of compensation for the grievances of which they complained, the Northern Maoris must also receive a correspondingly large amount of compensation. That they are entitled to fair and reasonable compensation in respect of any legitimate grievance none would dispute; but to give more than that would it seems to me be yielding to expediency—and a false sense of expediency at that; false if for no other reason than that the cases are not parallel, or, where parallel, are not favourable to the present Maori claims in so far as value is concerned.

123. As to the case of the Rotorua and neighbouring lakes, it is true that the Government in 1922 agreed that a sum of £6,000 per annum should be paid in perpetuity; but, as was pointed out in paragraph 27 of the recent report of the Royal Commission in the Pukeroa-Oruawhata case (a Commission comprising the same personnel as this present Commission), the Government had treated the Arawas magnanimously and upon representations and in a belief as to the destruction of the food-supply of the Arawas that turned out to be wrong. It is only reasonable to assume, therefore, that the payment of £6,000 per annum was an excessive payment. The Lake Taupo settlement came not long afterwards, and the amount of the annual payment was without doubt influenced by the payment that had been made to the Arawas. Moreover, there was no criterion upon which a value could be based. Here criteria do exist, as will be shown directly; and in no respect can the Lakes cases be any basis for comparison.

124. The South Island case involved an area of twelve and a half million acres and was the subject of consideration by the Jones-Strauchon-Ormsby Commission in 1920. The case was a very peculiar one and seems to have been treated by the Commission really as in the nature of a case of breach of contract. The Maoris seem to have been promised very considerable reserves which, had the promise been carried out, would have been extremely valuable. But the promise had not been carried out, and the Commissioners solved the problem by recommending compensation upon the basis of the value of what they considered to be a reasonable estimate of the area of the land sold. The report says: "In order to ascertain what would be a fair thing for the Government to pay it is necessary to ascertain, for comparison, what private individuals were paying about that period. Fortunately, we have statutory authority for this. In the Land Claims Ordinance of 1841, Schedule B, the following prices are laid down as what would be considered fair and reasonable value of lands at the dates mentioned: and then the report sets out a copy of the Schedule. The Commission was merely following the statement that had been previously made in Mackay's Compendium, and, as I have said earlier, it is in my opinion clearly an erroneous statement. Moreover, as repeated by the Commission, it was clearly *obiter* because the immediately following portion of the report shows that the Schedule or "yardstick" was not followed or even treated by way of analogy or comparison. The South Island purchase was not made till 1848, when the Schedule was no longer applicable, and what the Commission did was to make an assessment on the basis of Government purchases about the time in question, and one of those purchases was of 400,000 acres in Otago in 1844 at 1½d. per acre. The Commission, in fact, assessed the 12½ million acres at 1½d. per acre, and, having allowed for a deduction of £2,000 paid to the Maoris, recommended interest at 5 per cent. for seventy-eight years. The report said: "We have therefore no hesitation in recommending what we have suggested as a reasonable basis on which this nearly century-old grievance, arising in the first instance out of misconception, prolonged through misunderstanding, and magnified by neglect in taking prompt measures to rectify it, should now, if possible, be amicably settled." Had the arrangement between the Crown and the Natives (which the Commission regarded as in the nature of a contract) been carried out, the reserves, which would presumably have been inalienable, would have remained as Native land, so that the Maoris had, in the view of the Commission, actually lost for a long period of years the use and profit of and from the very land which it would not have been in their power to sell. I consider there is no comparison between the South Island case and the case of these surplus lands, and there was an obvious reason for an allowance of interest there which does not exist in this case.