

should be made." This correspondence was submitted to the Minister of Lands with the minute: "It is not now possible to retract from the position which has been taken up in the matter." Why this should be so is difficult to understand. The time limit must have expired in each case. Up to that time only £183 had been collected since the 25th March, 1883, out of a total of £2,336 6s. 2d. due by those who had signed leases. It will be seen as the report proceeds that the offer to take part and release was actually renewed four months afterwards. With regard to the Native protest the Minister directed a reply to be sent—"That the action taken was in the interests of the Natives; that to insist on the letter of the bond in a vast number of cases would drive lessees into the Bankruptcy Court, the Natives losing all." This was amplified in transmission to the Commissioner by the addition of the following: "And the Natives would lose all the arrears of rent, whereas if the arrears are paid up with a view to accepting surrenders in cases where lessees are unable to keep up the payments required by the leases, the lessors might get better tenants." This shows that the re-entry was treated as equivalent to a surrender.

The records show that on 1st April, 1885, arrears amounted in all to £4,920 9s. 6d.; £2,336 6s. 2d. in the cases where lessees had signed leases and £2,584 3s. 4d. where the leases were not so signed. On 10th April, 1885, the Commissioner was asked how many of the tenants had responded to the circular notice, and replied that out of the forty-one persons circularized only five had responded, paying £37 13s. 4d. back rent. The Commissioner asked for approval of proceedings being taken against the other thirty-six. This was approved, but on the following day Head Office sent a telegram, "Do not proceed against any Rotorua lessees who have paid unless they want you to re-enter and are two months in arrear. The re-entry is to relieve lessees of future payments."

On 27th May, 1885, the Commissioner reported that no further legal proceedings had been taken, partly through the absence of the solicitor dealing with the matters and partly because of the realization by the tenants of the determination of the Government to sue for outstanding rents.

On 11th July, 1885, the Commissioner reported that no further action had been taken, and he was instructed to let proceedings take their course as the tenants had had every consideration shown to them.

On 3rd September, 1885, the Commissioner reported that he had issued further notices to tenants, offering to take part of rent and release the tenants. Some of those against whom he had issued summonses wished now to revert to the former terms offered and be permitted to forfeit their leases. This it will be observed was subsequently to the May protest from the Natives.

The effect of the various forfeitures on the collection of rent will be seen in the following table of rents collected:—

	£	s.	d.
March, 1882 (first half-year's rent)	1,353	5	0
1st April, 1882, to 31st March, 1882	661	10	0
1st April, 1883, to 31st March, 1884	273	0	6
1st April, 1884, to 31st March, 1885	577	0	0
1st April, 1885, to 31st March, 1886 (year of forfeitures) ..	1,045	7	9
1st April, 1886, to 31st March, 1887	266	5	3
1st April, 1887, to 31st March, 1888	175	11	2
1st April, 1888, to 31st March, 1889	21	1	5
1st April, 1889, to 31st March, 1890	52	4	3
	<u>£4,425</u>	<u>5</u>	<u>4</u>

Of the amount collected about £3,600 is supposed to have reached the Natives, the balance being exhausted in surveys, legal costs, advertising, and other expenses.

On 3rd July, 1888, a return was compiled showing the persons who had "surrendered" their leases. This shows that the tenants affected by the forfeiture should have been paying at least a total rental of £677 per annum.

The rental payable by this section up to 7th March, 1885, appears to be about £2,171, and as they are credited with having paid £1,962 6s. up to that date the rent for this section of tenants must have been fairly well paid up.

After 1886 there would be new leases substituted for the forfeited ones and also new leases for additional sections, and it is difficult to understand the position as to the arrears with regard to unforfeited leases. It may be that some of the arrears for that period are included in the sum of £1,249 arrears shown to be due in 1893, because the Commissioner says (8/3/93) that the lessees ceased to pay in 1888. It is also apparent in another case that the lease seems to have run on as arrears amounting to £240 were remitted for a payment of £56, and it is stated that the lessee had paid his first half-year's rent in 1882 and nothing since. This reduction to £56 was caused by the arrears being recalculated on a new upset rental, a principle adopted in many cases.

It may be contended that the Crown, in its subsequent purchase of deeds, having taken an assignment of the rents which had accrued due under the deeds of lease, would not have to account for any further collections of the back rents, but the Supreme Court held in *Eruera te Urumutu v. The Queen*, that a fiduciary relationship had been created by statute between the Crown and the Natives. There was not only the duty of letting and receiving the rents, but there was the duty of distributing them according to the terms of the instruments. There is a principle governing such cases which forbids the agent to