

receive it (I mean something of the nature of a chief's house, fencing, or other permanent improvements, &c., as the Natives themselves might choose). The two principal Natives concerned are Topi—who is, I believe, the chief of the tribe—and Taiaroa, and I think that these are entitled to a special consideration on account of their standing, and also on account of the persistent manner in which they have mentioned the rights of their people in this matter, it being mainly due to them that the rights of the Natives have been admitted to the extent they have in this compromise.

I would suggest that Topi and Taiaroa should be requested to summon delegates from the several *haingas* (New River, Jacob's River, Otakou, Waikouaiti, Moeraki, Taieri, Molyneux, &c.), and to prepare, for the approval of the trustees, a scheme of distribution such as will satisfy the Natives and meet the general ideas I have indicated: that is,—

1. Special consideration of the two leading chiefs.
2. A fair distribution among the several sections of Natives interested.
3. An application to useful purposes of the money when handed over. Probably Mr. Wohlers and Mr. Watt would help the Natives in the preparation of this scheme, and in giving effect to the useful application of the moneys.

When the principle of distribution is determined, it will serve as the future basis for distributing the rentals of the reserve which accrued prior to the issue of the Crown grant, and which, it is presumed, will follow this award.

If these are in the hands of the Government, it might be a good plan if they would hand them to us in the form of Treasury bills, the interest of which might be distributed annually on the basis determined in the scheme I have indicated.

The Hon. Mr. McLean.

I have, &c.,  
W. ROLLESTON.

No. 11.

[MEMORANDUM.]

Wellington, 30th September, 1873.

THE Trustees appointed to hold the money paid by the Provincial Government of Otago in settlement of the matter in dispute with the Natives in regard to the Princes Street Reserve, Dunedin, agree to the following arrangement:—

1. That £1,000 be paid to Hone Topi and £1,000 to Hori Kerei Taiaroa.
2. That the balance be disposed of in such manner, for the benefit of all interested therein, as shall be agreed upon by Hone Topi and Hori K. Taiaroa and some European gentleman to be selected by them to assist and advise in the distribution or investment of the same.

W. ROLLESTON.  
DONALD McLEAN.

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1877.