

accurately, or even perhaps with close approximation, in terms of money, but something should be done in the way of a money payment towards remedying the injustice. It would be wrong to attribute to the Act of 1935 the whole of the £5,000 or £6,000 per annum which the Maoris claim (as stated in paragraph 4) to be the measure of their loss. True, the difference between the rentals in and since the year 1934 amounts to nearly £6,000 a year, but of that amount, as previously stated, the sum of £953 15s. 8d. is represented by reductions made in arbitrations and during 1934 prior to *Crocker's case*, and £191 0s. 3d. is represented by reductions in seventeen of the twenty cases where the rental was fixed after the Act of 1935 was passed by special Government valuation; in addition, we have no doubt that a large proportion of the reduction is attributable to the adoption of erroneous methods by arbitrators and umpire for which the Act cannot be blamed.

94. We feel that we cannot recommend legislation in the direction of compelling the lessees to pay anything in respect of past years. That would be unfair for many reasons. It would be most unjust to endeavour to compel payment from persons who have acquired these leases from the lessees to whom they were granted, and it would not be right to attempt to compel payment by persons who have in good faith transferred their leases and been paid for them. Nor would it be fair to attempt to compel payment from those persons who have not transferred their leases, because, apart from any other question, it would involve discrimination as between those who have, and those who have not, disposed of their leases.

95. The matter is one for a compromise now as it was in 1935 in regard to both monetary recoupment for the past up to the end of 1947, and to future protection and security to be provided by legislation. As to the first, we consider, in view of what we have said in paragraph 93 and of the advantages and security that will accrue from our recommendations regarding legislation, if effect be given to them, that a payment of the sum of £30,000 would be reasonable and just, but not excessive, compensation, which amount should be paid out of the accumulated profits in the Native Trustee's Account; and we would recommend accordingly. Those profits do not belong to the Maoris, but are payable from time to time into the Consolidated Fund as directed by the Minister of Finance (see section 49 of the Native Trustee Act, 1930). They belong to the community as a whole and would eventually have been transferred to the Consolidated Fund. It is for that reason that we stated in the earlier part of this report that there may be a loss of a considerable sum to the community.

96. As to the future much as we dislike any interference with existing contracts, we feel that the lessees are benefiting at the expense of the Maoris who are suffering an injustice, and that such a position should not be allowed to continue. If *Crocker's case* was rightly decided, then, whatever might have been the previous understanding as to the effect of clause 56 of the Schedule, the Act of 1935 would in itself have been an interference with the lessee's contracts, an interference in their favour. If that interference turns out to be unfair to the beneficial owners, we cannot see that the lessees have any valid ground to complain of a further interference which is necessary to remedy that unfairness. Moreover, the lessee of these reserves have in the past (in and prior to the year 1892) had their contracts altered in their favour when it appeared that the terms of those contracts were unfair to them.

97. So far as concerns the fifty first-renewal leases referred to in paragraph 30, we do not think it necessary to suggest any alteration. On the whole the rentals reserved by those leases seem to be not unfair, and we see no reason for disturbing the present position.

98. There are also twenty second-renewal leases where the rent was agreed upon between the Native Trustee and the lessee at 5 per cent. on the unimproved value according to a special valuation made by the Valuation Department on the application