

Some of the Natives of the province, particularly those residing at Pakowhai and Omahu, produce largely wheat, oats, and maize. At Patea, the chief Renata Kawepo has a considerable flock of sheep, as has also Hapuku, at Poukawa.

Wairoa.

Cultivation and general improvement is on the increase in this part of the country. The preliminary negotiations which have been started by yourself for the purchase of a large extent of grazing country lying at Upper Wairoa, and stretching to Waikaremoana Lake, thence to the northward by the inland road to Poverty Bay, as far as the Patutahi Block, will tend in a great measure to the advancement of the district in material wealth and the general safety of the country, by enabling settlement to extend along the boundary of the territory of the Urewera tribe. The Land Purchase Officer for the Hawke's Bay and Wairoa District, Mr. J. P. Hamlin, is now employed in concluding these arrangements.

A school has just been opened at Wairoa, in accordance with the provisions of the Native Schools Act, 1867.

Poverty Bay.

The troubles existing for so many years in this district have to all appearance ceased. The complications, however, in regard to land titles are only partially over. The settlement of the great difficulty of the subdivision of lands which have passed the Poverty Bay Commission, referred to in my last year's report, is not yet commenced, but will be shortly. The vexed question of joint tenancy will then come on for hearing, when it is hoped that the ambiguity in the provisions of the 4th clause of "The Native Grantees Act, 1873," will be cleared up. Certain reserves are being set apart in accordance with clause 24, "Native Lands Act, 1873."

Over 200,000 acres of land passed the Native Lands Court at the late sitting of the Court, under Judge Rogan.

There are three Native schools in the district—two at Poverty Bay, and one at Tolago Bay.

Mr. J. A. Wilson, Land Purchase Officer, has succeeded in opening up negotiations for the purchase and lease of a considerable quantity of land.

As a European settlement the district is advancing rapidly. This is shown by the fact that the European population, which in 1869 did not exceed two hundred people, now numbers some two thousand, having a Customs revenue of £7,000 per annum. One of the great wants of the place has been just supplied in the opening up of the telegraph to Gisborne.

The road to Opotiki and Ohiwa, in the Bay of Plenty district, is being cut, but for it to be of any practical use it will require to be cleared a chain wide, with open spaces at convenient intervals, for camping grounds for cattle or sheep. It would, however, be better if the road were made passable for drays. A road formed by the way of the oil springs at the head of the Poverty Bay settlement, and through by the Mata and Waiapu Valleys to the landing at the Awanui, would open up the centre of the Peninsula of the East Cape, and render a large extent of good land available for occupation.

Of public buildings (for the construction of which £4,000 have been voted) for offices of the different departments of the Government there is much need.

One of the great drawbacks experienced by the settlement is not having either the road metalled or a tramway laid between Gisborne and Ormond.

Waiapu.

Little improvement has taken place during the year in this district. But now, as land purchase operations have been commenced here under Captain Porter, the Land Purchase Officer for the district, it is hoped that a change for the better will soon take place, and that settlement will advance. To fully develop the resources of the district it will be necessary to open up an inland road from Awanui (where there is an Armed Constabulary station) to Waiapu, and thence to Poverty Bay, and probably from Waiapu by the short road, called Pakiakanui, from Pukemaire to Kawakawa, and thence to Hicks's Bay.

Some few leases have been taken up, but little progress has been made, owing to the country being infested with scabby sheep, the property of the Ngatiporou. This, it is expected, will be shortly remedied, as Captain Porter has received instructions to clear the district of diseased sheep. Mr. Meldrum, Sheep Inspector, has offered his services to assist in carrying out the necessary operations for boiling down, &c.

Several oil springs have been surveyed lately, and will pass the Lands Court now sitting in the district. Coal is said to exist at Hikurangi. The hot springs also near Open Bay will doubtless ere long draw the attention of the public.

There are four schools started in the district under the Native Schools Act, 1867.

Two blocks of land were given by the Ngatiporou in 1862 as an endowment for a school, and site for a Magistrate's house, &c.; one block being at Manutahi, the other at Waiapu. With the exception of building the Magistrate's house on one of the blocks, no further advantage has yet been taken of these lands.

The death of the old chief, Ihairaira Te Houkamau, which took place on the 3rd of last January, was a great loss. The great influence he held over his tribe was always exerted for the purposes of peace.

Taupo.

The Ngatetuwharetoa, or Taupo Tribe, are now reaping the benefit of the settled and peaceful life they have enjoyed for the past few years. They are growing good crops of wheat, oats, and other produce, for the surplus of which they get a ready sale at Tapuacharuru, and easy transit is offered by the steamer across the Lake.

The carp that were placed in the Lake some few years back have increased to such an extent that the Natives now catch and cure them in considerable quantities.