I found the country settlers who had been driven out of the Patea district very ready to return on receiving encouragement from the Government, and some assistance towards defending themselves. Understanding that the Government intended to locate a defensive force of East Coast Natives (Ngatiporos) at Waihi, near the Waingongoro River, the settlers proposed that the Government should erect a block-house capable of protecting, say, twenty families, at some spot not far from the Native force; and should allot to them small holdings, say ten acres each, around such block-house, on which they might erect cottages, and from which, as head-quarters, they might work their farms further off, which they considered they could very well do.

The first difficulty which presented itself was the absence of any Government land on which the plan could be carried out. After consultation, however, with Major Noake and the settlers, and after inspecting the spot, I determined to take a portion of the Railway Reserve near the abandoned Canada Redoubt, as it seemed in every way suitable for the purpose. After the decisions of the House of Representatives on the subject of compensation, however, I felt myself constrained to refuse to give the ten-acre allotments required by the settlers; but they were quite satisfied to pay a rent of one shilling an acre for them (the same as had been offered and accepted for the Railway Reserve before the outbreak), on a lease for seven years, with a right of purchase on valuation during or at the end of the term. It was arranged that the Government should find the material for the block-house, which should be erected by the settlers, who should be placed on Militia pay for the time. This will however cost the Government nothing except the price of the materials, as they are already most of them on pay as Volunteers at the Manawapo post, which under this arrangement can be abandoned. Major Noake has suggested a plan for a redoubt and block-house suitable for the purpose. Another and similar settlement might be formed between Patea and Manawapo, near Mr. Ball's farm, if a guarantee of a sufficient number of families were given; and others elsewhere might follow. At Wairoa, south of Patea, a township with redoubt had been formed before the outbreak, and, as already mentioned, the settlers held their own during the whole period of disturbances, though completely surrounded by the rebels for many miles round. It is my belief that had the Patea settlers who held the Canada Redoubt been encouraged by the Government, the Waingongoro frontier need never have been abandoned, and the destruction which swept over the district might have been avoided. Wairoa will not now require any Government aid.

In discussing these arrangements with the settlers, both at Wanganui and Patea, I found one condition absolutely necessary, namely, that the Government should give an assurance of its determination not to allow the rebel Natives to return to the district. I consider the fact of their having been allowed to do so after General Chute's campaign was a fatal error; and when the outbreak of 1868 occurred, it at once placed, or rather found, a formidable section of the enemy in the midst of the settled country, and in the rear of the Colonial Forces. It is not to be expected that settlers would reoccupy the country from which they had been driven if this course were again to be adopted. But there is another and very weighty reason why it should not be allowed. Though peaceful and permanent settlement could not be hoped for if the Natives were allowed to return, it is certain that many of the more adventurous settlers who have been driven from the district, but who still remain in Wanganui, would return to it on their own terms and at their own risk. What this means may be estimated from the report of a conversation which I had with some of them before I was in office, and which has been repeated to me substantially since. I was asked if it was true that the late Government intended to allow the return of rebel Natives on submission. I replied, that I had understood it was their intention. "Then," was the answer, given in a significant manner, "they will not be long there." This simply meant, that settlers rendered desperate by the sight of the rebels enjoying the country from which they had been driven would rely on the rifle for redress, and that a desultory war of races would clear the district from the obstruction which the action of the Government might place in their way. It is impossible for any one who has talked with these settlers, and knows how deep a feeling the losses inflicted upon them by the rebels have created in their breasts, to doubt that the threat thus plainly hinted at would be assuredly carried into execution. For the sake of the Natives themselves, they ought not to be allowed to return to the country which they have justly forfeited by repeated acts of rebellion, some of them after having been twice permitted to return to their allegiance and to regain possession of their land.

I had no hesitation under the circumstances in assuring the settlers that, if they returned to their homes, the Government would do all in its power to keep the rebel Natives from coming back to the district. I believe the task will not be difficult. The entire destruction of the pas, cultivation, and stock, for a distance of 60 to 70 miles inland, has been effected as already stated. Occasional patrols up the Rivers Patea and Waihi, and through the connecting paths between them, can hardly fail to prevent the re-settlement in these parts of any of the rebels. The idea is, I believe, acquiesced in by the friendly Natives above referred to, who have sections of them "under bail," while a considerable number have been carried away from the district altogether.

Such is the general outline of the policy which I conceived it my duty to adopt in order to carry out the wishes of the House of Representatives. Some details which I considered requisite to carry that policy into effect I will now mention.

It is, I believe, a conclusion at which nine out of ten Members of the Assembly have arrived, that one of the main causes of the late outbreak was the division of authority which existed in the district. The conflicting action of a Commissioner resident at New Plymouth, a Military Commandant resident at Patea, and a Resident Magistrate perambulating the district, rendered it impossible that anything but confusion could exist or any but disastrous results follow.

I propose to avoid such a state of things for the future by vesting the undivided authority in Major Noake, who commands the Militia in the district including Wanganui. There being no Natives in the district, except the Ngatiporo garrison, the services of both the Commissioner at Taranaki and the Resident Magistrate may be dispensed with. I propose to instruct the former not to interfere with anything south of Waingongora, unless requested to do so in writing by Major Noake. I propose to remove Mr. Booth, the Resident Magistrate, altogether, and I would appoint Major Noake (who already holds a Resident Magistrate's commission) to be Resident Magistrate for the district, with