The Natives who did not agree to sell the land in the first instance, and who did not participate in the payments made for it, demand some compensation before relinguishing their claims; and those

who sold expect the reserves formerly promised to be assured to them by the Government.

The whole of Mr. Mantell's and Mr. Johnson's evidence goes to show that this question had never been fairly settled; therefore it is evident that the Natives are only demanding their just rights: and no expectations have been raised, by the fact of a Commissioner having gone to Akaroa, beyond what existed before the formation of the Canterbury settlement, by the unquestionable rights of the Natives to the land over which their claims have not been extinguished.

The real merits of the case are now so far ascertained, that I conceive the question can be settled

on the following basis.

1st. That a reserve of 400 acres at Onuku on the North side of the Akaroa harbour be laid off for the Natives.

2nd. That a reserve of 400 acres, between Tikau Bay and the Wainui Valley, on the South side of the Akaroa harbour, be also laid off for the Natives; and that compensation should be given to the Akaroa claimants, who did not participate in the first sale, to the amount of £150; which sum is now lying in the hands of Mr. Watson, the Resident Magistrate, for this purpose.

3rd. That with reference to the unextinguished claims at Kaiapoi, a sum of £150 should be paid

to the Natives, conditionally, that they first settle the Akaroa claims.

4th. Mr. Hamilton, as an officer of the General Government, and who understands the Natives pretty well is the most competent person that I know of at Canterbury to settle the question,—if his services can be available for this purpose ;—and it is necessary that the Natives should understand that this settlement is to be final.

5th. The Reserves should be clearly marked off and defined by a competent surveyor, in the presence of the Natives; in order that no future questions or disputes may arise about boundaries:— a deed of conveyance from the Natives to the Crown can be forwarded, together with further detailed information, to aid Mr. Hamilton in settling this case, should His Excellency approve of his being employed for this service.

DONALD McLEAN. (Signed)

August 13th, 1856.

Auckland, August 15th, 1856.

Sir,-

With regard to my letter to your Excellency on the subject of the Native Land Purchase at Akaroa, I have the honor to state that I am informed by Mr. Stafford that the funds must be provided out of the Provincial Chest, under the financial scheme of the Government. I beg, therefore, to assure your Excellency, that, if the necessary instructions can be got ready by this steamer, I will supply the funds required to the Commissioners appointed by your Excellency, upon being informed what is required.

I have, &c., (Signed)

JAMES EDWARD FITZGERALD. Superintendent of Canterbury.

His Excellency The Governor.

> Private Secretary's Office, Auckland, 16th August, 1856.

SIR,

As it appears from a communication lately received by the Governor from the Superintendent of Canterbury that a final arrangement might be made for the purchase of the land from the Natives still unalienated at Akaroa, and also for the settlement of an old claim at Kaiapoi, His Excellency has directed me to request you will be good enough to undertake the management of these matters.

His Honor the Superintendent of Canterbury has undertaken, on the part of the Provincial Government, to defray the cost of their settlement, and the compensation which will be allowed to you for

your trouble will be left to the decision of the Colonial Secretary.

Full instructions for your guidance, and all the necessary information will be furnished to you by this mail by Mr. Commissioner McLean.

I have, &c.,

(Signed) F. G. STEWARD, Private Secretary.

J. W. Hamilton, Esq., Collector of Customs, &c., &c., &c. Canterbury.

> Land Commissioner's Office, Auckland, 16th August, 1856.

I have the honour to enclose for your information and guidance, copies of memoranda and reports in reference to certain unextinguished claims to land at Akaroa and Kaiapoi, in the hope that you will have the goodness from your knowledge of the locality and the Natives to undertake a settlement of these questions.