

Out of this, you will, in the first instance, pay the storekeeper a reasonable salary ; and the balance, if any, may be added to the original capital : thus enabling the business to be enlarged from time to time. The storekeeper should distinctly understand that he will receive no salary, except from profits ; and that if there be no profits, he will work for nothing.

5. One of the greatest evils which exists in New Zealand, and which is considered by many to be at this moment the prop and main-stay of the King Movement, is the extent to which credit has been given to Natives by the traders scattered over the country for goods sold at enormous prices—prices, no doubt, enhanced by reason of the uncertainty of payment under such a system. The fear of being compelled to pay their debts if Queen Magistrates are appointed, is well known to be the sole motive which actuates many Natives in refusing to assist in the introduction of the new system. You will, therefore, perceive the vital importance of laying it down as a fundamental principle of the business of the Taupo store, that no credit shall at any time, or under any circumstances, be given.

6. You will also understand that the Government cannot continue to make advances towards this object. The sum now appropriated must be considered as the capital with which the concern is to be carried on. If it turns out profitable, you will be able to provide for an extension of its trade ; if otherwise, no further assistance can be given towards it.

The official departments at Auckland must not be troubled with any accounts or other transactions connected with the store. It must, when started, be carried on through the ordinary commercial agencies.

7. And lastly, you will on no account render the Government or yourself responsible, pecuniarily, for any transactions connected with the store.

I have, &c.,

W. Fox.

G. Law, Esq., Civil Commissioner, Taupo.

SECTION VIII.—EAST CAPE.

No. 1.

RESIDENT MAGISTRATE, EAST CAPE, TO THE HONORABLE THE NATIVE MINISTER.

Auckland, January 7th, 1862.

SIR,—

With reference to my several Reports respecting this District, I recommend that for the purpose of bringing into operation there, Sir George Grey's policy, the District be divided into two Districts, to be constituted under the "Native Districts Regulations Act," and the "Native Circuit Courts Act, 1858," with the boundaries as stated in the annexed Draft Orders of Council.

I propose further that Te Mokeno Kohere be appointed Principal Assessor to serve in both Districts, and that the Chiefs named in the enclosed Schedule be appointed Assessors, &c., with the intimation that they would act within certain hundreds to be appointed hereafter.

I have, &c.,

WILLIAM B. BAKER,
Resident Magistrate.

The Honorable the Native Minister.

Sessional Papers, 1862.
E. No. 6, pp. 7, 8.

Enclosure to No. 1.

SCHEDULE.

Principal Assessor	...	...	Mokeno Kohere	...	...	...	£50	0	0
<i>District of Waiapu.</i>									
Hundred of Te Kaha	...	...	Assessor, not yet determined	...	...	...	40	0	0
" Kawakawa	...	...	" Wikiriwhi Mateha	...	...	...	40	0	0
" Waiapu	...	...	" not yet determined	...	...	...	40	0	0
" Wharepenga	...	...	" Hamiora Tamanuitera	...	...	...	40	0	0