

I have the honor to report that the Natives in this district are in a fairly prosperous condition.

This season's crops have been generally good, and food amongst the Natives is plentiful; but throughout the whole district there is not nearly so much cultivation as formerly; indeed, at many villages up the coast, the cultivation is done principally by the middle-aged and old men. Most of the young men leave their homes during the summer months, and engage themselves to the farmers in the district for sheep-shearing, and more especially for cutting grass and threshing, and cleaning grass-seed; they return home for the winter months, and with their summer earnings they supplement the supplies which have been obtained by cultivation.

These men having a certainty of remunerative work during summer on the stations, and their keep for the winter costing only a trifle, might, if they were more provident, be very well off; but with a very few exceptions, the Natives are an improvident race; their hospitality is carried to excess, and the opening of a new runanga-house, church or school, very often leads to an expenditure of hundreds of pounds, and it is a matter of frequent occurrence that a tribe, or hapu, after giving a feast, will, for months after, be reduced almost to starvation.

When a house is to be opened, the hapu commences its preparations often twelve months beforehand. Birds are shot and preserved, all sorts of delicacies are obtained, immense quantities of flour, biscuits, sugar, &c., are purchased from the stores, sometimes on credit; and when the day for the ceremony arrives, every effort has been exhausted in preparation for a feast which will probably last two or three days. The visitors then leave and take away tons of food, and the impoverished hapu is happy in the assurance, that a feast has been given which will be talked about for months to come. Now this sort of thing is going on and increasing; each chief and his hapu tries to provide a larger and more expensive feast than the one to which they have first been invited. A new church or school is to be opened, preparations are commenced, and so the thing goes on, and the Natives are kept poor. A few of the young chiefs, I am glad to say, are adopting European habits; and instead of wasting their substance in the manner described, are going in for sheep-farming, &c.

It is satisfactory to know that there is a strong desire in every part of the district to have the children educated in the English language. Various school sites have been given or promised, under "The School Sites Act, 1880," and schools are to be opened as soon as the necessary buildings can be erected at Kawakawa, Rangitukia, Tikitiki, Wai-o-Matatine, Tuparoa, Whareponga and Tokomaru. There are good schools at Tologa Bay and Akuaku; at Wai-o-Matatine the school is closed for the present as the building is being used by the Native Land Court. A new school-building and master's residence will be commenced there in two or three weeks. One or two new churches have been opened during the year.

As to sobriety and general morality there is, I am happy to say, a marked improvement throughout the district; drunkenness is now comparatively rare. Isolated cases of crime have occurred among them during the year, none of them being very serious, the most common being that of horse-stealing generally by young men or lads returning home from grass-cutting. The Natives themselves have always brought these cases to the notice of the police, and have rendered every assistance to bring the offenders to justice.

There are at present several (3) Mormon elders in the district. They have succeeded in making a number of converts among the Natives, but as one of the tenets of their religion seems to be total abstinence from drink, and they do not advocate polygamy, their visit appears to be more beneficial than otherwise. These people have not disclosed any intention of acquiring land in the district; they appear to have little means and live entirely on the Natives.

The Native Land Court has been sitting at Wai-o-Matatine during the last three months. In regard to the cost to the Natives attending these Courts to which I called attention in my last year's report, I am happy to state there has been a great improvement, entirely owing to a wise regulation made by Judge Mackay at the opening of the Court. He took the list of claims and arranged them in districts, and made it known that the whole of the claims in one district would be disposed of before those in another district were called on, and that due notice would be sent before each new list was entered on. This arrangement at once liberated a large number of Natives who were enabled to return to their homes. The gratifying result is, that only Natives interested are in attendance at the Court, everything is quiet and orderly, and there is no drunkenness.

A strong attempt was made by a few Natives at the opening of the Court to induce the claimants to withdraw their claims, but it did not succeed. The reason given for wishing to withdraw the claims was that the Court costs were too high.

Another attempt to close the Court was made in March, by Hora Ropihi, one of the men who accompanied Tawhiao to England; the reason given to induce the Natives to withdraw their claims being, that the Imperial Government would grant redress for grievances to which they consider they are subjected by the present land laws. This attempt also failed, and the work of the Court is being steadily proceeded with.

With regard to surveys of Native lands and roads, there is no opposition, except in the northern part of the district. There is there a feeling of opposition which originated through a judgment of the Native Land Court, given at Opotiki, affecting a block called "Puketauhinu," by which the Ngatiporou consider they suffered an injustice. This has led to the survey of large blocks of land north of Waiapu being prevented, and objections to trig. stations being erected on land which has not passed through the Native Land Court. The Puketauhinu case is also, in a great measure, the origin of the objection to the road being laid off between Waiapu and Kawakawa, although the ostensible reason given is the rating of the land on both sides the road.

Throughout the whole district the Natives are thoroughly loyal and apparently contented, and there is a growing desire to refer matters in dispute to the Government, and to the legally constituted Courts. During the year ended 31st March, there have been 82 trials of Natives for criminal offences, most of them being of a very slight character. There have also been 238 civil cases, in which there were 16 Native plaintiffs, European defendants; 190 cases in which there were European plaintiffs and