

then went to Gisborne. A meeting was called, and an agreement was entered into, under which Mr. Johnson was to obtain a portion of the block. A Native committee was set up, and it was arranged that Pakowhai was to be kept entirely for the Natives; also portion of the Te Kuri Block, Tangotete Nos. 1 and 2, and 3,000 acres in the Maraetaha, No. 1, called Te Kopua. In carrying out these arrangements the legal and other expenses were very heavy. At that time it was agreed that for a sum of £40,000 Mr. Johnson was to hand over the Maraetaha Block. I believe the payment of the money was to be made within three years. Within three years Mr. Johnson was called on to fulfil this arrangement, but refused. Two arbitrators were then appointed—Major Pitt to act on behalf of Mr. Johnson, and Captain Tucker on behalf of the Natives. The arbitrator acting on behalf of the Maoris simply requested Mr. Johnson to carry out his bargain. Considerable time was spent over this arbitration case. About this time Hamiora Mangakahia came to the district. This was in 1882. It was while the Maraetaha Block No. 2 was before the Court. Hamiora persuaded the Natives not to agree to the arrangement Mr. Rees and myself had made with them about all these lands. I heard that he went to Mr. Johnson and advised him not to fulfil his agreement. Mr. Rees and myself then took proceedings against Johnson to compel him to complete his bargain, but we lost that case. We were defeated, owing to the Natives taking part with Mr. Johnson against us. Of course, I am now speaking about the land in which Mr. Johnson was interested. We had made an arrangement with the owners and with the committee to get this land for them, and the real cause why we lost the action was because it was stated during the hearing that we were acting without consent of the Natives. Now, with regard to the £3,000, Mr. Johnson retained £1,500 of that sum on mortgage. He only paid £1,500 in cash.

248. *Hon. Mr. Mitchelson.*] What became of the other portion?—It remained on mortgage. He only handed over £1,500 until the company took over the lands; when the company took over the lands they received the balance (£1,500) and interest.

249. On whose authority was the money paid to the company?—I will come to that presently. Now, with regard to the £1,500 which I mentioned as having been paid over, I never saw that money at all. It was not paid over in cash to us in presence of myself, or of the committee, or of Mr. Rees; but I heard about it. I heard afterwards that a portion of that money was expended by Mr. Rees on a flour-mill at Pakowhai. Only a small sum was expended, because the mill was not completed. Mr. Rees, no doubt, has accounts showing how that £1,500 was expended. I know nothing whatever about that; but I heard also that a portion of it was expended in building bridges, preparing documents, and perhaps for legal expenses. However, he knows all about that. Now I will answer Mr. Mitchelson's question. Afterwards, when the lands were handed over to the company, they took over all agreements, liabilities, and authority over lands and moneys.

250. What had this £3,000 to do with the company?—I believe it was through the company taking over the whole management; that, therefore, they took over the balance of this money and the accrued interest.

251. Then, the Pakowhai people not only lost their lands, but they also lost this £3,000?—Yes; but a portion of this money was expended in paying for surveys of lands.

252. You say a portion was spent upon the erection of a mill: was the money that remained on mortgage paid over in cash to the company?—Yes; the company got that.

253. The interest on account of the mortgage: did that also go to the company?—Yes.

254. *The Chairman.*] Did the £3,000 belong solely to the Pakowhai Natives?—Yes; it belonged to the owners of Pakowhai.

255. *Mr. Mitchelson.*] The people in these four blocks, are they all one?—The people holding these four blocks were all one. This money belonged to them.

256. *The Chairman.*] It is in evidence that Mr. Rees and yourself were to hold this money in trust for these Natives, and that you were to pay them £180 a year interest for it?—That was not so, because it was arranged at the time that Mr. Johnson was only to pay over £1,500 out of the £3,000, the £1,500 balance to remain on mortgage. He had, of course, to pay interest for that. It is quite true that certain other blocks were to bear portion of the expense. These blocks were to recoup portion of the sums expended, for this money was spent in legal and other expenses connected with these blocks. Many other sums of money were so expended, including £2,000 of my private money, for which I was never paid back by the company.

257. Then it is not true that Mr. Rees and yourself got this £3,000?—No. I think the petitioner (Hemi Waaka) in saying this has made a mistake with regard to that. But, according to Maori idea the Natives would naturally look on us as being responsible, because we were the first to take the matter up; but I have already shown that £1,500 went to the company.

258. *Hon. Mr. Mitchelson.*] Hemi Waaka has said that it was agreed that a committee of five was appointed in respect of this dealing with the Pakowhai Block—that you were to confer with them, and that nothing was to be done without their consent?—Yes, that is so.

259. How does it come, then, that they were never consulted as to the disposition of this £3,000? I believe it was understood the committee had consented that the land and the whole of its administration should be handed over to the company. It was only when Hamiora came down that the committee separated themselves from us.

260. Was that after the whole thing had been done?—Yes; everything had been handed over to the company when Hamiora came.

261. You say the committee spoke of the land to be handed over, but you do not say anything about the money. I refer to the money?—I do not know whether it was agreed that the money should be handed over to the company. I was not present when the final arrangement was made. When they had got their documents prepared all I had to do was to sign my name. I know it was arranged that the land was to be handed over.

262. *The Chairman.*] Was Mr. Rees at this time acting as Hemi Waaka's solicitor?—Yes; he was acting as solicitor for the whole of the Gisborne Natives. There were about thirteen lawyers employed by Europeans and opposing Mr. Rees on this occasion. Some of these lawyers have since