

land has been thus given away, Government has deprived itself of the usual means of establishing a population; while, no condition of residence having been attached to the ownership, the gratuitous gift of land neither has attracted nor will attract a population, except so far as the land may gradually and at enhanced prices pass into the hands of occasional purchasers.

The Government has, however, still at its disposal certain blocks within the above limits—which, in the aggregate, amount to some 100,000 acres—which, from their situation, ought at an early date to be available for sale and settlement, and productive of the means of colonization. First, there are certain portions of land, confiscated under the New Zealand Settlements Act since 1865, which, for one reason or another, or without reason, were not surveyed when the Military Settlers' lands were given out. These amount to about 30,000 acres, mostly very good land, and if surveyed in moderate-sized and small blocks, would soon find tenants and purchasers.—See Report of Mr. Wray, appended (Enclosure 3). I propose at an early day that these blocks shall be surveyed and offered to the public on terms to be hereafter settled. 2. The Railway Reserve, a continuous piece of land, half a mile wide, running the whole length of the block, which it is presumed was intended to provide the means of constructing as well as the locality of a railway. If there is any reasonable prospect of such a road being so constructed—and I cannot but think that there is—it would be a great pity to dispose of this reserve otherwise than on temporary lease; but if there be no such prospect, then it would be immediately saleable if broken up into suitable farms, as it consists entirely of first-class land, and runs through the centre of the district. I think it would be a mistake to dispose of it at present, except under temporary arrangements. 3. There are also several blocks of picked land, amounting to say 20,000 acres, which were, under conditions, reserved to the rebel Natives after the war of 1865, when they were injudiciously allowed to return to the district and re-settle among the colonists. By their second act of rebellion they have again forfeited these lands, and they are substantially at the disposal of the Government. I feel that it would be a very great mistake to permit the twice-committed rebels to return to them. They will therefore fall in some way into the hands of the Government, to be utilized by it. Considering that the rebel owners of these lands are now excluded from them; that nearly one whole tribe are undergoing sentences of imprisonment from three to seven years in Otago Gaol after conviction of high treason, and that the other tribe are located on the Wanganui River, where our friendly allies seem quite willing to keep them, it appears to me that very little difficulty ought to exist in coming to some arrangement with the Wanganui River Natives, who have themselves claims over these lands, and who can control their rebel owners, whereby a cession may be made for a pecuniary consideration, which need not be of a large amount. From the conversation which I had with the up-river Wanganui Natives during my late visit to them, I believe that the Native Minister would find little difficulty in negotiating such an arrangement; and I recommend it to the immediate consideration of the Ministry, as affording, if successful, a perfect security for the peace and quiet possession of the West Coast between Wanganui and Waingongoro, if not all the way to Taranaki.

Besides these rural lands there is the township of Carlyle (Patea), the greater part of which is already surveyed and pegged off; the rest I have directed to be immediately prepared. I think it ought to be offered to public competition as early as possible. There are many squatters on it already, who should have the value of their improvements allowed them, in the upset price, wherever they have been of a *bonâ fide* character. The upset prices, as fixed by the Commissioner of Confiscated Lands, Surveyor, and Superintendent of Taranaki, seem to me almost to amount to a gift of such a town as Carlyle cannot fail to be; but as the township is only surveyed on a small scale, and as the Government has a large reserve alongside of it, and another exactly opposite, on the south side of the river, the land revenue will no doubt, at a future day, reap the advantage of the present liberality of the Government, which it is desirable should be exercised on the ground that every inducement should be held out for the recolonization of a district which has suffered so great a blow, and still labours under so many causes of discouragement. I think the town of Carlyle as at present surveyed should be sold by auction, at the upset prices put upon it as above, as soon as the necessary notices shall have been published in the *Gazette*—say from two to three months hence.

The Native Minister having terminated the engagement of the Confiscated Lands Survey Staff which resided at New Plymouth, I have found it necessary to arrange with Mr. Wray, a gentleman who executed a large part of the contract surveys of the district, and who holds the office of Quartermaster in the Colonial Forces, to execute such survey works as I have had to direct to be undertaken. I have obtained from Mr. O. Carrington, the late Surveyor of Confiscated Lands at New Plymouth, the working plans of the Patea country, and I placed them in Mr. Wray's charge. I think, so far removed as Patea is from New Plymouth, that so long at least as the General Government in any way continues to administer the affairs of the district as a confiscated country and held under protection of a large Constabulary and Volunteer force, the Survey Department, large or small, ought to be conducted at Carlyle, and that all land sales ought to take place there and nowhere else. The intending purchaser at Patea will generally, for the present, proceed there from the south; and if, before he can purchase or inspect the maps, he is compelled to go on to New Plymouth, which is not now very accessible, it will be a great barrier in the way of settlement. The arrangements which I have made with Mr. Wray are entirely of a provisional character; but so long as the General Government retain the administration of the district, I believe it will be judicious to retain him in charge of the Survey Department, his previous minute local knowledge and general ability qualifying him for the duty.

4. Next to the security of the district and the reintroduction of population, comes prominently forward the question of transport and locomotion. Very few districts in New Zealand present such great facilities in this respect as that between Wanganui and Taranaki. The whole line may be described as absolutely level, there being no elevations higher than a few feet, and no breaks, except the descent into and ascent from a few creeks and small rivers. Proceeding north from Wanganui, there are as follows: 1 and 2, the Kai Iwi and Okehu Creeks, nine and ten miles from Wanganui, the first requiring some side-cutting to approach the ford, the other a bridge, which may cost £200 to £300. 3. The Waitotara River, twenty miles from Wanganui, with a span of eighty feet on the surface of the water, which could be easily bridged, but where a good punt has been established under