

taking advantage of the presence of Hauauru, Taonui, Paiaka, and other leading Kingite chiefs, formally announced that they were for the "Government," and claimed the right to deal with their own lands, and with the construction of roads, &c., without reference to Tawhiao. No better proof could be given of the decreasing influence of the King party than is shown in a remark made by Hauauru Poutama, an important Ngatimaniapoto chief, who, when Mr M'Lean said that they must not interfere with other tribes in the matter of roads, &c., replied "we will still try to dissuade them, but if they will not listen, we shall leave them alone!"

The present conciliatory policy of the Government, while being the least expensive, has most effectually weakened the King party, and has removed a great deal of the soreness that existed between them and the Europeans. At the same time it must be admitted that there are influences at work to prevent a friendly settlement. Perhaps the most important of these is a feeling of national pride, to which may, in a great measure, be attributed their opposition to the progress of Public Works. When I was impressing upon Hunia Te Ngakau—one of their cleverest men—the mutual advantages to be derived from these works, he replied, "you need not tell me what I know quite well, but we oppose you in this direction because these things benefit you in a much greater degree than they do the Maori, and each mile of road or telegraph that you construct makes you so much stronger than us!" Another important, though recent reason is the Todd murder, they know that that affair must be settled and it causes them considerable uneasiness, they look upon it as a blunder, and each chief disclaims responsibility in the matter. That it was a political murder I do not doubt, for it was intended to prevent the probability of a reconciliation between Tawhiao and the Government, but I am inclined to rest the sole direct responsibility of it with a small violent party at Kawhia. It was supposed that Manuwhiri had been concerned in it, and for this reason the Government made a distinction between him and Rewi, who is undoubtedly the more straightforward of the two. At his late meeting with the King people Mr M'Lean told them that the Government did not intend to let the question of atonement for this murder drop, but would look to Tawhiao as their head to free his people of this offence, as well as the lesser one of harbouring Te Kooti. It has been urged upon Tawhiao by some of his advisers, that if he were to make peace with the Governor he would die soon after as Hone Heke, Rangihaeata, Wi Tamehana, and Te Ua Haumene did! I do not think that Tawhiao attaches much importance to this warning, but it serves to show how ready the unfriendly party are to use any argument that may serve. I believe, however, that the moderate party is the strongest, and that the ultra party must ere long give way. It is simply a question of time, the problem will be solved by themselves, without any pressing on our part. They will no doubt make the best bargain that they can, and in so doing will only follow the example of civilised nations, but I am satisfied that in the end they will be content to receive much less than their first demands. In the meantime, although there has not been any actual peace-making, intercourse with the lately hostile Natives is increasing rapidly, last month, for instance, several hundred bushels of maize with numbers of pigs and some cattle, were brought from the immediate vicinity of Te Kuiti, and offered for sale in the various European settlements, and there is an increasing desire to cultivate for market. Seed wheat, ploughs, and other agricultural implements are eagerly sought for, and there is some probability of a move down to Te Kopua and its neighborhood as being more convenient, besides possessing a flour-mill and a large breadth of land famous for producing wheat. Wiremu Kumeti (now called Whitiora) has declared that he will open the harbour of Kawhia to European trade; some opposition will no doubt be offered by Tapihana and the violent section previously alluded to, which may occasion delay, but the bare fact of Kumeti having stated openly that he will do so, is sufficient to show the change that is taking place. Another noticeable fact is the increasing desire on the part of the King Natives for employment by the settlers, last summer and autumn a very considerable number found work about Rangiaowhia, Kihikihī, and Orakau in harvesting and other field work, and I have been informed gave general satisfaction.

In the physical condition of the Natives in this District I do not notice any marked alteration. There was a good deal of sickness last winter, and I imagine that pulmonary diseases are very wide spread, for they are constantly complaining of "Rewharewha," a term applied to all complaints of the throat and chest, but no great mortality has, I believe, occurred among them for some time. Arrangements have been entered into for the erection in Alexandra of a building to be used as a Hospital, whenever they chose to bring their sick, and the services of a medical man have been secured; but I am not very sanguine of much good resulting, for as a rule it is only when a case is hopelessly given up by their own "tohunga" that they will place a patient in proper hands.

The moral status of the Waikato tribes, so far as the Kupapa are concerned, is, I think, on a par with the other tribes in the North Island. Among the Kingites, Hauhauism has brought about great laxity, and the absence of anything like law or order, has had a very demoralizing effect upon the young men. The thirst for strong drink is growing upon the Waikato Natives. Among the Kupapa—Ngatihaua are very dissipated, while the craving for spirits manifested by the Kingites is something very serious; were they placed in a position to obtain it in quantities, I believe that they would indulge to an alarming extent.

No Native schools have been established in the Waikato since the war, but I am of opinion that the time is approaching when the attempt may be made.

It cannot be doubted that Hauhauism is fast dying out. The form of worship in use among the Kingites, when weeded of the strings of meaningless words retained from the Karakia of Te Ua, does not present anything objectionable. It consists in great part of supplication to the Deity to guard and preserve Tawhiao.

The Natives of this District have not as yet been employed upon any Public Works. Arrangements were made last summer for the construction of a road from the Waipa to Raglan, but in deference, I believe, to the wish of Manuwhiri, that road-making by Natives should not commence pending the long-talked of meeting between the Governor and Tawhiao, the Kupapa, who were to have done the work, advised that it should not be proceeded with at present. It is to be hoped, however, that it will be carried out next summer, for the present road is one of the worst in New Zealand.

Of the Kupapa natives—distinctively—there is little to be said. Their condition has not, I think,