

In conformity with instructions received by telegram No. 618, of 4th October, 1872, authorising me to expend the sum of £400, out of the Native Reserve Fund, in constructing a road through the Native land at Wakapuaka, I have expended the sum of £307 9s. 8d. in money and provisions for this purpose.

The entire length of the road is $3\frac{1}{2}$ miles, of which the whole distance is cleared of timber a chain wide, and two miles are formed. The Natives did the clearing themselves, and have formed 41 chains of road besides, in aid of which they received provisions to the value of £40 12s. 8d.

This road when completed will prove a great boon to the Wakapuaka Natives—a greater could not have been conferred. The amount authorised, however, will be inadequate to complete the work, as there is yet a mile and a half of road to complete, which, at the lowest cost, could not be constructed under thirty shillings a chain. An additional sum of £60 would be sufficient for the purpose, and I would beg to recommend that the expenditure be authorised.

Fencing in, and repairing the hostelrys on the Haven road, have cost a sum of £66 13s. 4d. This expenditure was highly necessary, as the buildings had become very dilapidated. It was proposed ten years ago to pull down the present buildings, and erect one large one in place of them, but the project has not been attempted for various reasons, one being that the Fund has not been in a position to bear the expense. The visits of the Natives also to town are more unfrequent now than in former years.

The sum of £7 5s. has been incurred for funeral expenses, and £43 0s. 1d. for miscellaneous items for the behoof of the Natives.

The sum of £15, received from the Superintendent of Marlborough for the purchase of 2 acres 2 roods 30 perches of Native Reserve No. 20, in the Pelorous, for a road, has been paid to the Natives owning the land.

The salaries paid for medical attendance on the Natives during the past year amount to £231 6s. 6d., and the Commissioners', Secretary's, and Interpreters', to £234 3s. 4d.

The sum of £32 8s. was paid to defray the travelling expenses incurred by the Commissioner and Hemi Matenga while visiting the various districts on Native business, and £3 12s. was expended for rates.

The commission on collecting rents in Moutere and Motueka amounted to £57 10s. 2d.; stationery to £5 17s. 9d.; surveys and plans to £48 16s.; printing and advertising to £17 13s. 3d.; legal expenses to £24 13s. 3d.; and clerical assistance to £18 18s.

A few fresh leases have been executed during the past year where properties have changed hands but the majority of the tenancies are held under leases issued in 1860 for terms of fourteen and twenty-one years, so that very little change can take place in the condition of the property for some time to come.

Application has been made by the central Board of Education to purchase section 205 in the town of Nelson as a site for a school, as it offers peculiar advantages for that purpose. The price offered for it by the Board is £200; at present the land is occupied by Messrs. Hooper and Dodson as yearly tenants at a rental of £2 per annum, and as it is not probable that it will ever produce a fair per centage on its selling value, I would beg to recommend that it should be sold for the price offered, which is an adequate one, and the proceeds added to the amount already invested on mortgage.

The Educational Reserves on the West Coast, containing in the aggregate 3,490 acres, set apart in 1860, have as yet proved unproductive and will probably remain so for some few years yet, until settlement extends to the localities in which they are situated.

The remainder of the reserves in the Province of Nelson—containing an aggregate area of 58,565 acres—are in the occupation of the Natives, and involve a different principle of management.

The reserves in the Province of Marlborough contain an aggregate area of 21,414 acres, 522 acres of which are under the operation of "The Native Reserves Act, 1856," the remainder are in the occupation of the Natives and comprise a large proportion of hilly and worthless land.

The reserves under the Act are chiefly situated in the Pelorus. The amount of rental derived therefrom is not large at present, and is paid to the Natives having a beneficial interest in the land.

County of Westland.

The reserves in the County of Westland comprise in the aggregate 5,937 acres, of which 3,423 acres are under the operations of "The Native Reserves Act, 1856."

The gross rental derivable from the estate per annum amounts at present to £3,800, of which the largest proportion is derivable from Greymouth.

The income collected in the shape of rents during the period comprised in this report, amounts to £3,667 1s. 3d.; this, added to £4,473 18s. 5d., balance to the credit of the Fund in Public Account on the 1st July, 1872, £85 received from the sale of land at Totara Flat, Upper Grey, and £400 debited to Princess Street Reserve, Dunedin, make a total of £8,625 19s. 8d.

It would seem, *vide* letter from Under Secretary Native Department, No. 220-1, of 19th April, 1873, that the sum of £400, supposed to have been borrowed from the Fund in November, 1867, to defray the cost of a suit in the Supreme Court, *in re* Princess Street Reserve, Dunedin, was not paid out of that source, but out of consolidated revenue, the amount has therefore been carried to the credit of the Fund.

The expenditure for the past year amounts to £4,063 18s. 9d., leaving a balance to the credit of the Fund of £4,562 0s. 11d. Of this amount, £2,394 16s. 6d. has been paid to and on behalf of the Natives having an interest in the estate in the shape of allowance for rent, implements, vehicles, and harness, passages, and miscellaneous comprising the cost of new buildings at Arahura and sundry smaller items.

The sum of £159 9s. 9d. has been expended for survey, in having a correct survey made of the business portion of the town of Greymouth in consequence of the numerous encroachments by tenants, both on the street lines and on adjoining sections.