Matters remained quiet for some time, when the pa erected by Manuera and Eru Hiri was burned down. Taurau and his people about this time went to dig on the Wiroa gum-field, above Wharekohi, and erected a store there. A great amount of bickering and ill-will has been exhibited by both parties during the past two months, which culminated when Taurau last Thursday put up a survey flag as a starting-point for the surveyor on the following day (Friday). Manuera pulled this flag down and refused to allow any survey to proceed, and said they would prevent it by force of arms. Taurau at once said, "We will fight to-morrow" (yesterday), and prevented one of his people from shooting Manuera on the spot, saying it would be murder, and they would fight fairly. About 7 a.m. yesterday they commenced firing at each other, and continued skirmishing all day, with the result, as wired, that on Taurau's side Hemi Hoera and Hemi Panapa were killed, Wereta Pou had his right arm shattered from the wrist to nearly the shoulder by a Snider bullet; whilst the casualties on Manuera's side were, Naha killed by a bullet through the brain, Matu Arama shot through the left side of the chest and not likely to survive, Hauraki shot in groin

severely, and Nahi flesh-wound in the arm (slight).

I proceeded yesterday, as wired, to Taurau's camp, reaching there about eight p.m., accompanied by the police and Dr. Clarke, who dressed Wereta's arm, whilst I conversed with Taurau and pointed out to him the danger of his conduct in breaking the law, and reminding him of the constant advice I had given him to refrain from using arms upon any pretext whatever. He said he was willing to make peace with the other party if they allowed the survey to proceed at once unmolested. I told him he must remain quiet whether or no, or that probably sufficient force would be called in to enforce peace. To this he made no reply. I then proceeded to the camp of the other party at Tokitoki, and found them very dejected, but still obstinately refusing a survey of the land to proceed. Manuera, however, promised to remain quietly at his settlement unless attacked by Taurau, and stated he should now be willing to have the matter talked over and settled. The doctor dressed the wounds of the two men, and gave them directions as to their attendance on the wounded men, and informed them he would again visit on Monday. I proceeded back to Poroti, and wrote to Taurau, desiring him to remain perfectly quiet, and refrain from any aggression, and that I would visit them again on Monday. Inspector McGovern has visited them to-day, and I have no doubt his presence will have a beneficial effect. He will accompany me on Monday.

From the aspect of Taurau's actions I feel certain that the northern chiefs are in accord with him, and sympathize in his movements, The real cause of this dispute has arisen from the ambitious projects and desire for aggrandisement of Eru Hiri (whose mother is acknowledged by the Uriroroi people to have a small claim on all these lands), whose counsels have had great weight with Manuera, and assist his own views. All through this matter Manuera and Eru Hiri have exhibited a vacillating and repudiative policy: one day consenting and the next refusing. I may add that Taurau has caused me the greatest anxiety since the commencement of this dispute. I have endeavoured in every possible way to prevent his exercising force; but his dignity as a chief has been set at nought, and so much disturbed by the rebellion of some of his immediate relatives and friends, that he has lately become more obstinate and unmanageable that usual. Any further

intelligence will have reached you by wire before this report can arrive at Wellington.

I have,_&c.,

The Under-Secretary, Native Department, Wellington.

James S. Clendon, Resident Magistrate.

. [Approximate Cost of Paper.—Proparation, nil; printing (1,375 copies), £1 1s. 6d.]

By Authority: George Didsbury, Government Printer, Wellington.—1888.