No. 45.

SIR,— Government House, Auckland, 11th September, 1864. I have the honor to transmit for your information the copy of a report by Mr. Mackay, the Civil Commissioner of the Waihou district, dated 10th September, 1864.

2. Mr. Mackay has just returned from travelling through his district, and amongst other im-

portant particulars reports as follows:—

I. "The impression left on my mind by the whole proceedings is, that the Natives are inclined to make peace, and that whatever influence Tamehana Tarapipi may or may not possess over the Waikato tribes, with him rests the question about the Natives of the Upper Thames. The Natives on the immediate shores of the Hauraki Gulf are quiet and contented, as far as I can learn, and I have been unable to discover that any of those residing in that district, who surrendered their arms in March and April last, have again joined the rebels.

II. "It is highly probable that if I had received instructions to enter into preliminary negotiations with William Thompson, my mission would have been very successful. I, however, felt diffident at entering on so momentous a question without special authority, and therefore confined myself strictly to such a line of policy as would leave the Government unfettered as to any after proceedings which might be deemed necessary. It is apparent that Thompson is not disinclined to come to terms.

III. "I would not certainly recommend that any military operations should take place in the

Thames district if it can possibly be avoided. Any such movement would immediately raise up the whole of the people there, as they would look at it as a war for the possession of their land.

IV. "I would most respectfully beg to recommend that as Wiremu Tamehana has expressed a willingness to visit his people with the intention of ascertaining their feelings relative to the war, that he should be distinctly told the terms on which the Government are willing to make peace, and that a reasonable time (perhaps a month) should be allowed him for the consideration of the proposals. The Natives look on the present cessation of hostilities as a sort of peace, and any sudden renewal of the war on our part, without some preliminary notice, would be looked on as an act of treachery, and would do an incalculable amount of mischief among the friendly tribes. The tenor of the Native speeches at all the meetings I have lately attended is to that effect, and it has been frequently stated that 'it is for the Pakeha to begin again.'

V. "With reference to the confiscation of land at Waikato, an objection is raised to the Government taking possession of the Eastern bank of the Waikato above Ngaruawahia. The general opinion is that the land is only confiscated where the troops actually occupy it. Any occupation whatsoever is looked upon as a thorough confiscation, and the Governor is considered very foolish to pay Wiremu Nero for land which has been taken by force of arms. I explained that the Governor paid loyal natives because at the commencement of the war he said 'he would protect all loyal Natives in possession of

I have, &c., their lands and property.

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

G. GREY.

No. 46.

SIR,— Government House, Auckland, 30th September, 1864.

I have the honor to transmit for your information, the copy of a letter I have received from the Senior Naval Officer on this station, covering a report made by Mr. Bishop, Chief Engineer of H.M.S. "Miranda," of the measurements of the deck of the "Marion" Hulk, on board which the native prisoners were confined.

2. From these measurements it appears that, for the first nine weeks of their confinement, when the main-deck alone was allotted to them, the surface-space allowed for each of the 182 prisoners then confined there, was only a little more than three feet by three feet per man, and the cubic space was less than 48 feet per man, including the hospital for the sick; during this time the ship was used as a coal-hulk.

3. For the remaining portion of the time they were imprisoned on board the hulk—being about five months—the cubic space allowed for each prisoner was somewhere about 99 cubic feet per man.

4. For the nature of the ventilation and light provided for this limited space, I beg to refer you to Dr. Mackinnon's report of the 4th of June last, enclosed in my Despatch, No. 131, of the 7th instant. I have, &c.,

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

G. GREY.

No. 47.

Government House, Auckland, 7th October, 1864. SIR.

I have the honor to report, for your information, that upon the 6th ultimo, I transmitted to my Responsible Advisers a Draft of a Proclamation, drawn in compliance with the instructions conveyed to me in your Despatch of the 26th of April last, offering a pardon to those persons implicated in the rebellion, who might come in on or before the 22nd day of October, 1864, take the oath of allegiance, and make the cession of such territory as might in each instance be fixed by the Governor and Lieutenant-General. My object was to afford to the natives an opportunity of coming in and making their submission, before further operations were actively carried on. This Proclamation was to be accompanied by a notice, that no person would hereafter be permitted to carry or possess arms within the lines now occupied by the troops, unless licensed to do so.

2. My Responsible Advisers objected to this Proclamation, unless I gave them an assurance with reference to the extent of the cessions of territory that would be taken, of so vague a nature, that I could not venture to comply with their wishes. They also wished to fetter me by other conditions, in which I thought I ought not to acquiesce.

3. The correspondence continued between us without any satisfactory conclusion being arrived