

1. That if the site at Te Papa cannot be had on reasonable terms, it might be left to the proprietors to form a town there, the Government only taking such necessary reserves as are required for purposes of Police, Customs, and other establishments, and the military township might, under this unfortunate necessity, be placed elsewhere.

2. The Government stands absolutely pledged to settle these land questions: and the expectation of having it done was one of the leading objects of the Natives in submitting after Te Ranga, and the difficulty of doing it under the Settlements Act, and on the basis of the terms of pacification, would be infinitely less than by the intervention of the Lands Court; since, in the latter case, all the old rankling land disputes would have to be opened up. And, lastly, any attempts to settle these long disputed questions, whether by the Lands Court or by any other means, without securing the peace of the district, would expose its success to the utmost risk, since any small malcontent party issuing from the forest could disturb the surveys, and again throw the whole into confusion.

The other course is open to these far more serious objections—

1. That it does not explicitly fulfil the terms of the pacification, and the promises made on the 18th August.

2. That it involves, at least, some breach of implied covenant with the 1st Waikato Regiment.

3. That it leaves almost to accident the formation of a strong settlement at Tauranga, the securing of which appears equally necessary for political and commercial purposes.

And, lastly, that it will probably involve a far larger ultimate cost than the former plan would if disencumbered of the purchase of Te Papa at a very extravagant price.

To the first it may be said, that the operation of the Native Lands Act would ultimately bring about the same results as the direct action of the Government; and further, that by releasing the loyal Natives from their agreement to sell, their consent to such an arrangement might be obtained; but it is clear that under this plan the settlement of the district might be retarded indefinitely, if, as is probable, the abandonment of the military portion of the scheme should appear likely to compromise its safety, and the insolubility of the Native land disputes might retard it still more. Moreover, though in the prospect of present gain, the Natives might consent to the alteration of plans, if great disputes should afterwards arise out of the re-opening of all the old land questions, they would nevertheless accuse the Government of bad faith in not carrying out the terms of the pacification, which would have obviated them. The military discontent, if the regiment be withdrawn, would certainly be very great, and they would have sufficient foundation to procure them much sympathy both in the Colony and elsewhere.

The necessity of a strong settlement at Tauranga is obvious, and has been greatly increased by the events of the war; it is absolutely necessary to interpose continuously and effectively between the Ngaiterangi and their bitter enemies the Arawas; the former the Government has disarmed—the latter it has armed. It is true that Maketu is nearer to the point of contact of the two tribes, but from the nature of the ports Tauranga must be the centre of action, not only as regards the two tribes, but also for watching the Natives of the whole coast, from Cape Colville to Poverty Bay, on the Lakes, and in the Upper Thames Valley. Now, if a considerable population become settled at Tauranga, which there certainly will be if the military settlement scheme is carried out there, the commerce of the port will extend over the same line, and the government of the Natives will be infinitely less costly and difficult than if Tauranga remains a mere military post.

If the purchase of the land at Te Papa be put out of the question, the financial aspect of the matter seems to be that since the Waikato Regiment must have land somewhere, it would necessarily be less costly to locate them where they are, where the land is at once available, and where its survey is easy, than to remove them elsewhere. If the land on which they would be placed, if removed, could be sold, then there could be no comparison in the expense of the two courses; and if their removal from Tauranga, and the other measure which that involves should compromise the peace of the district, then the consequences might involve a cost out of all proportion to that of settling them there.

Considering then on all the bearings of the question—looking to the great objects to be gained by promptly opening up this very available country, and most important and political and commercial centre, and to the risks that may arise from leaving it in a weak condition for want of a settled population—looking, above all, to the priceless advantage of keeping strictly to the letter and spirit of engagements deliberately undertaken, it appears that the only prudent course is to follow out the terms accorded to the Natives on the 5th and 18th of August, with the utmost exactitude now possible.

THEOP. HEALE.

Wellington, 27th June, 1865.

No. 13.

Copy of a Letter from Mr. FENTON to the Hon. the NATIVE MINISTER.

SIR,—

Wellington, 3rd September, 1865.

I have the honor to inform you that Mr. Drummond Hay many months ago received an advance of £75 from me out of a sum of £300, placed at my disposal for the purpose of surveying the Katikati Block, near Tauranga, about which an arrangement had been made by Mr. Mackay with the view to its ultimate cession to the Crown. Mr. Mackay has since that time been appointed Civil Commissioner at Auckland, and I suggest that he should be requested by the Government immediately to complete this affair, or with a little longer delay the block of land referred to will again lapse into a litigated matter, and be the cause of renewed confusion between tribes.

I have, &c.,

F. D. FENTON,

Chief Judge, Native Lands Court.

The Hon. the Native Minister.