THE SELECT COMMITTEE of the House of Representatives, appointed May 9, 1856, to consider and report as to the nature and extent of Outstanding Land Claims, and the best means of finally disposing of the same, have agreed to the following Report:—

The subject referred to your Committee, viz., the best mode of dealing with unsettled land claims, is so extensive and complicated, and involves the consideration of such a variety of circumstances, and conflicting and contradictory proceedings on the part of the successive Governments of the Colony since its foundation, that your Committee think it advisable to preface their recommendations with a brief statement of the principal points in the history of the claims in question.

PART I .- PAST HISTORY AND PRESENT STATE OF THE LAND CLAIMS.

These claims may be divided into two great classes—1st, those arising from purchases from the natives made before the regular settlement of the Colony, and prohibited by Sir G. Gipps' proclamation of January, 1840, usually called the Old Land Claims; and 2ndly, the claims arising from purchases made from the natives under Governor Fitzroy's proclamations waiving the Crown's right of preception, called the "Pre-emptive Land Claims." It will be convenient to consider the two classes separately.

I.-OLD LAND CLAIMS.

1. Purchases from Natives before the Establishment of British Government.

Many individuals having made purchases of tracts of land from the natives of New Zealand before the proclamation of the Queen's sovereignty over New Zealand, Her Majesty, by Royal Instructions of 14th August, 1839, declared that no titles to land not proceeding from or recognized by Her Majesty should be recognized.

A proclamation was next issued by Sir George Gipps, dated 14th January, 1840, forbidding further purchases. An Act of the New South Wales Legislature was afterwards passed, declaring such titles absolutely null and void. And Commissioners were appointed (30th September, 1840,) under the same Act, by the Governor of New South Wales, to investigate and report on all such claims to land in New Zealand. The Islands, however, being erected into a separate Colony, an ordinance of the New Zealand Legislature (Session 1, No 2,) was passed, repealing that of New South Wales, and appointing Commissioners to whom the said claims should be referred by the Governor. These Commissioners were empowered to investigate and report on the said claims, and to award lands in amount varying according to the purchase money, at a rate per acre decreasing as the length of time since the purchase increased. But they were forbidden to recommend any grant for more than 2560 acres, unless specially authorised thereto by the Governor and Executive Council.

Another Ordinance, (Session 2, No 14,) was afterwards passed, removing the limitation to the maximum of 2560 acres, and allowing land to be awarded at the rate of one acre for every 5s. of purchase money; a scale adopted in consequence of the New Zealand Company's arrangement with the Crown, in which they were allowed land after the same rate. This Ordinance, through afterwards disallowed, was in force from 25th February, 1842, to 6th September, 1843.

A third Ordinauce, (the Land Claims Amendment Ordinance, Session 3, No 3,) next gave to one Commissioner the powers conferred by Ordinance Session 1, No. 2, on two Commissioners.

2. Proceedings under above Ordinances by Governor Fitzroy, &c.

There were about 500 claims, most of which were investigated and reported on by the Commissioners, Messrs Lichmond, Godfiey, and Spain. These Commissioners, in most cases where the grants were recommended, awarded amounts of land in conformity with the provisions of the disallowed ordinance above mentioned. They subsequently amended their awards, in conformity with the first ordinance (Session 1, No. 2.)

Governor Fitzroy, however, having appointed a new Commissioner, many of the cases already heard and reported upon were reopened, and much larger amounts of land awarded. This purported to be done under the power given by the first ordinance to the Governor and Executive Council, to recommend the grant of larger amounts than the maximum. But little regularity or system seems to have been observed in these proceedings. New awards were made in a great number of cases without a rehearing, the old awards being reversed; much larger amounts of land being given in most cases; in some an amount much greater than had ever been claimed, or than could have been awarded under the liberal rates of purchase established by the first ordinance. The Governor nevertheless proceeded to issue grants for these lands, unsurveyed, and imperfectly described even as they were. In the notice published in the Gazette of May 23rd, 1844, announcing his intention, the reason adduced for the issue is the impossibility of getting the land surveyed without causing such delay as would be ruinous to the parties interested. These grants are full of defects; such as recitals entirely the reverse of the facts, stating for instance that the quantities of land conveyed were those awarded by a Commissioner, while in fact the grants conveyed double or treble the quantities; or that recommendations had been made, while in fact the claims had never been heard by a Commissioner; some of these purported to convey more land than had been originally claimed, and most of them contained no particular description of the specific portions of land intended to be conveyed.