

whereas intimation was at once given by the chief of the pa to the Coroner, and an inquest held of Europeans only, whereat a verdict of accidental death was recorded. Some dissatisfaction was expressed on the ground of no Maoris having been admitted on the jury, and it would be advisable that some special legislation took place to meet this want, as the Maoris have an undoubted right to demand a moiety of the jury being composed of aborigines where their interests are particularly at stake. I would also here instance another proof of their law-abiding disposition, viz. the trespass case in the Patea country, recently tried in the Supreme Court, Whanganui, where Tapa te Waero (a cousin of Titokowaru), and two other Ngarauru chiefs, allowed themselves to be brought to town from Patea by night under a public escort, so that the question of their right to resume possession of a portion of the confiscated territory might be decided by the highest Court in the land, and the law vindicated, although punishment might follow. And I would take occasion here to remark that the prosecution in that case, as directed by the Government, has had a very good effect, and satisfaction at the decision and advice given to the trespassers by the Chief Justice has found full expression amongst the Maori population, who are, as a consequence, likely to evince still greater regard and respect for the law and the Queen's Court in the future.

As to the physical and moral condition of the Natives, I cannot say much in their favour, very little if any progress having been made in these respects; and no appreciable change can be looked for, till they give up the custom of herding together in large *whares* in their pas, which is a fruitful source of immorality and disease. The consumption of ardent spirits at their large gatherings has likewise a very deleterious effect, and drinking habits are on the increase amongst them; and unless this crying evil is checked, they will suffer immensely as a race, and nothing will tend more to their demoralization and ultimate extinction. Unfortunately, some of the principal chiefs set a bad example in this and other respects, affecting the morality of the Maori community; and the effect upon the Natives generally is most prejudicial, and lowering in the moral and social scale of living.

The example set in the towns, where there are so many public-houses, which are frequented by both races, and where so much drinking goes on, has a baneful effect upon the Natives, who think they cannot do better than imitate their white friends and neighbours in their fondness for strong drink! With regard to agricultural pursuits, the usual crops of wheat, maize, and potatoes have been raised, a goodly portion of which has found its way to market, and fair prices obtained. Of fruit of all kinds, the yield has been most bountiful, and large quantities have been disposed of in town, at paying prices. The growing of hops has not prospered as I should have wished, owing to the ignorance of the Natives as to the time of gathering and mode of drying; and I am afraid the trouble will be too great, in raising this kind of crop, to secure its success as an agricultural product amongst the Maoris. However, the Pipiriki Natives have planted out a thousand sets (which are coming on well), with the view of giving their culture a further trial, and I hope to get them some assistance from a European who has experience in hop culture. I intend also giving another thousand sets to a Tuhua chief in the spring, as he is anxious to grow them at his kainga, which is famed for the productiveness of its soil.

With reference to sericulture, I was pleased to find that one of the up-river chiefs (Manurau) had taken much pains in planting out and propagating the mulberry trees presented to him, and had succeeded in raising a large plantation of same, where the trees are growing most luxuriantly, and have attained to a great height and spread of branches; and the Rev. B. K. Taylor has kindly supplied him with some grain, besides affording him some information as to the manipulation and feeding of the silkworm. I am not, however, at all sanguine that the Natives will take the necessary trouble in these branches of agriculture to secure success; and they are too impatient of obtaining a quick and profitable return for their labours and efforts in these matters to give the thing a fair trial.

If a nursery could be started by some competent European on the river under the auspices and fostering care of the Government, instruction might be given to the Natives in these and like branches of industry, and a further means of profit opened up to them. The matter is worthy of consideration, and has been specially reported on by me; for a variety of industrial pursuits might be introduced at same time to the advantage of both races, including the planting of forest trees.

Further progress has been made during the past year in the matter of the flour-mills. The iron machinery for the Koriniti mill, imported from Glasgow at a cost of £200, has been placed in the mill-house, which is approaching completion, a machinist and two carpenters being now engaged in giving the finishing stroke to the work.

A portion of the machinery for the Karatia mill (called *Kawana*, after Governor Grey) has been cast at Mr. Murray's iron-foundry, Wanganui, at a cost of £110, and has been stored in the mill-house (a substantial wooden building) till the completion of a further order to amount of £90, which will be executed in the spring, when the whole machinery will be placed under competent supervision, and the mill set a-grinding.

The full complement of totara timber for Pipiriki mill-house has not yet been sawn by the Natives, who have been working at it by fits and starts. Major Kemp and self keep urging these Natives to complete their portion of the work, so that that beneficent chief may engage carpenters to put up the mill-house and fix the machinery, under the superintendance of Mr. Pim, the importer, who has undertaken to see these mills finally completed in an efficient and workmanlike manner, and to his satisfaction, as a competent judge in such matters.

I believe an impetus will be given to the growing of corn on final completion of these mills, and a consequent superabundance of wheat will be ground, resulting in a much greater consumption of flour by the Maoris to their physical health and improvement, potatoes being their staple article of food. I am glad to say an effort is being made by the Maoris to turn their cattle to account, as the Jerusalem and London Natives are anxious to come to an arrangement with some European whereby their numerous cattle will be attended to by competent hands, dairy produce raised, and the increase and improvement of their stock seen to, whereby profit will accrue to both parties; besides giving encouragement to the consumption of milk and butter—articles of diet hitherto wholly neglected by the Whanganui people. Intentions are likewise manifesting themselves on the part of the Natives to purchase sheep, and I believe before many years they will become extensive flockowners; for they