Lastly, it was objected that the action was compromised behind the back of Tareha's solicitor. This was, no doubt, irregular. But it would not readily occur to Sutton that the solicitor could have any thing to say to the terms of sale. As the action was to be discontinued, and Tareha was to get his costs paid, it might seem that the solicitor's assent was a matter of course. On the whole, we give no weight to this objection, considering the mistake to have been venial, and that the terms made cannot be considered as unconscientious.

Our Report therefore is, that as regards the reservation of the timber the complaint is confessed to have been well founded; and as regards the second point, that it has not been established.

C. W. RICHMOND.

NOTE.—This Report is concurred in by Mr. Commissioner Maning.

REPORT ON CASE No. IV.

COMPLAINTS NOS. 5, 6, AND 41.—*Ex parte* PAORA TOROTORO AND OTHERS *(Wharerangi) Native Reserve.*

The block referred to in these complaints is a Native Reserve, excepted on the cession to the Crown of the Ahuriri block, and specified as so excepted in the deed of cession. It contains 1,845 acres.

Under order of the Native Lands Court, and by Crown Grant dated 4th June, 1867, it was conveyed to four natives, including the complainants Paora Torotoro and Waaka Kawatini. The grant contains the following proviso: "Provided always, that the land hereby granted shall be inalienable by sale, or by lease for a longer period than twenty-one years from the making of any such lease, or by mortgage, except with the consent of the Governor being previously obtained to every such sale, lease, or mortgage."

The block has been for many years under lease. Paora and Waaka complain of the detention of the rent for several years by the lessee.

Mr. Burnett, the present lessee, appeared by counsel; and Mr. Kinross, who is named in the complaint of the natives, and through whom Mr. Burnett claims, appeared in person.

It was in evidence, that the land having been previously to 1867 leased at a rent of £90 per annum, was by lease, dated 19th August, 1867, demised to Messrs. Gully and Morecraft, sheep farmers, for twenty-one years, at £260 per annum. The lease was assigned to Messrs. Kinross and Burnett, and the four native lessors being indebted to Mr. Kinross to the amount of £586 19s. for goods and advances, it was arranged that the existing lease should be surrendered and a new lease executed at the reduced rent of £100 per annum; and that in consideration thereof, the debt of the lessors should be extinguished. This arrangement was carried into effect. The new lease was dated 1st June, 1869. The native lessors again got into debt to Kinross, to the amount of £795 10s. 3d. Afterwards it was arranged, that Mr. Kinross's interest in the lease and debt should be transferred to Mr. Burnett. In pursuance of this arrangement the present lease was executed. It bears date the 16th August, 1870, and is for the term of twenty-one years, computed from 1st June, 1869. The rent, as in the last preceding lease, is £100 per annum. The lease contains a clause purporting to authorize the lessee to retain the rent in liquidation of the debt of £795 10s. 3d., which carries interest at ten per cent. per annum. The greater part of the rent has been retained by Mr. Kinross, as Mr. Burnett's agent, under the authority of this provision.

We did not attempt to investigate the accounts between Mr. Kinross and the natives. Any effectual investigation, if possible at all, would consume many days. The native complainants did not appear to dispute the integrity of the accounts, which had been explained to them at different times by Mr. Locke and Mr. Josiah Hamlin. The usual means also appeared to have been taken to explain to the lessors the effect of the several deeds. Paora Torotoro was examined by ourselves on this point, and seemed to have a clear notion of the main features of the transactions. As between Messrs. Kinross and Burnett, and the four grantees, we see no reason to suppose that the latter have not been fairly dealt with. The reduction of rent from £260 to £100 may appear excessive, in comparison with the benefit derived by the natives from the extinction of a debt somewhat under £600. In explanation it was stated, that the rent of £260 was an excessive one, and Messrs. Kinross and Burnett being only assignees of the lease by way of mortgage, might have got rid of their liability to pay it.

But one of these complaints was on behalf of a native, claiming an interest in the reserve, who was not one of the grantees. It was asserted by all the natives whom we examined, that the number of persons having just claims of this kind was large. In regard to such persons, serious questions appear to us to arise upon these transactions. In the first place, legal questions may apparently be raised, whether or not these transactions violate the terms of the grant; and whether the fifteenth section of the Native Lands Act, 1867, requiring that native reserves shall be let at a rack-rent, may not be applicable. These questions were not raised before us, nor would it be proper for us to offer an opinion upon them. But apart from any technical question, and supposing all the deeds effectual for their purpose, we find that the law has allowed the grantees to anticipate the whole produce of the reserve for a long term of years—perhaps for the whole term of twenty-one years—and thus to deprive a considerable part of the living generation of owners of all further chance of benefit therefrom. On this ground, we conceive that the natives concerned—exclusive that is of the grantees themselves—have, if no legal, a just political grievance. It is indeed probable, that many of these persons have to some extent participated in the benefits derivable from the large expenditure of the grantees, and that the heavy debt to Mr. Kinross, though nominally that of the grantees, might fairly be regarded as to some extent a tribal debt. This we say is probable, though denied by the native witnesses, who in cases of