

of £75,000. The Tokatea, Kapanga, Tiki, or Ngaurukahu, Tararu, and Karaka blocks may be estimated to contain 22,000 acres, and it would not be an excessive estimate to assume that these can not be purchased at a lower average rate than one pound ten shillings per acre, or say a total of £33,000. Taking into consideration the fact that a large portion of this extensive territory would be purchased from Natives who are hostile to the sale of lands to the Crown, and that much of the land is of known auriferous character, I do not think it would be right to estimate the total cost at less than £108,000, exclusive of agent's commission.

The question of reserves for Native residence, occupation, and cultivation will also require serious attention, and it will probably be found necessary in most instances to make this class of lands inalienable.

After all questions as to boundaries, surveys, and reserves, have been arranged, the title to the lands should be investigated by the Native Land Court, and conveyances be procured from the parties found to be interested therein. In cases of very large purchases, it might be found desirable to make the payments by instalments running over a term of years. It would also be beneficial to induce the Natives to invest some of their money in Government annuities. It will be necessary that forms of deeds should be supplied to me, some of which should have provision inserted in them for payment by instalments. I object to the old form of Land Purchase Deed, as the space for description of boundaries, and the signature of the Natives, is too small. I think the deeds should be printed on parchment.

In order to prevent confusion in surveys, and also to obviate the necessity for repeated references to the Inspector of Surveys for information as to previous surveys within the Coromandel and Eastern Hauraki districts, I would respectfully request that a map or tracing should be furnished to me, showing all Government lands, granted lands, and surveyed lands within the blocks hereinbefore described. The same to contain the area and boundaries, with bearings and distances, where possible, of such lands. No use to be made of such information, except for the Government purchases.

As there are several pieces of land which have been granted to Natives, under "The Native Lands Act," which have not been sold to Europeans; and it may in some cases be found advisable to secure these for the Crown, I would respectfully request that the Native Land Court officials should be instructed to furnish me with a return of all lands in the Coromandel and Eastern Hauraki districts for which certificates of title have been ordered by the Court, with the names of the grantees in each case. I could then, by referring to the Deeds Registration Office, ascertain the lands which had been disposed of, and those still in the hands of the Natives. Lands within the townships of Kapanga, Hastings, Grahamstown, and Shortland, need not be included in this return.

With reference to the vested interests and claims of Europeans to kauri timber, situated within the blocks of lands proposed to be purchased, some of which are held under valid leases made subsequent to the issue of certificates of title by the Native Land Court, and others by agreements made previous to the issue of certificates of title for the lands comprised in such agreements, I would beg to recommend that in all cases where the parties are in actual possession of the timber, and do not obstruct the Government in negotiating for the purchase of the lands, that all such agreements, leases, and private interests shall be respected, and the conveyances by the Natives to the Crown shall take notice of and confirm all such reasonable and fair leases, agreements, and transactions. I would point out that the timber trade is of vital interest to the goldfields, and is one of great importance to the Province of Auckland, and very large capital is invested in it; and although the agreements for the acquisition of timber are not in the majority of cases strictly legal or valid: yet many of these so-called illegal agreements have been made by and with the assistance of officers of the Native Department. If the Government acquired the kauri timber, it would only be destroyed by miners and bush fires. At the present time, where the Kauri timber is not the property of mill owners, it is a fruitful source of discontent between the miners, Government officers, and the Native proprietors.

I will, at the earliest opportunity, furnish the Government with a sketch map, showing approximately the position of the various blocks of land alluded to in this report, for purposes of reference when any question arises. I must, however, state that I only give such information on the understanding that the Government employ no agent other than myself to conduct the negotiations for the purchase of the lands herein alluded to, as it would be manifestly unjust to me to supply other agents with information acquired by myself for my own business, and which they are not in a position to obtain, or to furnish to the Government.

In conclusion, I beg to state that as the Government have confided this important and responsible business to me, no effort shall be spared on my part to bring the negotiations to a successful termination, and one which will be beneficial to the interests of the Colony, and meet with the approval of the Government.

The Hon. the Minister for Public Works,
Wellington.

I have, &c.,
JAMES MACKAY, JUNR.

No. 2.

The UNDER SECRETARY OF PUBLIC WORKS to Mr. JAMES MACKAY, junr.

Public Works Office,
Wellington, 4th March, 1872.

SIR,—

I have the honor by direction of Mr. Ormond to acknowledge the receipt of your letter of the 24th January, in which you report your views in reference to the purchase from the Natives of various blocks of land in the Coromandel, Hauraki, and Upper Thames districts.