

if practicable, is the safer course for the purchaser to pursue, though it may not be most beneficial to the natives, who are said to have been sometimes beset by their creditors at the doors of the building in which they have received payment. A deliberate and business-like settlement beforehand is preferable to a mere scramble, such as may be expected to take place upon the other system. It must also be remembered that in purchases under the Native Lands Acts, it will often be found necessary for purchasers to come to an understanding with creditors, who may otherwise stop a sale by registering judgments against the land. In the present case, it appeared that Sutton had actually threatened to take this step against Henare Tomoana. These considerations prevent me from giving weight to the complaint, that the whole purchase money was not placed in the hands of the native vendors. Heavily indebted as they were, they had no right to expect this to be done; nor does it appear that any exception was taken at the time to the payments made to storekeepers.

The great personal advantages in the market possessed by the lessees, would, doubtless lead a Court of Equity to scrutinize with some severity the adequacy of the consideration paid for the block. Except as reducing the price, the exertion of influences such as I have just been noticing could, however, give rise to no objection. The final question thus led up to is, whether the block was actually purchased at an undervalue?

We took a great deal of evidence on this subject. The strongest testimony in favour of the complainants was perhaps that of Mr. Tiffen, late Commissioner of Crown Lands and Chief Surveyor. He was of opinion that the block, if in hand, and cut up into lots, would have fetched an average price of £3 or £4 an acre. I understood the witness to be speaking of a Government sale. A neighbouring block, Papakura, in a somewhat more accessible position, containing 3,363 acres, was bought by Government in 1868 for £9,500. Hikutoto, a smaller block, still more in the line of traffic than Papakura, was likewise purchased by Government in 1869 for £2,600. These seem to have been special arrangements under which the local Government stepped in, at once to relieve the pressure for small holdings close to Napier, and to secure to the native owners the benefit of a Crown sale. The Government outlay was barely reimbursed by the sales. The Papakura sections averaged a little over £3 per acre. The price paid by the purchasers of Heretaunga for that block was only about £1 6s. 8d. an acre.

But the force of this comparison is detracted from by several weighty considerations. In the first place, it is generally felt and believed that a title taken directly from natives is a precarious one, liable to all sorts of dangers, doubts, and questions, from which a purchaser through the Crown is secure. The proceedings before the present Commission are a practical proof that this notion is not wholly without foundation. No doubt it seriously affects the value of native lands. The witness whose evidence I have just been citing, an old settler, and apparently an exceedingly prudent person who has had extensive dealings in land within the province, informed us that he had himself never yet purchased from the natives because he was afraid of the title. In the next place, Mr. Tiffen's estimate was of the value of the block *in hand*, and, as I understood, held by the Crown—but at any rate of the block in hand. He was questioned as to the value of the block encumbered with the lease granted by the native owners in 1867. He replied at first by saying, that he never would (if owner) have put himself in such a position, and never should have thought of selling in a block; and then went on to state the obvious principle, that the block, if subject to a long lease, would be worth a number of years' purchase of the rental, dependent upon the current rate of interest. There is no doubt at all that Heretaunga was let at a low rate, but the lease seems to have been thought at the time no great bargain, and the transaction was unimpeached before us. If the lease be allowed to have been a valid transaction, it seems an inevitable conclusion that the price given for the reversion was adequate, being fully thirteen years' purchase of the average rental for the then unexpired residue of the term. It appeared that Mr. Stuart's bid for the block was only £12,000, and although he might, and probably would have increased his offer, there is no reason to think that he would have given more than the price obtained; and very good reason to think the contrary.

A third argument used before us by the respondents on the question of value, was derived from the character of the block itself. The evidence of Mr. Ormond, Mr. Tanner, and Mr. James Williams, which on this as on other points appeared to be given with perfect candour, showed that one-fourth of the block at the time of the purchase was swamp, and about 1,500 acres shingle-bed. Of this last, however, 1,000 acres is excluded from the purchase. The testimony of the same gentlemen, and of Mr. Tiffen, showed that there is some inferior land in the block; but it was not denied that a large proportion is excellent agricultural land. The state of the block, at the time of the lease in 1867, was much rougher than that of Papakura and Hikutoto at the time when those blocks were bought by Government. On the whole, this part of the evidence did not convince any of us that Heretaunga is at all worse than the average of the noble plain of which it forms a part, and which also includes the Papakura and Hikutoto blocks.

In the course of the evidence as to value, our attention was called to the fact that Karaitiana, some time before the sale of Heretaunga, had disposed of 400 acres, part of the adjoining Pakowhai block, at £10 an acre. This shows that he was fully aware of the great value of land in this neighbourhood. The high price obtained for this particular piece is explained by the fact, that it consisted of fenced paddocks, in English grass, forming, according to Mr. Ormond, the best piece of grass land that he knows of in New Zealand.

Reverting to the effect of the lease of 1867 on the value of the reversion, I do not doubt that Mr. Tiffen is perfectly right from his point of view in treating the lease as a most improvident transaction. It would have been such on the part of any owner who regarded his land, as most settlers do, as a mere marketable commodity. But it must be recollected that in 1865, and even in 1867, the native owners of Heretaunga meant to retain the block, and such being their intention it is far from certain that the execution of the lease of 1867 was not in itself a very reasonable act on their part. The lease must, however, have immensely diminished the selling value in 1870, very likely to the extent of one-half, and its existence constitutes my chief reason for holding, as I do, that the price obtained was fully adequate.

There were certain other objections to the purchase, of which, as affecting nearly every purchase from the natives in the Hawke's Bay district, I reserve further notice for my general report. I refer to