

Islands, I found Mr. Shand treated with contempt by them, and conceiving he had no power, he had not attempted to exercise any authority ; there was, therefore, no difference, that I am aware of, between them, so that I do not see how I could interpose to settle or advise him upon dispatches that did not exist. I had the greatest difficulty in prevailing upon them to allow him to enter upon his duties as Collector of Customs, and I beg to observe, that I did not interfere with him in his Magisterial capacity at all, except in so far as the promise was concerned, and the agreement of the Natives to accept British law. Whenever I had any occasion to allude to Mr. Shand, in conversation with the Natives, they invariably spoke of him as the "bad man," or "the fool." I am sorry to be obliged to state anything so derogatory to Mr. Shand, but the censure contained in the Despatch under reply, renders it imperative upon me to state the whole truth, which I can assure his Excellency any inquiry will establish.

I placed Mr. Shand in authority and in a position to be respected by the Natives, and I am persuaded that it will be his own fault if he is not so in future ; they began to treat him with deference immediately, which they had never done before ; and no man could be more delighted at the altered state of affairs than he was himself.

He was perfectly astonished at the facility with which the negotiations were proceeding, and repeatedly expressed himself to this effect ; although of course, he did not like the promise.

I have since received a letter from him, and from which I will quote sufficient to shew his Excellency that Mr. Shand does not feel himself very much degraded by my proceedings.

" Waitangi,
" 6th March, 1856.

" DEAR SIR, —I forgot to say that an intelligent Native, Kotauē Matorī, who was distinguished by special letters of recommendation from the Government in Auckland, and is favourably known to Mr. Domett, is among the arrivals in the "Lalla Rookh," and to reside here.

" Perhaps it would be proper to add his name also to the list of Assessors to be nominated ?

" The sensation of touching their salaries has had a magical effect among my officers and their friends.

" They are now as forward in congratulations anent my proceedings, as they were b suspicious.

" With regard to Miles, I have given him half a dozen, and let him off easy ; I am beginning to follow your quarter-deck practice, for I see that there is no use of reasoning with people who are not to be reconciled to hitting high or low when you are administering a proper castigation."

Now, I think it will appear clear to his Excellency, that if the unsatisfactory relations between the Natives and Mr. Shand had been aggravated by my proceedings, he could hardly state so short a time after my departure, that his officers, who are the principal men in the Islands, and their friends, are now as forward in congratulation as they were before suspicious ; the fact is, that I made the only arrangements possible under the circumstances for the establishment of the Customs, with the consent of the Maori population ; I did everything in public, I had no concealment from anyone, and I firmly believe no other course was open to me. With reference to the Report quired required by his Excellency, as to the grounds upon which I think an excess over the authorised expense of more than one hundred pounds should be incurred, I beg leave leave to state that my instructions do not positively limit me to that sum ; if they had, I could not have proceeded on the voyage, as that was the amount of the charter party of the vessel, including, as usual, the victualling of myself as charterer for Her Majesty's Government.

The salary of the Interpreter might be charged to the Department of the Resident Magistrate from which he was borrowed by Mr. M'Lean, who gave him his instructions to accompany me, if his Excellency should think proper ; but I thought it advisable to charge it to the expenses of this expedition, that it might be recovered from the Chatham Islands Revenue, whenever the Collector there should find himself in a position to refund it ; and I may state, incidentally, that he has already received a considerable amount of Customs duties.

The victualling of Mr. Buller, the Interpreter, the Native Chiefs and their followers whilst upon Government service, must, I should think, be considered a necessary expenditure, and I really do not see how I could have proceeded more economically than I have done.

With reference to the Preventive Officers, their services will seldom be required at the Port where the Collector may happen to be ; for although Waitangi has been declared the Port of Entry, vessels will not always discharge there, on the contrary, it may happen that vessels will be discharging at Whangaroa, Tubemga, Waitangi, Kaingaroa, and Owenga, at the same time, and the Preventive Officers were appointed by me to look out at those places in the absence of the Collector.