

The conduct of the Natives throughout the whole of the districts during the past year has been unexceptionally good. Comparatively speaking, very few cases of drunkenness and disorderly behaviour have been dealt with at the various Courts. No offences of a serious nature have taken place, and the Natives generally have appeared to indulge less in intoxicants, except those about Rotorua, in whom, I regret to say, I see no improvement during the past twelve months. These Natives have been better supplied with money this year than for some years past, owing to the increased tourist-traffic and the sale of their township to the Crown. Several of the vendors of the township placed the bulk of their money in the Post Office Savings-bank; a considerable amount was also spent in purchasing agricultural implements, carts and horses, and bullock-teams; a large sum also was expended in clothing.

The health of the Natives during the past year has been fairly good, quite equal to that of previous years. No serious disease in an epidemic form has occurred until recently, when the severe influenza colds which have been so prevalent throughout New Zealand put in an appearance amongst them, so far, without any very serious results. Only one Native school has been temporarily closed—namely, that at Galatea, which is a very cold bleak region, and where, I fear, the children are very poorly clothed.

A considerable quantity of grain has been cultivated in the Bay of Plenty, in the shape of wheat about Tauranga, and maize at Opotiki, Whakatane, and the eastern portion of the Bay. The two steamers "Chelmsford" and "Douglas" have been fully engaged conveying maize from Opotiki and Whakatane during the past year, a fair portion of which is produced by the Natives. The grain carried by the steamers is not grown further east than Torere, all the produce beyond that is shipped away in schooners. It is anticipated that this season's maize-crop at Opotiki and Whakatane will yield at least 50,000 sacks. The wheat grown in Tauranga and vicinity has been considerably in excess of last year's crop, and the yield and price realised have been encouraging to the growers. The Natives residing in the Lake district, at Maketu, and Matata scarcely grow sufficient for their own wants. This, in a measure, may be attributed to the poorness of the soil and their want of industry.

The flax-industry has caused the erection of several mills at Te Puke, Maketu, and Matata, which find employment for many Natives, a great number of whom are availing themselves of the opportunity thus afforded them to utilise the flax growing in the vicinity of their settlements. The unfortunate part of such industries to the Native is that, as a rule, it furnishes a ready excuse to neglect his cultivations, and, in many instances, enables them to eke out an existence without cultivating at all; hence they do not derive the same advantage that they would if they were more prudent; and I fear if the price of flax fell, and the mills were compelled to cease work, the Natives would probably find themselves badly off for provisions.

Nothing has occurred during the past year to cause any unusual excitement in any part of the district; in no year during the last ten have Native matters been so quiet as during this. It is to be hoped that this augurs that the Natives have now settled down in real earnest to agricultural pursuits.

A considerable number of Natives from Tauranga and Maketu proceeded to Waikato to attend Tawhiao's meeting recently held there. The meeting appears to have been little more than an ordinary Native gathering, at which nothing of importance was done. It seems to have been nothing more than one of those periodical Native assemblages which the Natives are so fond of, and which possess great attractions to the Native mind. It is, however, a matter for congratulation to find that even these meetings are getting fewer in number in most Native districts; it is to be hoped the time is not far distant when they will become a thing of the past, as they are most pernicious to the welfare of the Maori.

The eighteen Native schools in the district have been well attended during the year, and considerable progress has been made by the scholars attending. In nearly the whole of them great interest is taken by Natives residing in the vicinity of the schools, and, as a rule, the parents attend the Inspector's and District Superintendent's visits. Great interest is taken by the parents in the periodical examinations by the Inspector, when the parents anxiously look forward to hear the results, in the hope that their school has excelled those at other settlements in the matter of standard passes. Wherever the resident Natives take this interest in the school, an excellent and well-attended school is always found. There are, however, a few settlements where the parents do not give their school that amount of support, consequently these schools are less successful and not so regularly attended; but, fortunately, this want of interest is an exception, and generally met with in those localities where the Native population are adherents of Te Kooti. Perhaps the object is to keep the rising generation in these places ignorant, so that they may the more readily be made to adhere to the Kootiite doctrines. I know of no other reason why a want of interest should exist in such settlements. It is found nowhere except amongst Te Kootiites; hence the objection of the Urewera to establish schools in their territory.

The most important occurrence of the year within these districts has been the purchase of the Rotorua lands from the Ngatiwhakaue Tribe. These difficult negotiations were satisfactorily completed by the Hon. the Native Minister and the Under-Secretary of the Native Department. The Arawa Tribe as a whole, but particularly the Ngatiwhakaue section of that people, have always been known as a difficult people to deal with. Many obstacles had to be surmounted in the negotiations for the above lands, which, after many discussions, were overcome, and resulted in the Crown becoming the purchasers of the lands.

The district land-purchases have been carried on by me; a considerable area has been acquired in various blocks; but shares in these purchases are not coming in very rapidly just now, chiefly owing to the want of successors, a number of the original owners having died and no successors having been appointed. This difficulty, however, will be removed after a sitting of the Native Land Court is held here, which, I understand, will shortly take place.

No public works have been undertaken by the Natives since the last report. Two cases of supposed leprosy were reported, which the Natives attributed to *maku*, or witchcraft, but which,