

*Hon. Dr. Grace* : The Court altered the ownership : Did it then add more names on the back of the certificate?—There were no names on the back of the certificate.

*Hon. J. Carroll* : In the first place the Native Land Court had no power to put in more than ten names in the certificate?—Yes, it had power under the 17th section of the Act of 1867, but it did not do so.

*Hon. T. Kelly* : Were these ten acting as trustees?—No ; they acted as absolute owners.

*Hon. J. Carroll* : Up to the time of the coming into operation of "The Native Equitable Owners Act, 1886," there had been no alienation of the Piripiri Block by sale. There had only been alienation by lease. What transpired after the investigation under the Act with regard to this block?—There was great pressure brought to bear on the Native Lands Purchase Department to purchase the freehold of this block.

That is to say, the lessees desired to part with their interest to the Government?—Yes ; they offered their interest under the first lease for £5,000. That was before the proceedings in the Native Land Court by which the 120 names were put in the title. They offered it for £5,000, but that was declined. Then they offered it for £4,000, but that also was refused ; and the following year it was offered for £3,500, and representations were made that the Government should acquire this block for the good of the country as land for settlement. One reason that the Government would not have anything to do with it was that the title was in such an unsatisfactory state. First of all, there was the omission of the two names, then the proceedings under the Native Equitable Owners Act. Representations came from various people that the Government should acquire this land for settlement ; and the Government took the necessary power in a clause of one of the Acts dealing with Native lands—clause 70 of "The Native Land Laws Amendment Act, 1895," to determine leases on Native lands after the freehold had been acquired by the Crown. Subsequently "The Native Land Court Act, 1894," which necessitated all private dealings with Native lands being submitted to the Native Land Court, was passed. It then transpired that Guy and Rathbone were having a fresh lease for a further term of twenty-one years executed and signed by the 120 owners.

*Hon. Dr. Grace* : Was your purchase before that, or not?—We were then obtaining signatures. The purchase of the freehold was commenced by the Government on the 20th August, 1894. The Act of 1894 necessitated all private dealings being brought under the notice of the Court. We then became aware of the fact that signatures were being taken to the second lease concurrently with the sale of the freehold to the Crown.

*Hon. J. Carroll* : Before you go any further, let me ask you—You say that Guy and Rathbone entered into a contract with the Natives for a new lease for a further term of twenty-one years?—Yes ; they obtained a certain number of signatures to a new lease as I have already stated.

It was necessary to bring the transaction before the Native Land Court to get—what?—To get authority to proceed. That was the first knowledge we had of the second lease. We then put a Proclamation over the block, under "The Native Land Purchases Act, 1892."

*The Chairman* : The Government were then going on with the purchase of the freehold, and had obtained the signatures of all the owners except a few?—Except half a dozen.

And so far the lessees have not succeeded in inducing the Government to buy their interest in the land?—After this second lease was disclosed they made an offer, and asked £9,500 for the surrender of their leases.

*Hon. Dr. Grace* : Is the second lease completed?—No. The first batch of signatures to it was taken before the Native Land Court, and those signatures were confirmed by the Court.

How is it that the Court approves of certain signatures to the lease when the whole are not there?

*Mr. Monk* : The interest of each is individualised.

*Mr. Sheridan* : That is so.

*Hon. Dr. Grace* : Then, I understand, that each individual has a right to deal separately with his interest in the block?—Yes.

Are the interests defined?—No.

*Hon. J. Carroll* : The position is this : When passing the Act of 1894, Guy and Rathbone were found to be in the position of having an incomplete second lease, and there is a provision in that Act whereby persons in that position can come before the Native Land Court and get an order sanctioning the period within which they can complete the transaction. Is not that the position in which they were in in 1894?—Yes. After they got the first batch of signatures confirmed, the Government put a Proclamation over the block, although the Government were advised, and are still advised, that it was not necessary to do so, because the second lease was, by reason of section 3 of "The Native Land Frauds Prevention Acts Amendment Act, 1889," invalid from the beginning.

What is the area of this block, and where is it situated?—The area of the block is 17,970 acres, and it is situated in the Seventy-mile Bush in the Hawke's Bay District.

And the number of owners is about one hundred and twenty?—Yes, that is so, about one hundred and twenty.

You say the second lease was illegal owing to the provisions of the Act?—Yes ; the Native Lands Frauds Prevention Act being in force at the time the negotiations for this second lease were commenced, it was illegal. If you will look at clause 5 of "The Native Lands Frauds Prevention Act 1881 Amendment Act, 1888," and clause 3 of "The Native Lands Frauds Prevention Acts Amendment Act, 1889," you will see that that is so.

You say that when this second lease was obtained by Guy and Rathbone "The Native Lands Frauds Prevention Act 1881 Amendment Act, 1888," was in force?—Yes.

*Hon. T. Kelly* : How came it, then, that a Judge of the Native Land Court confirmed a transaction which was contrary to law?—That is just the point. I do not know.