

risk, and was very likely to be shot. The subject was brought under discussion during my visit to Upper Wanganui immediately afterwards, and the unanimous verdict of all the Natives there was, that the sufferers "brought it on themselves." In justification of Captains Blake and Kells, I feel bound to state that, though their men acted somewhat impetuously, and went beyond the letter of the instructions which I had left with them, by firing before actual resistance was offered, they were acting in strict accordance with the spirit of those instructions, which were that no rebel Natives were to be allowed to return either within our frontiers or so near to them as to make their presence a source of danger or alarm to the returning settlers. In deference to the wishes of the Native and Defence Minister, I have since directed the discontinuance of the reconnoitering parties across the Waingongoro, or far up the river; but it is satisfactory to learn, as I have, that the employment of such parties and the effect of the events referred to have been to deter any more of Titokowaru's people from repeating the experiment they had commenced, of crawling back to their old haunts, under the very fences of Ngutu-o-te-Manu, and almost within long range of our redoubts.

The friendly Natives on the Wanganui River, however, expressed a desire that some boundary should be fixed in their direction beyond which armed reconnoissances should not be carried on by us. They observed that the upper waters of the Waitotara approach to within a few miles of the Wanganui River, at Jerusalem and at other points, and that they had always been in the habit of fishing in the former river. In continuing this practice, they would now evidently run a great risk. One idea involved in this proposition was very satisfactory—namely, that all the land between such "aukati" and the sea belonged to us, and that neither the expelled nor friendly Natives should trespass on it. Boundaries in this direction were proposed, which, as far as I am advised, would not be unsatisfactory; but I thought it better to leave the question to be disposed of by the Native Minister when he visits the Wanganui River, and I declined to come to any decision about it at present. An additional reason for this is, that some of the up-river Natives assert claims to portions of the confiscated lands formerly in possession of the Pakakohe and Ngarauru; and probably it will be the best course to enter into some treaty for the general cession of *all* claims to these lands, when the boundaries can be finally fixed, with a view to future ownership and occupation. For the above reasons I think that any armed reconnoissances made by us, particularly up the Waitotara River, should be made in conjunction with friendly Natives, who may prevent ambuscades by, and, if possible, collisions with, any of the rebel party who may be induced to return. But I think it will still be the duty of the Government not entirely to abandon this precautionary system, but to take steps from time to time which may afford an assurance to the returning settlers that the rebels are not within any dangerous proximity.

The Ngatiporo Contingent, who arrived at Waihi at the time of my previous visit, have since strengthened the redoubt, and the position is now one which ought to be impregnable to small arms, and probably none better could be selected for the defence of the frontier. The present contingent appeared in excellent spirits, and had no complaint to make, except that they would prefer a more active life. They have done very little towards growing food for themselves, and nothing towards a permanent residence there. They expect to be relieved in March by another party of the tribe. Some of them will, I believe, volunteer to remain. Major Noake paraded the force for inspection the morning after my arrival. They went through their drill extremely well, but I cannot think that in bush fighting they would be found to attach much value to it, or to put much of it in practice. The alacrity which they exhibit in performing their evolutions is no doubt attributable to habits acquired in the practice of their own war dances and hakas.

2. I found the steps taken for the location of the settlers had made quite as much progress as I could have anticipated. Two excellent ball-proof iron and timber block-houses, capable of containing 200 men each, but which might be defended by a tenth of that number or less, had been framed in Wellington, on designs furnished by Major Noake and some of the settlers, and sent up in pieces. I found them in course of erection and very nearly completed; one at Hawara, about three miles south of Waihi, the other at Manutahi, some ten miles further south, all within signalling distance of each other, and commanding a large stretch of country. Around each of them there had been surveyed twenty-five sections of ten acres each, on which the returning settlers will erect their houses (some are already in frame), and cultivate temporarily within a few yards of the block-houses, as indicated in my previous Memorandum.

Major Noake has received and reported on applications made by the settlers for assistance from the fund of £10,000 voted by the Assembly. As sufficient time has elapsed to enable as many to apply as are likely to do so at present, I think the vote should be divided among them. It will not do more than meet the requirements of those who are gone or are going back to the district, and perhaps the cost of erecting the two block-houses, which it would seem legitimate to charge on that fund, as being themselves a contribution towards enabling the settlers to reoccupy in safety. I intend, therefore, to make immediate arrangements for the distribution of this money, on the security proposed by the Assembly being given to the Government, forms for which I have instructed the Attorney-General to prepare.

3. Ministers are aware that a very large portion of the confiscated land between Waitotara and Waingongoro Rivers, say forty-five miles in length, has been surveyed into sections averaging about sixty acres, which have been given to discharged members of the Colonial Forces, not to hold on military tenure, subject to the liability to be called on to defend their district, but solely as a return for past services. A few of them had been occupied, and some of the owners are now returning to their land as settlers. The owners of others have not returned, but perhaps yet may do so. But a far larger portion of these sections has been sold by the Military Settlers to whom they were awarded, and are now the property of absentee owners, whom it is very difficult in general to discover. These lands have as yet borne none of the burdens which ought to be provided for out of the land fund of a country in course of settlement. They have contributed nothing towards public works, and they provide the Government with no resources for the further development of the country, or any means for making it attractive to new comers. Fortunately there never was a country which held out greater inducements to the settler, nor in which costly or even ordinary public works were less necessary. But so far as the