7 G.—6.

the 7,224 acres on the other three sides of the watershed. The Court has been puzzled as to what led a man of Wi Hau's high rank to "sell out" on his own people in this way. A possible explanation is that, at somewhere about this period, the setting-up of a Runanga of Leading Bay of Islands chiefs was in contemplation by the Government. In 1861 Mr. George Clarke, Civil Commissioner, reported to the Native Minister a selection of chiefs for the District Runanga for the Governor's approval. Out of eleven chiefs nominated as leading chiefs, only one (Wiremu Hau) had signed the deed of sale in 1859, and Ngatiwhiu had him as its sole representative on the Runanga. The list of chiefs is a significant commentary upon the claim made that Ngatiwhiu owned the whole 7,224 acres and that Wi Hau was "the seller." The point to be noted is that the selected chiefs are described by Mr. Clarke as "supported by the Government and made powerful by large salary and favoured position." There is no evidence before this Court on these proceedings that W1 Hau was offered (in 1859) future favours of this nature, but at least he seems to have secured some reward for his merit as a "useful servant of the Government." The Court new returns to the unconscionable aspect of the 1859 purchase. It is clear from Mr. Kemp's own correspondence that he and the Government of the day were fully aware that the 7,224 acres was "chiefly forest, comprising some very fine kauri and other According to Mr. Kemp's letter of 4th October, 1858, the quantity of timber on the block had been "ascertained," and there were "other favourable points" for consideration. These "other favourable points" may have related to its nearness to Waimate (distant only ten miles) and "with an available road," as quoted in Mr. Kemp's letter dated 1st July, 1858. Also, there was proximity to Crown lands. The Court, knowing the district well and its closeness to Bay of Islands settlements and inlets, cannot understand how Mr. Meredith, for the Crown, saw fit to describe the 7,224 acres as a wilderness and the kauri-trees as of no market value in 1859. No proof whatever was offered in support of that contention, but the facts must have been available to counsel for the Grown. Why was no evidence led by Mr. Meredith to prove that kauri timber so easily accessible to the sea had no market value in 1859? Counsel for the Natives should have quoted figures. Puketi State Forest is reasonably convenient of access to Hokianga as well as to the Bay of Islands. very conveniently placed as regards Waimate and other places, which were settled in 1859.

(16) Comparison with Prices for other Blocks bought at that Period.—The schedule of blocks bought and prices paid by the Crown, as submitted in evidence for the Crown case, is most illuminating. Thus we find that Muriwhenua South, a block of 86,885 acres, was bought for 3d. an acre. Now Muriwhenua South lay in the "never-never" country far to the north of Kaitaia. It had no roads, no bush, and contained probably 20,000 acres of bare sand. Yet the Court was asked to believe that 3d. an acre for it was comparable with 8d. an acre for the 7,224 acres in Manginangina, a block mostly kauri forest and close to Waimate and a road. A number of the other sections quoted are known to be poor serub country, difficult of access, and without milling bush. The Court is surprised to see the 11,000 acres in the Kohumaru Block marked as "bush." It is no wonder the Native Land Court had to be established in 1862 to fix ownership and shares if so many large blocks were bought between 1854 and 1862, at the figures quoted, from sellers whose right to sell had not been established by a judicial tribunal. However, again the Court remarks that this injury to Native interests could not have happened but for a certain amount of land-jobbing by chiefs whose right to sell was open to

question, and a certain amount of apathy by the rank and file.

(17) Surplus Lands.—Mr. Blomfield raised the question of "surplus lands," and claimed that this particular matter was affected by it. A glance at the map indicates the following "surplus lands" close to Manginangina:—

(a) 2,105 acres and 2,335 acres withheld from James Shepherd's grant.

(b) 992 acres withheld from Henry Hopkin's grant.

(c) A very large area (not shown) in the Puketotara Block to the south.

(d) A småller "surplus" near the Whakanekeneke Block.

(e) A "surplus" north of the Waiari River.

These surplus areas were lands which the Crown representatives, after inquiry, found had not been paid for by private purchasers; or, rather, the Crown allowed private purchasers to retain certain areas only, being equivalent in value to the prices paid. The private purchasers were not allowed to retain the "surplus" areas, but instead of handing the surplus back in each case to the Native vendors as land for which the Natives had not been paid, the Crown retained the "surplus" in each case for itself. This action is the ground for various petitions to Parliament and is the biggest unsolved problem between the Crown and the Natives in all the North. Recently part of the Puketotara "surplus" was handed back to the Natives. In the case of Manginangina, however, no check was possible on the adequacy of the parchase-money, as the sale was to the Crown. Only now is it possible for a Ceart or for Parliament to review the facts as a result of a pressing petition by the Natives.

(18) Court's Recommendation.— (a) The Court recommends that such portions of the milling timber on the block as are not required for scenery-preservation purposes be milled commercially in accordance with the State Forest Service plans already in operation, and that a liberal percentage of the net proceeds be paid over from time to time by the State Forest Service to the Tokerau District Maori Land Board. These payments should be accumulated by the Board as a trust fund, out of which to pay legal and other expenses of petition and of the petitioners, and to recorp those who have borne the financial burden of the case. The balance from time to time to the credit of the fund should be used by the Board for such community or tribal purposes as the Native Land Court, after inquiry from time to time in open Court and with the approval of the tribes represented in Court, shall direct.

(b) The Court recommends that such payments to the Tokeran Board out of the net proceeds of the sale of all timber be paid by the State Forest Service quarterly and be not less than a certain

fixed amount yearly to ensure reasonable progress in the milling of the timber.