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of so small a British population would be to require a by-law that a certain sum should annually be devoted to the maintenance of schools for the instruction of the Native population in the English language, and that some extensive system of national education should be introduced before the new Constitution is brought into operation, the permanency of which system should be secured by such a

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provision as I have above mentioned.

The foregoing arguments have been applied solely to the great Native population throughout the country, and to the general revenue raised from duties of customs; but they apply equally, perhaps even with more force, to the Natives who would reside within the limits of boroughs, and who would be subjected to direct taxation in the form of assessments, &c., which I fear might often be collected in a manner highly offensive to them, and who would speedily become discontented and exasperated if they had no voice upon the subject. The same arguments apply also equally to the naturalised Germans, who are likely to become a very numerous and important portion of the population, and who are at present contented and good citizens, whom I should be very sorry to see excluded from any privileges accorded to the rest of Her Majesty's subjects; whilst the inhabitants of the French colony at Akaroa, whom Her Majesty's Government have directed to be naturalised, will, in like manner, be wholly excluded from any share in the management of their own affairs, and will be placed in a position of inferiority in reference to the rest of Her Majesty's subjects.

I think it right to mention to your Lordship that even in the southern portion of this Island I

I think it right to mention to your Lordship that even in the southern portion of this Island I did not contemplate immediately so extensive a change in the Constitution of the colony. I thought that a Council, in which the Governor presided, and which was composed of official and unofficial members, the unofficial members being elected by the inhabitants of the colony, would, viewing the peculiar circumstances of the Colony of New Zealand, particularly in reference to the Native population, have been that form of Government which, for the present, was best suited to the wants of the people; whilst I do not think it would have been in any respect repugnant to their feelings. This form of Government would also, as soon as the land questions have been adjusted, suit the circumstances of Auckland; particularly if the Government were empowered, from time to time, to name certain Natives who should have the privilege of voting at the elections for the return of representatives.

Whatever form of Government it may, however, be determined ultimately to bestow upon the northern colony of New Zealand, I beg to suggest that it would be desirable in the first place that it should not be such as to render it doubtful whether the large Native population will submit to it; and secondly, that so long as the Governor has so formidable and numerous a race to control, it is necessary not only that he should have the power by his negative of preventing any measures being passed which might result in rebellion, but that he also requires to be in possession of the active power of carrying such measures as are essential for the welfare and pacification of the Native race. For your Lordship will see that, under the proposed Constitution, any refusal of the Governor to comply with, perhaps, very impolitic demands of the Lower Chamber may involve a stoppage of the machine of Government, which will entail much evil not only upon those who return the representatives, but upon the large body of Natives who will be wholly unrepresented.

At present the Natives are quite satisfied with the form of Government now existing, and as the chiefs have always ready access to the Governor, and their representations are carefully heard and considered, they have practically a voice in the Government, and of this they are well aware; but under the proposed Constitution they would lose their power, and the Governor would lose his influence over them; in fact, the position of the two races would become wholly altered, and the Governor would, I fear, lose that power which I do not see how he can well dispense with in a country

circumstanced as this.

The Natives are, at present, certainly not fitted to take a share in a representative form of government; but each year they will become more fitted to do so, and each year the numerical difference between the two races will become less striking, so that a great advantage would be gained by delaying even for a few years the introduction of the proposed Constitution into the northern parts of New Zealand.

The concluding passage of the despatch which your Lordship proposes to address to me, leaves to my own discretion the power of fixing the time at which I should promulgate the new Charter, with, however, so distinct an intimation of Her Majesty's pleasure that no unnecessary delay should take place in my doing so that I think it better to promulgate it with as little delay as possible after its arrival in this country; but that portion of the Instructions which relates to the introduction of representative institutions into the country cannot, under any circumstances, be carried into effect for nearly twelve months from this date, upon account of the numerous preparatory steps which, in the terms of the Instructions, must first be taken. And, as I am apprehensive that any attempt to introduce such a form of Government as that proposed into this portion of the colony would shortly give rise to renewed rebellion, I shall, under all circumstances, deem it my duty to refrain from giving effect, in the northern portion of New Zealand, to that portion of the proposed Instructions until I receive your Lordship's reply to this despatch. In the meantime, however, all the other portions of my Instructions shall be carried out as rapidly as possible, and no care nor exertions upon my part shall be wanting to render them as beneficial to the inhabitants of this country as your Lordship desires them to be. Whilst the delay in the introduction of representative institutions for a few months will at all events so strengthen the position of the British in this country that if Her Majesty's Government should, with the information contained in this despatch before them, still deem the introduction of the new Constitution into the Province of New Ulster indispensable, less probability will exist of extensive injury to British interests resulting from any discontent upon the part of the Natives. All my own experience in this country leads me, however, earnestly to request your Lordship to advise Her Majesty for the present to revo

I have, &c., G. GREY.