

license, and twenty-five shillings (£1 5s.) for every *kauri** tree felled. They received from these sources alone, during the year 1869, the sum of nine thousand six hundred and sixty-eight pounds (£9,668), and about as much more for the rent of land leased to Europeans; in all some twenty thousand pounds (£20,000) in twelve months. The share of the Chief Taipari and his family alone is estimated at an annual income of nearly four thousand pounds (£4,000). It need scarcely be added that, under these circumstances, their loyalty is enthusiastic. A difficulty has, however, arisen since gold has been discovered on the sea beach. The Maoris contend that, in granting leases of the adjacent land, they did not mean to include the shore; and as this claim is based on ancient Native usage, it has been recognized by the Colonial Government, and confirmed by an Act of the Colonial Parliament. Some of these arrangements are, not unnaturally, unpalatable to the miners, who had already begun their operations on the sea beach; but little doubt is entertained by Mr. McLean that we shall succeed in arriving at an equitable settlement with the Native proprietors. There are also many other questions and complications of different kinds on the Thames Gold Fields, which require immediate care and adjustment.

5. The long-continued depression in the price of the staple export of wool has at least the advantage of forcing the attention of a large number of the people of this Colony to the development of other valuable sources of profit, such as gold, kauri gum, and New Zealand flax, (*Phormium tenax*), all of which are making most satisfactory progress, and calling forth the energy and industry of the Maoris as well as of the Colonists.

6. I trust that your Lordship may be able to assist the Commissioners now in England in establishing a well-considered scheme of emigration to this country. It will be recollected that several competent authorities have calculated that New Zealand could easily support a population of twelve millions. The existing population, European and Maori together, is less than three hundred thousand souls. In addition to the many obvious advantages which a proper system of emigration is calculated to confer alike on the Mother Country and on the Colonies, it will be remembered that every addition to the number of the Europeans in New Zealand increases the balance against the Maoris, and renders more improbable any future outbreak of a serious character.

7. It will be easily understood that, while I am absent on my official journeys in the interior of this Island, it will be generally impossible for me to send regularly by every mail to England, telegraphic messages and full reports. But I shall continue to do my utmost to keep your Lordship informed of the progress of events.

I have, &c.,

The Right Hon. Earl Granville, K.G.

G. F. BOWEN.

P.S.—Since the above Despatch was written, I have this day been informed by the Commandant at Auckland (Colonel Elliot), that he has just received official letters from Major-General Sir Trevor Chute and Commodore Lambert, stating that arrangements have been made for the transfer of the 2-18th Regiment from New Zealand to Australia, chiefly by means of some of Her Majesty's ships on this station. Commodore Lambert says that he will shortly be here himself. The exact dates appear to be not yet fixed, but Colonel Elliot thinks that the transfer will be completed within the next few weeks.

G. F. B.

Enclosure in No. 36.

MEMORANDUM by Mr. McLEAN.

Auckland, 10th January, 1870.

SINCE the departure of the last mail, a party of 300 Natives under Topia, and 300 under Major Kemp, had started up the Wanganui River in pursuit of Te Kooti.

The heavy rains and floods prevented an onward movement till the beginning of this month, when the party got to Tuhua, at the source of the Wanganui River.

It is impossible to predict, with any degree of certainty, what success may attend the expedition, but hopes are entertained of Te Kooti's capture if he is not shielded by sections of Tawhiao's adherents.

* *Dammara Australis*, a valuable species of pine.