

pared to provide the funds requisite for extinguishing the Native title, assuming of course, that the price is not unreasonably high, and that the land so acquired will be administered by, and its proceeds be at the disposal of the Provincial Government of Otago.

I may state that I have had repeated and numerous applications from Otago settlers to acquire timber land at Stewart's Island, and that there are now several individuals erecting Saw Mills and otherwise squatting on the Island, so that it is highly desirable that something shall be done towards its regular colonization.

Looking at the proximity of the Island to this Province, and the fact that there are weekly steamers from Dunedin, passing almost within hail of it, it would appear that the work of settlement or colonization can be best performed by, and naturally devolves upon this Province.

I am not aware as to the nature or extent of Native claims to Stewart's Island; if occupation may be regarded as any test of this, that claim is very small, if it exists at all. If compatible with the Native policy of the Government as respects the Northern Island, I feel assured, that if authorised to do so, the Provincial Government could deal with John Topi and his co-partners, upon very moderate terms.

While upon this subject, I would call your attention to the Native Reserve at the lower Tairie Ferry, regarding which I spoke to Mr. McLean, when here, last year. It is most desirable that this shall be in the hands of the Province, and if the few Natives living in the neighbourhood could be induced to dispose of it, the Government would be prepared to pay a fair price, the spot in question is one of the most important town sites in the Province, and it would tend greatly towards the public convenience if a town could be laid off on it at once.

I have, &c.,

JAMES MACANDREW,
Superintendent.

The Hon. the Colonial Secretary,
Auckland.