Although the obligations of the Government in regard to the Native claims in the South Island have been recognised over and over again, and many efforts of late have been made to devise some satisfactory adjustment of them, every attempt that has been made hitherto appears to have left the question almost as far removed as ever from a complete settlement; and I venture to indulge a hope that this may not prove the case in the present instance, for, even if the recommendations made do not meet with approval in their entirety, they will serve as a basis of operation on which other and perhaps more recommendable propositions can be founded.

In conclusion, I would beg to point out that I adopted the course detailed in my report from a sincere desire to aid, to the best of my ability, a speedy termination of the manifold diverse views and opinions which have arisen with respect to these claims, as well as to promote to the utmost a satisfactory settlement of these long-outstanding questions; and I venture to express a hope, when all the circumstances are fully comprehended, that a fair and generous view of the case will be taken, and that Government will find in all parties a desire to facilitate, by all means in their power, the

satisfactory adjustment of a question that has remained so long in abeyance.

I have, &c.,

The Hon. the Native Minister, Wellington.

A. MACKAY.

To His Excellency Sir William Francis Drummond Jervois, Lieutenant-General in Her Majesty's Army, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Companion of the Most Honourable Order of the Bath, Governor and Commander-in-Chief in and over Her Majesty's Colony of New Zealand and its Dependencies, and Vice-Admiral of the same.

MAY IT PLEASE YOUR EXCELLENCY,-

Under the Commission issued by your Excellency, dated the 12th day of May, 1886, and the additional powers conferred under the second Commission, dated the 20th July, 1886, the follow-

ing duties devolved on me, viz.:-

To inquire into and report on the allegations made by and on behalf of certain Natives residing in the Middle Island of New Zealand that the reserves and awards of land formerly made for their use and occupation are inadequate for their maintenance and support, and also to inquire whether any half-castes are still unprovided with land, as well as to ascertain whether the Natives interested in the inquiry held by the Commission appointed in the year 1879 to investigate and inquire whether certain matters pertaining to the purchases of land in the Middle Island enumerated in the aforesaid Commission, viz.,—(1) The Otakou Block; (2) the Ngaitahu or Kemp's Block; (3) the Murihiku Block; (4) the Akaroa Block—are willing or desirous of accepting a grant of land in final settlement of any claims or demands on the Government for the non-fulfilment of any of the terms or conditions of the deeds of purchase, or of any promises made in connection therewith, and to recommend the quantity and locality of the land to be set apart.

It is proposed to confine the first portion of the report to the questions arising out of the sale of the Ngaitahu or Kemp's Block and the Murihiku Block, as the most important particulars concerning the non-fulfilment of the conditions relative to the acquisition of the territory comprised therein

are associated with these purchases.

In order to bring the main circumstances in connection with these purchases before you, it will be necessary to furnish your Excellency with a brief history of the manner in which the lands were acquired, and I propose to do this by a simple narrative of facts, with a view to establish beyond dispute that the Natives concerned therein are entitled to be liberally dealt with for the non-fulfilment of the conditions of sale, and the promises held out to induce them to part with their lands for a small cash payment. In pursuance with the intention, I propose to deal with these purchases in chronological order, and will commence with Kemp's Purchase, it being first in point of time.

KEMP'S PURCHASE.

Kemp's or the Ngaitahu Purchase, as it is also known by, was effected close upon forty years ago. The deed was executed at Akaroa, Banks Peninsula, on the 12th June, 1848, and comprises all that tract of country bounded towards the north by a line drawn from Kaiapoi on the east to Cape Foulwind on the west; on the east and west by the ocean; and on the south by a line drawn from the Nuggets, beyond the Molyneux River, on the East to Milford Haven on the West Coast. The aggregate area of the block included within the above-named boundaries exceeds 20,000,000 acres. The price paid was £2,000, and land to the extent of 6,359 acres was set apart as reserves for the Natives shortly after the sale.

After describing the boundaries, the deed of sale contains the following conditions (according to the English version) as regards the reservations to be made for the Natives, viz.: "Our places of residence and our cultivations are to be reserved for us and our children after us, and it shall be for the Governor hereafter to set apart an additional portion for us when the land is surveyed by the

surveyors."

The Natives contend, and this view was upheld in the Native Land Court in 1868, that the phrase "mahinga kai," used in the Maori copy of the deed has a much wider interpretation than the translation into English gives it. It was held in the Court that this phrase would include, besides cultivations, pipi-grounds, eel-weirs, and fisheries, excluding merely hunting-grounds and similar things, which were never made property in the sense of appropriation by labour. The Maori view of the phrase is that it includes, besides their cultivations, the right of fishing, catching birds and rats, procuring berries and fern-root, over any portion of the lands within the block. Under this interpretation they would be entitled to roam at will over the whole country—a state of affairs that could not have been contemplated.

In 1844, at the time the New Zealand Company's purchases were under consideration, it was resolved that the reservations as regards the pas and cultivations should be understood to mean as