

on, and every now and then blaze up, by the aforesaid Hauhaus making a raid on Mr. Walker's cattle, and driving them off to Maungatautari. The matter briefly stands thus: The Pukekura and Puahoe Blocks, together containing 17,000 acres, are outside of, and bounded towards the north by, the confiscation boundary. The Native Land Court, at the application of certain friendly Ngatihauas, adjudicated upon, and in November, 1868, delivered judgment in, these blocks to the exclusion of certain Hauhaus of the same tribe, who no doubt had as much right to the land as those in whose favour the Court had decided, but who, unfortunately for themselves, did not attend the Court, and of whose existence the Court was ignorant. These Hauhaus afterwards endeavoured to obtain redress, but failed. What further incensed these people was the alienation by lease of the blocks in question by the certified owners to Major Wilson, and the transfer of the same by Major Wilson to Messrs. Douglas and Walker. The sufferers, seeing no means of obtaining relief, retaliated on Messrs. Douglas and Walker, which, as you are aware, eventually led to the death of Sullivan, and has ever since been more or less a source of trouble.

More for the purpose of keeping the matter alive than for any other reason, the party who think themselves aggrieved in February last drove off, from the blocks before mentioned, 150 of Mr. Walker's cattle. Immediately upon hearing of this, I went to Kihikihi and saw some of the Maungatautari Natives, but I had not been there more than an hour when it was reported to me that the cattle had been returned. In April last the same parties drove from off the same locality about sixty-one head of Mr. Walker's cattle. I saw Rewi and Te Ngakau on the matter, who at once gave orders for the cattle to be returned, which was accordingly done. Mr. Walker has since informed me that all the sixty-one head were not brought back, there being a few still missing.

Another source of trouble is the dispute between the Europeans and Maoris, as to which is the correct confiscation boundary between Pukekura Hill and Orakau; the Maoris maintaining that the line cut by Mr. Campbell is the correct one, whilst, on the other hand, it is asserted that the line cut by Mr. Simpson is the true one (*vide* sketch-plan herewith, showing both lines\*). Thus it followed that, because on Wednesday, the 17th inst., six head of cattle and three horses, belonging to Mr. Ramsay, strayed across the line cut by Mr. Campbell on to land situate between it and Mr. Simpson's line, and ate some hay which the Maoris claimed as theirs, the cattle were at once driven off to Aratitaha by the Maoris. On the matter being reported to me the following day, I at once started from Alexandra for Aratitaha, the place to which the cattle had been driven. On arriving there I succeeded in obtaining the surrender of the cattle and horses.

Until the Government devise some means of satisfying the persons excluded from Pukekura and Puahoe Blocks, and of definitely fixing the confiscation boundary between the points before mentioned, it is hopeless to expect the Maoris will desist from repeating in the future depredations similar to those noticed above.

During the last six months the aspect of affairs throughout this district, and our relations with the Maori inhabitants thereof, have greatly improved, and are now in a very encouraging condition, which, with attention, may lead to satisfactory and permanent results. This is largely due to the manner in which the Government managed affairs at the late Kopua meeting, consequent upon which there is now evident disunion amongst the supporters of the King movement, and an unmistakable falling away from the cause, as borne out by the following facts, viz.:—

The attitude now assumed by Ngatimaniapoto towards Tawhiao, and by Rewi entering into negotiations with the Government with a view of bringing about a settlement of the Native difficulty.

Rewi's visit to Auckland—a place he had not seen for twenty years—specially to await the arrival of the new Governor, His Excellency Sir Hercules Robinson.

The departure last month of about forty of Tawhiao's supporters for Lower Waikato to live with some Queenite relatives they have there, because of the blunder Tawhiao made in letting what are now known as the "Hikurangi proposals" slip through his hands.

The Ngatiraukawa North, tired of waiting for Tawhiao to bring about a consummation of differences which exist between the two races, have assumed an independent position; and, from once having a strong aversion to the idea of Land Courts, have by their late proceedings in Cambridge clearly shown that it is not their intention to obstruct the progress of settlement.

And the evident disappointment which, I am told by fresh arrivals from the King country, now exists amongst a large number of Tawhiao's people, owing to the way in which he and his advisers managed affairs at the late Kopua meeting.

In concluding this report, I would draw the attention of the Government to the cordial manner in which I have been assisted in carrying out my duties in this district by the chiefs Rewi Manga Maniapoto and Major Te Wheoro, and also by the officers of the Government here.

I have, &c.,

W. H. GRACE,  
Government Native Agent, Waikato.

The Under Secretary, Native Department.

\* In Native Office.