At the present moment important negociations are being carried on with the hitherto rebel Natives in this part of the Northern Island. These negociations appear on the whole to be progressing favourably, but a very slight cause may yet disturb them, and bring on renewed difficulties here. The question of the despatch of troops from the Colony is under consideration; until it has been decided what numbers of troops are to be sent home, and the dates at which they are to leave the Colony, it will be impossible to determine what positions are to be permanently occupied by military settlers or friendly Natives, who would for some time require the assistance of the Commissariat to meet the necessary issues for their support. Various positions already taken up by military settlers and friendly Natives, and which will probably have to be permanently held, are now settling down into a state of peace and order, and their occupants finding that the requisite issues are regularly supplied to them, do their duty contentedly and well.

Under these circumstances to direct that all the present issues of pay and rations to the Colonial Government should be cancelled from the 1st of August next, would, I fear, whilst it would obtain no useful end, cause great want of confidence and alarm, unsettle many men's minds as to the permanency of anything the Government is doing, and probably involve the country in fresh disasters. My own opinion as to what should be done to meet the questions you have raised, is as follows:—The embers of revolt which are still slumbering close to Wanganui, should be put out by the punishment and dispersion of the rebels who occupy the Wereroa Pa. The negociations now in progress should be brought as speedily as practicable to a close, which, after the dispersion of the rebels in the neighbourhood of Wanganui, I believe could be done satisfactorily and permanently; then, that it should be decided what regiments are to be sent home, and at what dates to give effect to the reduction of troops which has been ordered. When this point has been settled, that it should then be determined what positions are to be permanently held by military settlers and friendly Natives, and which of those positions will have to depend upon the Commissariat for the issue of pay or rations, and that the necessity of each of such cases should be carefully considered.

In this manner I think effect could be given to the intentions you have expressed with due regard

to the safety of the Colony.

I beg that you will, as soon as you conveniently can, inform me what course you intend to pursue in reference to this subject, as it is one which involves the most serious considerations, and may require immediate action on my part.

I have, &c.,

Lieut.-General Sir D. A. Cameron, K.C.B.

G. GREY.

No. 153.

Lieut.-General Sir D. A. CAMERON to His Excellency the Governor.

Sir,— Head Quarters, Auckland, 14th June, 1865.

Referring to your letters of the 19th May and 2nd June, 1865, in which you request that I will discontinue issuing any orders relating to the march of troops, abandoning posts, or reducing their establishment, &c., without your sanction being previously obtained, I have now the honor to inform you that I propose making the following moves:—

1st. Detachment 70th Regiment, about two Officers and seventy Rank and File, from Otahuhu to

Taranaki.

2nd. Detachment 2-14th Regiment, about four Officers and ninety Rank and File, from Auckland to Otahuhu.

3rd. Head Quarters 65th Regiment, about one hundred and eighty Rank and File, including the Band, from Te Awamutu to Auckland.

4th. Fifty Rank and File of the 1-12th Regiment, from Queen's Redoubt to the Waikato Frontier, leaving only thirty at that post.

I propose these movements for the following reasons, viz:-

1st. The Detachment of the 70th at Otahuhu consists of recruits, arrived not long ago from England, who ought to join the Head Quarters of the Regiment as soon as possible.

2nd. The Detachment of the 2nd Battalion 14th Regiment at Auckland, is too weak for all the

duties of the garrison.

Should the movements I propose be authorised by your Excellency, the force in the Waikato Frontier will be reduced by about one hundred and thirty men. Should your Excellency think it unadvisable at the present time to weaken the force on that frontier, the Auckland garrison might be strengthened by a detachment from the Queen's Redoubt, leaving the 70th still at Otahuhu, and not moving any of the 65th from the Waikato frontier.

I have, &c.,

His Excellency Sir George Grey, K.C.B.

D. A. CAMERON, Lieut.-General.

No. 154.

Lieut.-General Sir D. A. CAMERON to His Excellency the GOVERNOR.

Head Quarters, Auckland, 21st June, 1865.

I have the honor to forward, for your Excellency's information, the accompanying copy of a letter received from Brigadier-General Waddy, C.B., commanding at Wanganui, transmitting a report from Major Von Tempsky, commanding Forest Rangers, relative to an attack made by him on a party of the rebels in the bush near Kakaramea.

Major Von Tempsky and the officers and men under his command deserve great credit for their gallantry and daring conduct on this occasion.

I have, &c,,

D. A. CAMERON,

His Excellency Sir George Grey, K.C.B., &c., &c., &c.

Lieut.-General.