

In respect to longer leases being granted, he said, "The white people get a lease at a small rent from the Commissioner, then they let it at a higher rent, then again at a higher to another, and so on. And how do we gain? If longer leases were granted the price might still be increasing, but not for us."

Notwithstanding the opinion of the natives it might be judicious to sell portions of the reserve, from time to time, if a sufficient price were offered—one that would yield a permanent revenue equal to, or not much less, than the present rental.

The argument advanced by the committee, to the effect that the natives are not justly entitled to the enjoyment of the increased value that has accrued to the property from the colonizing energy of the European settlers, is not, I think, a sound one. The farther position, that if "ten years ago the proceeds were not essentially necessary for the welfare of the natives, much less ought it to be so now that their numbers seem to have greatly diminished"—this appears to be equally unsound.

If these reserves had been made by the grace of the Government, out of Crown land, for the benefit of natives generally, the arguments would have had some force, but in the present case (and in that at Arahura) the lands are exceptions to the territory sold to the Queen, and the deed before quoted shows not only that no payment was made for them, but that at the time of the sale it was thought proper to record the fact of the absence of such payment.

Mr. John White has kindly furnished me with a very close translation of the text of that part of the deed,—it is as follows:—"Nevertheless there are other pieces of land for us contained within these lands. Also, the lands (marked) A and B are those lands. They were not alienated.

(j) The difficulty of securing a suitable investment of money realized by the sale must be considered. In a case of trust funds, the purchase of Bank, Gas, or Insurance Companies stock would not be fitting. Government securities, mortgages, and land purchases would be more appropriate.

Mortgages would not yield more than seven or eight per cent. for a permanence. Investment in land is of uncertain profit.

Both of these modes of using the money would require constant supervision, and one of the advantages set forth as likely to result from capitalizing the property is the avoidance of the cost of administration. These are important but not insuperable objections to the sale.

(k) There appear fair reasons for believing that the existing state of prosperity in Greymouth is likely to continue. The customs' revenue is undoubtedly fluctuating, and the yield of gold (alluvial) has fallen off, but the evidence of the existence of deep leads is such, I think, as to warrant the degree of confidence which appears to subsist in the place. The discovery of gold in its matrix in the interior ranges indicates that permanent mining industries will be developed, of which Greymouth must be one of the centres.

Recommendation.

The conclusions to be derived from the evidence are, I think as follows:—

1st, That it is desirable that the land in the Reserve should be made available for purchase without any restrictions by the original lessees or their representatives, at a price that would yield at 7 per cent., a revenue not less than $\frac{5}{8}$ of the present rental.

2nd, That previous to the sale of any land facing Mawhera Quay, a line of street frontage should be determined, in such manner as His Excellency the Governor may direct, that should modify or equalize the present irregular angles of occupied frontage.

3rd, That in any leases yet to be granted the covenant relative to assignment should be omitted, together with the clause providing for re-entry in case of bankruptcy, and that where it may be desired new leases without the above clauses should be granted at the lessees' expense.

4th, That it is not necessary to take the estate into the Native Land Court, His Excellency the Governor already having power under the Acts specified in the margin, to sell and convey for the benefit of the natives any portion of the Reserve.

5th. That it is desirable that "The Land Transfer Act, 1870," should be so far amended as to cause land vesting in the Queen under "The New Zealand Native Reserve Act, 1856," to be for the purposes of "The Land Transfer Act, 1870," equal to land held under a Crown Grant.

"The New Zealand Native Reserves Act, 1856," and "Native Reserve Amendment Act, 1862."

CHARLES HEAPHY.

Auckland, 5th June, 1872.