

blocks; second, the total expenditure by the Government for the benefit of the Ngaitahu or other tribes interested in the land, including all payments on account of lands within the boundaries of the Ngaitahu and Otakou Blocks made subsequently to those referred to in the deeds of cession as the money-consideration."

With reference to the aforesaid proposals, I would observe that, as regards the eleventh part of the proceeds in respect of the Ngaitahu Block, it has already been explained that the Commissioners were under a misconception in supposing that the New Zealand Company's system of tenths extended to this purchase. And as regards the other part of the proposition relative to the proposed account to be opened between the Government and the Natives, I do not recommend that this course should be adopted, for the following reasons: Firstly, the present value of the reserves in the possession of the Natives cannot fairly be taken into account in the matter. It is a mere fallacy to point to the increased value of these lands as something they have gained by the settlement of the country; such increase confers no commensurate benefit on them, as the following illustration will show: In 1860 the Native reserves in the Province of Canterbury, comprising 7,000 acres, were estimated to be worth £67,000. The population at that date numbered five hundred; the average area per individual would therefore be fourteen acres. If these reserves at that date, when it was practicable to obtain land of equal quality in other localities at £2 per acre, had been exchanged for Crown land worth £67,000 at the upset price, the Native owners would have acquired an estate of 33,500 acres, and each individual would have increased his area by fifty-three acres. This would have been putting the enhancement of their lands to a practical use; but, as the Natives can neither sell nor exchange these reserves, the increased value of their lands is about as serviceable to them as a bag of gold would be to a person cast away on a desert island. Position-value, as matters are circumstanced, is of no practical benefit to the Natives, as it matters not whether their property is worth £1 or £20 per acre. The only true value is the inherent qualities of the soil; the unearned increment confers no equivalent advantage. Secondly, the expenditure by the Government for the benefit of the Ngaitahu should not be reckoned either. In the first place, it is not large when divided over the number of years that have elapsed since the purchases were first effected; and, secondly, the Natives are fully entitled to anything they have received when the grievous delay they have been subjected to in waiting for a final fulfilment of the terms and conditions of the several contracts is taken into consideration—a delay it is impossible to adequately compensate them for as regards the setting-apart of lands, as there is no comparison between the quality and general advantage of the land then obtainable with the class of country now available for selection. Another point, also, that should not be lost sight of in dealing with the question is that, if the benefits conferred by the Government are to be reckoned against the Natives, it would only be equitable on the other side to allow them a percentage addition on whatever they may be entitled to as compensation for the delay; and, if this were done, it would probably be found that they would be considerably the gainers. The best course, I consider, is to abandon the suggestion made by the Commissioners, and let the Government expenditure and any advantages the Natives may have derived from the enhancement of the value of their reserves go against anything they may be entitled to on the other side by way of compensation for delay.

By a return prepared by the Treasury in 1882 for the information of the Native Affairs Committee the total expenditure from 1867 to the 31st March, 1882, for Native purposes in the southern provinces, after deducting £5,657 1s. 9d. charged for educational purposes since 1877, and other items not chargeable against the account, amounts to £24,632 12s., classified as under: Medical attendance, £2,249 8s. 8d.; hospitals and contributions to hospitals, £310 10s.: total, £2,559 18s. 8d. Education—Cost of buildings, £3,147 5s. 6d.; masters' salaries, £2,940 5s. 2d.; capitation allowance, £2,241 4s. 7d.; Inspector's salary, £258 4s. 7d.; books and furniture, £630 10s. 2d.: total, £9,217 10s. Salaries of officers—Resident Magistrate and Interpreter, Southland and Dunedin, £1,556 3s.; Interpreter, Canterbury District, £2,344 13s. 4d.; Assessors' salaries, £3,837: total, £7,737 16s. 4d. Pensions, £437 5s.; food and clothing for aged and needy, £1,236 13s.; miscellaneous expenses, £3,443 9s. Grand total, £24,632 12s. The aforesaid amount forms the main expenditure for Native purposes in Canterbury and Otago, as very little was expended in that way prior to 1867. Had a sufficiency of land been set apart as a permanent estate to provide moneys for these purposes a great deal of the present difficulty would have been obviated, and the Native proprietors would have been placed in a position of security and independence in place of the one they now occupy.

Adopting the hypothesis that the value of land in its wilderness state was only a nominal one, the next question to determine is, what was the received opinion as to the meaning of the term—*i.e.*, what was considered in the early days of the colony to be a—"nominal consideration," and the only plan whereby this point can be ascertained is to take the land-purchase records as a basis, and find out the prices given in the North Island for the acquisition of Native territory about the date of the Middle Island purchases. There does not appear to have been much land purchased prior to 1847. In April of that year a block of land at Porirua, near Wellington, comprising 68,896 acres, was purchased from the Natives for £2,000. This payment averaged over 6d. an acre, and 11,550 acres were reserved for the resident Natives. The right of the Ngaitoa Tribe was also purchased to an extensive block in the Middle Island, approximating 3,000,000 acres, for £3,000, and 117,248 acres were reserved for Native purposes. In 1848 the Wanganui Block, comprising 89,600 acres, was purchased for £1,000. This sale included the land set apart for the Natives, estimated to compute 5,450 acres. This would make the cost per acre about 2½d. The area of productive land within the block was only estimated at 44,800 acres. In May, 1849, the Rangitikei-Turakina Block, containing an approximate area of 225,000 acres, was acquired for £2,500. This included 2,900 acres reserved for the Natives. The cost per acre would therefore represent about 2½d. per acre. In addition to this, 31,000 acres was secured to the vendors as a permanent reserve. In 1866 the adjacent block to the south of the Rangitikei River, containing 220,000 acres, was pur-