

that they should be handsomely paid for it and repeatedly alluded to the large rents, now amounting to upwards of eleven hundred pounds (£1100), annually paid to the Wairarapa Natives with whose system of leasing land they would more fully sympathise, if the Government did not pay them liberally for the districts they were now offering. I told the Natives that the price of the land, in its present wild, and to them, almost valueless state should not be the principal object for them to keep in view, neither should they attach such importance to the sums they had been adventitiously receiving from whaling and other sources; but that they should rather direct their attention to the benefits that all of them who were disposed to be industrious, would derive from the introduction of body of European settlers, who would constantly reside among them and create a demand for their labour and productions.

I have already demonstrated to the Natives of Hawke's Bay that the system of leasing land from them would not be any longer tolerated by the Government, pointing out to them at the same time that they suffered less injustice by this prohibition than they imagine, in as much as the actual sale of their land even at a lower rate than the Government afterwards resold it at, would be the means of gradually introducing a numerous English population, who would diffuse wealth and prosperity among them, and who would be restrained by English laws from committing any aggressions on themselves or their permanently reserved properties or estates.

The sum which I mentioned to Te Hapuku and his tribe as an equivalent for their block, was Three thousand pounds (£3000), informing them that I had no power to fix with them for any definite amount until the matter was referred to His Excellency the Governor-in-Chief, to whom I should advise them to appeal if dissatisfied with my proposals.

Te Hapuku and his followers willingly agreed to refer their case to His Excellency, and after a day or two's consideration reduced their demands to £4800, a sum which they earnestly expect to receive for their land, and which it may be advisable to grant, to ensure the co-operation of Te Hapuku in purchasing the country from Hawke's Bay to Wairarapa, as he certainly appears to be not only the cleverest, but the most influential and powerful Chief in this part of the island, whose co-operation will be found of great value and importance to the Government.

The success which has attended the Government operations for the acquisition of land at Hawke's Bay, combined with the proposed liberal regulations for depasturing stock on Crown Lands, which are being passed in the Legislative Council, has given a severe shake to the unauthorized squatting on Native Lands at Wairarapa; and I trust that a system so injurious to the welfare of the community at large will soon be effectually stopped.

It is quite certain that while such squatting exists, the Natives even as far North as Auckland will oppose the sale of land in the expectation, although valueless to them at present, that they may realize high rents for it. If it could be shown that the Natives themselves were much improved by such a system, it would be a strong argument in its favour; but from all that I can learn these rents obtained without much care or labour, are injudiciously expended, and the greatest recipients are frequently, if not always, the most idle and dissolute characters of their tribe, whose reckless conduct, and increasing cupidity, render the position of the settlers holding land under them not only disagreeable and precarious but in every way repugnant to the independent feelings of an Englishman.

Several of the Wairarapa settlers, as well as many from Wellington and different other places, are preparing to remove to Hawke's Bay immediately after the Natives have received the first instalment which I shall be prepared to pay to them at any time His Excellency may direct.

I herewith enclose a report from Mr. Park in which he gives a detailed description of the surveyed blocks the Natives agree to sell, as well as of the general capabilities of the Ahuriri district, which promises before many years to contribute greatly to the wealth and importance of this part of the colony.

I have, &c.,

DONALD McLEAN,

Commissioner for acquiring the cession of Native Lands.

To the Hon. the Colonial Secretary, Wellington.