

provisions of the New Zealand Settlements Act. The Colonial Treasurer's colleagues at once added on in this Order in Council 1,172,160 acres to the tract of country included within his boundary line.

The Governor feels that he has been justified in stating that he did not know until a recent date what was the general policy of Ministers with regard to confiscation of native lands, or the extent to which they intended to carry this principle. Even so late as the 24th of June last, Ministers stated in reference to this subject that it was a matter of great importance, and one upon which after careful consideration they were fully prepared to state their (then) present views, and so late as the 4th inst. Ministers were unable to supply the Governor with tracings which would shew even approximately the boundaries of the territory that they proposed to confiscate, and stated that they had not sufficient information even to determine the precise localities.

The Governor feels satisfied that a consideration of these points will shew he could not be said to be aware of views so vague as these are, and that it could hardly be said that there could be no difference of opinion between himself and his Responsible Advisers on points which seem to have been so wholly undetermined.

November 5th, 1864.

G. GREY.

EXTRACT from the Hon. Mr. Wood's Memorandum to the GOVERNOR, dated 29th September, 1864.

"Among the documents sent to England by His Excellency for the information of the Secretary of State, was the Financial Statement of the Colonial Treasurer, in the concluding part of which the proposed frontier line from Tauranga to Raglan is pointed out, together with the positions at which Ministers proposed to locate the different regiments of the Waikato militia."

EXTRACT from Financial Statement of the Hon. Mr. Wood, Colonial Treasurer, in Committee of Ways and Means, in the House of Representatives, 10th November, 1863.

"Exactly what those (public) works will be it is of course impossible to say; and the amount that will be required to be expended upon them it is equally impossible to say. But, sir, we desire as much as possible to make use of the natural resources of this country. The settlements of Raglan and Tauranga can be approached by the great highway of the ocean, and Raglan and Tauranga are on the flanks of the Ngatimaniapoto country. The rivers Thames, Waikato, and Waipa run up towards that very country, and we propose to locate settlers at proper positions upon those rivers; and we propose also, in order that there should be no delay in locating the settlers, at the very earliest opportunity, and maintaining communication with them, to render these rivers navigable for steamers of light draught."

MEMORANDUM by MINISTERS.

The Colonial Treasurer begs to acknowledge receipt of His Excellency's Memorandum of the 5th November, received at 11.15 a.m. on the 7th, the day on which the English mail closes, in reply to his of September 29th. It is of course impossible for the Colonial Treasurer to answer the statements contained in His Excellency's Memorandum during the few hours that elapse before the mail closes, but he proposes to do so in ample time for transmission by the December mail.

The Colonial Treasurer will be obliged by His Excellency transmitting a copy of this memorandum to the Secretary of State.

Auckland, 7th November, 1864.

READER WOOD.

MEMORANDUM by the GOVERNOR.

The Governor will delay transmission of his Memorandum of the 5th instant, in reply to the Colonial Treasurer's Memorandum of the 29th of September, until the next mail, as the Colonial Treasurer wishes to reply to it. He would prefer that the correspondence should go in a complete form.

November 7th, 1864.

G. GREY.

MEMORANDUM by MINISTERS.

The object of the Colonial Treasurer's Memorandum of September 29th was to shew that he had good reason for stating at the Colonial Office in England that there was no difference of opinion, at the time he left New Zealand, between the Governor and his Responsible Advisers in respect of the extent to which the principle of confiscation should be carried. In support of his argument he referred to a conversation on the subject held with His Excellency, and to the concluding part of the financial statement which was transmitted by His Excellency to England.

In reviewing this Memorandum, the Colonial Treasurer understands the Governor to ignore all recollection of the conversation referred to, and to arrive at the conclusion that it could hardly be said that there could be no difference of opinion between himself and his Responsible Advisers on points which seem to have been so wholly undetermined. The Colonial Treasurer, on the other hand, thinks it perfectly clear, that up to April last the Governor and his Ministers were in accord as to the extent to which confiscation should be carried, and that the subsequent difference has arisen from a change in the Governor's views.

The Governor quotes from the Ministerial Memorandum of June 24, 1863, a passage which he says will clearly shew what the views of Mr. Domett's Government were of the Governor's plans. The quotation, however, does not pretend to be a detail of the Governor's plans for the permanent pacification of the country, but simply a statement of the plan "he (the Governor) would recommend for the defence of the southern frontier of the settled districts of the province of Auckland, and the establishment of a basis for further military operations in the interior of the enemy's country." Neither Mr Domett's Government nor the present Government ever regarded that plan as anything but a