EXTRACT FROM A LETTER DATED TARANAKI, JANUARY 8_{TH}, 1855, TO HIS EXCELLENCY COLONEL WYNYARD.

The overland mail starts for Auckland to-day, and although, as I start tomorrow via Rangiawhia, I hope to arrive in Auckland about as soon as it, I nevertheless will give you these few lines to give you an account of the state of affairs here. On my arrival last Friday week, I found that the Ngatiruanui Natives had retired after having been repulsed by Ihaias's party and had gone back to their homes without encroaching upon the settlement. This quarrel the Natives appear to consider settled as there has been an equal loss, but the first affair, which resulted in the cutting of a boundary line is not likely to be settled without fighting, as the Native residents within the settlement are determined to have revenge on Katatore for the death of Rawiri and the six others. untoward event has been brought about by the indescretion of Mr. G. Cooper in sending Rawiri out to cut the line of boundary which had been long in dispute, and which Katatore had long maintained his intention of holding. Katatore is in his pah, and states that he will not interfere with the settlers unless he is attacked. This cannot be done without bringing about a general war, disastrous to the settlement. His Pah is fortified, but being in the open could be taken with the aid of a 12 pounder or two. The friendly Natives so called (a rather turbulent set however) are most anxious that arms and ammunition should be given them in order to attack Katatore, and are also most anxious for soldiers, in order as they say to protect the settlers, but in reality to defend themselves if hard pressed. The only danger I apprehend is, if the fight is brought on our ground and any of the settlers interfere and get shot. The place is in a most defenceless state, and I may say its very weakness is its defence. There are few arms and few men who know how to use them, and if there was a general disturbance the settlement would be in an awkward perdicament. There is a good feeling however between the natives and Europeans, and if it had not been for the disastrous affair, I know of no part of New Zealand where a greater advance had been made by the natives. I have been told by a competent authority that the own as much property in carts, ploughs, horses, cattle and produce, as the Europeans. The number of each race are pretty nearly balanced. The settlers are crying out for soldiers, but if they are sent I should certainly not recommend less than 250 or 300 with two six pounders, and if possible two twelve pounders and a few artillery men. If a couple of good blockhouses could be made in Auckland it would be an additional advantage, as it would be of the highest importance to infuse a salutary awe into the natives in the first instance. A small number would only excite their contempt and the natives here have no idea of our power and There is a hill commanding the town which would make an admirable site for a blockhouse, in fact, as it is, it is a very good position having been scarped by the natives, it having been formerly one of their strongest pahs. There is a sad want here of some person to act in Mr. Cooper's place in any negotiations