

10th.—Left for Te Kaha. River still high and rapid; crossed with difficulty. Arrived at Te Kaha at 2 o'clock; the road dreadful. Matenga and Hamiora, the principal men of this place, were out at their cultivations, others fishing; they did not expect us so soon. In the evening they assembled to bid us welcome. After the usual speeches and songs, they wished to know about the Governor and his plans. I told them that I had very lately returned from Auckland, where I had seen the Governor,—that I knew the Governor had no desire to fight,—that he came here to settle matters of dispute quietly,—that, if he did fight, it would be from necessity: the Natives must take the initiative. I cautioned them against receiving any reports circulated either by Europeans or Natives, or any messages sent by other tribes, and said the Government had no object in concealing any of its intentions. There are men who travel about and invent stories as they go, which are retailed at each *kainga* for no other purpose than to obtain good entertainment. This has been the case in more than one instance. One man from Te Awa-a-te-atua came to Opotiki and represented that he was a messenger from Waikato; he was entertained handsomely, and returned home with some presents. The Wakatohea afterwards enquired of the Waikato whether they had received the letters sent by their messenger Reihana; they answered, we don't know any such man. Upon further enquiry they found that they had been gulled.

11th.—Matenga, the principal Native teacher of this place—my host—told me that they were busy with their cultivations, and asked whether I would mind their going on with their work. I told them that they were all aware of the purport of my visit, and that I was ready to listen to any cases they might wish to bring before me, and that if they wished to leave their *korero* for the evening I had no objection. This evening a rather curious case was brought before us for adjudication; the subject of dispute was, the rightful inheritor of a *tike* (green stone ornament). I could not pretend to go into all the intricacies of the case, so that I in a great measure left it with the Assessors who accompanied me. At 10 o'clock the case was adjourned for further evidence.

12th.—Indisposed; hardly able to keep up. In the evening heard the adjourned case of the *tike*. It appeared that it was a family dispute, both branches having possessed it alternately. To prevent further trouble, it was decided that the one party should purchase the others' right, so that it might descend in one line only.

13th.—The weather wet. Had a meeting with the Natives and Europeans resident at Te Kaha, who do not appear to live on the best of terms. The great cause of this bad feeling is the outstanding debts; in fact this is the difficulty along the coast between Europeans and Natives. Traders have let their goods out, and often pressed them upon the Natives, in consideration of their standing crops, to such an extent sometimes that it requires nearly the whole of the following year's crop also to clear off the debt. Other Europeans, in the face of all this, have stepped in and offered an advanced price, and have generally obtained what has virtually been sold, to the great loss of the other party. These dishonorable acts on the part of the Europeans have tended greatly to injure the Natives. They believe now that they have been the victims of the traders, and are determined to look after their own interests by combining to ask an exorbitant price for their produce, at the same time fully acknowledging their debts. The argument they use is, "you ask us what price you please for your goods, and we take them; we ask you a high price for our produce, and you ought to take it." I blame the Europeans for this state of things; their anxiety to monopolize the trade has overcome the dictates of common prudence. This was the purport of the meeting. The result is, that the Natives have promised to clear off their debts as fast as possible. I told the Natives that they complained of these Pakehas, but the consequence of these combinations would be that they would injure themselves. These Pakehas would leave, and others would not take their places because their bad name would have gone forth to the world. Suppose that such a state of things should be brought about, what would the consequence be? they and their children would have to be clothed in the garments of their ancestors. I gave as an instance the Ngapuhi; "They in their blindness thought that the Pakehas were a great evil; they destroyed Kororareka; Pakehas left the place, and what is the consequence of all this? Why, they are crying to the Governor to give them Pakehas; they are crying to the Governor for a town: they have seen the evil and they repent it; so it will be with you." With respect to their combination, I told them I thought they had committed a mistake; they should have combined to prevent their own people from taking goods on trust, rather than prevent them from paying their just debts to Europeans. On the other hand, I told the Europeans that they were suffering from their own recklessness, that instead of the traders meeting and settling amongst themselves what would be a fair and equitable price for Native produce, each one studied his own selfish ends without regard to others, in fact gave a premium for dishonesty.

14th.—Very wet. Indisposed, so that I was obliged to remain in bed all day.

15th, Sunday.—Fine warm day.

16th.—Retraced our steps to-day. In crossing the river between Pareokara and Omairi, my horse was swept down some distance by the fresh, which has not yet subsided. Stopped at Omairi two hours to dry clothes; at one o'clock p.m. started for Whitianga. Found a number of the Natives from Pakoriri awaiting our arrival; they reported Motu unfordable: I have to remain in consequence. In the evening was sent for to a meeting: the request made then was rather a strange one, and shows the mistaken idea they have of a Magistrate's powers and duties. They applied to me to fix the price of European trade, and the price that ought to be given for Native produce. They were surprised when I told them that I could not interfere in the matter,—that the European could ask what price he pleased for his goods, and it was optional with the Natives