

and, as previously mentioned, this money was all accounted for to the Maoris, who may perhaps be considered fortunate in that they received so much. But, making all due allowances for the circumstances and conditions, we agree with the view, implicit in the Chief Judge's report, that the Maoris did suffer loss by the re-entry into possession in a number of cases practically by arrangement with the lessees, and that the complaint of the Ngati Whakaue should to that extent be recognized.

31. The Chief Judge, as we have already mentioned, assessed compensation on this head at £3,155. We agree that he was right in restricting compensation in respect of the non-collection of rents to those cases where there had been a re-entry practically by arrangement with the lessee. We do not think it can reasonably be said that in any of the other cases Mr. Tole or any other officer can be shown to have been guilty of any neglect or mismanagement; on the contrary, it seems to us that he showed a very great measure of diligence, but the circumstances and conditions of the times were all against him, and he was practically helpless against them. To charge the Crown with the payment of compensation in such circumstances would be unjust. Even in assessing compensation in respect of the cases where there had been re-entry by arrangement, we find it exceedingly difficult to make any assessment except in what might be called a very rough and ready way. On the whole, if we had to consider just the one question of compensation in regard to the leasing administration, we very much doubt whether we could say that the Chief Judge's assessment was not a reasonable one. Inasmuch, however, as the deed of sale in 1889 included an assignment by the Maoris to the Crown of all outstanding rents, we prefer, in making our recommendation as to compensation, to deal with the whole case *in globo*, and make one comprehensive recommendation in respect of the two aspects of the case which are submitted to us by Your Excellency's Commission.

32. The second recommendation of the Chief Judge was that in respect of the purchase of the township by the Crown there was an inadequacy of consideration, which the Chief Judge thought might be met by an *ex gratia* payment now of £4,000. The Chief Judge treats the area sold as being 2,755 acres, upon which he places a value as at the time of the sale of £5 per acre. This makes £13,775, from which he deducts £9,775 which he regards as approximately the purchase-money.

33. As to the area of the land, the deed of sale simply follows the certificate of title originally issued to the Maoris in 1881, and describes the land as containing 3,020 acres. That area, of course, includes the gifted reserves. It appears that further reserves were created by the Crown after its purchase of the township, but with that we are not concerned. What Chief Judge Jones did was to assess the value of the township on an acreage basis, and he took for this purpose an acreage of 2,755, being the original area of 3,020 acres less what he assumed to be the area of gifted lands. An acreage valuation might perhaps be used as some kind of a test or guide as to the value, but we think that the only way in which to assess the value as in 1889 is to endeavour to take, as best one may, a common-sense over-all view of the realities of the case as they then existed, and value as one entity the Maori interests in the whole area, of course omitting, as Chief Judge Jones did, from the subject-matter of the sale and purchase such items as the thermal springs, the sanatorium grounds reserve, and Pukeroa Hill, which had been gifted by Ngati Whakaue prior to the purchase and which could not be taken into consideration, even if (contrary to what would seem to be the case) they had not already been taken into account as part of the consideration for the annual payment in perpetuity of £6,000 agreed in 1922.

34. For the purposes of sale in 1889 it would not be fair to regard the land merely as rural land, and it is only fair to say that the Minister and Government officers concerned in the purchase recognized that it could not be so regarded, and they added what they considered a fair sum at the time to the per-acre price that the land would