

With regard to the suggestion that the holders might be permitted to buy the freehold, two objections are pointed out by the Royal Commissioners, namely: (1) That the Natives are strongly averse to selling; and (2) That some of the lessees object to buy, on the ground that, not having the means to do so, their improvements would fall into the hands of speculators or mortgagees.

It may be, however, that the Government might itself be able to acquire the freehold from the Native owners, and, by placing the reserve under local control, give the persons interested some voice in deciding the future management of the estate. This seems upon the whole the best course, if feasible.

When I visited the Arahura Reserve I saw some of the Native owners, and had a long conversation with them as regards selling their interests in the Greymouth Reserve, but I found the strongest objection on their part to disposing of them. I did not fail to point out that, if they sold, the interest on the purchase-money would far exceed the amount of the rentals now received. They appeared to be entirely indifferent to the amount of rentals or interest, so long as they retained the ownership of the land. They expressed themselves perfectly willing that leases for sixty-three years should be granted, with a right of renewal for another sixty-three years.

The necessity for some local authority having power to deal with all questions affecting not only the Greymouth but all other reserves on the West Coast is evident.

As regards the Arahura Reserve, which I have inspected, questions will in time arise between mining companies and lessees, and also between lessees and the Trust, which can only be dealt with by some competent authority on the spot. The extended lease asked for by the Humphrey's Gully Company should be granted, the land upon which they are running tailings being useless for any other purpose; but it is not improbable that, in view of their extensive sluicing operations, this site may be found inadequate. Care should be taken, in granting future leases adjacent to this and other mining companies' works, that the land, which in parts about there is valueless, is not taken up for the mere sake of extorting an exorbitant price from these companies. Whatever the land is fairly worth should go to the Maoris, and mere speculators for a higher price (and who cannot, from the very nature of the ground, have any real intention of cultivating it) should not be allowed to get leases of it.

In accordance with the instructions contained in your telegram dated the 29th April last, I secured the services of Messrs. Nancarrow, Moss, and Russell, they being, as far as I could ascertain, the "most reliable and competent men," for the purpose of making a valuation of all the holdings upon a block known as the "Middle Ward," the remuneration being 21s. for each valuation.

By a letter received by me signed by those three gentlemen, and dated the 3rd May instant, they state, "this work we purpose completing in three weeks from this date." I therefore expect by the first mail to receive such valuations. In addition to the rough sketch of the proposed Bill above alluded to as being marked A, four other papers are hereto appended, each bearing its own distinctive mark, viz.:—

1. B.—A statement by Mr. Wiltshire, showing the advisability of placing all these reserves under some local authority.

2. C.—A memorandum from A. R. Guinness, Esq., M.H.R. for the district, embodying his views in reference to the Greymouth Reserve.

3. D.—A letter from Messrs. Guinness and Kitchingham, solicitors, bearing on the case of G. McWilliams, alluded to by the Royal Commissioners in their recommendation.

4. E.—Resolutions passed and subscribed at a recently-convened meeting of lessees and sub-lessees in Greymouth.

The Public Trustee, Wellington.

I have, &c.,

HENRY BUNNY.

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