

10. When the Natives went in with the Europeans, had the Natives titles to their lands then?—The Natives were owners according to Native custom; they had no European titles; they had to assign to the company. The great object was to get their titles under the control of a corporate body, which could, under parliamentary sanction, give good titles. If the law had not been altered something could have been done; or even five years ago, before all this mischief had been done, something might have been saved. But now the Europeans can hope to get back none of their money. The Natives must endure some part of the loss; that is also clear. Everything from the beginning to the end had to be repeated. The explanation of the Government was that they doubted the figures published in England, and that the object could not be achieved in the time we said. But if they had only stated that the Government were willing to assist in carrying out a proper system of colonisation, that by itself would have been a great help. We were treating with the English Government and several English people of great influence, with whom we could have made an arrangement under which £300,000 would, I believe, have been guaranteed at 3 per cent. But directly that telegram from Sir Harry Atkinson was published in the *Times*, and in all the leading English, Irish, and Scotch newspapers, the principal men who had gathered about us turned round on us and said, "Your own Government is against you." Now the money of the European shareholders is gone. The case is harder upon the Natives than the Europeans, although many of the Europeans have been almost ruined. The sole ground upon which the Europeans joined the company was for the purpose of a fair investment—that land might be acquired to be cut up for settlement—and this could have been done successfully. And at first the proposal seemed successful. But the Natives are now in this position: In no case have they received anything like value for their land. They have received some small advances.

11. It is stated in the petition before the Committee that £83,000 had been expended, and an additional liability incurred to the amount of £150,000?—Those figures in the petition are quite correct. If at any time during the last ten years, even up to two or three years ago, the Government or Legislature had undertaken, even under any restrictions whatever, to help, the thing would have been successful for both European shareholders and Natives; but there was a persistent resolution, apparently, to do nothing. Now the lands are liable to be sold; the company's interest is liable to be sold without any reserves whatever for the Natives.

12. The total liability is £241,168 11s. 8d.?—That might be reduced by the money, less the liability, on mortgages. But that is the liability to shareholders and mortgagees together. The money, however, of the European shareholders is gone without any fault of theirs. The land, if properly valued, even after reserves for the Maoris are taken out, would very much more than satisfy the mortgages; they would still bring in a handsome revenue if cut up and leased or sold for settlement.

13. *Mr. Houston.*] Do you know the extent of the land the company has now?—About 130,000 acres, under freehold tenure.

14. How do you get freehold tenure?—They obtained it out of the lands which were assigned by the Natives. The Natives had under covenant a right to take either shares of the company or the two-thirds net value of their respective lands when the company should have disposed of the land. In all instances, I should state, they had received some small amounts in cash; the owners of one block, for instance, received £1,000; of another, £800; of another, £500. In fact, in every instance where the Natives asked for cash they got it; but, knowing that the company was to sell or lease for them, many of them said, "We will not ask for any more; we will leave the balance till the land is sold or leased."

15. *Mr. Carroll.*] The bank holds this 130,000 acres against the liability of the company?—No; it is the Assets Company which holds them. The position is this: The company had advanced money to a very large amount for surveys of land the title to which is not completed. The real value of these advances would amount to £30,000; that is not included in the assets. Unless some one were empowered to get it, it could not be got. Thousands of Natives signed as I have stated. Money was paid to the Natives in all parts—in the Waikato, and right up the East Coast, at Rotorua, Wairoa, and, I believe, on one or two blocks in the Wairarapa—for the purpose of surveys. Advances were made to Natives to enable them to take their lands through the Court; also for taking over the interests of Natives in several large blocks, one block containing as many as 40,000 acres. If the Government took over or empowered some other bodies to take over these lands, and had assisted in furthering the object of settling them, all these titles could have been completed; the full value for these lands could have been obtained, which would recoup the expenses of completing the titles and repaying the advances. If the lands were taken at a valuation a great number of the Natives who have interests in them would allow other lands to become security for a portion, at any rate, of the money advanced. If the titles were made clear in that way Wi Pere's people, who are very large landholders in the district, and have made great sacrifice of their lands, would willingly allow of portions of the liability to fall on other lands—that is, if those lands were once utilised. But the late Native Minister (the Hon. Mr. Mitchelson), I am told, took up a very peculiar position. I am told he said that if the Assets Company obtained judgment against the Natives the Government would not advance money to put the Natives on the land. But I contend that the proper course would have been that the Government should take over the lands for settlement or give assistance to any Board that would do so for the same object—take over the lands on behalf of the Natives at a valuation.

16. *The Chairman.*] If they took over the lands, would they have to take them over on behalf of Natives and Europeans?—If the Legislature were to empower the Government, or, through the Government, would lend assistance to any Board on behalf the Natives, to take over these lands, cut them up for settlement—the time must come when these assets would be valuable, and something might be saved out of the wreck of interests. The Natives would be the first to consider; but something might also be saved for the Europeans.

17. What would the Assets Company be prepared to take?—They would only be entitled to £150,000; the other money is cash expended.