

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 lose 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