would punish them. I wish to call His Excellency's attention very particularly to this point. I think that stringent orders should be issued on the subject, and if a small reward were offered for bringing in every soldier who might transgress, it could be easily prevented. Probably, after a little time the Natives would not care about it.

So far as I have seen yet, the Natives are not inclined to offer any practical opposition to the location of the troops at Maungatawhiri, &c., so long as they are kept on the purchased land. I have not seen anything that can be called excitement, much less anger or irritation, on the subject. The prevalent feeling is probably one of wounded pride, and a conviction that the step will really give the Government the means of controlling the movements of the Waikatos. I expect that there will be some "tall talk" about it at the huis, now being held at Hangitikei and elsewhere, but that it will end in talk. Takerei te Rau, who called here during my absence, on his road to Hangitikei, left a letter, which I enclose with a copy of my reply. As far as I can judge, the war spirit has greatly subsided in this district, and the manner in which His Excellency has treated this King movement has annihilated the only rallying point on which a general feeling could have been excited. All the efforts of the war party have been exerted to concentrate the feeling of the tribes here and elsewhere on this one point, and the assurance that the Governor cares nothing about the King, so long as he does not interfere to control other tribes by force, has so taken them by surprise, and made their idol seem so small, that they are evidently at a loss for a "cry."

My belief is, that the only difficulty now ahead is the Taranaki question; and I feel very confident that if the Waitara part of that question can be disposed of to the satisfaction of all parties, there will be no further trouble. It is for this I am so anxious to see William Thompson. If the investigation can be arranged on a basis which will satisfy him, and he as trustee of that land (in which light all the Maoris now regard him), can be made a party to the investigation, by the appointment of some of the Commissioners being made on his suggestion, I think there will be no difficulty remaining which time and patience will not satisfactorily dispose of. The above proposition, which I discussed with His Excellency the last evening we were at Kohanga, recommends itself the more forcibly to me the more I see and hear in this district.

Till Thompson's return, I intend to go among the Ngatimaniopotos, and others of the war party. For that purpose I start to-morrow for the Wesleyan Mission Station, on the Waipa, accompanied by Mr. Gorst. I hope to be in Auckland by Saturday week at the latest.

It is a great pity that the proclamation issued by His Excellency, relative to his late visit to Waikato—his reason for moving the troops to Maungatawhiri, which I am informed was issued in a special Gazette, in both languages, some days before the leaving of the mail, was not sent up here immediately. The Natives to whom I was talking yesterday, asked why the Governor had not told them of his intention in the Nupepa (Gazette). No copies of the entire Maori message, which contained the Spirit Law, have been sent, except two or three which Mr. Gorst brought. The law has given universal and great satisfaction, wherever heard of; but it is unfortunate that these documents should not have been forwarded. There seems to be some very unnecessary delay in the Native Office in forwarding documents. The mail of yesterday (25th December), brought the "Maori Messenger," of the 15th November, for the first time! Will Mr. Bell be so good as to enquire into this, and see that for the future documents of this sort are forwarded by the first opportunity. As in the present instance, where huis are being held in reference to these subjects, it may be of the greatest consequence that such documents should be speedily circulated.

As I consider the establishment of a Commissioner here only a question of time, and one which will be most materially expedited by Mr. Gorst's presence in the district as Resident Magistrate, I have arranged to take a lease of the house and premises belonging to Mr. Chetham, near Otawhao (held under Crown Grant), for two years at £50 a year, in order that Mr. Gorst may without delay locate himself here. The place is central in reference to the future probable boundaries of the district, and is the only habitable house to be got in the whole Waikato country. I enclose a memorandum, a duplicate of which I have left with Mr. Chetham, who will be in Auckland early in January. I enclose also a valuation of the property, in case Government should incline to purchase it. It adjoins a block belonging to the Government, on which there is a dilapidated house, formerly occupied by Dr. Harsant. There are 30 acres of good grass paddocks attached to Mr. Chetham's property, surrounded and sub-divided with good live fences.

Epiha, the leader of the Rangiawhia war party which went to Taranaki, and who will be remembered for saving the life of Mr. Parris, when the Ngatiruanuis had laid an ambuscade for the purpose of assasinating him, died last week. He was one of the first men in the King's party—energetic, accessible to reason, and capable of being made a most useful adherent, had he lived to feel the effect of better influences. His death will be a loss to the King party, but no less a loss to the side of the Government, as it is more than probable that a man of his character would have moderated, rather than incited, the councils of those about him; and the day would probably have come when we should have found him an useful ally on our side.

WILLIAM FOX.

27th December.—Left Taupiri for Otawhao, accompanied by Mr. Gorst, R.M., and Mr. Palmer, Acting Interpreter. Reached Mr. Morgan's at 8 p.m. Learned from him that the Ngatimaniapoto hui was still in session at Hangitikei, about thirty miles off, and that the whole of the principal Natives from Taupo were on their road down, and might be expected daily at Kihikihi, four miles from Otawhao.

28th December.—Started after breakfast for the Rev. Mr. Reed's (Wesleyan Mission Station on the Waipa), accompanied by Rev. Mr. Morgan and Mr. Gorst. Reached Mr. Reid's at one