

Following up the passing of the 1881 statute the Pukeroa Oruawhata Block was by Proclamation dated 12th October, 1881, defined and declared to be a district under the Act (*Gazette*, 1881, page, 1267). In *Gazette*, 1882, p. 263, the appointment of Daniel Austin Tole to execute leases and receive rents is notified. The appointment, however, does not refer to any particular land, and the Court has been unable to discover any regulations made under section 12 (4) of the Act.

A township was laid out called Rotorua, and on 7th March, 1882, shortly before the final order of the Court, leases for a term of ninety-nine years were submitted to public auction. In order to obtain the best rentals the officers of the Crown left no stone unturned. The auction was extensively advertised in New Zealand and Australia and, in addition to these advertisements, the Government printed by command a 36-page pamphlet with a series of maps. The result was that the auction proved a great success from a pecuniary point of view, and brought rentals much beyond the upsets. A sum of £2,750 10s. annual rental was thus obtained, the half of this (less £34) being paid in as the first half-year's rent. A full list of the tenants appears in 1882 Parliamentary Paper, Legislative Council No. 7. When the second half-year's rent fell due the tenants were not so anxious to pay. The Commissioner reported in November, 1882, that no less than twenty-four lessees had failed to take up their leases, and that only twenty-five out of eighty-four tenants had paid the current half-year's rent, leaving a sum of £1,034 5s. then in arrear.

On 26th February, 1883, nearly twelve months after the leases were auctioned, Mr. Henry Tacy Clarke on behalf of the Government entered into a further agreement with the Natives which purported to modify the arrangement of 25th November, 1880, in some respects, and also to appoint receivers of the rent for payment to the Native proprietors. It is difficult to see where the power to appoint receivers came from, but the owners appeared to have raised no objection to its adoption.

The first payment of rent to the Natives took place in May, 1883. A sum of £1,400 (out of £2,014 15s. collected at that date) was paid to the Native receivers appointed by the agreement. The fact of only £2,014 15s. being collected shows that the rent of the March 1883 quarter must have again fallen behind as the rent for nearly three half-years would be over £4,000. This left nearly £2,000 in arrear.

On the 28th March, 1883 (*Gazette*, page 375) a Board of Management for the township was appointed, and on 2nd April, 1883 (*Gazette*, page 481), the Pukeroa Hill was proclaimed as a park under the administration of that Board, and apparently some £200 per annum rent that had hitherto been paid by tenants to the Natives became thereunder payable to that Board and not to the Natives.

On the 19th April, 1883, the Commissioner reported to the Attorney-General, who was then resident in Auckland, that he had been instructed to take steps to recover outstanding rents. The position as placed before the Attorney-General was that : Eighty-four lessees had paid up the first instalment of rent, sixty-one had duly signed their leases, twenty-three had not taken up their leases, and only forty-three had paid the second instalment of rent. Apparently there was a general desire by the lessees to escape from responsibility for their leases as, according to *Hansard*, Vol. 46, pages 100 and 510, the European tenants had formed themselves into a Rotorua Leaseholders Defence Association and had on 27th July, 1883, obtained a legal opinion that the whole transaction was void, and that the lessees could not be compelled to pay rent.

In August, 1883, the Thermal Springs District Amendment Act, 1883, was introduced into the Upper House, and finally passed into law on 8th September, 1883. Meanwhile by memorandum of 18th August, 1883, the Auditor and Controller-General had directed the responsible Minister's attention to what seemed to be a complete failure in the punctual collection of these rents. The Auditor-General expressed the opinion that there could be no doubt that in equity the Government was responsible to the Native owners for the rentals and that they ought for that reason to be recovered with more than usual punctuality. "The arrears," said he, "considering the short term the account had been opened were enormous, and indicated a system which if continued would be ruinous."

This memorandum was returned to the Auditor-General with the following minute by the Attorney-General:—

"There were several legal difficulties in reference to the Rotorua lands but as these have been removed by an Act of last session I see no reason why there should not be more punctuality in future. 21/9/83."

On 4th October, 1883, the Commissioner was instructed to take proceedings at once for the recovery of all arrears. The Controller and Auditor-General again complained on 18th December, 1883, pointing out what the Hon. Mr. Whitaker had said about more punctuality in the future, and continued, "arrears still amounted to the sum of £3,236 of which a good deal will never be recovered at all."

On the Commissioner being telegraphed to as to the position he replied that the solicitor attending to the matter had certain doubts, and proposed to confer with Mr. Whitaker on his return from Australia. Apparently legal steps were eventually taken against one tenant, as on 31st January, 1884, the Commissioner reported that the District Court Judge had given judgment for the defendant upon technical grounds. The judgment was followed by an appeal to the Supreme Court which was successful. A rehearing by the District Court followed and finally, on 24th December, 1884, the Commissioner reported that judgment had been given in favour of the Natives. It is hardly necessary to say that during the currency of these legal proceedings, which were in the nature of a test case, the rent fell still further into arrear. In addition, some £80 costs were incurred. It is interesting to note that in the