained in New Zealand unless upon terms which it is impossible for the Colony to accept.

On the other hand, the Legislature has urged the withdrawal of the troops at the earliest practicable period, and has expressed its determination to make every possible effort to place the Colony in a position of defence against internal aggression.

Mr. Weld, the present Premier, before assuming office, submitted certain propositions for the acceptance of His Excellency the Governor, in the following terms:—

"Mr. Weld is of opinion that the system of double Government by Governor and Ministers has resulted in evil to both races of Her Majesty's subjects in New Zealand. He recognises the right of the Home Government to insist upon the maintenance of this system so long as the Colony is receiving the aid of British troops for the suppression of internal disturbances: he is prepared to accept the alternative, and will recommend the Assembly to request the Home Government to withdraw the whole of its land force from the Colony, and to issue such instructions to the Governor as may enable him to be guided entirely by the recommendations of his Constitutional Advisers, excepting only upon such matters as may directly concern Imperial interests and the prerogatives of the Crown.

"Mr. Weld is aware that the Governor, before taking action upon a proposition which would change the whole aspect of the relations between the Mother Country and the Colony, may probably feel it his duty to ascertain the views of Her Majesty's Home Government. He would therefore, pending their decision, recommend that the Colonial Parliament should undertake a reasonable liability for the services of troops actively engaged in the field at the especial recommendation of His Excellency's Ministers, and for such troops only.

"Mr. Weld would recommend that a small standing Colonial Force be kept on foot, armed and trained with special reference to the nature of the service required."

These propositions were laid before both Houses of the Legislature during the ensuing Session, and Ministers, in advising His Excellency the Governor during the recess, have carefully kept in view this cardinal feature of their policy.

On taking office, they found districts somewhat advanced and difficult of defence in the occupation of the Imperial troops and of military settlers. It would have been impossible to withdraw from any of these positions without a confession of weakness, and risk of consequent disaster. They also found the settlements of Wanganui and Taranaki in a position of difficulty and danger,—and between them a district which was the rallying point of disaffection and the nursery of fanatical propagandism.

Ministers at once advised His Excellency the Governor to issue the Proclamation of December 17th, 1864. Their policy was, not to continue aggressive warfare, but to settle the country already held by the troops; to identify the friendly natives as far as possible with their European fellow-citizens, by the issue of Crown grants and certificates to them for land, and by measures generally calculated to improve the condition of the native race; to open the country by roads as occasion might serve; and to secure the safety of the settlements of Taranaki and Wanganui by making a road, and by securing a military post or posts in the intervening hostile districts.

Ministers believe the success of their policy to depend upon the willingness of the European settlers, and of those natives who live amongst them, to come forward in self-defence, aided, for a time at least, by an armed Constabulary Force under the direction of the Civil Government. They are of opinion, that the Province of Auckland, for instance, having a population of about 42,000 inhabitants, besides a very large proportion of friendly natives, ought to be in a position to ward off any attack from the comparatively small and badly armed force which might be brought against it. Ministers are aware that disasters to settlers in exposed positions may at times occur; but such disasters have not been prevented by the presence of Imperial armies—nor could they, were those forces doubled.

Ministers do not overlook the fact, that the permanent peace and safety of the Colony can only be secured by a course of policy which shall guarantee to our fellow-subjects of the Native race civil rights, and at the same time bring them under the control of law.

It is then proposed, with the sanction of the General Assembly, to establish an armed Constabulary Force, to occupy defensive posts, to be supported, as occasion may require, by friendly natives,

by volunteer Bushranger and Cavalry Corps, all of which have hitherto done excellent service ; and, in case of emergency, by the whole Militia of the district. It is submitted, that a force of the nature proposed has been proved to be more effective, for the special purposes required in New Zealand, than large armies organised with a view to European warfare. Such a force at least, may, it is hoped, be within the reach of the Colony. The possession of it would entail no liability to interference in the management of our internal affairs; whilst, on the other hand, New Zealand has neither the means nor the desire to retain an Imperial army.

Ministers advise the reduction of the Imperial force in New Zealand, and believe that, with the assistance of the Imperial authorities, a few months would enable them to supply, as far as necessary, the place of all the troops now present in this country.

It is intended that the proposed force shall consist of—

Europeans	1350
Maoris	150
Total	1500

It is hoped that the European portion may be obtained from the Regular troops, permission having been asked from the Home Government to allow enlistment from the regiments now serving in New Zealand. Should that permission be refused, the men will be enlisted from other sources.

The force will be divided into 30 companies, of 50 men each, and distributed as shewn below, with such alterations from time to time as circumstances may render advisable.

1. On the line of communication from the Queen's Redoubt southward, and between the Waikato and Waipa rivers 6 Companies.
2. On the line of the Waikato river, from the Bluff, or Queen's Redoubt, to Pukorokoro, on the Frith of the Thames 3 “
3. In reserve at Papakura and neighbourhood 3 “
4. At Tauranga 1 “

Total in Province of Auckland 13 Companies.

5. In the Taranaki and Wanganui districts, extending from the North of the Waitara river to the Waitotara river 12 Companies.
6. At Wellington 1 “

Total in Provinces of Taranaki and Wellington 13 Companies.

7. At Napier, Province of Hawke's Bay 4 Companies.

The force will be armed and trained with a special view to the service required. About one-tenth of the men will be mounted, part trained as Artillery men, and the whole taught to ride.

It is proposed to post the detachments in good natural positions, with the view of forming centres round which the population on the frontier may rally in times of danger. The reserves will occupy central positions.

In addition to the Constabulary force, Ministers propose to maintain one small steamer, for service upon the Waikato, and to visit occasionally the Patea and Wanganui rivers.

In considering the question of the internal defence of the Colony, it must be borne in mind that in addition to the ordinary Militia and Volunteers, numbering 6165 men in the Northern Island, there are upwards of 4000 settlers who hold their land under a *quasi* military tenure. Of these, some at least are liable to serve for the next eighteen months in any part of the Northern Island of New Zealand. In the Waikato district, the location of these men upon their farms has commenced ; but the large majority of them are still on pay, and Ministers propose to retain on pay a sufficient number to garrison the necessary posts until the Constabulary force is raised.

The following financial estimate will shew, with sufficient accuracy, the annual amount to be provided :—

Constabulary force of (say) 1500 men	£127,000
Militia and Volunteers	30,000
Steamer	5,000
Contingencies	25,000
	£187,000

It is thought that there will be no difficulty in obtaining the requisite number of men from the regular troops, at the rate of 1s. 6d. a day pay, with rations and clothing. Upon this the foregoing calculation is based ; but should the men be enlisted from the civil population, the sum of £59,000 must be added to £187,000—making the total £246,000.

Ministers here observe, that it is an indispensable condition of their proposed plan, that the whole Colonial force should be under the absolute control of the Colonial Government.

In submitting these plans for providing for the internal defence of the Colony upon the withdrawal of Her Majesty's Land Forces, Ministers desire at the same time to point out the means which the Colony has of giving effect to these plans, as well as the limits within which it is necessary to confine their Military expenditure. If a stop is put to the present war expenditure, the Colony will, as Ministers believe, be able to bear the charge they propose to undertake, but not otherwise. At the present moment, indeed, they are dependent on advances from their bankers for the means of providing for current expenditure. They owe their bankers, on an overdrawn account, upwards of £250,000, which it is intended to repay by sale of Colonial securities ; but as yet they have been unable to find a sale for them to any considerable extent. Ministers have made, as they believe, arrangements which will enable them to take advantage of any improvement in the London money market, but they wait advices from London. Meantime they are in peril, at any moment, of their bankers refusing to meet their current payments.

This state of things, though full of anxiety and difficulty, is, however, as Ministers hope and believe, only temporary. The remainder of the Three Million Loan of 1863, bearing an increased rate

of interest at 6 per cent., and the One Million Short-dated Debentures authorised to be raised in anticipation of such loan, will, no doubt, in due time find purchasers in the London money market.

The Loan Account may then, in round figures, be stated approximately thus:—

Raised and expended by the late Government	£1,000,000
Transferred to the Imperial Government on account of claims	500,000
Required to repay overdraft to bankers, including interest, &c.	300,000
Repaid Debentures of 1863	100,000
Paid Taranaki Compensation Claims	180,000
Outstanding Account, Sundries to present time, say	100,000
	<hr/>
	£2,120,000

To this must be added, for construction of roads,

The current expenditure, at the rate of nearly £60,000 per month, cannot suddenly be arrested, even by the most energetic measures for that purpose. It is impossible to make an approximate estimate of what this may amount to.

Still, by stopping the present war expenditure as speedily as possible, and with some temporary assistance from the Imperial Government, enough may, it is hoped, be saved out of the Three Million Loan to provide, say, for a period of five years for the extraordinary charges of internal defence now proposed to be undertaken. If the present expenditure is suffered to go on, and the loan is thereby exhausted, as it rapidly will be, Ministers have no expectation that the Colony will be able financially to assume the charge of its internal defence within any assignable space of time.

It may be hoped that at the end of, say, five years, the extraordinary charges of internal defence now proposed may cease to be required, and the Colony resume what may be termed its normal scale of expenditure; but this is obviously dependent on conditions which must be uncertain. Ministers can only make calculations founded on probabilities.

In the foregoing estimate nothing has been taken into account as receivable from sale of land. It may be that portions of the confiscated blocks may be available for sale after satisfying the claims of Immigrants and Military Settlers, as well as of Friendly Natives, and Rebel Natives who may come in in accordance with His Excellency's Proclamation. But these claims must be satisfied in the first instance on a liberal scale, and no considerable immediate relief to our finances can be expected from the residue which may be open for sale. Out of the proceeds thereof the Colony must satisfy claims for compensation to Natives and others for lands taken for Military Settlements, the expenses of immigration, location of settlers, surveys, and a variety of other charges which will, in the opinion of Ministers, be barely covered by any amount which can be expected to be at once realised from the sale of land.

It may be said that by increased taxation, on the one hand, and rigid economy, on the other, the current revenue may supply means for providing for the internal defence of the Colony. It must, however, be borne in mind that the ordinary expenditure of the Colony is, or will be shortly, burdened with interest on loans to the amount of nearly £200,000 a year.

Ministers have already raised the Customs Tariff to the extreme limit which can be borne. Indeed, they may be obliged to diminish it in order to avoid smuggling, for which the present high rate of duty upon some articles offers great temptation. They have under consideration other kinds of taxation, but it must not be expected that these will make a sensible increase to the revenue.

Estimates for
1863-4 published
in Appendix to
Journals, 1863,
B.—No. 1.
Financial State-
ment published in
Appendix to
Journals, 1864, B.
—No. 2A.

Assuming then the revenue not to be capable of increase except to a moderate extent, can the ordinary expenditure be perceptibly reduced? This question can only be answered by those acquainted with the circumstances of the colony, and Ministers fear that no perceptible reduction of the ordinary civil expenditure is practicable.

In elucidation of this point, Ministers transmit a copy of the Estimates for the years 1863-4 and 1864-5, together with the copy of the statement made in the House of Representatives in 1864, by Mr. Fitzherbert, the Colonial Treasurer.

But it may be said that the General Government ought to avail itself of the whole of the ordinary revenue, without allocating to the service of the Provincial Governments (as at present) three-eighths of the customs, which has been wrongly termed "surplus revenue." This again is a question which cannot be rightly understood except by persons acquainted with the local circumstances of the colony. It is true that upon the face of the Estimates there is an apparent surplus of ordinary revenue, which goes to the Provinces. The Provincial Governments are thereby enabled to carry on various Departments of the Public Service, the charge of which would otherwise fall upon the General Government. The Provinces pay, in fact, the bulk of the local expenditure, the local administration of justice, police, the maintenance of hospitals, gaols, and the like. Apart from all political considerations, and without touching upon the consequences which would result from destroying the present Provincial Establishments, in point of economy the General Government would save little or nothing by taking upon itself the charges now borne by the Provinces, as of course it must do, should it take to itself the whole revenue.

By degrees the Provinces are making provision for some of their present charges by municipal taxation. By this means it may be hoped, that the ordinary revenue of the Colony may eventually be considerably disburthened. But no sensible relief can be expected at present, from this source, to the Colonial finances.

It may be said that the territorial revenue ought to be made available towards the war expenditure; that is, that the territorial revenue of the Middle Island (which alone is of considerable amount) should be taken to pay for the internal defence of the Provinces of the Northern Island. It would be needless to discuss such a proposition, which would be simply impracticable. It would be in breach of solemn engagements entered into between the respective Provinces, and would defeat the rights of Provincial creditors, who have lent money to the Provinces, upon the faith of existing arrangements.

But, independently of this, such a diversion of the Territorial Revenue would simply destroy the revenue itself. A large price, for instance, is given by purchasers of land in Canterbury, under a

system according to which the proceeds of the land sales are laid out reproductively upon immigration, roads, and public works. Should the Land Fund be no longer applied to those objects, the reason for exacting a high price for land ceases, and land will probably be given away at Canterbury, as in Auckland, by way of encouragement to immigrants.

According to all true principles of Colonial economy, the money raised by sale of Waste Lands should be applied to objects calculated to give value to the land. Upon that principle the Colony has hitherto proceeded in reference to the disposal of its Waste Lands and Land Fund, and it will not voluntarily depart from it.

It follows that the expense of the future internal defence of the Colony, according to the plan proposed by Ministers, must for the next few years be mainly provided for by loan; but it can only be done by now stopping all the present war expenditure. Ministers, therefore, propose at once to take the necessary steps for this purpose, and to direct all their measures towards the object which they have in view.

Independently of economical considerations, they believe this to be the wisest course which they can take. They believe that by at once facing the danger which lies before them, they may diminish it. It will in fact be safer at once to withdraw the troops from the Waikato, placing that district in a posture of self-defence without reliance on the presence of troops, than to go on from month to month, or year to year, inevitably weakening in the settlers those habits of self-reliance on which they will be compelled to fall back at last.

The same may be said of each of the other districts, particularly as regards Taranaki and Wanganui, so soon as military operations in those districts are brought to an end, which, as Ministers suppose, may now be done in the course of a few weeks.

Ministers assume as a fixed condition of these proposals, that the Colonial Government will receive the firm and unwavering support of the Imperial Government in maintaining the unity of the Colony with its Seat of Government established, as at present, in a central position.

Wellington, March 20, 1865.

FRED. A. WELD.

No. 8.

MEMORANDUM by the GOVERNOR.

The Governor, fearing that an impression prevails in some quarters that the present war is carried on for the profit and gratification of the Colonists, trusts that his Responsible Advisers will, in all instances, whether in recommending measures for the Governor's adoption, or acquiescing in those he may recommend, make such a full and explicit statement of the objects they have in view, and of the reasons on which the proceedings they advocate are based, that no misunderstanding can take place in the minds of just and unprejudiced persons regarding the propriety and necessity of the course which may be adopted.

March 4th, 1865.

G. GREY.

No. 9.

MEMORANDUM by MINISTERS.

Ministers in referring to the Governor's Memorandum of the 4th instant, expressing a fear "that an impression prevails in some quarters that the present war is carried on for the profit and gratification of the colonists," are prompted by their desire to meet His Excellency's wishes rather than by any sense of the necessity of rebutting imputations so vague and so indirect.

Ministers feel that they might safely rely upon His Excellency's sense of justice for their defence. They are not aware that any difference of opinion has existed between His Excellency and themselves regarding either the advisability of taking decided action in the country between Taranaki and Wanganui, or regarding the ends sought to be obtained by such action. They believe that on these subjects there has been a free interchange of opinion between His Excellency and His Responsible Advisers, and that such consultations have in no case resulted in any difference of opinion. Ministers would undoubtedly have preferred that His Excellency should, after visiting the Southern Island, as proposed by them, have arrived at Wellington, and Wanganui, if necessary, about the time that Lieutenant-General Sir D. A. Cameron commenced his operations there, and they, at the same time, proposed that a Member of the Ministry should accompany the General to Wanganui in the hope that such a course might facilitate any peaceful overtures on the part of the insurgent Natives. The Lieutenant-General, however, considered that the Governor's presence in Auckland was imperatively required, and finally did not adopt the proposition that he should be accompanied by the Minister for Native affairs, considering his presence unnecessary.

It is possible that these circumstances may have given rise to a supposition in the minds of some persons, ignorant perhaps of the Proclamation of the 17th of December, 1864, that the Lieutenant-General Commanding being without the presence of any high Civil Authority became involved in hostilities which might have been avoided. Ministers, however, cannot assent to this view. Had they seen any probability of successful negotiations resulting in the submission of the hostile tribes, they would have pressed their original proposition. His Excellency is well aware that the country between Wanganui and Taranaki has long been a focus of sedition and fanaticism. There, in 1854, was held the meeting of Manawapou at which death was decreed against any Native who should sell his own land to the Pakeha; thence issued armed bands of marauders and plunderers during the Taranaki war; thence, up to the present day, issue organized parties of fanatics who traverse the Native districts throughout the Island, parading the cooked heads of Europeans,—in one instance, it is said, leading captive with them two British soldiers, and, in at least one case, adding cannibalism of the most disgusting character to their other crimes,—Ministers will not dwell upon such facts, as that all communication between Taranaki and Wanganui has been long prohibited by these tribes;—that the mails have been stopped;—that a mail steamer having been wrecked on the coast, neither military nor civil

authorities at the nearest port could have access to it by land; that this district is the refuge of Native criminals, as was shown in the case of Henare Tahau who escaped thither after attempting to murder a Native woman. More recently, Mr. Hewett, a much respected European settler, the Native Assessor, Rio, and other friendly Natives have been murdered; a European road party fired on, and the progress of Her Majesty's Troops resisted by force of arms. The loyal Natives of Wanganui have been threatened with the same destruction as Europeans. The gallantry with which they have defended themselves and their European fellow-citizens will be fresh in His Excellency's memory.

Ministers cannot but admit that it would have been for "the profit" of the Colonists if the Lieutenant-General commanding had found it possible by vigorous action so to carry on war in the head quarters of fanaticism as to have ensured submission, and thus put a stop to a rebellion which has incalculably retarded the progress of New Zealand—which has depreciated the value of property throughout the country districts of the Northern Island, and which has placed both Islands of New Zealand in a state of the gravest financial embarrassment. They must also admit that the Colonists, the friendly Natives, and all who desire the welfare of this Colony, and of its inhabitants, whether of Native or European origin, would derive "gratification" from the establishment of law, order, and peace in the place of anarchy, and the most degrading barbarism.

Ministers would further state that, though they believe that the repression and punishment of the rebel tribes of this district, and the opening and occupation of their country, is an absolute necessity—regard being had to the safety of the neighbouring settlements, and the peace of the Island generally—they, nevertheless, have advised His Excellency to oppose the demand of the Lieutenant-General for reinforcements from England (nor will they advise any operations to be undertaken, which may involve the retention of Imperial Forces in the Colony), and submit their opinion that a Colonial force of Bush Rangers and Cavalry, united with the loyal Natives, whose interests are identified with those of the Colonists, will be sufficient to undertake and execute all operations that are requisite.

The expression of these opinions will probably sufficiently rebut the insinuation of improper anxiety to retain the Troops for the "profit" of the Colonists. Further, Ministers will content themselves with requesting that His Excellency will inform them whether on any occasion they have offered him advice which might fairly appear to have been dictated by any disregard for the true interests of Natives, or any undue desire to obtain land, even for legitimate purposes of sale or colonization. Ministers, in tendering advice to His Excellency, will at all times, as heretofore, be ready to state their reasons and objects in so doing, and will do so in writing whenever he may require it.

Wellington, 20th March, 1865.

FRED. A. WELD.

No. 10.

MEMORANDUM by the GOVERNOR.

In their Memorandum of the 20th instant, Ministers request the Governor to inform them whether, upon any occasion, they have offered him advice which might fairly appear to have been dictated by any disregard for the true interests of the Natives, or any undue desire to obtain land, even for legitimate purposes of sale or colonization.

In reply, the Governor has to state that Ministers have not, in his opinion, at any time tendered to him advice which was either directly or indirectly open to such a construction as they have alluded to in their Memorandum.

April 1st, 1865.

G. GREY.

No. 11.

MEMORANDUM by the GOVERNOR.

The Governor having considered the recent letters he has received from Sir D. Cameron, thinks it right to make the following remarks to his Responsible Advisers:—

Sir D. Cameron's view evidently is, that the present war is carried on for the profit and gratification of colonists; that it is in great part conducted with a view to the occupation of the Waitotara block of land, claimed by a purchase from the Natives, which was an iniquitous job; that it is not surprising that the Natives have resisted our road-making there, and that the Government at home ought to be made acquainted with the true history of the business:

That it is not probable that any Colonial Ministers would care how many British officers and soldiers are lost in any operation they recommend, so long as the policy they advocate is carried out; and that this subject of the loss of British officers and soldiers, is a point which has never sufficiently entered into the Governor's calculations:

That at least in one instance, the Governor and one of the Colonial Ministers would have entertained feelings in common with the rebel natives, of disappointment at an attack not being made, which it is stated by the General, would have entailed a large loss on the British force, with no corresponding advantage on our side.

The Governor in the first place, would state that it is with the greatest unwillingness, he, from a sense of what is due to the public service, remains quiet under remarks to which no one has a right to subject him.

The following observations he however wishes to make on this subject:—

If a General in the field entertains such views regarding the service on which he is employed, views which many must soon find out he does hold, it appears hardly possible not to fear that operations carried on by the force under his command cannot be conducted with that spirit, which more than any other circumstance, tends to promote the rapidity and entire success of operations in the field.

The Governor also believes that if a colony can only have operations carried on by being subjected to such imputations, it will be more likely to extricate itself speedily from its difficulties, by relying on its own resources, energy, and courage, than by depending on aid accompanied by remarks of this kind.

He therefore would wish the assent of his Responsible Advisers, that he should inform Sir D. Cameron that the Colony will for the future carry on active operations from its own resources, and will make preparations to render practicable a speedy reduction of the force in this country, and that he should also communicate with Her Majesty's Government, and endeavour with their concurrence to carry out the proposed arrangements by which the Colony will hereafter provide for its own defence, the Colony in the meantime completing, in as far as it can from its own resources, the operations necessary for the subjugation of those Natives who still remain in arms.

Government House, Wellington, 7th April, 1865.

G. GREY.

No. 12.

MEMORANDUM by MINISTERS.

In reference to certain statements made by Lieut.-General Sir Duncan A. Cameron, which have been communicated by the Governor to his Responsible Advisers, Ministers express their regret that the Lieut.-General should have thought fit to attribute base and unworthy motives, and a culpable disregard for the lives of British officers and men, to the Ministry of New Zealand, and by implication, to Her Majesty's Representative in the Colony.

They believe that, having regard to the character of the Colony (which it is their duty to uphold), and to their own, which, as public men, is the property of the Colony, it is impossible longer to accept assistance so unwillingly rendered. Nor indeed can it be hoped that the zeal and energy (which alone can secure success or lead to any useful result in operations in the field) will be displayed by any officer, however distinguished, in support of a cause which is branded by him with such severe reprobation.

April 8th, 1865.

FRED. A. WELD.

No. 13.

MEMORANDUM by MINISTERS.

Ministers have read and considered Lieutenant-General Sir D. A. Cameron's letter to the Governor, of 15th May, and His Excellency's reply of the same date.

In their Memorandum of 8th April, Ministers referred to statements, officially brought under their notice by His Excellency, and which they do not understand to be disavowed by the Lieutenant-General. They thence drew certain conclusions and decided on a line of policy; and they felt it to be their duty at once to give publicity to their decision, and to state the grounds upon which that proposed policy was founded. They see no reason for withdrawing either from those conclusions, or from that policy. Ministers regretted, and still regret, the opinions held by Lieutenant-General Sir D. A. Cameron, but they are not aware that they have reflected in unjustifiable terms upon his conduct.

Wellington, 17th June, 1865.

FRED. A. WELD.

No. 14.

MEMORANDUM by MINISTERS.

The Ministers now at Auckland, having considered the letter of the Lieut.-General Commanding Her Majesty's Forces in New Zealand (dated 3rd May), on the subject of the Memoranda (4th March, 20th March, and 1st April, 1865,) which the Governor has communicated to them, submit to His Excellency the following remarks:—

1. That their Memoranda were published by Ministers in the exercise of a recognised right of His Excellency's Advisers to publish such documents in the form of a Parliamentary paper for the information of the members of the General Assembly, and not in the local newspapers; and in the present instance they believe they were so published without previous consultation with His Excellency.

2. That Ministers do not perceive in His Excellency's Memorandum of 4th March, 1865, any quotation from any letter, public or private, but simply an announcement of the prevalence in some quarters of an impression which, groundless as it was, might yet, among ill-informed people, seriously affect the character of the Governor, the Ministry, and the Colony, and which if it gained currency among the officers and men of Her Majesty's forces would tend materially to impair their energy and neutralize their efficiency against the public enemy. This impression His Excellency deemed it the duty of the Ministry to remove by such a recapitulation of the objects they had in view, and of the reasons on which the proceedings they advocated were based, as might remove all misunderstanding on these points from the minds of just and unprejudiced persons.

3. Mr. Weld's Memorandum of 20th March, 1865, was directed to this object, and neither is nor was intended to be an attack on any person.

4. The Governor having now communicated to them Lieut.-General Sir D. A. Cameron's letter of 28th January, referred to by that Officer in his letter of 3rd May, in which they find him speaking of the operations in which he is engaged as "a miserable war carried on for the profit and gratification of the Colonists," Ministers frankly admit that necessity for a vindication of the Colony, which they questioned when the calumny came before them merely as a vague and indirect imputation; and tender to His Excellency their thanks for his having impressed upon them this necessity at a time

when it was not evident to themselves. They reserve any further remarks upon this correspondence which they may hereafter feel it their duty to make.

Auckland, 8th May, 1865.

W. D. MANTELL,
H. A. ATKINSON.

Ministers in Auckland were not aware of all the facts of the case when this Memorandum was written.

18th July, 1865.

W. D. MANTELL,
H. A. ATKINSON.

No. 15.

MEMORANDUM by MINISTERS.

Ministers recommend that the prisoners forwarded to Wellington from Tauranga by the military authorities, should be dealt with by them under the ordinary powers of military law. Ministers think it desirable that the said prisoners should be brought to trial under martial law, on a charge of endeavouring to incite Her Majesty's subjects to join the present rebellion.

Wellington, 1st March, 1865.

F. A. WELD.

No. 16.

MEMORANDUM by the ATTORNEY-GENERAL.

In the case of the Native prisoners captured by the Arawas and handed over to the military authorities at Tauranga, His Excellency, under the advice of Ministers, has intimated his opinion that such persons should be tried by court-martial. The Lieut.-General asks, under what authority this can be done? I will not undertake to define the exact limits of the military authority in such a case. These prisoners, who were taken by Colonel Greer's directions, are not it is true within the provisions of the Mutiny Act, but there now being an armed insurrection of the Natives in various parts of the Colony,—the military power being actually engaged in quelling such insurrection, and these prisoners having been captured by direction of Colonel Greer on account of the part supposed to have been taken by them in aiding such insurrection; it will be, I conceive, in accordance with established practice to try them by court-martial. I refer to former instances in this Colony, such as the trial of the murderers of the Gilfillan family, by Major Laye. (See also the case of Lord Torrington, in Ceylon: Lord Grey's Colonial Policy, vol. ii, p. 185.) And the case of the prisoners referred to in Governor Grey's despatch to Earl Grey of the 28th December, 1847. (See Parliamentary Papers 1848, p. 65.) In the latter case the question as to the power to try such prisoners by court-martial was fully discussed, and the opinion of the then Attorney-General of the Colony was given expressly recommending that course, which was adopted and sanctioned by the Secretary of State (see despatch from Lord Grey to Sir George Grey, June 8, 1848: Parliamentary Papers 1848, p. 161). The only difference between that case and the present is that, in that case Martial Law had been actually proclaimed in the district, and might have been considered as in itself a warrant to the military authorities for their proceeding by court-martial. In this case the express instructions of the Governor to the military authorities would have like force.

It is true that all exercise of military power beyond the law requires the indemnity of the Legislature. The power of taking human life or destroying property, in a case of intestine war, is a power not known to the law. When the Civil Government requires the intervention of military force, and calls in aid the military authorities, under such circumstances it makes itself responsible for the consequences; and the practice is to obtain from the Legislature an Act of Indemnity, which will be done in the present instance.

But the power of trying by court-martial and inflicting punishment under a judicial form, is at least as reasonable and consistent with law as the power of taking life and destroying property (necessarily exercised without such form) in the ordinary operations of war. So far as any proceedings by court-martial or any punishment inflicted under it may be in excess of the ordinary law, it will require to be and will be covered by Act of Indemnity. The reasons given by Governor Grey (in his despatch of the 28th December, 1847) for adopting this course of proceeding apply with equal force to the present case. It is a case with which practically the ordinary civil tribunals find themselves unable to deal; and yet to allow prisoners taken under circumstances like the present to go at large unpunished would be attended with the worst possible results.

5th April, 1865.

H. SEWELL.

No. 17.

MEMORANDUM by MINISTERS.

Ministers take the earliest opportunity after conference with the Governor, to recommend that measures be adopted to inflict punishment upon those concerned in the murder of the Rev. C. Volkner a crime, which not only calls for signal retribution on account of the unparalleled atrocity of the attendant circumstances, but which was committed with cool and premeditated deliberation in a peaceful district.

It appears that the chief murderers were sent forth by the fanatics of the Taranaki and Wanganui country, and started originally from Warea, carrying with them the cooked head of a soldier, killed at Mataitawa. Having taken it to Pipiriki, on the Wanganui river, and there celebrated their barbarous rites, they thence proceeded to the East Coast and murdered Mr. Volkner.

In the opinion of Ministers, it would be highly desirable that Warea should be taken possession of. The recent occupation of Pipiriki by the militia and friendly Natives, will doubtless be viewed

by the natives in the light of a first instalment of retributive justice. The taking of Wereroa Pa, which is believed to be occupied by from 100 to 200 of the fanatics, and is their principal stronghold, would also have a most beneficial effect, and might probably close the war, if severe loss were inflicted upon the defenders.

Recent information from Mr. MacLean, who has been commissioned to act as Government Agent at Hawke's Bay and in the neighbouring districts, and letters from influential Native Chiefs, shew that the feeling of disgust and horror excited by the barbarous murder of Mr. Volkner is very general amongst the natives of the East Coast—that the mission of Wi Tako and Matine Te Whiwhi has been productive of excellent consequences, and, it is not improbable, may lead to the capture of the criminals. Ministers, however, cannot look forward with any degree of confidence to the immediate attainment of so desirable a result, and, as the principal murderers left Opotiki immediately after the commission of the crime, and having made a short visit to Tauranga, appear to have retired into the interior of the country, on their return to Taranaki and Wanganui, there are great difficulties in the way of their apprehension by any expedition starting from the East Coast.

It is, however, proposed to organise such an expedition, should there appear to be any prospect of success; and the Government will be prepared to authorise suitable rewards and other necessary expenses. It is further proposed to warn the Natives of the consequences of harboring or assisting men guilty of the recent outrages.

Under certain contingencies, Ministers will be prepared to advise the removal of the European inhabitants from a portion of the East Coast, and the prohibition of all communication with that district.

It is feared that for a time it may prove impossible to bring the murderers of Mr. Volkner to justice, but it will be the duty of Government unswervingly to pursue that end; the return of these men to their own country has already been rendered difficult, and it is confidently hoped that by steady and persistent efforts their capture may be ultimately effected.

6th April, 1865.

F. A. WELD.

No. 18.

MEMORANDUM by MINISTERS.

In reference to the letter of Commissary-General Jones, dated March 9th, and received on the 17th instant, reporting that he has given orders to discontinue all issues by the Commissariat of rations to the Colonial forces in the Province of Auckland, from the 28th instant, and expressing at the same time a trust that no embarrassment will result from this act, Ministers request that your Excellency will be pleased to move Commissary-General Jones not to insist upon carrying out those orders in consideration of the guarantee now offered by the Colonial Government. We now offer our assurance that for the future the accounts for rationing by the Commissariat the Colonial forces in the Province of Auckland, shall be paid by the Colonial Government monthly, when presented, so that the Imperial Commissariat shall not thereby increase the liabilities of the Colony to the Home Government.

This proposal is only intended to be of a temporary character, pending the completion of permanent arrangements contemplated by the Colonial Government, and it is not desired that it should extend beyond a few months at the farthest. We confidently rely upon the acceptance by Commissary-General Jones of this proposal, as the shortness of the notice given entirely precludes the Colonial Government from making other necessary arrangements. As it is probable that your Excellency will be absent from Auckland when this Memorandum arrives there, I have written to Commissary-General Jones to a similar effect.

18th February, 1865.

F. A. WELD.

No. 19.

MEMORANDUM by MINISTERS.

Demands having been made by Commissary-General Jones for the repayment of advances on account of rations for the month of March, 1865, in accordance with the terms of Mr. Weld's letter of 18th February, 1865, the liquidation of such claims has been suspended pending a reference to the Governor, on the ground that subsequent arrangements made with His Excellency had superseded the engagement proposed by Mr. Weld during the absence of the Governor. Ministers respectfully invite His Excellency's attention to the enclosed minutes of interviews between him and Ministers, held at Wanganui in March last; and request him to express his concurrence in the view they have taken of their obligations.

6th July, 1865.

FRED. A. WELD.

Enclosure to No. 19.

NOTES of Conversation between His Excellency the GOVERNOR and Mr. WELD.

Wanganui, March, 1865.

* * * * *

Ministers cannot however pay or ration this force. They admit the liability of the Colonial Government, but are prevented at present from meeting such liability by absolute inability to raise funds.

Ministers confidently look forward to a better financial position of affairs, but in the present crisis they must request the Imperial Commissariat should continue to ration the Waikato regiments as heretofore; also to ration in like manner the Militia and Volunteers, and any new force to be raised in the South, and to advance the funds requisite for their pay.

In making this proposal it is unnecessary to remind His Excellency of the large expense entailed

upon the Colony by the maintenance of the steamers for the use of the Imperial Commissariat. His Excellency has already been informed that the Government is giving orders by this mail to Messrs. Julyan and Sargeant, the Colonial Agents, to issue and hand over to the Imperial Government New Zealand debentures to the amount of £500,000, bearing interest at the rate of 4 per cent.

The Governor will move the Lieut.-General commanding to concur with him in authorising the issue of advances as proposed by Ministers from the Commissariat chest.

No. 20.

MEMORANDUM by the GOVERNOR.

The Governor has received the Ministerial Memorandum of the 6th instant, regarding an interview held between Ministers and himself at Wanganui in March last. The Memorandum now enclosed to him is, in as far as his recollection serves, that which was read to him at Wanganui. The Governor thinks there can be no doubt upon this point, because he has nearly embodied the words of the Memorandum in his letter, to Sir D. Cameron of the 22nd of March last.

The Governor's impression regarding the subsisting arrangement between the Imperial authorities and the Colonial Government on the subject of the issue of pay and rations is as follows:—

The Governor found that on the 18th of February the Colonial Secretary had written to Commissary-General Jones, C.B., that to prevent the further increase of liabilities of this Colony to the Imperial Government, Ministers undertook that for the future the Commissariat accounts for rationing the Colonial Forces in the Province of Auckland should be paid monthly, on presentation at the Colonial Sub-Treasury, Auckland.

On the 22nd of February this arrangement assumed another and larger form. The Minister for Colonial Defence then asked for the continuance of the issue of rations to the Colonial Forces at present on active service, Ministers guaranteeing the immediate payment for any rations that might be issued upon the presentation of the account by the Commissary-General.

These arrangements were entered into without any previous discussion with the Governor. Upon considering the matter with his Responsible Advisers, it was found that from the demands made by the General the Colony would have to incur a considerable new expenditure in maintaining local forces and steamers to assist in the operations going on near Wanganui, and that it would be unable to provide the funds to meet month by month the expenditure which might be incurred in the issue of pay or rations to the local forces.

Under these circumstances, the Governor was asked to make a new arrangement upon the subject with the military authorities, a part of which was, that the Colonial Agents were to be instructed at once to issue and hand over to the Treasury in England New Zealand debentures to the amount of £500,000, bearing interest at the rate of 4 per cent., which amount it was estimated would more than cover the liability of the Colony to the Imperial Government, and thus not only, as was proposed, prevent the increase of those liabilities, but even leave a surplus to meet any new liabilities that might be incurred. The Governor had a short conversation with Commissary-General Jones on these subjects at Wanganui, but he cannot now recall to his mind what passed upon that occasion.

Upon the 22nd of March the Governor wrote to Sir D. Cameron, in pursuance of the request of his Ministers, and stated that the Civil Government found it impossible to raise funds at present to pay or ration the men it was about to raise at Wanganui, as in defraying the expenses of the steamers required to keep open the communication, they were doing all they could do; and he went on to state that the arrangement would only be a temporary one, and that orders had gone to England that debentures for £500,000 should at once be handed over to the British Treasury on account of the debt due by the Colony. Sir D. Cameron replied to this letter in general terms on the 3rd of April. In his letter the Governor unfortunately only alluded to the militia at Wanganui. This was an oversight on his part. His Responsible Advisers had asked him to have this arrangement made a general one for all the Colonial troops who were rationed by the Commissariat; for any failure to do this the Governor is responsible, not his Responsible Advisers. Looking only to the general terms of Sir D. Cameron's letter of the 3rd of April, the Governor was always under the impression that he had made such a general arrangement, and has led his Responsible Advisers to believe that such was the case; he understood and still understands that a part of such an arrangement was that the Colony was, at any time it might be called upon to do so, to hand over to the British Treasury, New Zealand 4 per cent debentures for any further amount in excess of £500,000, for which it might be found to be indebted to the military chest upon account of these advances.

In reference to the Governor's statement in his letter to Sir D. Cameron of the 22nd of March, that the arrangement he proposed was only a temporary one, the Governor would say that he then believed that the operations between Wanganui and Taranaki would immediately be brought to a successful issue, and that the war in New Zealand would then terminate. A consideration of what has recently been accomplished by Colonel Warre will, the Governor feels sure, satisfy anyone that he was justified in using the language he did regarding the probably temporary nature of the arrangement he recommended for adoption.

The Governor would add that if a misunderstanding has arisen in reference to the arrangement subsisting between the Colonial Government and the Commissariat in reference to these advances from the military chest, that he alone is responsible for it, and that he shall much regret it.

The plain practical question appears to be this—New Zealand, a valuable possession of the Crown, is in a state of danger, a portion of its native population are endeavouring to take it from the Queen, and to place it under a native sovereign. Great Britain and Her Majesty's European subjects, and the majority of her Native subjects in New Zealand, are successfully resisting this. The Queen's subjects here bear a considerable part of the charge of these efforts; they cannot pay all the expenses they undertake to defray in ready money, but like all other civilized nations, they are paying a part of this great war expenditure by contracting a debt, and giving Government securities for the repay-

ment of that debt, and interest thereon. They have never contested their responsibility to pay the liabilities they have undertaken, but tender to Great Britain the securities of the Government in payment of the advances she makes to them, to enable them to aid in this common struggle. European nations aid even their allies in a war of common interest, by guaranteeing their loans or finding subsidies. It is believed that Great Britain will not evince less sympathy for her own Colony and race, by depreciating her securities in a moment of such difficulty. Her officers however now refuse to receive them without waiting to ascertain, by a reply to the letter of the 22nd of March, whether or not the Home authorities will receive these securities in liquidation of their claims, and threaten to involve the Colony in great calamities. How, at the moment that it is proposed to reduce the force of regular troops in the Colony, can this be done, if at that instant all the means relied on for the rationing and payment of the local forces are unexpectedly cut off? Is it possible to have fixed on a more unwise and inopportune moment for such a proceeding? The Governor can only trust that a further consideration may induce the General to come to a different conclusion, and to continue the arrangement now in operation until Her Majesty's Government has been communicated with.

11th July, 1865.

G. GREY.

Enclosure to No. 20.

EXTRACT of Letter from Sir D. A. CAMERON to His Excellency the GOVERNOR.

MY DEAR SIR GEORGE,—

Camp on the Waingongoro, 3rd April, 1865.

I have answered your letter about the advances from the Commissariat chest, and have given the necessary orders to Mr. Jones on the subject. I have also had instructions sent to Mr. Strickland, who is now at Wanganui, to advance whatever may be necessary at once.

* * * * *

I have, &c.,

His Excellency Sir G. Grey, K.C.B.

D. A. CAMERON,
Lieut.-General

No. 21.

MEMORANDUM by MINISTERS.

Ministers being anxious to adjust the accounts between the Imperial and Colonial Governments referred the subject for the consideration of the Auditor of Public Accounts together with the various documents forwarded from time to time by the Imperial authorities and the Commissariat Department.

There appears to be a discrepancy between the returns furnished by the Imperial Treasury and those by the officer in charge of the Commissariat at Auckland, and it is found to be impossible for the Auditor to arrive at any conclusion without the data on which the latter are formed.

These discrepancies were noted by Deputy Commissary General Jones in his letter to the Private Secretary dated 2nd September, 1862.

It is therefore recommended with a view to a speedy adjustment of the account, and as necessary on financial grounds, that an application be made to the military authorities for a complete statement of claims by the Imperial Government against the Colony as received by the Commissariat Department.

8th July, 1865.

FRED. A. WELD.

No. 22.

MEMORANDUM by the GOVERNOR.

Rumours having reached the Governor from sources which appear entitled to consideration,—that the purchase of the Waitotara Block was a discreditable one, which rendered it no matter of surprise that the natives there have opposed our road-making, and that the Home Government ought to be made acquainted with the true history of the business,—the Governor would suggest that an enquiry should be instituted into this transaction, and a full report made upon it, for the information of the Home Government.

4th March, 1865.

G. GREY.

No. 23.

MEMORANDUM by MINISTERS.

Ministers have taken into consideration the Governor's Memorandum of March 4, on the subject of the Waitotara purchase.

They have already expressed their perfect readiness and anxiety to institute an inquiry into this question, although they fail to apprehend that the validity of that purchase has any bearing upon the present attitude of tribes which are now opposing by arms the progress of Her Majesty's troops, and which have for years long prior to the conclusion of that sale been committing and instigating outrages upon both European and Native subjects of Her Majesty the Queen.

They are prepared to recommend that Sir William Martin, late Chief Justice of New Zealand, should be requested to undertake the duties of Commissioner, should such an appointment meet with the full concurrence of His Excellency the Governor.

Ministers, however, before instituting this inquiry, respectfully request the Governor to specify the sources appearing to His Excellency "entitled to consideration" whence the rumours "that the purchase of the Waitotara Block was a discreditable one" have arisen.

His Excellency will observe that, in reply to his Memorandum of the 4th March referring to accu-

sations reflecting indirectly upon His Excellency's own character, and upon those of his Responsible Advisers, Ministers, in deference to his wishes, and having in view the welfare of the public service, rather than any consideration of what might be justly due to themselves, have replied to the accusation, and at the same time have abstained from urging that the charges should be supported by the name of their accuser; but in this instance the case is different.

They cannot request a gentleman of the position of Sir William Martin to undertake an investigation into the conduct of a public servant appointed by His Excellency on the recommendation of their predecessors to high and important trusts, upon simple rumours. Nor would it be just, or conducive to the public interests, that Dr. Featherston, or any other gentleman serving the Government in any capacity, should be arraigned on the charge of having carried out a purchase, or performed any other official act, in a "discreditable manner," without being able to furnish him with the name of his accuser, and with the specific grounds upon which the accusation rests.

Ministers therefore request that His Excellency will furnish them with the requisite information, and that he will signify his approval of the appointment of Sir William Martin, or suggest the name of any other gentleman that he may think more eligible, as Commissioner to inquire into the facts of the Waitotara purchase.

F. A. WELD.

Wellington, 18th March, 1865.

No 24.

MEMORANDUM by MINISTERS.

The Governor having communicated Lieut.-General Sir D. A. Cameron's letter of 12th June, 1865, to his Responsible Advisers, they request that His Excellency will draw the attention of the Imperial Government to the serious injury to the Public Service, resulting from the refusal of the Lieut.-General to communicate to the Governor, as requested by His Excellency, the nature of the inquiries he had made regarding the purchase of the Waitotara block, and his reason for believing it to have been an iniquitous job.

No consideration regarding the Waitotara block has at all influenced the policy of Ministers. They have in no case advised an appeal to force upon any question of disputed title. Their policy is and always has been diametrically opposed to any such proceeding, believing as they do that such questions should be decided by judicial action.

It is unfortunate that the course taken by Lieut.-General Sir D. A. Cameron precludes the possibility of any satisfactory investigation into the conduct of the Land Commissioner. The Lieut.-General refuses to afford information as to the grounds upon which he entertains the belief that wrong has been done; as to the nature or extent of the wrong itself; regarding the person or persons whom he may consider to have been wronged;—thus effectually preventing redress being extended to the injured (if injured persons there be), or an opportunity of self-justification being given to the Land Purchase Commissioner, whose character and position is at stake.

Ministers confidently rely upon the justice of the Imperial Government for the defence against secret accusations; but it is nevertheless their duty to protest against the refusal of Lieut.-General Sir Duncan Cameron to furnish to the Colonial Government information of a political character affecting the interests of the people of this Colony;—a refusal which may perpetuate some possible injustice which, if known, might be prevented or redressed.

FRED. A. WELD.

Wellington, 10th July, 1865.

No. 25.

MEMORANDUM by MINISTERS.

Ministers observe from His Excellency's Despatch Book, sent to them on the 3rd instant, that in a letter to the Right Honorable Edward Cardwell, of the 7th ultimo, enclosing a petition from the inhabitants of Auckland on the question of Separation, accompanied by a Memorandum of explanation and arguments, that His Excellency mentions that he reserves his remarks on the petition at the request of his Responsible Advisers until they have had an opportunity of making their observations on it.

Ministers have made inquiries from the Minister of Defence, at whose request His Excellency reserved his remarks, and he observes that His Excellency did not give him a copy of the documents in question, neither do they appear to have been referred, as usual, to Ministers. Under these circumstances, Ministers regret they cannot take any action in time for this mail, and request His Excellency to furnish a copy of the documents at his earliest convenience.

Wanganui, 8th March, 1865.

FRED. A. WELD.

No. 26.

MEMORANDUM by MINISTERS.

Extract from letter of His Excellency the Governor to Lieut.-General Cameron, dated 16th December, 1864:—

"The objects which the Government is anxious to attain at those places, or in

Ministers have considered the correspondence between the Governor and Lieut.-General Sir D. A. Cameron, which has been laid before them by His Excellency on his return from Auckland.

They thank the Governor for his vindication of the right of Ministers to defend their policy and the honor of the Colony from attack with all the publicity that they may think fit,—a right essential to Constitutional Government, and the exercise of which, in this case, was a duty and a necessity.

They agree with the Governor that his instructions to Lieut.-General Sir D. A. Cameron, have not been carried into effect. The country between Wanganui and Patea is not in our possession, and the defiant attitude of a few hundred fanatics at Weraroa Pa, in the immediate presence of a British army, and commanding the main line of road between Wanganui and Taranaki,—the very Waitotara road which it was the object of the Government to carry on,—has renewed the confidence of the hostile Natives, not only in their superior prowess, but also in the supernatural powers which their prophet claims to possess.

As the means at the disposal of the Lieutenant-General are, in his opinion, insufficient to enable him to capture the Weraroa Pa, Ministers, whilst availing themselves of this opportunity of reiterating the expression of their respect for the gallant British Army now in this country, are of opinion that its forced inaction renders it a source of weakness to the Colony, and rather retards than promotes that peace which it was their hope ere this to have established. They believe that the political action of the Military Officer Commanding has resulted in fresh embarrassment and detriment to the public service.

Assuming the troops to be withdrawn either at once or gradually, as the General (in the exercise of the discretion placed in him by Earl de Grey and Ripon) may, with reference to Imperial interests, determine, the Colonial Government, will, upon due notice, be prepared to occupy military posts to the extent and in the manner that they may consider advisable; in the meantime it will be necessary for them to reduce to the lowest possible point an expenditure which is fruitless so long as the troops remain, and to withdraw the Colonial Forces from operations over which Ministers have no control.

Ministers again urge the withdrawal of Her Majesty's land forces from New Zealand. Their policy of internal self-defence and of self-government in all matters excepting only such as may directly concern Imperial interests and the prerogative of the Crown, they understand to have met the approval of the Imperial Government. From the period of their assuming office Ministers have steadily pursued that line of policy, and they now see no reason to recede from it.

Wellington, 26th June, 1865.

F. A. WELD.

their neighbourhood, are as follows :—

"The military occupation of sufficient country to give possession of the Patea River from the sea to the forest, and of the country between that river and Whanganui, so that the Waitotara road may be carried. Such occupation of the country from Tataraimaka southwards, as will secure for settlement a block of land between Tataraimaka and the Stony River.

"The ultimate objects aimed at by these proposed arrangements is the construction of a thoroughfare between Taranaki and Whanganui, and the establishment of Military Settlements at such points along that line as may be found convenient."

No. 27.

MEMORANDUM by MINISTERS.

Ministers beg respectfully to inform His Excellency, that owing to the report just received from the East Coast of the hostilities between the friendly Natives under the Chief Morgan and the Hau Hau fanatics, they are of opinion that reinforcements should be at once despatched to the assistance of our Native allies, they therefore propose to order eighty military settlers to proceed immediately from Napier to Waiapu for that purpose.

As in the opinion of Ministers, it is of the greatest importance that the proposed reinforcement should reach Waiapu with the least possible delay, Ministers would feel much obliged by His Excellency requesting Commander Fremantle, of H.M.S. "Eclipse," to proceed at once to Napier, for the purpose of taking the above reinforcement with the necessary camp equipage to Waiapu.

Ministers would also respectfully suggest the great desirability of H.M.S. "Eclipse" cruising off the East Coast for a short time, with the object of supporting Morgan in such a way as Captain Fremantle may think most effectual, and of threatening Opotiki, thereby in all probability preventing the disaffected Natives in that district from joining those now opposed to that Chief.

H. A. ATKINSON.

Defence Office, Wellington, 7th July, 1865.

No. 28.

MEMORANDUM by MINISTERS.

The Native Secretary has observed in the letters of Lieut.-General Sir D. A. Cameron, recently communicated to Ministers by His Excellency the Governor, references to expressions of opinions attributed by Sir D. A. Cameron to Mr. Mantell, which the latter conceives could have been derived only from a hurried private note which he had occasion to address to Sir D. A. Cameron from Wanganui early in March.

Of this note Mr. Mantell retained no copy, as he felt confident that before making use of correspondence of such a nature he might rely upon Sir D. Cameron's asking his permission to do so.

He would now, for the satisfaction of his colleagues, respectfully beg His Excellency to request the Lieut.-General to forward to him, through the Governor, a copy of the note in question.

Auckland, 15th May, 1865.

WALTER MANTELL.

No. 29.

MEMORANDUM for the COLONIAL SECRETARY.

The Native Secretary does not consider it necessary to make any remark on the enclosed papers beyond an expression of regret that he has it not yet in his power to lay before his colleagues copies of the private letters of which the Lieut.-General Commanding has made use. Should Mr. Strickland succeed in finding the letters referred to in the Military Secretary's note, Mr. Mantell will at once communicate them to his colleagues.

WALTER MANTELL.

20th June, 1865.

Enclosure 1 to No. 29.

His Excellency's PRIVATE SECRETARY to the Assistant MILITARY SECRETARY.

Private Secretary's Office, Auckland, 16th May, 1865.

MY DEAR MAJOR PITT,—

Mr. Mantell wrote a hurried private note to the General from Wanganui early in March, of which he retained no copy.

In some of the General's letters to the Governor references are made to expressions of opinions attributed to Mr. Mantell, which he conceives could only have been derived from that note; he is therefore anxious, for the satisfaction of his colleagues, to get a copy of it, and has requested the Governor if possible to obtain it for him. Would you be good enough to ask the General if he has any objection to a copy being forwarded.

I have, &c.,

Major Dean Pitt,

Assistant Military Secretary.

FRED. THATCHER,

Private Secretary.

Enclosure 2 to No. 29.

The Assistant MILITARY SECRETARY to His Excellency's PRIVATE SECRETARY.

MY DEAR MR. THATCHER,—

Assistant Military Secretary's Office, 16th May, 1865.

The General does not think that he kept Mr. Mantell's note, but he will look for it, and if found, it shall be sent.

The expressions attributed to Mr. Mantell were not however taken from that note, but from two private letters from Mr. Mantell to Mr. Strickland, which were shewn to the General by Mr. Strickland.

I have, &c.,

His Excellency's Private Secretary.

GEORGE DEAN PITT.

No. 30.

MEMORANDUM for MINISTERS.

I have this day received from Deputy Commissary-General Strickland the two notes referred to in Lieut.-Colonel Pitt's letter to the Private Secretary. I wish them to be attached to the former papers, and shown to His Excellency the Governor.

18th July, 1865.

WALTER MANTELL.

Enclosure 1 to No. 30.

The Hon. the NATIVE MINISTER to the Deputy COMMISSARY-GENERAL.

Wanganui, 1st March, 1865.

MY DEAR STRICKLAND,—

7 p.m.

Am I doomed not to meet you here, after all? I arrived on Monday, and should have reported myself had the "Gundagai" been so kind as to wait three minutes; but she was not, so I did not.

Our news will reach the General through Logan. Hori Kingi and his party are not expected until to-morrow morning, and it is doubtful whether we shall get through the great korero to-morrow. If we do, and if it then seems to me that an interval of four or five days would inevitably occur, or occur with apparent inevitability, before Pehi and his party could get the report of the meeting and arrive here, I shall appoint some day next week to meet him, and run down to Wellington by the "Wanganui" on Friday, returning immediately to keep my appointment.

Our gallant fellows up river having been left to fight it out in their own way, have some sort of right to conclude it much in their own way; so I am resolved, so far as is right, to act according to strict Maori etiquette, satisfied that so we shall attain our ends most satisfactorily. The Pai Marire and King are given up, or to be given up, by the conquered; and I trust that a week may see the river campaign ended.

My little army is longing to go to Waitotara, but there will, I hope, be no need for that, as the General will swallow them up quick. Besides I fear that your friends, of all sorts of "teenths and tieths," would hardly distinguish between friends and foes.

Amarama's taiaha was presented formally to me yesterday; but, on reflection, my friends have discovered that all forms were not duly attended to, so it is to be re-presented at next meeting, with various other loot.

I miss you much, and should greatly enjoy a good talk with you. Perhaps we may meet next week. I am told that Commissary-General Jones is likely to return per "Gundagai." Is it so?

I am writing in Mr. Owen's shop, on borrowed paper, with babies crying overhead. So adieu.

When news occurs in your parts I should like to have it.

Yours truly,

Deputy Commissary-General Strickland.

WALTER MANTELL.

Enclosure 2 to No. 30.

The Hon. the NATIVE MINISTER to Deputy Commissary-General STRICKLAND.

MY DEAR STRICKLAND,—

7.45 p.m., Wednesday.

I have just received the enclosed report, which the General should see without delay. I prefer asking you to look to this to putting the matter in more formal course.

This explains the white flag at Waitotara.

I fear that unless relieved by the arrival of the Governor, which I have long ceased to expect, I must remain a few days to see this matter through.

If the General wants anything in my way, he will of course let me know. I shall be glad to hear that Sir Duncan receives this news.

Deputy Commissary-General Strickland.

I have, &c.,

W. MANTELL.

No. 31.

The following two Letters were also submitted to Ministers by the Hon. Mr. Mantell, in order to be shown to His Excellency the Governor.

Lieut.-General Sir D. A. CAMERON to The Hon. the NATIVE MINISTER.

MY DEAR SIR,—

Camp on the Patea, 4th March, 1865.

I have received Mr. Booth's letter to you, which you sent me through Mr. Strickland. It will be better that you should communicate with me upon matters connected with the public service *direct*, instead of through a private channel. I shall be glad to have your opinion as to what steps ought to be taken in consequence of the desire stated to have been expressed by Te Ua to make peace with us. I would recommend your coming to the Waitotara, where you can communicate with the Natives, and I would meet you there.

Mr. Weld informs me that you have the full authority of the Government, who I presume will be too glad to bring the war here to a close, if possible, without further hostilities.

In accordance with the Governor's last instructions, I was about to move all the troops at the Waitotara, except a post of two hundred men to this place, but under present circumstances, I think it advisable to suspend the movement until I hear from you, which I hope to do by the return of the "Gundagai."

Believe me very truly yours,

W. Mantell, Esq.

D. A. CAMERON,
Lieut.-General.

P.S.—The officer commanding at the Waitotara reports that the white flag is still flying at the Weraroa Pa.

D.A.C.

No. 32.

Lieut.-General Sir D. A. CAMERON to the Hon. the NATIVE MINISTER.

MY DEAR MR. MANTELL,—

Camp on the Patea River, 6th March, 1865.

As the "Gundagai" returns to Wanganui immediately, I have only time to thank you for your very interesting account of the proceedings of the friendly Natives.

I have no intention at present of attacking the Wereroa Pa, and have written to Sir George Grey to say that the friendly Natives are quite at liberty to do so whenever they please. Our movement into the Ngatiruanui country will probably draw off part of the garrison, and render it easier for the friendly Natives to take it. I hope they will be as successful as you expect.

Very truly yours,

W. Mantell, Esq.

D. A. CAMERON,
Lieut.-General.

No. 33.

MEMORANDUM by MINISTERS.

Ministers observe that in his despatch of 27th February, 1865, Her Majesty's Secretary of State for the Colonies, referring to the proposed increased rate of payment for the Imperial troops in New Zealand, writes to the Governor as follows:—"I shall expect to hear from you that arrangements have been made for the new and increased contribution in respect to the troops which still remain;" and that in his despatch of 27th March, 1865, he further states—"You will make it clearly understood that an appropriation on the scale contemplated by Parliament must be made for any troops who may be retained in New Zealand by the Colonial Ministers."

Since the above was written, orders have been given by the Colonial Government to their agents in London to transfer to the Imperial Government colonial securities to the value of £500,000. Ministers trust that they may not be called upon to make further payments for which the resources of the Colony will not enable them to provide.

On the 22nd November last, Mr. Weld submitted to His Excellency propositions in reference to the formation of a Ministry, in which, after stating that he would recommend the Assembly "to request the Home Government to withdraw the whole of its land forces from the Colony," he added that, pending the decision of the Home Government, he would "recommend to the Colonial Parliament that the Colony should undertake a reasonable liability for the services of troops actively engaged in the field, at the especial recommendation of His Excellency's Ministers, and for such troops only."

In reference to these propositions, His Excellency stated that if a majority of the General Assembly concurred in them, it would be his duty to aid, to the best of his ability, in carrying them out.

On the 30th December, 1864, Ministers transmitted to His Excellency resolutions adopted by both Houses of the Legislature, in which, referring to the great sacrifices entailed on the Colony by the native insurrection, they declared "That, nevertheless, the Colony is resolved to make every further possible effort to place itself in a position of self-defence against internal aggression, with a view to accept the alternative indicated by the Home Government, namely, the withdrawal of Her Majesty's land forces at the earliest possible period consistent with the maintenance of Imperial interests, and the safety of the Colony."

In the memorandum accompanying the resolutions, Ministers stated that they "saw no reason at present to prevent their policy of withdrawing the Imperial troops from being carried into effect—that whatever risk might attend it, they considered that it might now be undertaken with as little danger as under any circumstances likely to arise for many years to come."

Ministers further submitted to the Imperial Government "that it was absolutely impossible for the Colony to increase the heavy war expenditure that already menaced New Zealand with financial ruin."

On the 20th March, Ministers recapitulated their views in another memorandum, in which they again "advise the reduction of the Imperial forces in New Zealand," and express their belief "that with the assistance of the Imperial authorities, a few months would enable them to supply, as far as necessary, the places of all the troops at present in New Zealand."

In a memorandum of the same date, Ministers further stated that "though they believe that the repression and punishment of certain rebel tribes of the Wanganui district, and the opening and occupation of their country, is an absolute necessity—regard being had to the safety of the neighbouring settlements, and the peace of the Island generally,—they nevertheless have advised His Excellency to oppose the demand of the Lieutenant-General for reinforcements from England (nor will they advise any operations to be undertaken which may involve the retention of Imperial forces in the Colony), and submit their opinion that a Colonial force of Bushrangers and Cavalry, united with the loyal Natives, whose interests are identified with those of the Colonists, will be sufficient to undertake and execute all operations that are requisite."

On the 8th of April they informed the Governor, that, "in reference to certain statements made by Lieut.-General Sir Duncan A. Cameron, which have been communicated by the Governor to his Responsible Advisers, Ministers express their regret that the Lieutenant-General should have thought fit to attribute base and unworthy motives, and a culpable disregard for the lives of British officers and men, to the Ministry of New Zealand, and, by implication, to Her Majesty's Representative in the Colony. "They believe that, having regard to the character of the Colony (which it is their duty to uphold) and to their own, which, as public men, is the property of the Colony, it is impossible longer to accept assistance so unwillingly rendered. Nor indeed can it be hoped that the zeal and energy (which alone can secure success or lead to any useful result in operations in the field) will be displayed by any officer, however distinguished, in support of a cause which is branded by him with such severe reprobation."

On the 26th of June, Ministers wrote to the Governor as follows:—

"Ministers, whilst availing themselves of this opportunity of reiterating the expression of their respect for the gallant British Army now in this country, are of opinion that its forced inaction renders it a source of weakness to the Colony, and rather retards than promotes that peace which it was their hope ere this to have established. They believe that the political action of the Military Officer Commanding has resulted in fresh embarrassment and detriment to the public service.

"Assuming the troops to be withdrawn, either at once or gradually, as the General (in exercise of the discretion placed in him by Earl de Grey and Ripon) may, with reference to Imperial interests, determine, the Colonial Government will, upon due notice, be prepared to occupy military posts to the extent and in the manner that they may consider advisable. In the meantime it will be necessary for them to reduce to the lowest possible point an expenditure which is fruitless, so long as the troops remain, and to withdraw the Colonial forces from operations over which Ministers have no control.

"Ministers again urge the withdrawal of Her Majesty's land forces from New Zealand. Their policy of internal self-defence, and of self-government in all matters, excepting only such as may directly concern Imperial interests and the prerogatives of the Crown, they understand to have met the approval of the Imperial Government. From the period of their assuming office Ministers have steadily pursued that line of policy, and they now see no reason to recede from it."

No action of Ministers has modified this line of policy, nevertheless, the Imperial forces have remained in the Colony. No reduction has taken place; for this the Colony is in no way answerable, as Ministers have consistently advised that no operations involving the retention of the Imperial land forces should be undertaken. It is true that, pending the decision of the Home Government, Ministers did request that the Imperial forces should undertake certain operations between Wanganui and Taranaki, but not so as to retard the withdrawal of the troops. Had those operations been carried out according to the plain letter and meaning of the instructions to the Lieut.-General, as conveyed in the Governor's letter of the 16th December, 1864, a claim might have been preferred against the Colony for a reasonable contribution in respect to such part of the Imperial force as was actively employed in the field upon such service. The instructions conveyed to Lieut.-General Sir D. A. Cameron were as follows:—

The object which the Government is anxious to attain in those places or in their neighbourhood are as follows:—

"The Military occupation of sufficient country to give possession of the Patea River, from the sea to the forest, and of the country between that river and Whanganui, so that the Waitotara Road may be carried on.

"Such occupation of the country from Tataraimaka southwards as will secure for settlement a block of land between Tataraimaka and the Stony River.

"The ultimate objects aimed at by these proposed arrangements is the construction of a thoroughfare between Taranaki and Wanganui, and the establishment of Military Settlements at such points along that line as may be found convenient."

These instructions have not been carried into effect, and the attainment of a main object of those instructions—the capture or surrender of the stronghold of the fanatics commanding the line of road between Wanganui and Taranaki—has been frustrated by the interference of the military authorities with the Colonial forces.

Ministers are aware that the operations undertaken and brought to a successful issue by Colonel Warre at Taranaki have in part carried into effect His Excellency's instructions of 16th December. For these operations Ministers admit a reasonable liability; but they were only part of a plan which has been to a great extent marred by the inaction of Lieut.-General Sir D. A. Cameron.

For these reasons Ministers are unable to recommend to the Colonial Parliament an appropriation for the payment per annum of forty pounds per head for Imperial forces now in the Colony, as claimed by the Imperial Government.

FRED. A. WELD.

Wellington, 11th July, 1865.

No. 34.

MEMORANDUM by MINISTERS to His Excellency Sir GEORGE GREY, K.C.B.

Ministers in their Memorandum of the 11th instant, stated fully the grounds on which they had come to the decision not to recommend to the Colonial Legislature to make provision for the Head Money claimed on account of the Imperial forces now in the Colony.

Ministers now propose to state their views on the broader question of the existing relations between the Imperial and the Colonial Governments.

From occurrences which have taken place in the Colony, and from the late Despatches of Mr. Cardwell and of Earl De Grey and Ripon, it is clear that so long as the Imperial forces remain in New Zealand the Colony is and will be precluded from exercising that control over measures essential to its defence and safety—the attainment of which was one of the main objects of the present Ministry in assuming office.

The Imperial Government issues instructions to the Lieutenant-General investing him with an absolute discretion to retain or withdraw the Imperial forces.

The Lieutenant-General influences, if he does not guide, the mind of the Imperial Government by secret communications, conveying hostile criticisms on the policy, and imputations on the motives of the Colonial Government, and when called upon for explanations, or for information, refuses to afford either.

The House of Commons concurred with the Secretary of State in approval of the policy of the Colonial Government in reference to the withdrawal of the Imperial troops, and this approval was conveyed in explicit terms by the Secretary of State to His Excellency the Governor; but practically, the instructions forwarded to Lieutenant-General Sir Duncan A. Cameron, are repugnant to such approval.

In anticipation of that approval Ministers undertook the responsibility of providing for the defence of the Colony, and were encouraged to persevere in that undertaking by the information that such anticipation had been realized. It was, therefore, with a proportionate sense of disappointment that Ministers became aware of the fact that an irresponsible authority had been established which has set aside the Governor of the Colony and his Responsible Advisers.

In the actual conduct of operations in the field, not merely have the instructions given by His Excellency the Governor to the General been disregarded, but the efforts of the Colony to bring the war to a close by the capture of the Weraroa Pah, the centre and focus of disaffection, (as admitted by high military authority,) have been frustrated by military interference. The effect has been, not merely to protract the war and exhaust the resources of the Colony, but the enemy has been emboldened,—his stronghold reinforced, and a new outbreak is threatened on the East Coast,—the natural and obvious result of the inaction of the Imperial forces on the West Coast.

Had the Colonial Government received from the Imperial forces the hearty assistance and co-operation which they had a right to expect; or had the Colony been permitted to carry out, without interference, its policy of self-defence, Ministers believe that peace would have been ere this restored, and the Colony relieved from the burthens which at present are involving it in ruin.

In the hope that its efforts and expenditure would not have been altogether fruitless, the Colony has continued to struggle against increasing difficulties; but under existing circumstances, it cannot be supposed that the Colonial Ministry will recommend or the Colonial Parliament authorize, an expenditure, fruitless in itself, and lessening day by day the means of self-defence. Ministers, moreover insist, in reference to the expenditure of the Colony, on the rule that liability to payment and right of control should go together.

Ministers admit that plans for self-defence, practicable some months ago, must now be modified, as being beyond the remaining means of the Colony. Even yet the Colony if uninterfered with, could and would protect itself. A few months of the present expenditure and present inaction may render this impossible.

The General Assembly meets on the 24th instant, when it will be the duty of Ministers, having placed before the Colonial Parliament the exact state of affairs, to tender their resignation to His Excellency the Governor, so as to replace in the hands of the Assembly a trust which they can no longer hope to carry out.

This course has been rendered necessary, not on account of any difference of opinion between Ministers and the Governor, whose constitutional support and whose efforts on behalf of the Colony they gratefully acknowledge—not from any doubt of the approval of the Assembly—nor because there is cause to fear the result of their policy were it allowed full scope—but because an irresponsible authority unknown to the constitution is maintained, which only leaves to the Colony a nominal responsibility and a large money liability whilst it effectually deprives it of self-government.

FRED. A. WELD.

Wellington, July 12th, 1865.

No. 35.

MEMORANDUM by MINISTERS.

Ministers request His Excellency to invite the attention of General Sir D. A. Cameron to the following paragraph in their Memorandum of the 12th instant, viz. :—"But under existing circumstances it cannot be supposed that the Colonial Ministry will recommend or the Colonial Parliament authorise an expenditure fruitless in itself, and lessening day by day its means of self defence;"—and further, to their Memoranda of 30th June and 8th July, giving the details of the proposed reduction of force in the Waikato and Tauranga districts:

They further request His Excellency to inform Lieut.-General Sir D. A. Cameron that unless he shall think fit, in the exercise of the discretion vested in him by the Imperial Government, to proceed to remove five regiments, it will be necessary for the Colony, at a period not exceeding one month from this date, to make all such further reductions as a compliance with positive engagements will permit.

MEMORANDA BETWEEN HIS EXCELLENCY

Lieut.-General Sir D. A. Cameron will be from time to time informed of the intentions of the Government in this respect.

15th July, 1865.

F. A. WELD.

No. 36.

MEMORANDUM by MINISTERS to His Excellency Sir GEORGE GREY, K.C.B.

In their Memorandum of 12th instant, Ministers inform the Governor that "it will be the duty of Ministers, having placed before the Colonial Parliament the exact state of affairs, to tender their resignation to his Excellency the Governor, so as to replace in the hands of the Assembly a trust which they can no longer hope to carry out."

Ministers having taken into consideration Mr. Cardwell's despatch of 26th April, 1865, which has been received by them this day, and having at the same time received information that the resignation of Lieut.-General Sir Duncan A. Cameron, has been accepted, understand that their policy is recognised by the Home Government, and that the discretionary powers which had been recently vested in the Lieut.-General Commanding by the Home Government, have reverted to his Excellency the Governor, and consequently that they are no longer under the necessity of placing their resignation in the hands of his Excellency.

Wellington, 24th July, 1865.

FRED. A. WELD.

No. 37.

MEMORANDUM by MINISTERS.

Ministers acknowledge the receipt of the Right Honourable Mr. Cardwell's despatch No. 36, dated 22nd of May last, to His Excellency the Governor, stating the reasons which preclude the Secretary of State for War from recommending Major Heaphy, of the Auckland Militia, for the decoration of the Victoria Cross, for his conduct at the skirmish on the banks of the Mangopiko River, in February, 1864.

It appears that the Royal Warrant instituting this decoration limits the grant of it to the Officers and men of the Regular Army and Navy.

Ministers express their regret that technical rules prevent a recommendation to Her Majesty to confer an honorable distinction on officers and men of a Colonial Militia, even as in the case in question, for gallantry displayed by an officer of that corps while fighting side by side with regular troops, under the same command and subject to the same discipline, and who was himself wounded while saving the life of one of the Queen's soldiers.

In a memorandum to the Governor, dated 27th January, 1861, His Excellency's then Responsible Advisers expressed their opinion "that it is of the highest consequence, in order to secure the efficiency and zeal of the Militia and Volunteer forces in New Zealand, that the services of those forces, when in the field together with Her Majesty's regular troops, should be recognized by such acknowledgement and honorary rewards as they may in each instance be considered to merit, in accordance with the course adopted in similar cases with respect to the regular forces."

His Excellency in transmitting that memorandum to the Duke of Newcastle, in a despatch No. 18, dated 19th February, 1863, states "I concur with my Responsible Advisers in thinking that it would be well if some special Order of Merit for the Colonies could be conferred upon those officers of Militia and Volunteers who distinguished themselves in the defence of any of Her Majesty's possessions. In past years, both in New Zealand and the Cape of Good Hope, the want of some such special distinction has been felt as a great hardship by gallant men who have rendered Her Majesty good service in the field. This subject is well worthy of your Grace's consideration."

Ministers fully concur in the opinion then expressed both by His Excellency and his Responsible Advisers.

Mr. Cardwell further states that Lord de Grey and Ripon "is not of opinion that the Royal Warrant could properly be extended beyond the Officers and soldiers of the Regular Army, who, he observes, have no chance of receiving that substantial reward in land or otherwise which Colonial Officers may receive from the Governments whose servants they are."

Ministers would observe that in the Province of Auckland, in which the skirmish referred to occurred, Officers and men of the Regular Army have for many years been and are still entitled to "substantial reward in land" on their retirement from the service for the purpose of settling in that Province. Nor are Ministers aware of any precedent in the past of such reward being given by the Colonial Government to Militia Officers in any case, or even to Officers of the Military Settlers, as distinguished from those in the Queen's service.

Ministers, however, only notice this point because Mr. Cardwell states that he is unable to dispute the force of the considerations on which Lord de Grey rests his decision. They would not for a moment be understood as instituting, either in the case of the Regular Forces or of Colonial Militia, the slightest comparison between the relative value of a bestowal by Her Majesty of the Victoria Cross, and of a grant of land, either as a reward for gallantry or as a proper object of military ambition. Any comparison of that kind, they consider, would be derogatory to the high honour of the Imperial army; and they extremely regret that Lord de Grey should have felt justified in making such an invidious insinuation as against Her Majesty's Colonial Forces.

A Colonist, although he is far removed from his native land, is, when called upon by the Representative of the Crown to take the field, anxious to do his duty, and to earn by his gallantry and devotion the decorations which testify the approbation of his Sovereign, and which Her Majesty can alone confer; and his sense of pain at his exclusion from a share of such honorary rewards is unnecessarily embittered when such exclusion is intimated to him in terms which indirectly convey an imputation of sordid motives.

Wellington, 11th August, 1865.

F. A. WELD.

No. 38.

MEMORANDUM by MINISTERS.

Ministers request the Governor to draw the attention of the Secretary of State for the Colonies to the following paragraph of Lieut.-General Sir Duncan A. Cameron's Memorandum of the 26th July, 1865.

"The Colony appears to have experienced no difficulty in raising funds to remove the Seat of Government from Auckland to Wellington; to purchase Government Houses, residences for Ministers; increasing the number of Ministers, and augmenting their salaries; paying large sums as compensation to Taranaki Settlers; and entering into a costly new Postal Service to England in addition to the existing one."

This paragraph assumes importance, as it affords additional evidence of that strong political *animus* which has exercised so unfortunate an influence upon the actions of Lieut.-General Sir Duncan A. Cameron, to the great detriment of the public service in this Colony.

It was not to be expected that Lieut.-General Cameron should possess accurate information upon political subjects; but Ministers think that an Officer in Her Majesty's service, holding a high and responsible position, ought not, without proper inquiry, to have given the authority of his name to statements incorrect in themselves, and calculated injuriously to affect the Government of a Colony which it was his duty to assist.

Ministers do not admit that the Civil Government of this Colony is answerable to the Officer Commanding Her Majesty's Imperial Forces for a course of political action which they may consider conducive to the public service; nevertheless they will shortly notice the accusations brought against them.

1.—*Removal of the Seat of Government from Auckland; the purchase of New Government Houses; Residences for Ministers.*

The removal of the Seat of Government had been decided upon as indispensable for the proper Government of the Colony by the Legislature before the advent to office of the present Ministry, and an appropriation had been made, to provide for the necessary expenses, of a sum in Six per cent. Debentures, which sum Ministers could legally have applied to no other purposes than those to which they have applied it. The change in the Seat of Government was, in the opinion of Ministers, as well as of the Legislature, imperatively required on financial no less than on political grounds.

2.—*Increasing the number of Ministers.*

The usual number of Ministers has been six: the addition of one, now proposed by Ministers, bears no proportion whatsoever to the increasing pressure of business.

3.—*Augmenting the Salaries of Ministers.*

The salaries of Ministers have not for some years been augmented in any way directly or indirectly. As a matter of fact, the salaries of Ministers in New Zealand are on a lower proportionate scale than those of Ministers in other Colonies, or of many other high officials in New Zealand.

4.—*Paying large sums as compensation to Taranaki Settlers.*

The compensation to the Taranaki Settlers was voted by the Legislature in 1862; interest has since been paid upon it, and the principal has recently been satisfied by Colonial Debentures, the Colony not having cash at its disposal.

5.—*The entering into a new and costly Postal Service to England, in addition to the existing one.*

The Panama contract was completed in fulfilment of obligations which had already been entered into by a previous Ministry, in the expectation that the financial advantages, direct and indirect, would be more than commensurate with the cost; in this belief the present Ministry concurs.

In regard to the question of the advances from the Commissariat chest Ministers will simply state that they made a *bonâ fide* offer to repay such advances in cash upon demand, with the full intention of carrying that offer into effect.

This arrangement was, however, immediately followed by a demand on the part of Lieut.-General Sir D. A. Cameron for additional Colonial troops, and at the same time it became evident to Ministers that they might expect an unnecessary prolongation of the campaign, and consequent waste of Colonial resources. Ministers consequently represented their inability to render additional assistance to the General, or to keep up the Colonial steam service for the use of the Imperial Commissariat without a modification of the agreement respecting advances. They understood that their proposal had been accepted—they provided the additional forces—they allowed their steamers, which they had proposed to sell, to remain in the Imperial service. Then, after a lapse of three months, a sudden and unexpected demand was made upon them in the terms of the original agreement. Ministers at once referred to the Governor for his opinion as to the circumstances of the case. His Excellency's view as to what had really taken place coincided with theirs. They confidently trust that neither their character nor that of the Colony will suffer from a candid review of these facts.

In reference to Sir D. A. Cameron's statement, that he does not see how the remittance of Debentures to the amount of £500,000 could be expected to cover liabilities amounting in March to upwards of £600,000, when these liabilities were being increased by £10,000 a month, Ministers transmit a Statement of Account, prepared by the Auditor of Public Accounts, which will show that the remittance already made to the Imperial Government covers all liabilities, as nearly as may be, up to the 30th June last.

Wellington, 12th August, 1865.

FRED. A. WELD.

Enclosure to No. 38 (continued.)

STATEMENT of ACCOUNT between the IMPERIAL GOVERNMENT and the COLONY of NEW ZEALAND, from the Documents at present in the possession of the Colonial Government.

DR.	£	s.	d.	Dates when Account rendered.	CR.	£	s.	d.	£	s.	d.
Brought forward	273,060	11	5	1865	Brought forward	580,204	8	3			
	...			Jan. 25	By Rations issued to Colonial Forces at Te Awamutu	...			1,142	0	4
				March 3	Ditto	...			8,783	11	2
					Ditto	13,992	19	2			
					Deduct	205	12	3			
				April 6	Ditto	13,787	6	11			
				April 26	Ditto	24,288	2	5			
					Ditto	12,912	16	7			
				May 30	Ditto	141	15	11			
				June 12	Ditto	18,186	0	4			
				July 26	Ditto	15,651	6	10			
					Ditto	8,232	13	7			
					By contribution H.M. Troops to 31st March, 1865.	50,876	5	0			
					By Pay of Colonial Forces, March 1st to June 30th, 1865	6,283	0	5			
					By Supplies from Military Store and Purveyor's Department	977	6	10			
Estimated Balance due to Imperial Government	503,406	3	2		Total, Claims rendered	£741,466	14	7			
					Add Estimated Claims outstanding.	35,000	0	0			
						£776,466	14	7			

* The Colonial Government is in possession of no information by which the discrepancy between the claims, as stated by the Commissariat Department and the claims as rendered by the Imperial Treasury, can be explained. On reference to the Appendix to the Journals of the House of Representatives for the year 1863, p. 7, B. No. 4, it will be seen that the sum of £274,125 7s. 9d. is made up as follows:—

	£	s.	d.
Treasury Minute, 24th May, 1862	193,180	5	6
Local Forces—Pay, Rations, &c., to 30th June, 1862	17,394	4	5
Do. do. to 30th September, 1862	4,452	4	3
H. M. Troops—contribution for year ending 31st March, 1862	27,718	15	0
Road-making, to 30th June, 1862	31,337	17	5
Do. 30th September, 1862	42	1	2
	£274,125	7	9

On comparing this statement with the one preceding it on the same page of the Appendix, it seems probable that the Treasury Minute of the 24th May, 1862, includes the claims for "Fencibles," the Steamers "Wonga Wonga," &c., amounting to £85,891 10s. 4d. This sum the Commissariat Officer states to be an "admitted error," although he includes it now in his Statement of Accounts. The apparent overcharge is debited the Imperial Government in the present statement.

August 10th, 1865.

CHARLES KNIGHT, Auditor of Public Accounts.

NOTE.—The £500,000 alluded to in the last paragraph of the Memorandum was remitted in March, 1865, in Colonial Debentures, and has been accepted by the Home Government, thus reducing the balance to £3,406 3s. 2d.

FRED. A. WELD.

No. 39.

MEMORANDUM by MINISTERS.

With reference to Mr. Cardwell's Despatch of the 24th April last, (No. 24, New Zealand), in which Mr. Cardwell intimates a possibility of the Home Government disallowing "The New Zealand Settlements Act, 1863," and the Amendment Act, 1864, Ministers beg to express in the strongest terms, their opinion that such disallowance would be fraught with consequences disastrous to the Colony. Whatever may have been the objections to that measure, it has been largely brought into practical operation. Great tracts of land are being dealt with in accordance with its provisions. To annul these by disallowing the Colonial Acts would be to paralyze the Government and involve the Colony in inextricable difficulty. The intention of the present Ministers is, and has been throughout, to confine the confiscation of land taken from the rebel Natives within such limits as may inflict no undue hardship on the rebels, nor on those who have remained loyal. But if the Colony is to be charged with the responsibility of its own internal government and defence, Colonial Ministers claim for themselves the right of determining the question as to what land should be confiscated and subject to what conditions. It will be otherwise impossible for them to undertake the responsibility of conducting the Colonial Government.

Ministers are earnestly desirous of adapting their measures so as to meet Mr. Cardwell's objects, in which generally they express their concurrence. They transmit a copy of a Bill now in progress through the General Assembly, the effect of which will be to vary the provisions of the New Zealand Settlements Act in several important particulars. In the first place, instead of making the Act terminable as provided by the Amendment Act, 1864, it is proposed to make it perpetual. This is necessary in order to keep alive those portions of the Act which relate to the management and disposal of confiscated land. The objects of the Imperial Government will, however, be provided for by the conditions that no land shall be compulsorily taken, or by way of forfeiture, after the 31st December, 1867.

This extension of time is rendered necessary by the unexpected prolongation of the war, which Ministers mainly attribute to the unfortunate course adopted by the Lieut.-General in command of Her Majesty's forces.

It is impossible to calculate with absolute exactness the period when the war may be brought to a final close, and the Colony restored to a state of peace, so as to make it prudent or safe to put an end to the penal provisions of the New Zealand Settlements Act, though Ministers do not anticipate any prolongation of such period.

In the next place, it will be seen that by the proposed Act provision is made to remove some of the grave objections which existed to the Act in its original form. In particular it is intended to give the Executive Government express power to provide for the claims of loyal Natives by assignments of land, and also to exclude land from the operation of the Act, so that in the case of land belonging to loyal Natives their rights will not be disturbed.

The case, however, is one in which, with the utmost deference to the Imperial authorities, Ministers feel it their duty to point out that under the altered relations between the Colony and the Mother Country, the fullest discretionary power must be left with the Colonial Government.

FRED. A. WELD.

Wellington, 11th August, 1865.

No. 40.

MEMORANDUM to His Excellency the GOVERNOR.

See *New Zealand Gazette*, 1865, No. 35.

Two proposed Orders in Council, and a Proclamation, are herewith presented for His Excellency's concurrence. One of the Orders is intended to bring under "The New Zealand Settlements Act, 1863," and to take for settlement the whole of the District in Waikato which His Excellency, by Proclamation of the 17th December last, declared his intention to "retain and hold as land of the Crown," excepting only those portions already taken under the Act. The second Order is for bringing under the Act, and taking for settlement, a large tract of country adjacent to the coast, from the River Whanganui to the White Cliffs (Parinihi). The last document proposed for His Excellency's adoption is a Proclamation of general Amnesty.

With reference to the confiscation of the Waikato District, it is only necessary to observe that Ministers consider it essential for the re-establishment of confidence that the Governor's explicit declaration should be carried into effect.

They think it also very important that the Government should assume the administration of the Taranaki-Whanganui country, for the establishment of defensive posts at Patea, Warea, Parinihi, and other places, for the general purposes of "The New Zealand Settlements Act;" for providing funds for the future government of the district, on the plan indicated in "The Outlying Districts Police Bill" now before the Legislature, as well as with a view to disposing authoritatively of the disputes within the Ngatiawa tribe, who are quite unable to settle their land claims amicably without the help and authority of the Government. The land vacated by men still in rebellion is becoming a fresh subject of difference among the loyal part of the tribe who hold a large part of the district northwards of the Taranaki Settlement.

Ministers wish it to be understood with regard to the whole of the land which they propose to take, that they do not aim at expelling any part of the tribes who now occupy, or lately occupied, it. Their purpose is to apportion, without delay, ample allowances of land to all rebels who come in within a reasonable time, and to give back to the loyal inhabitants as nearly as possible the exact land they are entitled to now, but under Crown Grants, replacing to them whatever it may be absolutely necessary to take for settlements by other adjacent land, or a money payment if preferred. With such intentions plainly expressed and carried into immediate action, the extent of the proposed confiscations will not, it is believed, cause fresh irritation; but, on the contrary, will be understood at

once by many loyal Natives, and very shortly discovered by the returning rebels to be a benefit to all. The number of the Proclamations, some of them relating to small patches of land, has hitherto been the source of alarm rather than the extent taken. The Natives do not distinguish between proclaiming a district and taking the land in it. Both are alike confiscation in their eyes. It is therefore thought better, for every reason, at once to include the territory over which the right of conquest is admitted in one operation, proclaiming it and taking it for administration.

Along with these Orders, which it is hoped may be the last of the kind under "The New Zealand Settlements Act," is presented a Proclamation of general Amnesty. The struggle on the West Coast and in Waikato is, for the time at least, at an end; and prompt and liberal action by Government may, it is hoped, prevent its revival. It is proper at such a moment to distinguish broadly between the conduct of the great body of those who have been in arms against us, and the revolting barbarities now continually practised by the Hau Hau fanatics. Ministers do not calculate on any signal result from the Amnesty alone; but, followed by vigorous action on the eastern side of the island, by a speedy and exact settlement of land questions in Waikato and the Whanganui-Taranaki country, and by the earliest possible extension of the operations of the Land Court, under "The Native Lands Act," so as to invite Natives of all tribes, without distinction of hostile or loyal, to define their titles and utilize their vast estates, Ministers do entertain a confident hope that the Orders and Proclamation presented herewith may prove a turning point in the history of the Maori rebellion.

FRED. A. WELD.

Wellington, 2nd September, 1865.
