

1st. The construction and maintenance of Hospitals ; to which Maories are admitted on equal terms with other subjects of Her Majesty.

2nd. The establishment and maintenance of schools; to which Maori children are admitted on the same terms as other scholars.

3rd. For the payment of Resident Magistrates and of Native Magistrates, and for the maintenance of a Native Police.

4th. For making presents to Native Chiefs, in acknowledgment of services rendered by them.

5th. Generally to such other purposes as may tend to promote the prosperity and happiness of the Native race, and their advancement in Christianity and civilization.

These objects of expenditure appear fairly selected ; and, accordingly in proposing the above-specified appropriation, Ministers have had regard to all these objects.

The provision to be made for Native Education will be hereafter referred to.

10. As it was impossible to provide out of the £7,000 for every service in which the Aborigines may be thought to have some special interest, Ministers have as far as possible selected those in which the interest is predominantly or exclusively Native. Thus as regards the Resident Magistrate, they propose to place on the Civil List only those in purely Native districts. In the case of every other of those eight Magistracies now partially provided for on the Civil List, European cases form a more or less considerable and increasing proportion of the business transacted. These latter services it is accordingly proposed to provide for on the General Estimates.

11. It is not desired to fix the Native Expenditure rigidly to the items above specified ; but it is considered essential to the success of the proposals in the House that any changes to be from time to time made in the mode of expenditure should only be made with the concurrence of Ministers. This is what His Excellency is understood to suggest in the Memorandum of the 6th instant. It further appears quite essential that the Native Department on the Civil List should be recognized as subject to the same regulations respecting their contingent expenditure, as other Departments ; without prejudice of course to His Excellency's power of final determination respecting the allowance of expenditure for which there is a legal provision.

12. As a part of the new scheme, it is proposed to relieve the Civil List from the salaries of those Resident Magistrates who are not placed on the Native Fund. These establishments are already provided for on the General Estimates ; and it is proposed to take a vote for their salaries also. Interpreters salaries are chargeable against the Native Fund. The £300 now charged against the £4,700, for the Native Secretary's salary would of course be struck off.

13. Concurrently with the new appropriation above suggested, it is proposed to provide for the maintenance of the Native Schools by Act of Assembly ; granting an equal provision to that now made, for a term of not less than five years. Any change in the Civil List, Ministers would only advise contingently upon the adoption of such a measure by the General Assembly.

14. Government aid is to be rendered to the schools according to a scheme of which the basis should be—

1st. Government contribution proportionate to the average number of pupils efficiently instructed during each quarter (or other period of payment), according to a standard of instruction, to be fixed by Government.

2nd. A standard of Instruction entitling to Government aid, which shall comprise the ordinary subjects of primary instructions in English as well as in Maori, and industrial training ; but which shall not include any kind of Religious instruction.

3rd. Periodical inspection of the Schools by an Officer or Board, appointed or approved of by the Governor.

4th. Perfect freedom of the Managers of the Schools as to the course of instruction and conduct of their establishments : especially in regard to the Religious education of the pupils.

The question of the constitution of an intervening agency between the Government and the Schools ; the classification of Schools into central and primary : the reservation of a fund for special grants for buildings, &c. ; and other particulars to be left for future consideration.

15. Subject to such guarantees for the due application of the Colonial funds as have been above indicated, Ministers trust to secure the assent of the Legislature to the preceding propositions, notwithstanding the considerable increase of expenditure which is involved. With proper security for the due application of the public money in furtherance of the permanent welfare of the Natives ; and in accordance with definite principles, which have borne the test of discussion ; Ministers express their firm belief that the Legislature of this Colony will never be swayed by a parsimonious spirit in the provision made by it for Native Expenditure.

16. In coincidence with this view, Ministers are glad to refer to the opinion of Sir George Grey, which is expressed in the 73rd paragraph of the despatch already cited, in the following terms :

“ I have recommended that for the present the Governor-in-Chief should be authorised to apply, at his discretion, the sums reserved for Native purposes ; but I think that a provision should be made, that he should only exercise this power for a limited time ; and that, after that date, such sums should be appropriated under the authority of Ordinances, to be passed by the Governor-in-Chief and General Assembly ; who, I think, would freely and cheerfully contribute such amounts as were required for the wants of the Native population ; whilst, as I have continued,—as I have reported in several despatches,—to make considerable endowments for Hospitals and Native Schools, the income