

land purchase agents. The Government had not then furnished me with specific instructions to buy either the Waiharakeke or Hungahunga Block. I, however, ascertained that Mr. Russell's agents were in treaty for the portion of the Waiharakeke Block situated to the south of the Aroha Block, and on the eastern bank of the River Waihou, or Thames, in addition to the Waiharakeke West and Hungahunga Blocks, situated on the western side of that river. Considering it highly desirable that the Waiharakeke East Block should be acquired for the public, I opposed Mr. Russell in the matter; but, finally, came to an arrangement with him to confine his proceedings to the Waiharakeke West and Hungahunga Blocks, which action on my part was subsequently approved by the Government. I enclose copies of the correspondence, in my possession, which passed on the subject.

South of the Hungahunga Block are the Aratiatia, Whakatakataka, and other pieces, held by Mr. Firth by lease from the Natives, and occupied by his cattle; but I never received any instructions to acquire these for the Crown.

On the 12th of March, 1873, the Natives entered into an agreement with Mr. Thomas Russell, through Messrs. Preece and Graham, to sell to him the Hungahunga Block, at the rate of 2s. per acre; and on the 18th of March, 1873, executed a further agreement to sell the Waiharakeke West Block, for 3s. per acre: translations of which documents are annexed. Subsequently, it was found that the Native title to the two blocks was complicated and mixed up with claims to the Waiharakeke East Block, on the opposite side of the River Waihou; and it was probable some difficulty might have arisen with the Natives during the negotiation. It was deemed advisable, in 1874, for Messrs. Preece and Graham to retire, and leave the affair in my hands. The survey of the blocks was proceeded with in 1874.

In July, 1874, Mr. Henry Alley, of Hikutaia, persuaded Major Green to join him in the purchase of the Hungahunga Block, and an arrangement was made between the Natives and Mr. Alley, on the 15th of July, 1874, to sell to him for 3s. per acre: a translation of which document is also attached hereto.

Major Green, finding Mr. Russell had a prior agreement with the Natives, then withdrew from the purchase, and he and Mr. Alley were repaid the amount they had expended on it.

On the 23rd July, 1872, a Proclamation was signed by His Excellency the Governor, declaring a portion of the Thames District to be subject to the provisions of the Immigration and Public Works Act, which rendered it unlawful for any person other than the Agents of the Government to purchase Native lands within the area so proclaimed. This did not include within its limits either the Waiharakeke East, the Waiharakeke West, or the Hungahunga Block; in fact, it comprised none of lands south of the Aroha Block, or to the western side of the Thames River.

Complaints were made at the Thames Gold Field against "the purchase of the flat lands by the Government—that they ought to be excluded from the Proclamation, so as to enable private persons to buy them for farms." Considerable pressure was put on the Government, and the Proclamation of the 23rd July, 1872, was annulled by one signed on the 9th October, 1872. In this the flat lands were left out, and the western line was the base of the hills from the southern boundary of the Aroha Block to Okurere at Hikutaia, thence by the telegraph line to the neighbourhood of Shortland. In this, again, the Waiharakeke East and West Blocks and the Hungahunga Block were not included, it not being then the intention of the Government to purchase these lands.

This was the position of affairs until October, 1874. In the meanwhile, in March, 1873, Mr. Thomas Russell negotiated the purchase of the Hungahunga and Waiharakeke Blocks, and Mr. Henry Alley and Major Green commenced dealing for the same in July, 1874.

In September, 1874, the tribe Ngatipaoa arranged to sell their lands at Piako and Waitoa, and it then became necessary, in order to protect the rights of the Crown, to alter the district proclaimed under the Immigration and Public Works Act. The Government requested me to describe the boundaries, which I did to the best of my ability; but not having sufficient information to enable me to exclude the Hungahunga and Waiharakeke West Blocks, they were included in the Proclamation. I however drew attention to the fact in my letter of the 23rd September, 1874, copy of which is enclosed.

Notwithstanding it has been stated that "injustice has been inflicted on the Natives by the Hungahunga and Waiharakeke Blocks being brought within the provisions of the Proclamation, as the owners were thereby deprived of the right to sell in an open market," I would beg most respectfully to urge the consideration of the fact that they had signed agreements to convey to Mr. Russell their rights to the Hungahunga Block for 2s. per acre, and to the Waiharakeke West Block for 3s. per acre, and also to sell the same land to Mr. Henry Alley and Major Green at 3s. per acre, long before it became subject to the Proclamation of the 15th October, 1874.

The title to the Hungahunga Block was investigated by the Native Land Court at Cambridge in May last, and the grantees have since conveyed a large portion of it to Mr. Russell for a consideration of 3s. per acre.

The dealings of Mr. Russell in respect of the purchase of the Hungahunga Block have been conducted in the same manner as those of all other Europeans who acquired lands from the Natives under "The Native Lands Act, 1876," and obtained throughout the country until the Native Lands Act of 1873 came into operation, on the 1st January, 1874; and, moreover, as the whole of the negotiations took place before the proclamation of the district under the provisions of the Immigration and Public Works Act, and considerable outlay had been incurred by him for the survey of the block, he or any other person similarly placed would appear justly entitled to complete his purchase.

It may be as well to bear in mind that the Land Purchase Officers and Agents of the Government were for a considerable time subsequent to the late war unable to deal with the Hauhau and semi-rebellious Natives for their lands, and private persons were able to effect purchases where the Crown was not, and in many cases the agreements and sales thus made have been advantageous to the colony, and have paved the way to the acquisition of blocks for the public, and the extension of settlement in the interior of this island.

I have, &c.,

JAMES MACKAY.

The Hon. the Native Minister, Wellington.