1886.
NEW ZEALAND.

REMOVAL OF RESTRICTIONS ON SALE OF NATIVE LANDS

(REPORT BY MR. COMMISSIONER BARTON ON).

Presented to both Houses of the General Assembly by Command of His Excellency.

REPORT to His Excellency the GOVERNOR of New Zealand by the COMMISSIONER for inquiring as to the Removal of Restrictions on the Sale of Native Lands in Cases 3 to 10, Tauranga District. Applicants: Messrs. Creagh and others. 31st May, 1886.—GEORGE E. BARTON, Commissioner.

REPORT ON THE FOLLOWING APPLICATIONS FOR REMOVAL OF RESTRICTIONS.

Case.	Block.	Acreage.			Purchaser.
		A.	R.	P.	
3	Te Mahau	181	2	28	Thomas Russell.
4	Te Irehunga No. 1	685	0	0	J. F. Buddle.
5	Otiora No. 1	2,441	0	0	John Wilson.
6	Waimanu No. 1	1,274	0	0	Hugo Friedlander.
7	Waimanu No. 1c...	446	0	0	Hugo Friedlander.
8	Waimanu No. 2A...	450	0	0	Hugo Friedlander.
9	Poripori No. 1	3,000	0	0	Hugo Friedlander.
10	Poripori No. 2	2,696	0	0	Hugo Friedlander.

These cases, at the request of the applicants' counsel, were all heard together, and I have the honour to recommend as follows:—

Case 3.—Te Mahau; purchaser, Thomas Russell, London; 181 acres 2 roods 28 perches; described in Certificate No. 156 as follows: Date, 14th November, 1883. Te Mahau; 181 acres 2 roods 28 perches. (Parcels.) Towards the East by a line along the boundary of the Parish of Te Puna, 7205 links; towards the South-west and South by Te Irehunga No. 2 Block, 3011 links; and towards the North-west by the Whakamarama No. 2 Block, 436 links, 759 links, 1671 links, and 5861 links: be all the aforesaid linkages more or less.

I recommend that the restrictions be removed in favour of Mr. Thomas Russell, but saving the rights of the following four owners, who have not transferred their interests: Nahuia te Waitange (18), Waata te Tutakiwa (9), Tera Raumoana (22), Huriana Hotoma (23).

Case 4.—Te Irehunga No. 1, purchaser, Mr. Joseph Foster Buddle; 685acres; described in Certificate No. 154 as follows: Date, 14th November, 1883. (Parcels.) Towards the North by Irehunga No. 2 Block 11696 links, by Ohauere and Rungarara Streams, by Te Irehunga No. 2A Block 760 links, and by Rungarara Stream aforesaid; towards the East by Te Wairoa River; towards the South by Te Waimanu No. 1 Block 11452 links and 3000 links; towards the West by Oteora No. 1 Block, 1180 links; again towards the South by Oteora No. 1 Block aforesaid, 2815 links, 12842 links, 10452 links. and towards the North-west by the Whakamarama No. 2 Block, 306 links, 583 links, 452 links, 2811 links, 825 links, 1093 links, and 432 links: be all the aforesaid linkages more or less.

I recommend that the restrictions be removed in favour of Mr. Joseph Foster Buddle.

Case 5.—Otiora No. 1; purchaser, Major John Wilson; 2,441 acres; described in Certificate No. 155 as follows: Date, 14th November, 1883. (Parcels.) Towards the North by Te Irehunga

No. 1 Block, 10452 links, 12842 links, and 2815 links; towards the East by Te Irehunga No. 1 Block aforesaid, 1180 links; towards the South-east by Te Waimanu No. 1 Block 2952 links and 13594 links, by Te Otiora Block No. 2 2000 links, 13100 links, and 2000 links, by Te Waimanu No. 1c Block 15720 links; towards the South by the Ngaumuwahine Stream and by the Maungatotara No. 1A Block 3429 links; and towards the North-west by the Whakamarama No. 2 Block, 7429 links, 148 links, 343 links, 608 links, 1209 links, 1005 links, 1004 links, 795 links, 1429 links, 871 links, 612 links, 1701 links, 1227 links, 6060 links, 2622 links, 707 links, 1096 links, 410 links, 1268 links, 1684 links, and 433 links: be all the aforesaid linkages more or less.

I recommend that the restrictions be removed in favour of Mr. John Wilson.

Case 6.—Waimanu No. 1; purchaser, Mr. Hugo Friedlander; 1,274 acres 3 roods; described in Certificate No. 151 as follows: Date, 14th November; Waimanu No. 1; 1,274 acres 3 roods. (Parcels.) Towards the North-west and North by the Oteora No. 1 Block 13594 links and 2952 links, by Te Irehunga No. 1 Block 3000 links and 11452 links; towards the South by the Waimanu No. 1A Block, 4878 links; again towards the South-east by Te Waimanu No. 1A Block aforesaid, 2348 links; again towards the South by Te Waimanu No. 2 Block, 19899 links; and towards the South-west by Te Waimanu No. 1B Block, 2660 links: be all the aforesaid linkages more or less.

I recommend that the restrictions be removed in favour of Mr. Hugo Friedlander, but saving the interests of the following three owners, who have not transferred their interests: Te Heke Pepene, Aoruoa Taumatahuia, Keita Mahauriki.

Case 7.—Waimanu No 1c; purchaser, Mr. Hugo Friedlander; 446 acres; described in certificate No. 152.

I recommend that this purchase be not allowed, and therefore that the restrictions be not removed.

Case 8.—Waimanu No. 2A; purchaser, Mr. Hugo Friedlander; 450 acres; described in Certificate No. 153.

I recommend that this purchase be not allowed, and therefore that the restrictions be not removed.

Case 9.—Poripori No. 1; purchaser, Mr. Hugo Friedlander; 3,000 acres; described in Certificate No. 150.

I recommend that this purchase be not allowed, and therefore that the restrictions be not removed.

Case 10.—Poripori No. 2; purchaser, Mr. Hugo Friedlander; 2,696 acres 1 rood 26 perches; described in Certificate 157.

I recommend that this purchase be not allowed, and therefore that the restrictions be not removed.

On the 19th January I commenced the hearing of these cases, and thirty days were wholly or partially occupied in hearing counsel and examining witnesses. The applicants for removal of restrictions were represented by two solicitors, but Mr. Firth Wrigley and his co-purchasers opposing the application were not represented by counsel. The opposition of the Natives was confined to one person (see Haoka's evidence), whose object appeared to be only the obtaining of a higher price for his share. The lands were confiscated lands, afterwards restored to the Natives under special regulations not applicable to Native lands in general. They are situated about twelve miles from Tauranga.

The first negotiator with the Natives for these lands was Mr. Alfred Preece, who began purchasing in the year 1878; but in 1880 or 1881 he and those on whose behalf he was purchasing retired from the field, selling their acquired interests to Messrs. Creagh and Friedlander, Mr. Creagh being a licensed surveyor, and Mr. Friedlander a settler in the Canterbury Province, Middle Island. What the precise interests were which Mr. Preece had acquired were not disclosed to me except vaguely; but, whatever they amounted to, they were sworn to have been transferred to Messrs. Creagh and Friedlander, and thereupon Messrs. Creagh and Friedlander commenced their operations.

Mr. Creagh began by making an agreement with certain leading chiefs of the Ngatipou Tribe and other hapus claiming the ownership of these blocks to survey them at 7d. per acre, Creagh also agreeing that, when surveyed, he (Creagh) should purchase the shares of the owners at the rate of 6s. 6d. per acre cash, the purchaser to bear the cost of survey of the whole lands including the reserves. This bargain formed the basis of all subsequent transactions with the hapus, who were eventually declared to be the owners of the block.

The purchases were all conducted by the same agents—namely, Mr. Creagh and his sub-agents, operating throughout on the same banking account, and using the same receipt-books and books of account for all the blocks; and, these blocks having been up to a certain time undefined either as to area or ownership, the accounts were not very clear in their character; and, when afterwards the blocks were subdivided and their ownership determined, the accounts were still all entangled together. This entanglement was still further complicated by the fact that, even after the land had been subdivided and the ownership parcelled out among the different hapus, there were rehearings which resulted in still further changes as to the boundaries and areas and in the lists of ownership; so that it was not till September, 1882—which was long after most of the purchases had been made—that the whole of the areas of the blocks and lists of owners were finally settled as they now stand. The purchasers' counsel and witnesses represented it to me as a hardship on them that by reason of these changes they had lost moneys paid to those vendors who were deprived of their supposed ownership But it appeared to me that what the purchasers were buying from such owners was a chance, and that they must abide by the loss when the chance turned out against them. I

have likewise seen upon the accounts enough to convince me that most, if not all, their losses in this direction were recovered from the Natives.

In July, 1882, a letter in Mr. Creagh's handwriting, signed by thirty-four Natives, was forwarded to the then Native Minister (the Hon. Mr. Bryce), stating that Mr. Brabant, the Tauranga Commissioner, had "made an order in their favour for the Waimanu Blocks, containing acres, and had given them a reserve of 330 acres;" which reserve, the letter alleged, was "quite sufficient for their requirements." The letter then requested that the Minister would "instruct that a Crown grant should be issued in the names of the Europeans to whom they "had sold for their portion of it, and to the Natives for the reserve."

All the statements of fact in this letter were, and still are, incorrect. On searching the records in Mr. Brabant's Court I found no such order awarding either before or up to the date of that letter the Waimanu Blocks and reserves to those thirty-four applicants. On the contrary, I found that on the 3rd July, 1882, an application by the Ngatitaue Tribe, pending ever since the previous January, and claiming a portion of the Waimanu Blocks, adversely to those thirty-four Natives and to their hapus, was heard; and judgment was afterwards, on the 16th September, given by the Court in favour of this hostile application to the extent of 1,300 acres out of the 3,500 acres of the Waimanu Blocks. I further found that the reserves out of the Waimanu Blocks for the use of the Natives were not declared at the time that letter was written, nor until the 19th September, 1882, when they were fixed—not at 330 as alleged in the letter—but at 400 acres for the Ngatipou Tribe, and 800 acres for the Ngatitaue; and, on counting the lists of owners to whom the several portions of the Waimanu Blocks were adjudged, I found that these thirty-four persons were but an insignificant part of their number. I am unable to conjecture how Mr. Creagh, who was the surveyor of all the blocks, and in attendance at the Court throughout, could have made so misleading a statement, and forwarded it to the Native Minister in the expectation that he would blindly act upon it. These mis-statements and others made in subsequent applications urging the removal of restrictions seemed to have excited a suspicion in the Native Office that the case was not a proper one for the removal of restrictions; and I find from the Native Office records that Mr. Bryce, during his term of office, steadily refused to remove them, and that this refusal was as steadily persevered in by his successor in office, the Hon. Mr. Ballance. Ultimately the matter was referred to me for inquiry and report, and all the Native Office records relating to it were forwarded for my information.

I had four questions to decide on the evidence laid before me, viz.—(1.) Had the Natives sufficient other lands remaining for their own use and that of their children? (2.) Was the bargain with the Natives a proper one to be carried to completion, and was the price a sufficient price? (3.) Did any objection exist to the legality of the bargain, or arising out of special legislation prohibiting transactions in Native lands before the ownership and area are fully settled? (4.) Had the Native vendors been fairly treated throughout the transactions by Mr. Creagh and his agents, acting on behalf of the syndicate of purchasers?

1. As to the first question, I am satisfied that the Natives have other lands, ample for their requirements.

2. As to the second question, I have already described the bargin that was made, and I had abundant evidence that other bargains of a similar character, made by other European purchasers with owners of adjoining lands, were carried to completion with the sanction of His Excellency the Governor. I had the best testimony obtainable as to the fairness of the price agreed upon, and according to that authority the price was a sufficient one.

3. As to the legality of the bargains, I think that, although Mr. Creagh's purchases of lands the boundaries and ownership of which were as yet unsettled by the Court would at the present date (ever since 1883) be illegal, and that such illegality would invalidate all subsequent documents of transfer made in pursuance of such bargain—I think that at the date of Mr. Creagh's bargain it was not an illegal contract, but simply one that was void and unenforceable as a contract, and therefore I concluded that the Natives were lawfully entitled to afterwards make a valid and binding agreement to carry out their former void undertaking so soon as the blocks were defined and the ownership of them declared. The memoranda of transfer signed by the Native vendors from time to time were signed with blanks left in the most important parts, and with incorrect maps indorsed upon them. With the sufficiency or insufficency as legal instruments of the memoranda of transfer, signed in blank and afterwards filled up, I conceive I have nothing to do, except in so far as such signing in blank may affect the question of the *bona fides* of the purchasers' conduct towards the vendors. I think my duty was to ascertain whether there was a fair bargain and sale, such as ought to be allowed to be carried out, not whether it has been carried out to completion, that being the duty of the Land Transfer officers if ever these transfers come before them. I think it right, however, to say that I know of no law which makes these memoranda of transfer under the Land Act subject to the technical rules incident to deeds; on the contrary, it seems to me that the land transfer statutes were enacted for the very purpose (amongst others) of getting rid of these technicalities so far as they can be dispensed with, and that, therefore, it by no means follows that, because a deed of transfer might have been void under the circumstances proved in these cases, these memoranda of transfer signed with important blanks left in them would be void. I have also concluded that a certain public notification, made in 1878 by the then Commissioner of Tauranga lands, prohibiting all dealing by Europeans with the Natives for the purchase of their lands, in spite of which notification Mr. Creagh and other speculators purchasing throughout the Tauranga District, made and continued their purchase, ought not to affect prejudicially either the legality or propriety of such purchases. The notification itself, and my reasons for not considering myself bound by it, are set out fully in the general report which I had the honour to make to the Native Minister, dated the 14th May, 1886.

4. As to the fourth question, viz., whether the Native owners have been fairly dealt with by the agents of the purchasers, I am unable to say that in any of these cases I am quite satisfied that they have been fairly dealt with. The receipts taken from the Natives for payments made to them are of a character even more loose and unsatisfactory than the memoranda of transfer—so loose, indeed, that from almost the commencement of the evidence they raised my suspicions that such looseness was greater than what might have been forced upon the purchasers' agents by the indefiniteness of their transactions, and that it was a looseness intentionally increased for improper purposes. But, as I have had positive verbal testimony that all the purchase-money alleged to have been paid was paid, corroborated by the further testimony of certain leading chiefs that no complaint had reached them from members of their tribe, and as the purchasers have certainly paid away their purchase-money, I have thought that when I failed to discover in the accounts frauds perpetrated on the Native vendors it would not be right to deprive the purchasers of the lands that they have on their part certainly paid for, and that I ought to refuse my recommendation only in those cases where I have been able to trace clearly the frauds practised, and where my discoveries are backed up by the testimony of living witnesses. It has been with great hesitation that I have recommended the removal of the restrictions in any of these cases, because the fact of my having discovered such frauds in the transactions relating to the other cases shows me that I can place but little reliance on the testimony of any of the persons who were engaged in such transactions; but I have felt pressed with the difficulty that, in the absence of evidence impugning the transactions, the purchasers, who are not parties to any wrongs discovered by me, should be allowed the benefit of the positive evidence in their favour.

I will now set forth the special facts connected with the blocks in which I recommended that restrictions be not removed by reason of the wrongs done to the Natives. These blocks are: Waimanu No. 1c and Poripori No. 1. These purchases have been impunged by the evidence of Mr. Alfred Yates and of Mr. Firth Wrigley, and a witness called by him.

I may here mention that throughout the course of the inquiry the parties seemed reluctant to produce, and having produced were unwilling to leave with me for examination, their books of accounts and receipts, and it was not till the close of the inquiry that I was able to get possession of them so as to compare accounts and receipts with each other and with the verbal testimony. Counsel frequently pressed on me that I ought not to enter upon such a line of inquiry at all, seeing that the Frauds Prevention Commissioner, versed in such investigations, could be safely trusted to protect the Natives at a subsequent stage if a favourable report from me permitted the transfers to reach that stage, and they also insisted that the fact of the Native vendors having signed the forms C ought to be treated by me, as they alleged it would be treated by the Frauds Prevention Commissioner, as sufficient admission by the Natives who had signed them that they had not been defrauded. They excused the looseness of the documents by the fact that the purchasers were compelled to enter the field before settlement of boundaries or of ownership of land, because otherwise they would loose their chances against their competitors; also that in the cases of the other purchasers in the district, from whose purchases the Government had allowed the removal of restrictions, the early transactions had been conducted with similar looseness and had nevertheless passed the Frauds Prevention Commissioner, whose special duty it was to inquire into the *bona fides* of the purchasers' conduct to the Natives. I refused, however, to rely on any such possible or probable investigation, or to relegate the performance of any portion of my duties to the Frauds Prevention Commissioner, and I insisted on having laid before me not merely forms C, but the entire documentary accounts of the purchasers' transactions with the Natives. The parties accordingly did produce, and ultimately leave with me, what they alleged to be the whole of the documents in their possession recording their transactions with the vendors; and the result has been that I found that the middlemen have availed themselves of the looseness of their transactions to act towards both employers and Natives in an improper manner.

I found the employers debited by these agents with moneys that never reached the Natives, and the Natives charged with moneys which they never received. I found that receipts were taken from the Natives in a loose and general form, and that the moneys so acknowledged as paid to them were debited to them twice on two separate blocks, as if they had received two separate sums, instead of the one they signed for. I found that moneys paid to Natives for their work as surveyors' assistants were debited to them as payments made on account of their interest in lands. I found a payment, made to a Native on a certain block, entered to his debit on two separate blocks; to an amount four times larger than the sum he had actually received. I found one receipt by a Native in a strong steady hand; and another by the same Native, for the sum of "£16 in full of all demands," blurred and shaken, so as to be nearly illegible, as if the writer was intoxicated or otherwise incapable of protecting himself when transacting business. I found a receipt signed for a male adult Native, who is able to write, with nothing to indicate that it was not his own, when in fact it was the signature of some other person whose name was not disclosed on the document. I found other receipts purporting to be signed by that same Native by his mark, but with no attesting witness to guarantee that the "mark" was made by him. I found one receipt of this same Native, actually signed thus: "Te Aorangi Poria, her x mark!" which I think shows conclusively that, inasmuch as the gentleman who wrote the name was not even aware of the sex of Te Aorangi Poria, and that he was not even present when the mark was put to this document. I further found on two documents in my possession the signature of the same Te Aorangi Poria in his own proper handwriting. But Te Aorangi Poria was not the only instance of a marksman whose sex was changed by the person who wrote out the receipts and put the mark. In two other instances the writer of the signature by a cross, changed the sex from male to female, proving that the agent or sub-agent who wrote the receipt only made a guess at the sex of the person he was pretending to take a receipt from. I found in one of the books of receipts taken from vendors no fewer than 124 receipts purporting to be signed

by marksmen, out of which number only six are attested by any witness. I found duplicate ledgers, which purported to contain the accounts of the same Natives for the same lands, so greatly differing in their items and accounts that I could not but believe that they were so made up in order that either book might be used as occasion required.

In fact, I found that the books had been so manipulated that they are of no value as records of the transactions of the agents with the Natives, and that the receipts of the Natives are in such discrepancy with the agents' entries that both books and receipts are useless except as proofs of the frauds that had been practised. It would, of course, be impossible for me within the limits of this report to state fully all the facts which support the above statements, but I have retained possession of all the books and documents from which I have gathered these facts, and can easily satisfy your Excellency's Ministers that the above-mentioned frauds have been practised on the Natives in both the Poripori and Waimanu accounts, and possibly also in the other accounts.

Mr. Yates, who is now acting as my clerk and interpreter, was formerly employed by Mr. Creagh as an agent and licensed interpreter to obtain signatures to a memorandum of transfer of Waimanu, and interpret its contents to those who were about to sign it. The document, when given to Mr. Yates, was not filled up as to the parcels of land to be transferred, but it had a map indorsed upon it, which is incorrect as the lands now appear on the official maps. To this document, with its parcels left blank, Mr. Yates obtained the signatures of twenty-three owners of Waimanu No. 1 Block, and his testimony before me was to the effect that he described to the persons who signed it that the block which they were transferring was Block No. 1, and he indorsed a statement in Maori on the document in which the block is described as Waimanu No. (blank), leaving a space not larger than sufficient for the insertion of the word or figure one. The reason he left this blank he explained to be that when the document was being signed the Waimanu lands were not yet fully passed through the Court, and therefore a change was still possible in the numbering of the several portions of it. It so happens that the persons who own Waimanu No. 1 are also the owners of Waimanu No. 1c, and when the memorandum of transfer was presented in evidence before me the parcels in the English portion of the document were filled in not only with the description of Waimanu Block No. 1, but also with a description of Waimanu No. 1c Block. It was not denied that the parcels were so filled in after the twenty-three persons had signed, but it was alleged that both the blocks had been sold, and that the blank for the parcels was correctly filled up.

The applicants replied to this evidence given by Mr. Yates by alleging—(1.) That the purchase from the beginning had been a purchase of shares in the whole original Waimanu Block, excepting only such portions as should be afterwards set apart as permanent reserves, and that, subsequently, after a considerable number of shares had already been purchased, the portion available to the purchasers was curtailed not only by the cutting-out of several reserves, but by the award of the Court giving 1,300 acres of the block to another hapu; and that the description of the parcels as containing the two blocks No. 1 and No. 1c was, in reality, not in excess of the amount of land sold, but was very much less. (2.) That Mr. Yates had been instructed to interpret the document to the vendors as a sale of the two blocks Waimanu No. 1 and No. 1c, and that he had so interpreted it to the Natives in the presence of witnesses, who deposed before me to that fact. (3.) The applicants further impugned Mr. Yates's veracity by alleging that he had an ill-feeling towards them by reason of an unsuccessful claim made by him upon them for remuneration for his services as such interpreter. They insisted that the blank left by Mr. Yates in the Maori statement was intended by him to be filled up—not with No. 1 only, but with No. 1 and No. 1c, and that there was no discrepancy between the Maori statement and the English version. The incorrectness of the map indorsed on the documents was not denied, but was excused in various ways. But the strong point they relied upon in their evidence rebutting that of Mr. Yates was the point that, from the very first, they had purchased shares in the whole of Waimanu Blocks that were saleable; that afterwards the changes that took place operated to deprive them of part of what they had so purchased by cutting out reserves and by giving portion of the block to Natives who had not sold to them; so that, on the whole, the insertion in the memorandum of transfer of the description of No. 1 and No. 1c (being all that was left saleable of the block they had purchased) was only the carrying-out of so much of the original agreement as the vendors were able to perform, and with which the purchasers were obliged to content themselves.

I thought this explanation fair and reasonable as an answer to any imputation of intended fraud, provided it were a true explanation and borne out by facts. In order to ascertain whether it was supported by the evidence, I turned to the documents connected with the purchases to see whether the original purchase of Waimanu was or was not a purchase of shares in the whole block; and, secondly, to see whether upon minor points of evidence I could find anything throwing light upon the general credibility of the statements made by conflicting witnesses. The result of my examination was to convince me that it was not true that the original sale of shares in Te Waimanu was a sale of shares in the whole then saleable land in the block. The block originally consisted of about 3,500 acres, whereas the original sale was of 1,300 acres only, and it was in the course of my search for these facts that I found that the Natives had been defrauded in a variety of ways by the manipulation of the books and vouchers as above mentioned.

The special facts connected with the purchase of the Poripori No. 1 Block were as follows: After Mr. Creagh's cases were all concluded, a gentleman named Wrigley, who, although he resides in Tauranga, alleged that he had till then been unaware of the inquiry being proceeded with, appeared before me to object to the removal of the restrictions on Poripori Block, on the ground that Mr. Creagh had purchased from twenty-seven owners of this block shares which had already been sold to him (Wrigley), and that Mr. Creagh had therefore no right to obtain a transfer of such shares, especially if he had purchased them with notice of his (Wrigley's) prior right (which notice

Mr. Wrigley asserted Mr. Creagh had had before his purchases). In proof of his assertions he gave his own testimony on oath, and also brought forward another witness. He produced evidence that Creagh knew that he was purchasing; and he called my attention to the fact, proved by certain witnesses (called by Creagh for other purposes), that Creagh had bought from those witnesses with the knowledge that they had already sold to him (Wrigley), and had even stopped the amount of Wrigley's payments out of the purchase-money payable by him to those Natives, for the purpose of delivering back that money to Mr. Wrigley—a purpose which he has not yet fulfilled.

To dispose of Wrigley's alleged priority, Mr. Creagh produced a book, which he had not produced before me until then, containing two entries in the handwriting of Wrigley, who was in his employment at the date of said entries. These entries were both dated the 14th May, 1880, and were headed "Poripori." The one was an entry of advances (in goods) to one Maihi te Poria, and the other an entry for similar advances to one Heke Hotu. Mr. Creagh produced these two entries, alleging that they were both payments on account of the purchase of Poripori Block, made by him so far back as the 14th May, 1880. The object, of course, was to show that to Wrigley's knowledge these two chiefs had sold to Creagh before they had sold to Wrigley. This evidence seemed conclusive as to Creagh's priority, so far as these two chiefs were concerned, unless it was true, as Wrigley alleged, that both these advances were made on the order of the chief of the survey party engaged in surveying the Poripori Block, and as payment to these chiefs for their work as assistants on the survey, and not as a payment on Poripori land. On examining Mr. Creagh's other books to ascertain if they would throw any light on this matter, I found that these two payments were acknowledged in other accounts to be what Wrigley alleged—namely, survey payments, and I found that several other survey payments which had been made to other Natives were, in the first instance, debited to their several land accounts, but in some few instances were afterwards deducted, presumably on the refusal of those Natives to such a fraud upon them. That it was a fraud to charge survey payments as payments on account of land is clear, when it is remembered that there was a distinct agreement that the purchasers, and not the Natives, were to bear all the costs of survey.

In the course of the cross-examination of Mr. Wrigley, who disputed the alleged fact that he was in the employment of Creagh between certain dates, I, with a view to aiding the cross-examination, presented to Mr. Wrigley a certain receipt dated the 1st May, 1879, signed by a deceased chief, Enoka te Whanaka, the body of which was in the handwriting of Mr. Wrigley. This receipt had been altered, in the handwriting of Mr. Creagh, from being a receipt for a payment on Irehanga Block to being a receipt for a payment on account of Waimanu Block. On showing this receipt to Mr. Wrigley he acknowledged that it was in his handwriting, and pointed out the alteration made in Creagh's handwriting, and alleged that it had been made since he (Wrigley) wrote the receipt and got it signed by Enoka te Whanaka; and he further declared that when he paid Enoka te Whanaka the money acknowledged in that receipt, he paid it, not for Waimanu Block, but for Irehanga Block, and that at the date of that receipt (1st May, 1879) the name of Waimanu Block did not exist. In answer to this implied charge by Wrigley, I expected that Mr. Creagh would offer some explanation of the alteration he had made. I was prepared to hear that Enoka, before his death, had expressed to Mr. Creagh his willingness to have the payment for the one block transferred to the account of the other block, and that he (Enoka) had authorized him (Creagh) to alter the receipt accordingly. But Mr. Creagh, when called several days afterwards as a witness to rebut the evidence of Wrigley, made no allusion whatever to this document, except by the mouth of his counsel, who stated in his presence that he (Creagh) did not propose to offer any explanation of the alteration made in the receipt. Thereupon, at the close of the counsel's examination, I deemed it my duty to ask Mr. Creagh whether he desired to say anything in explanation. His answer is given at p. 112 as follows: "This alteration in the receipt, marked S, of Waimanu for Irehanga, is, I believe, in my handwriting. I am not certain of it, and that is all I have got to say about it." In answer to further questions of mine, he said, "Enoka te Whanaka never had any share or interest in Irehanga, as it is at present. I don't mean as it was at the date of that receipt." Thus, it will be seen that I called his attention to the class of explanation I expected, and the fact of his making no such explanation, after I had so called his attention to it, shows that Mr. Creagh does not pretend that the alteration was made at Enoka's request.

My examination of the books and documents having thus contradicted Mr. Creagh's rebutting witnesses, and supported the evidence of Messrs. Yates and Wrigley, and having also disclosed a considerable number of fraudulent misappropriations of moneys alleged to have been paid to the Natives, I felt compelled to believe that, in respect of these two blocks at least—*i.e.*, Waimanu No. 1c and Poripori No. 1—the agents had defrauded the Natives of moneys, and had endeavoured to defraud them of a part of the Waimanu Block which they had not sold, and for these reasons I felt it to be my duty to recommend that the restrictions on these blocks be not removed.

With regard to the Poripori No. 2 Block, I have recommended that the restrictions be not removed, because it is a reserve for Native purposes made absolutely inalienable by the Commissioner, Mr. Brabant, at the request of the Natives in open Court. The Native owners are by no means unanimous in requesting it to be thrown open for sale, and only a few of the owners have signed the transfer document. Mr. Creagh either purchased their interests before the land was declared an inalienable reserve, or without having taken the trouble to ascertain that it was so declared. In either event the purchasers appear to me to be equally disentitled to ask that restrictions should be removed while the land remains on record in Mr. Brabant's Court as an absolutely unalienable reserve for Native purposes.

With regard to Waimanu No. 2A, the proposal for leave to sell is made under exceptional circumstances. The number of owners is thirty-seven, and, although only thirteen have signed a transfer, I am informed that all are ready to sell their shares for the purpose of paying the expenses

incurred on the contest in Court through which they obtained this block (No. 2) of 450 acres, and also another block (No. 2), since made by Mr. Brabant's Court an inalienable reserve of 800 acres.

The whole cost of the litigation and the maintenance of the hapu in Tauranga while the Court was sitting was defrayed by a single Native named Ropata Karawe, who also conducted through the Court the case for his hapu. The only method by which the hapu could recoup him his expenses is by the sale of this land. I therefore recommend that your Excellency be advised to consent to the removal of restrictions on the sale of Waimanu No. 2 Block, provided the payment for the shares of the vendors are fully and properly vouched by some Government officer named for the purpose.

If the conduct of the agents in the transactions recorded in this report admits of any extenuation it is in the fact credibly vouched to me that in land transactions with the Natives such conduct is not the exception but the rule.

GEORGE E. BARTON, Commissioner.

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