

“ that if Europeans came to their settlements they would not be molested ; that they were totally unarmed ; eels and tawharas being the cause of their coming there to that spot ; that they were badly off for food, as the late flood had washed away nearly all their potatoes. They declined saying anything about peace or war, saying that with Wi Tamehana laid the decision ; that whatever he said they would do, but generally they did not wish to have any more fighting.”

Hohaia further informed me that they all looked gaunt and hungry, very dirty and ill-clothed, and completely worn out with their fanaticism, which is continued at short intervals both day and night. That they told him they had frequently seen the survey parties up the Mongawhara Creek, but had not disturbed them in any way in their work.

On the whole, it appears to me that their wish is to re-establish friendly communications with the Natives in this district, with what ulterior object remains to be seen.

They broke up the party this morning to return to the Piako at the same time that Hohaia started on his return here.

J. Mackay, Esq., Civil Commissioner,
Auckland.

I have, &c.,
W. SEARANCKE,
Resident Magistrate, Central Waikato.

No. 18.

COPY of a DESPATCH from Governor Sir GEORGE GREY, K.C.B., to the
Right Hon. EDWARD CARDWELL, M.P.

(No. 1.)
SIR,—

Government House, Wellington,
1st January, 1866-

Adverting to the remarks contained in your Despatch No. 86, of the 26th of October last, upon the subject of advances made from the military chest for the rations and pay of the Colonial Forces raised and organized in New Zealand, for the defence of the Colony against aggression, and for the preservation of public tranquillity, I have the honor to state that I think the following circumstances require consideration in forming an opinion upon that subject :—

2. The system of advances did not originate with myself, but was in full operation when I arrived here, under the instructions contained in the Circular Despatch of the 22nd October, 1857 ; and the Colonial Treasury being unable to meet the expenditure authorized by that Despatch, the system which it sanctioned has necessarily been continued.

3. The General commanding the Forces here having refused to furnish the Governor here with copies of his Despatches relating to military subjects, and having kept back from him the estimates of military expenditure which the Governor was authorized to consider and remark upon, the whole control of the military expenditure, either Imperial or Colonial, was virtually taken out of the hands of the Governor, for the latter class of expenditure necessarily depended on and kept pace with the former one.

4. I believe that at no time during the war did myself or my Responsible Advisers deem the great expenditure to which the Home Government or the Colony was put either necessary or desirable. I believe it was at all times our opinion that much more might be accomplished at a much less expense by means far more moderate and less costly.

5. It was, however, continually hoped that at length operations would be more energetically and successfully carried on, and in a less costly manner, and that then the war would come speedily to an end.

6. I was, from the causes before stated, necessarily ignorant of the nature and extent of the information afforded to Her Majesty's Government regarding the expenditure on military operations, and of the nature of their views and instructions in relation to the conduct of these operations, and the large expenditure which was being incurred.

7. What I fear, however, you have been left in ignorance of, is the very large and costly aid which has been afforded by the Colony to the General commanding the Forces for the suppression of rebellion in this country.

8. The Colony not only kept in the field a force on some occasions, I believe, exceeding nine thousand men, but in its desire cordially to co-operate in the suppression of the rebellion, has paid nearly a quarter of a million in providing transport for Her Majesty's regular forces, in providing soldiers, arms, and accoutrements, and extra pay for portions of those forces, in paying interpreters