

in the massacre at Wairau. After the death of Mr. Thompson, the Bishop appointed Mr. McDonald, of the Union Bank of Australia, his agent.

On the arrival in the Colony of Lord Stanley's despatch of the 7th June, 1842, transmitting copies of the correspondence between his Lordship's department and the New Zealand Company to advance a sum of £5,000 on the mortgage of the Native reserves, the duty of administering the affairs of the Colony had devolved on the Colonial Secretary, Mr. Shortland, in consequence of the death of Governor Hobson.

The acting Governor referred the correspondence on the foregoing subject to the Bishop, who was one of the trustees at the time, and asked him to report as to the advisability of accepting the offer made by the Company. In reply, his Lordship pointed out that the great objection to the proposed plan arose from the condition required that the payment of the principal and interest should be secured by power of sale added to the right of foreclosure. The right of foreclosure had been abolished by the Colonial Ordinance for regulating mortgages, and that a power of sale could not be granted over lands which are by their very nature inalienable, under the circumstances his Lordship could not concur in the proposition. The acting Governor concurred with the Bishop's view of the case, and informed the Secretary of State to that effect (29th September, 1842).

The correspondence on the subject was afterwards referred to Governor Fitzroy (31st July, 1843), who reported that it did not appear advisable to sanction any mode of raising money upon the security of the Native reserves which might by any contingency cause the alienation of those lands from the beneficial use of the aborigines.

On the 27th February, 1844, the Bishop renounced all connection with the trust in consequence of Governor Fitzroy telling his Lordship that "he did not recognize any trustees of the Native reserves." The Ordinance appointing the trustees was not to come into operation till its confirmation by the Queen had been notified in the Government *Gazette*. The Act received the Queen's assent, but no notification in the *Gazette* was ever given.

Mr. St. Hill continued as agent to receive rents, and Commissioner on both town and country lands till June, 1848, at which date a Board of Management was appointed by the Government, consisting of Colonel M'Cleverty, Mr. D. Wakefield, and Mr. St. Hill, Messrs. Poynter, Carkeek, and Tinline, were also appointed, at the same time a Board of Management of the Native reserves for the district of Nelson. These appointments were duly notified in the Government *Gazette*. The Nelson Board retained the management of the property till the middle of the year 1853, when the sole management devolved upon Major Richmond, the Crown Land Commissioner, and who was ultimately succeeded in the year 1857, by Messrs. Domett, Poynter, and Brunner, by appointment, dated 1st December, 1856, as Commissioners under the Native Reserves Act of 1856. The Wellington board also retained management of the property there until the appointment of Commissioner under the Act of 1856.

The Board at Wellington acted under the supervision of the Lieutenant-Governor to whom all questions were to be referred for approval. The proceeds accruing from the leases of the reserves to be kept in a separate account in the bank, to be denominated the "Native Reserve Fund," to be drawn upon from time to time and appropriated by the Lieutenant-Governor, with the advice of the Executive Council, to objects having in view the welfare and advancement of the Native race.

The Board appointed for the Nelson settlement was placed under the superintendence of Major Richmond with similar instructions with regard to the disposition of the funds.

With reference to the occupation and appropriation of certain of the Company's "tenths" in the town of Wellington, the following memorandum by Lieutenant-Governor Eyre, dated 23rd June, 1848, on the subject, explains the motive for using these lands for purposes foreign to the original intention, and while admitting the right of the Natives to the lands in question, justifies the conduct of the Government in appropriating any portion that may be required for public purposes, on the ground that the Government were placed in an anomalous position without an acre of land at their disposal:—

"Certain lands having been set apart in all the New Zealand Company's settlements as reserves to be managed for the advantage and benefit of the Natives, it was originally intended to have placed them under the management of trustees who, without the power of alienation might make such arrangements for letting or leasing them as would secure the largest pecuniary return, and this return was to be devoted entirely to objects connected with the general welfare, advancement, and improvement of the Native race."

"The trustees who were nominated, however, having found many obstacles to the due execution of their trust gradually ceased to act at all, and at last formally resigned; in the meanwhile many partial arrangements had been entered into with settlers for the occupation by them of various reserves and portions of reserves, but as these arrangements were not legally binding the agreements were either kept or not, as best suited the interests of the occupants, and very few rents were paid."

"This state of things proving most unsatisfactorily, and having for various causes, continued for a considerable length of time, it seems absolutely necessary that the Government should at once take the matter in hand, and endeavour to turn the reserves to some profitable account."

"The best way of doing this, appears to be by appointing Local Boards of Management, under whose enquiries and recommendations the Government can carry out the necessary details. It is essential that the Government should retain in their hands all control over the reserves, because circumstances have made it desirable that in some instances total alienation of the lands should be sanctioned as for ordnance purposes, or to provide sites for hospitals, for churches, for public offices, or for other similar indispensable objects of general and public utility, the Government having no land left them in the province of New Munster available for such important and necessary purposes."

"Nor will any injustice be done to the Natives by this arrangement, for already, in order to meet their wishes or requirements, or to adjust disputes relative to land, the Government have given up to them 100 acres reserved as a domain, have purchased also additional sections of land in eligible localities, and have paid considerable sums to parties occupying Native reserves to quit them in order that such reserves might be given over to the use and possession of the Natives themselves; in addition also to which the Government have expended considerable sums in promoting objects or institutions calculated to advance the welfare and interests of the Native race generally, such as building hospitals, &c."