the Depôt and one to Waikato; one dismissed for misconduct; and two mounted and eight foot constables discharged at their own request—time expired. The comparatively large number of men who have left this district is to be attributed to the new regulation under which men are required to swear in for three years. Seventeen members of the force have, however, re-enrolled under above terms, and some five or six more will probably do so. Two non-commissioned officers of the Armed Constabulary are employed occasionally in drilling the Militia at their quarterly parades, and the Mounted Rifles at their camp of exercise and other parades. their camp of exercise and other parades.

There are now 361 militia, 51 mounted rifles, and 36 foot volunteers available in the district; the two latter corps are fine bodies of men, and would be very useful if required. With regard to the Militia, I fear the majority would be of little use, but about 80 men could be selected from among them who, from having seen much service in the old forces of New Zealand, would be equal to any work required of them. The fact of the Militia having to parade quarterly, has the effect in this district of keeping the ranks of Volunteer corps full, the former force being most unpopular.

The behaviour of the Poverty Bay Natives has much improved since the sitting of the Deed of Cession Court. When under the influence of Henare Matua, with the Hawke's Bay and Wairoa Natives, they acted with considerable violence in the Court, and for some time caused a stoppage in the proceedings. The excitement would now appear to have subsided, as at the last visit of the East Coast Commissioner the same tribe agreed to pass blocks of land through the Court that have long been a bone of contention among the hapus of the Aitanga-a-Mahaki Tribe.

Some little trouble was caused during the summer by the return of old rebels belonging to these tribes, notably Nepia Takutai and Pera Te Uatuku, who had been ordered to live in the Bay of Plenty. After some trouble, Nepia and his people left for Opotiki, but I was forced to arrest Pera before he would promise to leave his old kainga and return to Torere.

It is to be expected that with a constantly increasing population, crime will also increase; but this district labours under the disadvantage of having a large number of the old Hauhau party, taken in different expeditions, who, having no homes of their own, are living under the surveillance of Ngati-porou, and who flock here in company with the worst characters of that tribe, ostensibly to work for the pakeha, but in reality to steal and plunder. Three fourths of the offences recorded in the attached return are attributable to this cause, but more especially to Ngatiporou, who rarely return to their own kaingas (where at present they are tolerably safe from the operations of the law) without having committed some depredation.

The gaol, or rather lock-up, accommodation is quite inadequate to meet even the present requirements of the district; during the year several prisoners were released from custody to make room for others charged with more serious offences, and females cannot be confined as there is no separate place

The farming and pastoral interests are in a remarkably flourishing condition; on all sides ploughing and fencing may be seen carried on. Many runs have been lately leased from the Ngatiporou, even beyond the East Cape, and I confidently expect that on the next census being taken, the wealth and population of this coast will have increased three-fold.

The population of the district is about 1,250, occupying 38,000 acres of freehold and 273,000 acres of leasehold, the latter chiefly Maori land. There are 156,000 sheep, 5,200 horned cattle, and 1,114

horses.

I have, &c., W. E. Gudgeon, Sub-Inspector, The Commissioner, Commanding Poverty Bay District. Armed Constabulary Force, Wellington.