

37. I can understand that; but have you not properties that Natives might claim, and if they attempted to claim them, you should feel inclined to resist?—When once we get a certificate of title I presume we are safe; and I think we are in that position now. We have a general security over the general estate if our debt is in excess of the value of the other security.

38. But that general security can only be made valid by law; your real security is over the 220,000 acres?—Yes.

39. Is it upon that 220,000 acres, then, that you estimate a surplus of £150,000?—I do not estimate anything. I consider the security at present held to be scarcely adequate to our debt. When one talks of values, one is very apt to quote figures that some day may rise up and strike him in the face. It is one thing, also, to quote an estimated intrinsic value, but quite another thing to quote a value at forced sale. If you had asked me the value at forced sale I should have put it at a very small figure.

40. The Natives have come before the Committee to ask that some means might be devised for relieving them, and I wished to bring to my own mind some process by which ultimate relief could be brought to the Natives. It seems hopeless their being able to throw off the liens you hold?—I do not look upon the case as hopeless from the bank's point of view; and if it is not hopeless from that point of view—the bank desiring to get its money as quickly as possible—I should not look upon it as hopeless for the Natives, because in order to get our money we must, if practicable, create a margin of value as an inducement to outside investors. If we establish a margin of value, that margin is the Natives'. I am sanguine of being able to do something in that direction.

41. Unless you get the Government to take it up, the experience of investors is that they have to sink a large sum of money and be content with very moderate returns. Here is a concern starting with a huge mountain of debt, and you say that it is going to be so remunerative that you are going to work off that debt, and ultimately return the properties to the Natives. If you do not achieve that, it is not promising from the Natives' point of view. I should say that in five years' time, looking at it from a business point of view, your debt would be higher than at present, and the properties will of course be worth somewhat more, but after all the relative position will not be greatly improved?—I did not intend my evidence to appear so sanguine as you have put it. I wish to show that the bank is satisfied now that it is fairly secured, and that in order to get out of it as quickly as possible the bank has decided to bring about European occupation under lease—we do not expect close settlement. I will go further than I have already said, and tell you that I have had overtures from investors in the direction of relieving us of the whole or portions of the mortgages on these estates, the moment we can show satisfactory European occupation and revenue.

42. The trustees for the Natives, Messrs Carroll and Wi Pere, have suggested legislation—will you state what kind of legislation you consider is required?—I think I might sum it up in “the gods help those who help themselves.” The Natives never show very much inclination to help themselves.

43. But is there any legislation that would be helpful to the Natives, and at the same time assist you in bringing about the result you desire?—It is very much a business matter. I do not know of any such legislation, unless in connection with the establishing of titles already proved by the Court—making them unassailable so that they will command respect, and be dealt with with safety.

44. This is in reference to the 230,000 acres?—Yes, and to any that may be acquired in future.

45. You mean that you could not give a European a title. You are holding a certificate of title even now, are you not?—I take it that if we have a mortgage, and it is registered, the mortgagee is able to give a title under a forced sale.

46. It would be in the character of an equity of redemption, would it not?—Quite so.

*Mr. Stevens*: I should like to point out, Mr. Chairman, that we have discussed this matter and laid the whole thing bare; and this report is going into a parliamentary paper; and we ought to be extremely careful about making public what is the very worst side of the position of the bank and the trustees. I think it is a very serious position.

*Witness*: I agree with you entirely. In coming here, I necessarily felt that I had to be very guarded; but I do not know that I have said anything that I should have cause to regret. I have carefully avoided, except in one instance, stating my ideas of values.

Mr. JACKSON re-examined.

47. *The Chairman.*] I think, Mr. Jackson, you can now give more definite information as to area and amounts than when you were before the Committee a few days ago?—I was directed to gather certain information. I have got that information, I think, in the most concise form possible, except in one respect—I cannot give the Committee any reliable information as to the value of the property.

48. Could you not get the land-tax value?—I thought that would be a safe value to take, and waited upon the Deputy-Commissioner of Taxes. He was very kind, and went to a great deal of trouble in the matter; but the last valuation of these blocks was made in 1891, and it deals with their values as a whole. The trustees only hold parts of many of the blocks. Finding that the valuation, if I tried to estimate it, would most likely be misleading, I thought it better not to venture on ground that I was not actually sure of. Otherwise, I think, the information that I have here will help the Committee. Dealing with titles, I have in my possession the whole of the details from which the summary is made up. I will leave a copy with the Committee. [See Exhibit A.] The gross area of blocks held under Land Transfer titles by the trustees, and each block separately subject to the whole of the debt to the company, amounts to 64,833 acres; that is what Mr. Foster spoke of as with “completed” titles. The gross area of blocks held by the trustees under decrees of the Validation Court—subject to a defined portion of the whole debt, namely, to the sum of 37,010—amounts to 62,261 acres. The gross area of blocks held by the trustees under decrees of