

Tribe have erected a turbine-wheel flour-mill, at a cost of about £700. The Ngatipukeko have not yet succeeded in collecting sufficient funds to put up their proposed mill. The Rangitaike Natives have now a flock of eighteen hundred sheep, which are quite free from scab. These Natives send their wool home for sale, and do not even draw an advance on it. The last clip realized a high price.

*Public Works.*

The Natives have had very little employment on public works during the last year, the only work performed by them being a ditch to carry off the surface water from the Te Teko and Whakatane Road, and making a bridle-track on the surveyed line in the bad places of the road between Te Kaha and Raukokore: this has been done under my supervision in my capacity as distributor for the Waikana outlying district. The portion of the road which is completed is a great improvement on the old track, and has been done at a very small cost.

There is a very strong desire amongst the Natives of Ohiwa and Waiotahi for employment on roadwork. I would suggest that they should be given work during the summer months on the new inland road which has been laid out between Ohiwa and Opotiki.

*Condition of the Natives.*

The general conduct of the Natives continues to be very good. With regard to their moral condition, I cannot state that there is any perceptible improvement during the past year, but it is certainly not bad considering their communistic habits. The demoralizing effects of the late war are gradually wearing off. There has been a great deal of sickness amongst the Natives during the year. The Natives residing near Opotiki never ask for medical aid from Government, but go to the doctor in the same manner as Europeans, and I am informed that they pay for attendance cheerfully, and much more speedily than some Europeans. The Natives at Torere, Omaio, and Te Kaha obtain Government medicines, which are dispensed by the Native school teachers at their respective stations.

In the Resident Magistrate's Court the number of civil cases between Europeans and Maoris has been twenty-seven; between Natives, only twelve. I am happy to state that the number of criminal cases has decreased, there being only seventeen, including drunkenness, against sixty last year.

*Native Schools.*

The Te Kaha, Omaio, and Torere Schools continue to keep up a fair average attendance of scholars, who are progressing slowly, but I think in some instances very favourably. The Whakatane School, I am sorry to say, shows no improvement. The school opened by the Natives at Waiotahi is attended very well. Mr. Avent, the teacher, takes great interest in his duties, but he labours under disadvantages, having no proper schoolroom.

*General Remarks.*

The Ngatiawa Tribe, residing at Whakatane, made a present to the Government of a very handsome carved house named "Matatua," for the purpose of being sent to the Sydney Exhibition. This house was very highly prized by the Natives, each of the posts representing some ancestor of the tribe.

In conclusion, I may state that the Coast Natives of the Opotiki District are thoroughly law-abiding, and also that the Urewera are becoming more and more amenable to law. I have no difficulty now in serving the process of the Court in that part of the district. One of the members of this tribe, residing at Ruatoki, was summoned for a breach of the Licensing Act, and was fined £5 and costs; the fine was immediately paid.

The Under-Secretary, Native Department, Wellington.

I have, &c.,

GEORGE A. PREECE.

No. 12.

Captain GUDGEON, R.M., Gisborne, to the UNDER-SECRETARY, Native Department.

SIR,—

Native Office, Gisborne, 23rd April, 1880.

In accordance with your Circular No. 1, of the 16th March last, I have the honor to report as follows on the Natives in the East Coast District:—

The Maoris in this district and the Wairoa are still expecting visits from Te Kooti, who appears to exercise much power and influence among a great section of them, more especially in the Wairoa District. There are frequently reports circulated that he has taken to the bush; but it is not probable that they would join him in the event of his making a demonstration against the Europeans. Nevertheless their feeling towards us is not altogether satisfactory. Taniaionarangi, of Wairoa, it is stated, did debate the possibility of breaking into the arms-house at Te Kapu. The general report is that Te Kooti intends in due time to attack respectively Tauranga, the Thames, and Poverty Bay. There is little doubt as to his having expressed this intention, as the whole of his visitors agree on the subject.

A dispute which might have had serious consequences has arisen between the Aitanga-a-Mate, of Whareponga, and the Te Whanau-a-rua, two hapus of Ngatiporou, the subject of the quarrel being the ownership of a piece of land. The former hapu, to assert their right, buried a child of rank upon it, and, on the counter-claimants threatening to disinter it, Te Aitanga-a-mate seized their arms, and would have resented the outrage with death, had not the others desisted. Since then Ropata has persuaded the rival claimants to pass their land through the Court; but this contention may, however, break out at any moment, as there are still unsettled boundary disputes between them.

With reference to the Ngatiporou Tribe, I have much pleasure in reporting that they are showing every disposition to obey the law, as may be seen by the way in which every judgment of the Resident Magistrate's Court at Awanui has been carried out. The very men who gave the constables notice not to cross the boundary at Waiotautu have lately rendered every assistance to them; and, in a case of a breach of the Arms Act, not only did they hand over the guns, but proceeded to Auckland, and gave