The first sitting of the Native Lands Court in this district took place on the 6th of March, 1866, or fifteen months ago. Since that time I have put on record two hundred and twenty-three claims. Of these seventeen were transferred to the Court at Mongonui for hearing, and, I believe, have been adjudicated upon. One hundred and forty-three claims have been finally adjudicated upon by the Native Lands Court in this district, and the remaining sixty-three claims should be finally disposed of at the Courts to be held during the next two months.

The blocks of land for which orders have been given are for the most part from fifty acres to one thousand acres in area. There are, however, blocks of two, five, seven, and ten thousand acres. Between one-half and two-thirds of the above land has been secured to the Native owners inalienably, the remainder they have power to sell. The average value of the alienable land is, say about five shillings per acre, the average value of the inalienable land is, as compared to the value of the alienable, about five to one, or twenty-five shillings per acre; in fact, two pounds per acre has been, not long ago, refused for ten thousand acres of land, which is not nearly so good or valuable in any respect as the Whakatere Block of eleven thousand acres, and for which a certificate of title has been issued to the tribe, and not to individuals; but it is the intention of the Native owners to subdivide Whakatere into over a hundred individual holdings, according as they can raise the funds to pay the expense of doing so, and in many cases where three or four or more persons are named in grants, it is their intention ultimately to subdivide the lands, so that each man may hold his own share under a separate Crown Grant; and I have no doubt that the Natives in this district will carry out this intention to a very great extent, though it will take them some time to accomplish it fully.

The costs which Native owners of lands have had to pay per acre for surveys and fees in bringing their lands before the Court ranges from tenpence per acre to one pound per acre, according to the size of the blocks, small claims costing proportionately more than large ones; and it results from this that very many Natives have paid for their own inalienable lands at all the intermediate rates per acre between tenpence and one pound, which they do willingly merely for the privilege of holding their

lands by grants from the Crown, and as individual property.

The land for which, as I have mentioned, two pounds per acre was on a late occasion refused is unimproved land near Kaikohe which has not yet been claimed in the Native Lands Court, but that

it and every acre in the district will be claimed ultimately is certain.

It is a circumstance worthy of note, that during the last twenty or twenty-five years scarcely any first-rate land has been sold in this district, very little of that purchased either by the Government or settlers being nearly so valuable as the lands retained by the Natives for themselves. In one district of Hokianga where there are large and numerous tracts of the very richest alluvial soil, for instance at Waima, at Waimamaku, at Waihou, at Mangamuka, at Utakura, at Mangamuiowe, at Omunia, at Whakarapa, and many other places, no block of really good land has ever been sold at all at any time, —certainly not to the extent of twenty acres of first-rate land has been sold; the consequence is, that there is not in the large and fertile district of Hokianga one settler engaged in farming, or who has land capable of being cultivated profitably, and the European inhabitants are therefore, all who have any capital at all, engaged in commercial pursuits, and the others—labourers chiefly—in the timber trade. Another consequence is, that the large tracts of fertile land which I have mentioned remain uncultivated, but there are signs appearing of a change for the better; and this brings me to that part of the subject which you have desired me also to report on, that is to say,—"The effects produced by the working of the Native Lands Act in this district."

As it is but fifteen months ago that the first Court under the Native Lands Act was held in this district, and as it is but quite lately that the Crown Grants have been issued here in any number, it is scarcely to be expected that in that time any very great progress would appear in a movement, the success of which would create to a certainty a completely new set of circumstances with regard to the Maori people—a revolution in fact—which must of necessity displace barbarism and bring civilization in its stead, for the difference between a people holding their country as commonage and holding it as individualized real property is, in effect, the difference between civilization and barbarism. changes are not rapid; but there are nevertheless evidences not to be mistaken, that the Natives are perfectly in earnest and alive to the benefits to be obtained by holding lands as individual property, and which benefits, if obtained by them, must reflect also upon the European population. In many places in the district the Natives are putting up substantial and expensive fences, chiefly done by European labourers. Indeed I think some Natives are trying to do more in this way than they can accomplish. Two farms in this part of the district, the Crown Grants for which were amongst the first issued, are already fenced round, the land cleared, and grass sown, and sheep (about 200) on them. I heard yesterday a Native agreeing with a European to put up two miles of fence on a fine piece of land which the Native feels sure he will get a title for. There are also many instances of Natives beginning to build better and more expensive houses than they have hitherto been accustomed to live in, and employing European carpenters for that purpose. The perceptible amount of progressive effect is certainly not yet very great, but it is sufficient to show that the Natives, especially the younger men, are moving in the right direction; and it is certain that they would never have gone to the expense which they have if the land had been held by them as formerly by the old Maori tenure. Everywhere Natives may be heard speaking of projected improvements, and I think that nothing but a want of sufficient capital prevents them from making a very rapid progress in bringing their lands into cultivation. The fact of the Natives in this district having for so many years kept back all the choice and richest of their lands under many temptations to part with it;—the fact of their having lately refused two pounds per acre for land good, but not the best, and the alacrity with which they have availed themselves of the Native Lands Act, would show, that in retaining their lands, they have been all along acting from a set and intelligent purpose, and with a not unenlightened view to their own future interests; and in this is the best hope for the eventual success of the Native Lands Act, already successful in a small degree, and which, in my opinion, holds out to the Maori people their last chance of temporal salvation.

The only suggestion which I would make for any amendment or alteration of the Act of 1865, is that I think it would be advantageous if section fifty of that Act were amended so as to allow that less