Enclosure 3 in No. 41.

MAJOR HAY TO THE HONORABLE THE COLONIAL DEFENCE MINISTER.

SIR-

I have the honor to report for your information as follows:-

On the morning of the 27th ult. the enemy had fired heavily at Fort Colville, commencing at 4 a.m. Subsequently, H.M.S. "Falcon" and the "Sandfly" having arrived, they were shelled out of their position and retreated across Waihi, the men of war following them up the coast for about twelve miles. I decided on pursuing them as far as Te Awa o te Atua, the Arawa boundary. I sent one hundred men I decided on pursuing them as far as Te Awa o te Atua, the Arawa boundary. I sent one hundred men across at once with orders to follow them up, but not to proceed beyond Otamarakau. In the afternoon I crossed the river with two hundred men, leaving one hundred and fifty in the pa. We camped for the night at Waiheke, about eleven miles from Maketu. At $4\frac{1}{2}$ a.m. on the 28th we marched for Otamarakau, which settlement we found the enemy had deserted. A hundred men joining us here from Maketu, made the force up to four hundred strong. We marched to to Te Awa o te Atua; when within the leaves the strong of the strong than the st made the force up to four hundred strong. We marched on to Te Awa o te Atua; when within two miles we saw the enemy coming along the sand-hills. They took up their position across a narrow valley between the sand-hills and the cliffs, with a creek in their front, the sand-hills on the right being lined with their skirmishers. They were at once engaged by two hundred under Winiata and other chiefs. The firing only lasted twenty minutes; the creek was then carried with a rush, and the enemy retreated up the valley. The whole force was so fatigued with the forced march over very heavy ground that they were unable to follow them fast enough. They might have held Harema, Otamarora, Te Rangatapu, were unable to follow them last enough. They might have held Harema, Otamarora, Te Rangatapu, and Teano Tarere Hika, on the bank of the river, as, though not palisaded regularly, or rifle-pitted, the nature of the ground would have made it very difficult to dislodge them. They retreated across the river; while doing so many were shot. The enemy mustered fully four hundred strong; thirty-seven bodies were found on the 28th, and fifteen more on the morning of the 29th. Rangitukehu, the chief of the friendly natives at Rangitaiki, and who arrived at our camp on the 29th, told me that they had found dead bodies along the beach and in the swamp on the other side of the river.

The following leading chiefs were killed—belonging to Te Whakatohea, Te Aporotanga, Te Rangamatoru, Tipene, Hira Te Popo, and Te Para; to Ngatiawa, Te Rangipai; to Ngaitawarere, Tatuaharukeke. Their loss must have been fully one hundred killed and wounded. They acknowledge to a loss of some five or six by the heavy guns while at Maketu, and from thirty to forty casualties while at Waihi on the 21st and 22nd. Three old men and six old women, taken prisoners, were released by me and handed over to Rangitukehu and Roharuhi. I regret to say that Winiata, who behaved most gallantly, died from the effects of his wound. The remaining six casualties on our side are doing well. We have taken over forty stand of arms, a considerable quantity of very coarse powder, and other boots. We have taken over forty stand of arms, a considerable quantity of very coarse powder, and other booty as well. The Arawas behaved very well. The Taupo natives were up at the front when the firing first commenced, and charged with Tohourangi; but as it was an almost simultaneous advance of the whole force, I think it unnecessary to notice any one section in particular. The men of the Defence Force and Forest Rangers attached to the Native Contingent, were so fatigued with the march, having far more than the natives to carry, that they were only able to join in the pursuit. I believe that the result will have a salutary effect on the East Coast natives. I am about to make arrangements for the better protection of the district, concerning which I shall report as soon as possible.

I have, &c.

GEORGE DRUMMOND HAY, Major A. M., Comdg. N.C.

The Honorable Mr. Russell, Colonial Defence Minister.

No. 42.

COMMODORE SIR WILLIAM WISEMAN TO HIS EXCELLENCY THE GOVERNOR.

H.M.S. 'Miranda,' Tauranga, 28th April, 1864.

SIR,—I beg to forward a copy of a despatch received this day from Captain Robert Jenkins, commanding the 'Miranda,' and I have much pleasure in calling your Excellency's attention to paragraph seven of the Despatch, pointing out the zeal and energy of Captain Marks, commanding the colonial steamer 'Sandfly

I beg to add my own testimony to the readiness and zeal Captain Marks has always shown in carrying out any directions that he may have received from the Senior Naval Officer under whom he may have been serving at the time.

I also enclose a copy of a letter received from Mr. Francis Corbet, Acting Master of the 'Miranda,' pointing out where it is desirable to place beacons and buoys to mark the channel into this harbour.

The entrance without these buoys is extremely unsafe for large vessels. All of Her Majesty's ships under my command have grounded, and more or less damaged themselves coming in. I have therefore to request that the necessary buoys and beacons may be sent down at once; they can be placed in position by Mr. Corbet, Master of the 'Miranda,' who has surveyed and is intimately acquainted with the anchorage.

I have, &c., Wm. Wiseman, Commodore.

His Excellency Sir George Grey K.C.B., Governor,