Shortly after my arrival in this district, Te Keepa Ringatu made such strong complaint about Mr. Campbell surveying some roads on the block, and subdividing the land, that I wrote to him on the 14th May, requesting him to desist from the survey, which Mr. Campbell at once complied with. (Vide Enclosure G.) The Government have therefore considered it unadvisable at present to erect a defensive work on the Taotaoroa block, but propose to place a block house at Mr. Buckland's late station in the immediate neighbourhood of it.

The next question to be considered for the defence of the district, was the establishment of a patrol road, as near as possible to the frontier, so as to connect the various posts, and give the means

of forming a proper and satisfactory system of night patrolling.

On carefully going into the question, and personally inspecting the roads, I found none of those at present used or constructed, were suitable for the purpose. I therefore submitted proposals to the Government about the formation of a patrol road along the whole frontier, and I had also, with the aid of Colonel Lyon, drawn out a plan for the disposition of the forces for garrison and patrol duties. This met with their approval, and I was authorised to take the steps necessary to carry out the scheme

The survey of the entire line is now completed. Te Wheoro's contingent have been relieved from garrison duty at Ford Redoubt, and are forming the road between Alexandra and Orakau, and there are sixty-four men of the friendly Ngatihaua, Ngatitamainu and Ngatihourua tribes now engaged on the part between Cambridge and Orakau. Te Wheoro's men are armed and receive pay as Armed The sixty-four last named are working by contract at per chain.

The line of electric telegraph between Cambridge and Alexandra via Ohaupo, is in a very bad state of repair, and it was in contemplation to renew it by the same route, and tenders were invited for the supply of posts for its construction. On the 16th May, I recommended to the Government that the course of the line should be altered, and that it should be taken in such a manner as to pass through the frontier settlements, and be easily connected, if necessary, with the garrisoned posts.

The Government approved of the scheme, and Mr. Sheath, the Inspector of Telegraphs for this Province, most cordially assisted me in the matter, and is at present actively engaged in carrying on

the work.

Every effort is being made by Colonel Lyon, and the officers and men under his command, to carry out the plan approved of by the Government for the defence of the district. Major Jackson, Captain Runciman, and the Volunteer Cavalry under their command, have afforded valuable assistance in furnishing night patrols. I feel every confidence in the Constabulary and Volunteers being able to defend the district and protect the settlers, if the posts, as proposed, are duly established and garrisoned, the patrol road completed, and telegraphic communication between the various frontier posts and settlements effected.

In conclusion, I purpose to briefly revert to the state of the Native mind in the Waikato District, within the confiscated boundary, and to that of the Native population beyond those limits.

The friendly Natives in the Waikato, belong principally to the Ngatinaho, Ngatitipa, Ngatitamainu, Ngatihourua, Ngatihikairo, Tainui, Ngatitahinga, Ngatiteata, and Ngatihaua tribes. As a rule they are well inclined towards the Government, and I have reason to believe that the largest proportion of the people composing them, will, under any circumstances, remain loyal to the Crown.

The Ngatihaua are the most likely to be disaffected, from their close connection with Purukutu,

and the larger division of that tribe now at Tokangamutu with him.

The Ngatikoroki hapu of Ngatihaua, under Tioriori te Hura, who made professions of loyalty, have gone in a body to Tokangamutu. Only two or three days before they abandoned their settlement at Maungatautari they asked to be furnished with arms and ammunition to defend themselves from Purukutu, which request I decline to accede to.

I believe it is only the influence of Te Raihi, Hakiriwhi, and Irihia te Kauae which keeps any of the Ngatihaua in the district. The Reverend W. Barton, (Wiremu Patene), Andrew Barton, and Mohi te Rongomau have seen indefatigable in their exertions to keep order among the Waipa and Raglan Natives. Hone te One has also rendered valuable assistance to the Government at Kawhia,

Actea, and Raglan, in explaining matters to the Natives there, and in obtaining information.

The Chief Wiremu to Wheoro has more influence with the friendly Natives than any other man in the district, and his opinion is much respected by them. He has, since my arrival here, constantly resided at Cambridge, and has rendered me very valuable assistance, and I entertain a very high opinion of his abilities, judgment, and loyalty. The Native Contingent Armed Constabulary are under the command of Colonel Lyon and the immediate charge and control of Mr. Tregear, who holds a temporary rank as a first-class Sub-Inspector, and is a promising officer, and Ratama te Whakaete, and Hori Kukutai, who rank as second-class Sub-Inspectors. Thirty-five men and three non-commissioned officers are with Ratima to Whakaete, working on the patrol road between Alexandra and Kihikihi. Twenty-five men and two non-commissioned officers are with Hori Kukutai, constructing the portion between Orakau and Kihikihi. Mr. Tregear personally superintends the whole of the work done by his detachment, and his practical knowledge of surveying specially fits him for the duty. The contingent have made considerable advance in drill, and can now parade in a creditable manner. Colonel Moule, the Commissioner of Armed Contabulary, recently expressed himself as being well satisfied with the progress they have made. The redoubt commanding the Puniu fords, now known as "Ford Redoubt," progress they have made. was constructed by them, and was put up in a short time in a creditable manner.

With your permission, I will confine this portion of my report to general questions.

I am of opinion that the murder committed by Purukutu and his associates was not done with the unanimous consent of Tawhiao and the King party, and is looked on by the majority of the Hauhaus with dis-favour. A few fanatics like Nukuwhenua and Ruru are willing at any time to commit the same crime as Purukutu.

Purukutu and his party doubtless murdered Sullivan for two reasons, one private, and one public. The first, because it was annoying to them to see Mr Walker's cattle grazing on land which they were