

98. *An Hon. Member.*] Sold?—That it had been handed over to the company, who disposed of it to the bank.

99. *Mr. Carroll* : Transferred to the company, and mortgaged by the company to the bank?—The owners of this block never received any money on account of it. With regard to some other blocks, it is stated that money was paid to the owners; but that was not so in this case.

100. *Hon. Mr. Mitchelson.*] Did you receive any scrip in the company?—No.

101. *The Chairman.*] What was the extent of that Kaiparo Block?—Three hundred acres, but it was subdivided.

102. Was that handed over to Mr. Rees and Wi Pere?—Yes.

103. What was the mortgage that Mr. Reed (Captain Reed) had on it?—I do not know the exact money raised on it, but I think it was £3,000 for building the bridge.

104. But before the bridge was built it was mortgaged to Reed?—I cannot give you the amount of Reed's claim, because it was for goods supplied.

105. *Hon. Mr. Mitchelson.*] Was it a mortgage or was it money advanced for goods?—The term used was "mortgage."

106. *The Chairman.*] How many grantees were there in this block?—There were, perhaps, between thirty and fifty owners.

107. Had these owners signed any document to Captain Reed supposed to be a mortgage?—All I know is that Mr. Reed advanced my wife five pounds' worth of clothes and goods, but I do not know whether she signed any mortgage in his favour.

108. You were not a grantee yourself?—No.

108A. Then, when you speak of attending these meetings of Mr. Rees, are you speaking of what others told you? If you were not a grantee, I presume you would not attend the meeting?—I thought you were asking me about the meeting held in Mr. Reed's time; but, in regard to the meetings with Mr. Rees, I attended those meetings.

109. *Hon. Mr. Mitchelson.*] Were you a member of the committee?—Yes; I was a member of the committee for that block.

110. *The Chairman.*] You represented your wife, who was one of the grantees?—Yes; I represented my wife and her relatives.

111. *Hon. Mr. Mitchelson.*] Did not the committee know that it was proposed to transfer this block and other blocks to the East Coast Land Company?—The committee understood from what Mr. Rees said that it was intended to hand over these lands to the company; but Mr. Rees and Wi Pere said that the land was to be given to themselves to take care of.

112. How could that be if they were going to hand over the land to the East Coast Land Company?—Mr. Rees told us that if we handed over the land to them it would be cut up into small sections and leased and farmed for the benefit of the Native owners.

113. *Mr. Carroll.*] At the time this block was handed over to Wi Pere and Mr. Rees, was there not a good deal of litigation going on in consequence of Reed's mortgages over these lands? Was there not a great deal of contention and fighting about it?—There was.

114. Who was acting for the Natives in the Supreme Court?—Mr. Rees.

115. Was it understood at the time the Natives handed over the Kaiparo Block to Mr. Rees and Wi Pere that they were to "fight off" or "clear off" Reed's mortgages from that block?—Yes, that is so.

116. Do you know whether they did it?—Yes, they did so.

117. *The Chairman.*] Did what?—Cleared off Reed's mortgages.

118. You say that in 1888 was the first time you knew the true position of the Kaiparo Block—when the accounts were shown to you?—Yes.

119. You then discovered that the company had mortgaged all the property that was in their hands to the Bank of New Zealand?—Yes.

120. And included in the list was Kaiparo?—Yes.

121. *Mr. Carroll.*] Was that the first time that you became aware that Kaiparo, that, in fact, all these blocks were singly and collectively liable for the whole of this mortgage?—Yes.

122. Were you not before then under the impression that each individual block had to carry its own proper share?—Up to that time we were under the impression that each block should bear its own liability, and no more.

123. Mr. Rees explained to you about the Whataupoko Block, to the effect that the liability to the Kaiparo Block was to be readjusted by the sale of the Whataupoko Block?—Yes.

124. And then you discovered that all these blocks, individually and collectively, were liable to the whole mortgage. Did the Natives make any proposition or suggestion as to the way of getting out of the difficulty?—We did.

125. Who was it represented the bank on that occasion?—I do not remember.

126. Was it Mr. Whyte?—Yes; Mr. J. B. Whyte.

127. What proposition did the Maoris make to him?—The Maoris said that each block should bear its own liability.

128. *Hon. Mr. Mitchelson.*] Did the Native owners join with the company in remortgaging all these properties to the bank, or did they join in the one mortgage?—No.

129. *Mr. Rees.*] The committees did; there were twenty meetings at least which the witness attended with others. (To witness) That was so?—Perhaps I do not understand the question.

*The Chairman* : The witness states that the Maoris did not join in the mortgage to the bank.

*Mr. Carroll* : The bank wanted to get a clear mortgage, and, for the purpose of getting that, when Mr. J. B. Whyte went to Gisborne the Natives were called together.

130. *The Chairman.*] That was about the time Wi Pere and Mr. Rees went to England?—About that time arrangements were made for Wi Pere and Mr. Rees to go to England; some Natives joined in the mortgage to the bank. I did not.

*The Chairman* : This man was not a grantee, and, of course, could not.