SESS. II.—1897.
NEW ZEALAND.

NATIVE AFFAIRS COMMITTEE.

(REPORT ON THE PETITION, No. 108, OF WIREMU POKIHA AND 653 OTHERS, TOGETHER WITH PETITION AND MINUTES OF EVIDENCE.)

Brought up on 16th December, 1897, and ordered to be printed.

REPORT.

No. 108.—Petition of WIREMU POKIHA and 653 others of the Ngatiporou Tribe.

PETITIONERS pray that their lands may be freed from the troubles caused by the dealings of the New Zealand Land Settlement Company (Limited).

I am directed to report that,—

The Committee, after taking evidence at considerable length, has arrived at the conclusion that so far as any imputation was cast upon two of its members, the Hon. J. Carroll and Mr. Wi Pere, as trustees of the property of the late New Zealand Native Land Company, such imputations are entirely without foundation. It is evident that the trustees have no private end to serve, and are evidently guarding the interests confided to them. The petitioners, who represent a large section of the Ngatiporou Tribe living about Waiapu, on the east coast of the North Island, are fearful that their lands will be incorporated with the trust estate, which they desire to avoid, although they do not disclaim liability to some extent to their fellow Natives whose lands have passed to the estate. The petition and evidence reveal a state of things on the East Coast regarding the Native lands and the estate of which Messrs. Carroll and Wi Pere are trustees which ought not to exist, and certainly ought not to be allowed to continue. It is injurious to all parties concerned—the Native owners, the trustees, the creditors, and the public.

A property of huge dimensions, and, according to evidence, of great fertility, is lying waste, while interest upon its debt is accumulating year by year. The trustees have no money to improve, and costly proceedings are necessary to determine what Natives and what Native lands are liable to contribute. Under these circumstances your Committee is strongly of opinion:—

1. That the work of the Validation Court should be suspended in all matters relating to the lands the subject-matter of the petition.

2. That a competent person or persons be appointed to inquire, if necessary upon oath, into all matters necessary to prove liability of lands and persons to the debts of the late Land Settlement Company, and the extent of such liability, and the capabilities of the land belonging to or connected with the estate for settlement.

3. That he or they should make a full report to Parliament at its next sitting; and append to such report suggestions for the final winding-up of the affairs of the late company and the utilisation of its estate.

Copy of minutes of evidence taken in this case is attached hereto.

16th December, 1897. R. M. HOUSTON, Chairman.

[TRANSLATION.]

No. 108.—Pitihana a Wiremu Pokiha me etahi atu e ono rau e rima tekau ma toru o te iwi o Ngatiporou.

E inoi ana nga kai-pitihana kia whakawatearia to ratou whenua i nga raruraru kua eke ki runga i aua whenua i nga mahi a te Kamupane Whenua Maori o Niu Tireni.

Kua whakahaua ahau kia ki penei: He nui nga korero i korerotia ki te aroaro o te Komiti, a tau ana i tona whakaaro kaore i tika nga whakapae mo ona mema e rua, mo Hon. Timi Kara, me Wi Pere, i runga i to raua tuunga hei kai-tiaki mo nga whenua o te Kamupane Whenua Maori o Niu Tireni, a kaore rawa i kitea he tuunga waewae mo aua kupu whakapae. E kitea ana kaore he painga mo raua ake e tahuri ai aua kai-tiaki ki te mahi i nga mahi rereke, otira kei te tino tiaki raua i nga whenua i hoatu ki a raua. Ko nga kai-pitihana he wahanga nui no te Iwi o Ngatiporou e noho ana i te takiwa o Waiapu, i te Tai Rawhiti o te Motu o Aotearoa, a e wehi ana ratou kei whakaurua o ratou whenua ki roto ki nga whenua e tiakina nei e aua kai-tiaki, a e hiahia ana ratou kaua o ratou whenua e uru ki reira, otira kaore ratou e whakakore ana i te ekenga ki runga ki a ratou o

etahi moni hei whakahoki ma ratou ki o ratou hoa Maori kua uru nei o ratou whenua ki roto ki nga whenua e tiakina nei. Ko te pitihāna nei me nga korero i korerotia ki te aroaro o te Komiti e whakaatu ana i te kino o te rarurarū o nga whenua o te Tai Rawhiti hui atu ki nga whenua kua tu nei ko Hon. Timi Kara raua ko Wi Pere nga kai-tiaki, a kaore e tika kia waiho i runga i tona ahua e mau nei, engari me whakamutu i te mea e kino ana mo nga taha katoa, ara, mo nga Maori, mo nga kai-tiaki, mo nga hunga nana nga moni, me te iwi katoa.

He whenua nui whakaharahara, nga whenua e whakahaerea nei e nga kai-tiaki, a i runga i nga korero he tino whenua momona, e takoto noa iho ana, me te tupu haere o nga initareti i ia tau i ia tau. Kaore kau he moni a nga kai-tiaki hei whakapai, a he nui nga moni e pau i te whiriwhiringa kia kitea kowai nga Maori, a ko e whea whenua o nga Maori, e tika ana mana e whakaea aua rarurarū. No reira kei te tino kaha te whakaaro o ta koutou Komiti, ara :—

1. Me whakatarewa nga mahi a te Kooti Whakamana Take mo nga whenua katoa e ekengia ana e tenei pitihana.

2. Me whakatu tetahi tangata etahi tangata matau ranei hei Komihana, hei uiui i runga i te oati, ina kitea e tika ana kia peratia, nga take katoa e tika ana hei whakaatu i nga whenua me nga tangata e ekengia ana e nga moni i namaia ki te Kamupane Whakanohonoho Whenua, te rahi o nga moni hei utu, me te kaha o nga paanga e uru ana ki roto ki taua whenua ki te whakaea.

3. Me tuku mai e ia e ratou ranei he tino ripoata ki te Paremata a tona tuunga e haere ake nei, me te apiti ano i ana kupu tohutohu hei whakaoti rawa i nga mahi o taua Kamupane, hei whakamahi hoki i ona whenua.

PETITION.

[TRANSLATION.]

To the Honourable the Speaker and Members of the House of Representatives of the General Assembly of New Zealand: Greetings.

THE petition and prayer of the members of the Ngatiporou Tribe residing between Tokomaru and Hick's Bay, on the East Coast, County of Waiapu, humbly showeth,—

1. Our lands that now remain to us for our occupation, including those that are leased to Europeans, are placed under serious disadvantages, whereby our interests are injured, in consequence of old dealings therewith of a certain body called the New Zealand Native Land Settlement Company (Limited).

2. In or about the years 1882 and 1883 the agents of the said company visited our district to explain the objects of the said company, calling meetings at various centres in the nature of feasts for the entertainment of the Natives who attended them, to the great delight of the said Natives. We were asked to elect committees to hold in trust such of our lands as had passed the Native Land Court, a committee for each block, on the understanding that such committees should eventually execute conveyances of such lands to the company, whereby benefit would accrue to the original Native owners. The company was to expend money on the improvement of such lands, and do other work in connection therewith. In consequence of the flattering promises and inducements held out by the said company certain of the owners of the said lands signed deeds of trust. But no sum of money whatever was paid to such Natives as signed the said deeds, but a nominal consideration was inserted therein for the purpose, as we were told, of satisfying the law.

3. At the same time the said company entered into negotiations regarding such of our lands as had not then passed the Native Land Court, the owners of which, therefore, were not then ascertained. Some members of our tribe entered into dealings with the said company in respect of such lands and received advances on account of such lands. The greater part of such negotiations were carried on in the Town of Gisborne, the Natives well knowing (and also the said company) that they were not then ascertained owners. The titles to the said lands were afterwards investigated, and on such investigation the majority of the said Native vendors were not included in the title.

4. These dealings and transactions were prohibited by the laws then in force. If the said agreements and deeds are inspected it will be seen that they have not been confirmed by the Trust Commissioner under the Native Lands Frauds Prevention Acts; and agreements affecting uninvestigated lands were made between parties who had no title whatever to such lands, and before the title was determined.

5. From the year 1883 to the present year we have remained in ignorance of the doings of the said company. The said company has not since the date of the said dealings advanced any money to us on account of survey charges, Court expenses, or rates payable on our said lands, or made any improvements or done anything whereby benefit may have accrued to us, but we ourselves have borne all such expenses.

6. In or about the month of December, 1896, certain applications were lodged with the Registrar of the Validation Court at Gisborne by or on behalf of the Hon. James Carroll and Wi Pere for validation of certain transactions affecting some of our said lands. It was then for the first time, from the *Gazette* containing the applications, that we learnt that our said lands had been mortgaged by the New Zealand Native Land Settlement Company to the Bank of New Zealand, and that the interest of the said bank therein had been assigned to the Estates Company, which, in its turn, had entered into an agreement with Messrs. Carroll and Wi Pere. We learnt then the fulfilment of the promises held forth to us years before by the company that it would deal with our

lands so that they might bring us some revenue, for now we saw Messrs. Carroll and Wi Pere asking for the fee-simple of our lands, deriving their title from the company through the said agreements, mortgage, and assignments.

7. We were absolutely ignorant of the mortgage dated the 3rd day of July, 1888, from the said company to the Bank of New Zealand. We did not consent to or in any way countenance the said mortgage. We did not ask or agree that Mr. W. L. Rees and Wi Pere should go to England in or about the year 1888 to raise money to enable our lands to be opened up and settled. We were not parties to any arrangement in the year 1892 between the Bank of New Zealand Estates Company and Messrs. Carroll and Wi Pere. We did not ask or agree that they should represent us in the arrangement then made, and we strongly condemn all these various transactions. And no document or writing whatever can be discovered embodying our consent to any of the said acts and dealings, done without the knowledge of us the lawful owners of the said lands.

8. In the month of April, 1897, we appeared by Counsel before the Validation Court at Gisborne as "objectors" to the applications of the said James Carroll and Wi Pere. In the month of July, in the case of Ngamoe Block (one of our said lands), the Court dismissed the application affecting the said Ngamoe Block, on the ground that it appeared to the Court that its powers did not extend to claims affecting lands the titles to which had not been ascertained at the date of the transaction sought to be validated It is open to the applicants to contest the validity of the said decision before the Court of Appeal. Many of our lands, the subject of applications in the Validation Court, are affected by the decision in the said Ngamoe Block, being uninvestigated at the dates of the transactions sought to be validated.

9. Many of our said lands, the subject of proceedings in the Validation Court, are not affected by the said decision. In respect of these we say that we, our chiefs, or such of us as signed the deeds of trust above referred to, did not receive any money or any other consideration from the said company or its agents. We do not wish our said lands placed under the management or control of the said James Carroll and Wi Pere. We strongly object to their applications. We do not place confidence in them or in their ability to administer our lands for our benefit, and we fear that under them our lands would be heavily encumbered.

10. We heard of a Bill intituled "The East Coast Native Lands Board Bill" brought before your House in the session of 1896. We objected very strongly to the passing of the said Bill, and were glad to hear that it did not become law. We have heard of a petition by the Hon. James Carroll and Wi Pere to this House, praying that relief be granted to them as trustees, that the jurisdiction of the Validation Court be extended, and to enable them with greater ease to bring larger areas of Native land under their control.

11. We have no desire to obstruct the settlement policy of this colony, and we have no desire to stand in the way of the Crown acquiring such of our lands as we cannot improve or settle, but the terms of purchase or alienation should first be arranged between the lawful owners and the purchaser; for we fear lest old transactions, unlawful, invalid, and prohibited, be validated to our detriment, and the lands we now occupy pass into other hands and we be left landless like other Natives injured by the dealings of the said company, for we are a numerous people and have little land left for our support.

12. But we desire that the lands which we occupy, whereon our villages stand, which we are attempting to improve and stock, and which are our only means of support, should remain to us.

Your petitioners therefore humbly pray,—

(1.) That the jurisdiction of the Validation Court be not extended to claims affecting lands the titles whereto had not been ascertained at the dates of the transactions sought to be validated.

(2.) That moneys advanced by the company to Natives in respect of lands to which they had then no title, and were not afterwards included in the title, be not allowed to be made a charge against such lands.

(3.) That the lands whereon our settlements and cultivations stand, which we are improving and attempting to farm and stock, be rendered absolutely inalienable, and reserved for the use of us and our children.

(4.) That this House do not permit our said lands to be placed under the control and management of any person, body, commission, or trustees without our consent first had and obtained.

(5.) That this House consider the applications of the said James Carroll and Wi Pere to the Validation Court in respect of our lands and the cost and expense entailed upon us in defending our titles and the disturbance caused in our said titles and the occupation of our said lands.

Enough. We wish you health.

And we, your petitioners, will ever pray, &c.

From WIREMU POKIHA AND 653 OTHERS

MINUTES OF EVIDENCE.

TUESDAY, 16TH NOVEMBER, 1897 (Mr. HOUSTON, Chairman).

Hon. Mr. CARROLL examined.

The Chairman: Mr. Carroll, it would be as well if you would first make some statement, then questions can be put to you.

Hon. Mr. Carroll: Sir, the petition has reference to certain dealings with the Ngatiporou Tribe (on the East Coast) by the New Zealand Native Land Settlement Company. That company was brought into existence in the year 1882 or 1883, I forget which. It was composed of Natives and Europeans. The scheme of the company was a large one—to settle the Native lands on the East Coast. Many of the leading men in the colony took part in the work of the company, and were shareholders in it. I think the list will show that many of our leading legislators were involved in the work of the company. It was formed on the principle that the Natives were to contribute land and the Europeans money. As a matter of opinion, in my mind, the scheme was a very good one, and if it had been properly handled by good business-men there would have been every success in the undertaking. I, with others, strongly opposed the company on the ground of the *personnel* of its management, and I tried all I could to get the Natives to withhold putting in their lands in the unguarded manner I thought they were doing. My friend Mr. Wi Pere was at that time a very strong advocate of the company. He was, in fact, a leading light in the Native world so far as Native affairs on the East Coast were concerned. My opposition, however, did not have the desired effect. The Natives gave over their lands, and the company proceeded to carry on its business. The agents of the company at that time had to contend against innumerable legal difficulties. In fact, all the titles on the East Coast at that time had been thrown into a state of confusion, owing to the uncertainty of the law as read and determined by the various tribunals of the land. This was a source of great difficulty in the way of the company, and materially handicapped it in its efforts to make its scheme a success. Heavy expenses had to be incurred. At every step that was taken financial arrangements had to be made with the Bank of New Zealand, which advanced sums of money to the company to enable it to carry on its work. The time came when the load assumed such proportions that it was unbearable, and, as a result, a mortgage was effected in favour of the bank. When the liability reached something like £150,000 odd over all these lands, the bank—I speak subject to correction in this matter—by some legal process transferred its rights to the Estates Company. About that time an arrangement was made—I was present at the meeting that was called, and there were present leading men of the Natives and those also who represented the Bank of New Zealand—whereby Messrs. W. L. Rees and Wi Pere should be advanced by the Bank of New Zealand a sum of money to enable them to go Home to England and raise money at a cheap rate of interest to pay off the liabilities and carry on the settlement of the land and the work of colonisation, as had been intended at the very first. The East Coast representatives were there, and the petitioners were represented by one or two of their number, who were present. I was present myself as a representative man of the district.

1. *Mr. Monk:* What date was that?—It was in 1888. I was one of the objectors.

2. One of the objectors?—Yes, one of the objectors to the proposal of sending Home Messrs. Rees and Wi Pere. Well, Messrs. Rees and Wi Pere went Home. For some reason, however, they were unable to raise the money, and things remained as they were before, except that there was the additional expense of that trip. After this, the Estates Company foreclosed.

3. Many years after?—No, not very long after. Notice required by the law was given, and all these blocks of land, all that had been transferred to the company and were in their hands at that time, were put under the hammer. On the morning of the sale the Natives came to me—I mean all those who had been opposed to the Native Land Settlement Company, and those who had been interested in the company, and, in fact, all of them—came and asked me to interfere and to try and stop the sale. I agreed to do my best. This was the first step I took in having anything to do with this company—that was the first time I went into it in any way whatever—as a Native of the district disagreeing with the work of the company.

4. What date was that?—I am not certain, but I think it was in 1892 or 1893.

5. Before or after the present Government came into power?—Before.

The Chairman: It must have been 1890, I think, because there were several petitions then before the House on that subject.

Hon. Mr. Carroll: I really forget if the present Government was in power or not. I then joined with Mr. Wi Pere and took legal advice, and the result was it was decided to give notice of objection at the sale. Well, the sale went on till 1 o'clock in the day, and properties to the extent of £60,000 or £70,000 odd were sold up to that hour. At the adjournment for lunch we met the representatives of the Estates Company and the Bank of New Zealand. After a discussion that lasted for about an hour we came to an agreement. That agreement was that the sale should be stopped; that the time should be extended for five years in order to enable the Natives to pay up the balance of the liabilities; that in the meantime some arrangement should be concluded whereby the Bank of New Zealand and the Natives would carry on the management of the balance of these properties, with a view of deriving profits from year to year, and ultimately releasing them from their burdens. In consequence of this arrangement the sale was stopped. Parties then came together, and all the Natives who were present on that day, who were interested in these properties, and who were either for or against the company, unanimouslv requested me to represent them in

any further arrangement in connection with those lands and the Bank of New Zealand or the Estates Company. I told them that I had quite enough on my hands in connection with my private business at the time, and that they ought to select some one else. However, they insisted on my representing them, and as I was their Native member of the district at that time I could not very well refuse. But I made it a condition that Mr. Wi Pere—whom many of them charged with having been responsible for their troubles, but who really had been working in what he thought to be their best interests—I made it a condition that he should be associated with me in the guardianship of their affairs, otherwise I would have nothing to do with it. I did not want to take the whole responsibility on my own shoulders. Well, that condition was agreed to. Then, Mr. Wi Pere and I went to Auckland. We remained there for two or three months before the necessary documents were drafted. Accounts had to be gone into, and here also a lot of time and trouble took place, because these accounts ran back for years. At any rate, after we had been about three months in Auckland the necessary documents were signed. All these properties were then conveyed to Mr. Wi Pere and myself, as trustees for all the Natives interested in all the land that had been dealt with by the New Zealand Native Land Settlement Company. We were to act on their behalf, and the Bank of New Zealand and the Estates Company had to look to us as representing the Natives. We obtained an extension of five years, as I have mentioned. We came back to Gisborne. For a year or two we managed the best way we could to administer those properties. We had no means of finance, and there was a heavy task imposed upon us, as the land required stocking and working in order to produce any revenue. About the end of the year I know I was about £500 or so out of pocket personally. We could get no one to finance us at that time, and we could not allow things to hang; so we had to pledge ourselves here and there for the necessary costs to carry on the work with which we had been intrusted. We had to carry on this work without any commission, fee, or reward. We had to do what we could to help things along in the best way for the benefit of the Natives. I made one or two attempts to be relieved of the responsibility of the trust, but I was told by legal authorities that I could not retire from the trust: I had got into that position, and I would have to stick there. This, of course, applied to Mr. Wi Pere as well as to myself. Well, we had then to arrange with the Estates Company to carry on the working of these lands; the company to submit accounts to us every six months, showing the expenditure and profits. There was a condition in the agreement of 1892, when we took over these properties, that any lands the old company had advanced money upon we would acquire the titles thereto, or some equivalent, and thus improve the security we pledged to the Estates Company. We were pledged to do the best we could not only for the purpose of improving or enhancing the security which was given by us to the Bank of New Zealand or the Estates Company, but also in the interests of those Natives for whom we were trustees. We had to consider those who had lost their lands as well as those whose lands were withdrawn from the sale. Prior to this several attempts had been made by the Legislature to improve the condition of the titles on the East Coast. The Atkinson Government had brought down an Act to set up a Commission to inquire into the titles on the East Coast, and, when it deemed fit, to validate such titles as were entitled to validation. The Act, I think, was very improperly drawn—at any rate, there was some hitch in it, for there was nothing effectually done. Judge Edwards—the present Judge of the Supreme Court—was appointed Commissioner under that Act. For several weeks he sat in Gisborne, and went into the question of these defective titles; but, though the result of his labours was nil, at the same time he made some very strong recommendations in respect to these titles and the desirability of having them set right. Something in this Act—I am not lawyer enough to say what it was—prevented Commissioner Edwards from giving thorough effect to his investigations. Then this evil—the question of defective titles on the East Coast—became more pronounced than ever. In 1893, after Commissioner Edwards's time, further legislation was passed. However, it did not result in very much, except to confirm the investigations that he had made. The judgments that he had given on the investigations made by him were also confirmed by subsequent legislation, but it went only so far as to deal with matters actually dealt with by Commissioner Edwards. In 1893 the Legislature decided to pass an Act with more ample powers, so that the questions involving these large blocks might be dealt with once and for all, and be determined. I will read to you the preamble of the Act of 1893, which will give you some idea as to the condition of titles on the East Coast, and the necessity for dealing with them:—

"Whereas Europeans have for years past held possession of lands claimed by them under alleged purchases and leases from Natives entitled to lands under statutes now repealed, and whose right to lease or sell such lands was regulated by the provisions of such repealed statutes:

"And whereas Europeans have also for some years past claimed to be entitled to lands or undivided shares in lands alleged to have been purchased or leased from Natives entitled as aforesaid:

"And whereas the said alleged agreements, purchases, and leases are incapable of being enforced, either because of some repealed statutory prohibition against the making of such purchases or leases, or because, although not forbidden, they were made not in conformity with the requirements of such statutes, or were rendered invalid through some irregularity or informality, or by reason of some unlawful act of omission or commission by the Native Land Court or some other Court:

"And whereas it is notorious that many Europeans were by various means enabled to obtain indefeasible Land Transfer titles notwithstanding such statutory prohibitions, irregularities, illegalities, omissions, or commissions, while other Europeans similarly situated as to their titles have been hindered and prevented from obtaining similar indefeasible titles, notwithstanding the repeal of the prohibitory enactments aforesaid:

"And whereas Natives allege that they have been and still are deprived of the possession of their lands by Europeans, who profess to hold them under leases or sales to them, and said Natives complain that no Court with sufficient jurisdiction for the redress of their grievances is practically open to them:

"And whereas all these persons complain with justice that the statutes in force from time to time respecting Native lands have been cumbersome and conflicting, and sometimes contradictory in their provisions, so that obedience to them has been always difficult and sometimes impossible:

"And whereas it would be a scandal that such a state of things should be allowed to continue to the public detriment, and it is therefore expedient that a special Court should be constituted, endowed with sufficient powers and jurisdiction to deal with and settle finally all conflicting interests, disputes, and claims of right and ownership in the said lands, and all claims, debts, and demands whatsoever arising out of the said transactions, or out of the occupation of the said lands, or out of any of the wrongs and grievances hereinbefore mentioned:

"And whereas the said Court ought to have power to make all such orders and decrees, and issue all such muniments of title, as shall be required for the settlement of all the said conflicting interests, and for determining all the aforesaid rights, debts, claims, and demands, and all other rights, debts, claims and demands whatsoever existing or claimed to exist by or against parties asserting rights, titles, and interests, liens, mortgages, debts, and other demands whatsoever, upon or over said lands, or in respect of the occupation thereof.

Well, this Act has been in operation ever since, firstly under the judgeship of Judge Barton, and at the present time under the judgeship of Judge Batham, who is present now. I may say that the Validation Court has done valuable work. Most titles in which private individuals (Europeans) were interested have been settled by the Court. All titles claimed by the trusteeship (comprising Mr. Wi Pere and myself in our relation to the lands and the Natives as I have detailed) are now before the Court, and have been for some time. Many of these blocks to which we have laid claim on behalf of the Natives themselves have been settled by mutual agreement with the Natives immediately concerned in those blocks. But with respect to the lands along the Waiapu coast, where the petitioners dwell, nothing has yet been done. Our claims, however, have been duly notified, and notice of some months, as required by the Act, has been given. Now, in reply to some statements made by the petitioners that they were induced by the company to do several things that they ought not to have done, and that they did not receive money or other considerations in respect to some of these lands, that is incorrect. It is a matter of notoriety that the company advanced money to nearly all the hapus forming the Ngatiporou Tribe for distinct blocks of land.

6. *Mr. Monk.*] One or two did not pass through the Native Land Court?—With the exception of one or two, all, I think, passed through the Land Court. The difficulty at that time was to stop the Natives from taking money. They were pressing the company on all sides for advances, and the company was not always flush with money, and had to depend on what arrangements it could make with the bank. Paragraph 3 of the petition reads as follows: [Paragraph 3 read (see petition)]. That is so. There were, as I say, one or two blocks in that category. But as to whether we have any claim on such blocks under such conditions is a matter altogether for the Validation Court to decide. I as a trustee have no desire whatever to claim anything to which we are not entitled by law. If the Validation Court declares that we have advanced money for those blocks, but says that because they were not through the Court at the time, our claims have been voided, I accept that. I cannot do anything else. But I contend this: that if we have to abide by the decision of the Validation Court—as we certainly have to—then so have they. It is purely a question of jurisdiction, and it is for the Validation Court to decide that point—as to whether those blocks come within scope of our claims. I would like to point this out to the Committee: that, though the petitioners say in paragraph 2 that they did not receive any consideration, that no sum of money whatever was paid to "such Natives as signed the said deeds, but a nominal consideration was inserted therein for the purpose, as we were told, of satisfying the law," I must disagree with them entirely, as this refers to blocks titles to which had been ascertained by the Land Court. Paragraph 3 refers to lands not in the same legal position as those I have just referred to; and yet they say, in regard to such, that some members of their tribe entered into dealings with the company and received advances on account of such lands. That is altogether misleading. It is most improbable that the company would advance money on land to which there was no title, and refrain from advancing money on land to which there was a title.

7. *Mr. Heke.*] But there were nominal sums of money?—According to them, no sum of money passed. They declare that emphatically here. Paragraph 4 says that "these dealings and transactions were prohibited by laws then in force." That is quite true, and the preamble to the Act of 1893, which I read a short time ago, describes the whole position. But, as I said, there was a special tribunal established. The Validation Court was set up for the purpose of inquiring into the equities of all these cases, and for the purpose of determining accordingly for all parties concerned. Then, paragraph 5 says: [Paragraph read (see petition)]. They were not in ignorance of the doings of the said company from 1883, because at given times coast representatives came down to Gisborne, where the principal seat of the company was, and discussed the matters affecting those lands. As to the statement about advancing money on account of survey charges, Court expenses, or rates payable on said lands, or moneys spent in making improvements, I am inclined to think that that is correct. I do not think we have paid Court expenses beyond those we are responsible for—such as expenses incurred in bringing these lands under the Act by notification and otherwise. We have not paid rates, nor have we made any improvements, because we have no lands in our possession. When we get the lands from the Court we will be able to improve them; we could not do so before. Now, let me put it this way: Say, that many years ago the company advanced £200 on a block, with the consent of the Natives, who received the money. There were, say, about a hundred and fifty owners. That £200 has not been paid back. The interest has been accruing all these years. Possibly at the present time we could make a claim for £500 as against that block. We would take the ordinary steps under the Validation Act, and bring the block before the Court. Notice would be given to every one of the owners in that block that it was going before the Court, and we would make our claim and have it passed. If the Court declared against us, we would have no land to operate on. The Natives may compromise, and say, "We will take an offer on certain conditions, or we will cut off a portion of the land equivalent to your debt." As pointed reference is made to myself, I must show how matters stand.

8. What becomes of the portion set apart?—That would go into trust for the benefit of all.

9. As soon as the debt is paid, does the land go back to the Natives again?—Yes; there is a readjustment, and the properties go back to the Natives. Now, in regard to paragraph 6, I think this is the most important in the petition. It reads as follows: [Paragraph 6 read (see petition)]. As I have said, they made an incorrect statement when they said that it was only in 1896, when certain applications were lodged with the Registrar, that they first learned that their lands had

been mortgaged to the Estates Company. It was, as I said, a matter of notoriety. In another part of this paragraph there are these words: "For now we saw Messrs. Carroll and Wi Pere asking for the fee-simple of our lands, deriving their title from the company through the said agreements, mortgage, and assignments." That is misleading. We did not ask for the fee-simple in ourselves for ourselves. The Court can award such lands to us only in trust, and it can impose such conditions as it may think fit. To read this paragraph 6 would mislead any one who did not know the circumstances. Then, in regard to paragraph 7, "We were absolutely ignorant of the mortgage dated the 3rd day of July, 1888," I need not make any remark on that. Their representatives were present at any meeting of importance affecting those properties. Now, with regard to "certain applications which have been lodged with the Registrar at Gisborne by Messrs. Wi Pere and Carroll," I may say this: that I have talked the matter over with Mr. Wi Pere, and he has agreed with me that we should renounce our claims to a large number of blocks that were on the list set down as per the *Gazette* notice.

10. *Mr. Carson.*] Why?—Because it would cost too much money to ascertain what our interests would be. We thought that it would be better to abandon them and ask the Court to make the indebtedness a personal one on the owners of the land and let the land free, and perhaps in the future we would get what we could. With the exception of two or three, these claims have already been marked off the list. There were twenty or thirty of these small blocks on which small advances had been made, and I think to endeavour to get any land in lieu thereof would be only throwing good money after bad. We decided to forego claims to a large number of blocks, and trusted to the Natives to refund. We, the trustees, agreed to this course, and I made that pretty well known among them, and they were very much satisfied with it. We decided to confine ourselves to two or three of the larger blocks, where we thought it would be worth while making an attempt to secure some arrangement whereby we could get fair interest for our money—that is, for money we held in trust for the people. The difficulty has arisen this way, and it accounts in a measure, no doubt, for this petition: After Mr. Wi Pere and myself became trustees we settled what we would strike out as not to be claimed by us. The solicitor to the Estates Company opposed us as to the number of blocks we proposed to abandon. The company has a voice in this matter to a certain extent. It may think differently from us who are trustees, and it has not given way so far as to the absolute withdrawal of these blocks that we have ticked. Of course, the company is interested as mortgagee. However, I am certain of this: that it must ultimately come to an abandonment of a large section of our claims. There is no use in our throwing good money after bad. There is only one other point upon which I wish to dwell; that is, in respect to the block of land mentioned in this petition—the Ngamoe Block. It is one of those blocks upon which money was advanced before it passed the Native Land Court. It came before the Validation Court, and that tribunal decided that it had no jurisdiction to include land of that character within the scope of our claims. That has been settled.

11. *Mr. Heke.*] Has not appeal been made?—Yes; and until that is settled we cannot deal with it; we cannot express an opinion. It is a matter for the Court to decide whether we have a claim or not, and until the appeal is decided no one can say how the case stands; they cannot offer an opinion, nor can we. I am not a lawyer, but I am inclined to think that it was never intended by the Legislature that lands to which titles had not been ascertained should be included in the category of those which might be considered to have *bonâ fide* liabilities on them. At any rate, the law-courts can settle that question. In conclusion, I may say that I have dealt with the petition as fairly as I possibly could; and I repeat that, whatever our claims might be, we are claiming only as trustees for the whole of the people who are interested in all these blocks dealt with by the Native Land Settlement Company. We are performing work as trustees without any promise of fee, reward, or commission in any way whatsoever. Whatever claim we make on land for advances made by the company, we are claiming in the interests of the Natives. I believe that it would not be fair for one set of Natives to escape liabilities and others to bear the whole brunt.

Mr. Monk: I have heard it stated that some Natives who had no claims whatever upon certain lands, and who had proved to have no claims, had received large sums of money, and that this money was made a debt upon these lands.

Hon. Mr. Carroll: I have dealt with lands which have not been through the Court, and to which there was no title, but I question the assertion that money was received by Natives who had no ownership in land, and that money received was carried to the indebtedness of land held by other Natives.

Mr. Monk: The assertion is made.

Hon. Mr. Carroll: It is not true. But there is this possibility on behalf of the assertion: advances were made on some blocks that had not been through the Native Land Court.

Mr. Monk: That was an illegal act.

Hon. Mr. Carroll: Yes; I hold that that was an illegal act. But in respect to that I have already said that, whatever our claims may be worth, under such circumstances it is for the Validation Court to settle——

Mr. Monk: Quite right. One more question: The statement was made that these titles were not taken before the Trust Commissioner, without which, of course, neither the titles nor the transfers were any good.

Hon. Mr. Carroll: Yes; in some cases they were not sufficiently ripe to bring before the Trust Commissioner, but a special tribunal was set up to make special inquiry into all cases, and determine accordingly.

Mr. Monk: May I put another question? I want information on this matter, because this Validation Court operates in a district with which I am ignorant. If the Court intended to validate transactions in violation of the existing law——

Hon. Mr. Carroll: It was the purpose of the Validation Court to make valid what had been a violation of the law; but it was left really to its good sense to decide equities. Section 7 of "The

Native Land (Validation of Titles) Act, 1893," which refers to the jurisdiction of the Court, reads as follows:—

7. The Court shall have jurisdiction,—
(1.) To hear and determine the right, title, and interest of every person claiming the freehold, or any lesser estate or interest in land, or undivided shares in land, then in dispute before it, and may bar and destroy the right, title, and interest of every person considered by the Court to be not entitled:
(2.) For the purpose of determining all questions in dispute before it, and to call before it all persons claiming the other undivided shares and interest in said land, and may, if the Judge shall deem it necessary or advisable, make partition of the said land in order that the lands claimed before the Court, and to be dealt with by the Court, may be separated and defined from the lands of persons not interested in the matters in contest before the Court:
(3.) To hear, settle, and determine the right to the use and occupation of the said lands or shares in lands claimed before the Court, whether as to past, present, or future use and occupation, and whether under purchase, lease, or agreement for lease:
(4.) To hear, settle, and determine all claims and demands for rents and other moneys arising out of the use and occupation of lands, and for unpaid purchase-money, or for liens (including liens for survey and survey-charges), debts, mortgage claims, claims for interest, or claims for damages in the nature of a debt or money-demand, whether such claims or demands be upon or by any Maori or half-caste Maori, or upon or by any corporation or banking company, or other company or co-partnership: and
(5.) To hear, settle, and determine all claims and demands whatsoever, whether based upon contract or otherwise, which, in the opinion of the said Court, ought to form part of the settlement of the conflicting interests of the parties before it, or arising between any of them respecting said lands, or the use and occupation thereof.

This cuts both ways, and operates both for the European and the Maori.

Mr. Monk: You have not come to the point. It seems to me that the action of the company was altogether illegal, and, I may say, wicked. It entered into a transaction in connection with this land, and never submitted the transaction to the Trust Commissioner, who might have advised that the whole thing was illegal, and that which has ended so disastrously to the Natives might have been prevented. I do not know if the Validation Court has recognised this, and thrown the case out because of that illegality—that serious illegality.

Mr. Heke: No authority will dispute that fact.

Mr. Monk: I am surprised at it.

Mr. Heke: The intention of the Validation Court was to validate all titles.

Mr. Monk: These titles were not in conformity with the requirements of the Act.

Hon. Mr. Carroll: You describe them in a general way, and insinuate that everything was not in accordance with the law. Thousands and thousands of pounds were paid in stamp duties and other matters required by the law. I want to remove the impression that the general character of the transactions of the Land Company was in contravention of the law. Of course, when the Judge gives his evidence he will be able to reply to you on any legal point better than I can. I cannot answer questions of law. I shall conclude by saying that I, with my co-trustee, Mr. Wi Pere, have no desire whatever to claim the majority of the blocks to which this petition refers. I have already marked off the blocks in the office that are to be abandoned by us. Any worth going on with——

Mr. Heke: The petitioners do not know.

Hon. Mr. Carroll: I have informed them of that. That has been, in a measure, why this petition has come to the House. Another party interested in these lands, and with a voice in the matter, is the Estates Company, and its lawyer has not agreed to the scheme of absolute abandonment; but I am certain that the ultimate end will be as the trustees have determined. Still, a certain amount of unnecessary alarm has been caused. The person in charge of the petition, who came here with it, and who represents these people, came to me before the petition was presented and told me about the whole thing. I advised him to let the petition go on, and we would have an explanation. He said that he himself was quite confident on the question of our abandonment, but some of his people were doubtful. His people were afraid that the company would insist upon the inclusion of all their lands, and thus give them unnecessary worry, trouble, and expense.

12. *Mr. Monk.*] Have you gone through all the accounts—all the expenses—of this East Coast Company?—Yes.

13. Are you satisfied that the money was lost unavoidably?—That is so.

14. Did not this company go in for a kind of reckless prodigality, spending money amounting to enormous sums?—That may be so, but, on the whole, the scheme was a good one if properly carried out.

The Chairman: I do not think it advisable for us to go into the details of this land company from the beginning. We have to deal only with matters brought up by the petitioners.

Hon. Mr. Carroll: This matter was of such great public concern that I got Messrs. Mitchelson and G. F. Richardson, who were Ministers at the time, to inspect this land, with a view of getting the Government to take it over——

Mr. Monk: I remember that.

Hon. Mr. Carroll: To cut up the land and manage it in the same manner as was adopted in regard to the lands on the West Coast. Nothing, however, was done. The present Government has since been approached in the same way, but they have great reluctance in tackling such a big thing. We therefore made the arrangement referred to for the extension of five years. The company might have foreclosed to-morrow had not the new arrangement been made.

15. *Mr. Monk.*] Is interest running on still?—Oh, yes; still bearing 6½ per cent., but we have got them to advance money to improve a lot of the land, and the revenue is now increasing. The revenue is about £4,000.

16. What is the revenue as against the interest at the present time?—The revenue is slightly under the interest at present—only a little though. The company will be satisfied with any good arrangement by which this terrible expense will be got rid of. If advances were made towards the improvement of these lands, and the working of them, the revenue in a short time would be

sufficient to pay off the interest. For the last two years we have been unnecessarily delayed and obstructed by the working of the Validation Court itself, and also by lawyers. In every case that comes before the Court there is a crop of lawyers, who get the Natives to sign a power of attorney to them, and they come into Court in connection with the cases. If we could put a stop to that it would be a very good thing. If we have a claim to any block of any size we will try to prosecute that claim, and devote all our energies to the one object that we have in view. That is what we intend to do.

17. *Mr. Heke.*] I think it would be a good thing for you to explain what is really your relationship with the company. Have you any relationship with the company?—None whatever. I have no interest in it whatever. I am acting only and entirely as trustee for the Natives. I have no interest even as a Native owner in any of the lands.

18. *Mr. Stevens.*] Are all these petitioners members of the company?—By virtue of their lands being negotiated for. The Natives were all to supply land as their share.

19. Were they shareholders?—Their head men, who numbered about three, were to represent them on the directorate among the shareholders. The chief man was Major Ropata.

20. But did the Act empower Ropata to bind as shareholders those people who had not contributed or signed?—I do not know. All the Natives negotiated with the company for their lands.

21. That did not constitute them shareholders in the company?—I could not say whether they were shareholders or not. The articles of association will show you.

22. What amount of money is involved in this East Coast matter?—About £100,000, roughly speaking—possibly more. That is outside the £60,000 paid off.

23. The position is that this £100,000 has been advanced by the Bank of New Zealand or the Estates Company, which are one and the same thing; but do you know the amount actually advanced?—I do not know what was actually advanced, but I do know that the sum total of the indebtedness was much reduced, and has grown since. That is a question that the accounts will decide.

24. What position do you and Wi Pere hold in this matter? You are trustees for whom—for the Bank of New Zealand and the Natives joined?—For the Natives.

25. The Natives only?—Yes.

26. It appears to me to be like this: that a certain undefined area of land belonging to the Natives on the East Coast was put into what might be called a joint-stock company, and each Native is, by some means or other, to derive benefit by giving certain lands in lieu of money. Mr. Carroll's statement has been perfectly clear, but as a member of the Committee, and in order to form an opinion and give an intelligent vote on the subject, I would like to know what is the exact position as between the Natives and the trustees?

Mr. Heke: We want to know something about the expenses of the company.

Hon. Mr. Carroll: This company was called "The East Coast Native Land Settlement Company." It was formed for the purpose of arranging for the settlement of lands on the East Coast. They joined together with those Native owners who wished to go in with them and to offer their lands.

27. *Mr. Heke.*] I understand you to say that the Europeans advanced money, and the Natives also became shareholders in the company by giving in land?—They gave in land, while the Europeans gave in money. The Natives were to give two-thirds in land and the Europeans one-third in money. The directorate was to represent both, and was to manage these lands and promote settlement. Out of the profits arising from these transactions the Natives were to be paid two-thirds and the Europeans one-third.

28. We should be able to know what blocks were included when this company was formed?—Oh, yes. Once the company was established, it went on dealing day by day and absorbing new lands.

29. The company, when formed, was composed of Europeans, who were supposed to put in cash, and Natives, who were to put in blocks of land. The company, in its operations, would lend moneys to Natives who had other lands. Well, would not that bring in these Natives as shareholders?

Mr. Carson: Mr. Carroll can know nothing of that.

Hon. Mr. Carroll: The best plan in respect to that would be to get the articles of association, which will show the relative positions.

Mr. Heke: Lots of these lands were brought into the company not because the owners of the land were shareholders, but on account of liabilities that had been incurred.

Hon. Mr. Carroll: I know one or two cases in which the Natives sold straight out to the company.

The Chairman: I think, before passing on to Mr. Wi Pere, the Committee might wish to put further questions to Mr. Carroll.

Hon. Mr. Carroll: Mr. Wi Pere, of course, has a larger experience in connection with these matters than I have, but his statement will not be very long, and can be obtained at any time. There are, however, important questions that you may wish to be satisfied upon, and that can only be answered by a Judge.

TUESDAY, 23RD NOVEMBER, 1897.

Judge BATHAM, of Native Appellate Court, examined.

The Chairman: You were present on Tuesday last and heard the petition read and the evidence given by Mr. Carroll. Will you kindly make a statement, and then members can put questions to you.

Judge Batham: I heard the petition read. There are two points that seem to concern me, and about them I wish to speak. One is the fact that claims affecting certain lands on the East Coast have been lodged, and that those claims have not been prosecuted with due diligence. The other point is that the petitioners ask the House to refuse legislation to assist Messrs. Carroll and Wi Pere in prosecuting those claims. Under the present Act the claims had to be lodged by the 31st December of last year. Messrs. Carroll and Wi Pere, finding themselves in a difficult position, and to keep their claims alive, had possibly to lodge more claims than they would be able to substantiate. Very few of their claims, however, have been heard. There has been but one heard since my appointment as Judge, and in reference to that one I came to the conclusion that it was beyond the jurisdiction conferred by the Act. The claimants had the right of appeal within a certain time and on certain conditions.

1. *Mr. Heke.*] Will you mention the name of that particular claim?—It affected the Ngamoe Block. I do not know what were the grounds of the claim, because the merits of the case were not gone into. The question of jurisdiction was raised by Mr. Apirana Ngatu, and on that point the case was thrown out so far as the Validation Court was concerned, the claimants, however, having the right to go to the Court of Appeal.

2. *Mr. Stevens.*] The point was this: that this land was one of those properties upon which the Estates Company had advanced moneys when the land was not clothed with a title?—The grounds were that the title had not been investigated when the contract was entered into. The claimants (Messrs. Carroll and Wi Pere) lodged a notice of appeal within the time allowed, and they furnished security to the extent of £200 for costs in case they were unsuccessful. In that manner the case was kept alive. I have good reason to believe that Messrs. Carroll and Wi Pere are moving, or are likely to move, for legislation to meet this difficulty, so as to obviate the necessity for carrying this case to the Court of Appeal. This decision in regard to Ngamoe affects some sixteen or seventeen other cases.

3. *Mr. Heke.*] Are these others in a similar position to Ngamoe?—Yes; they are on the same lines, and are affected by the same question. Of course, I am not speaking on the merits of the cases, but on the legal position, and as to whether the cases are covered by the Act. Beyond those cases there are some thirty-six others not affected by this question; in regard to them, although claims have been lodged, no steps have been taken. I take it that this point is one of those touched upon by the petition—that the owners of these blocks are in suspense, and the claims are kept hanging over them without being prosecuted. It is my opinion that the Validation Court cannot force the claimants to prosecute their claims. Whether the Validation Court should have that power, of course, it is not for me to say; but it is a matter well worthy of consideration.

4. That the Court should have what power?—To compel the claimants to prosecute their claims within a definite time or abandon them. In that respect the Validation Court is in the position of the Supreme Court in civil matters. It is left to the parties themselves to take whatever action they like, either to delay or to expedite the proceedings. I was furnished with a long list of these cases which the trustees intended to abandon, but no formal abandonment was ever put in. The trustees occupied a position between the mortgagees, the Native owners of the blocks affected, and the Native owners of the other blocks that had been mixed up in the trust. It appeared to me that the trustees wished to withdraw these claims, but that I ought not to allow them to do so without the consent of the mortgagees, because these claims had been represented as of very great value in support of the security given for those titles that had been either dealt with prior to the Validation Court or were affected by the action of the Court. Ultimately it was agreed to refer the question to the mortgagees in order to obtain their consent. As Mr. Carroll stated, however, the mortgagees demurred to striking off so many claims, because it was on the representation that they were of great value that advances had been made and time given. That is the present position of the matter, except, as intimated by Mr. Carroll, that the trustees themselves are willing to abandon a number of these cases. No formal notice of abandonment, however, was lodged by them, and, as far as the Court is concerned, the cases are still alive. The mortgagees having been induced to make advances, and give time for payment of these moneys, on these securities of title, there would be hesitation in throwing them overboard. One member of the Committee last week referred to the question of the extension of the Act in order to empower the Court to validate invalid titles. Of course, the very nature of the Act demands that the contract to be dealt with must be, in some sense, invalid. The Court of Appeal recently held that a contract entered into by a European with Natives for the purchase of land under absolute restriction from alienation was one of those contracts that could be validated by the Validation Court. That is even a stronger case than the one mentioned by Mr. Monk at a previous sitting of the Committee.

5. *Mr. Heke.*] Was that decision given a long time ago?—It was in the case of Mr. Ransfield, of Otaki, decided during the present year.

6. That was an appeal from the decision of the Validation Court?—Yes, from the decision of the Chief Justice. It was in February, 1892, that the trustees were appointed. I think they took over the whole of the properties, with good or bad titles, from the Estates Company. They were acting as trustees for the Natives, and were getting in the properties for what they were worth, in order to spread the burden over the whole of such properties on the East Coast as were liable.

7. *Mr. Parata.*] You said something about keeping the cases alive: what do you mean by that?—Unless they appealed and found security within a certain time, the case fell to the ground, and was disposed of absolutely.

8. *Mr. Heke.*] I suppose you have really no knowledge as to the relationship between Messrs. Carroll and Wi Pere on the one hand, and the Bank of New Zealand or the Estates Company on the other?—I might explain that the position they are taking up in bringing their claims before the Validation Court is not the position that would be taken up by a trustee—that is, as far as I can understand it. The position taken up by them in lodging their claims is more the position that ought to be taken up by the representatives of the mortgagees. The object of the trustees is to get

in the whole of their claims, and at the same time to recognise whatever liability to the Estates Company there may be, and to recognise it over a due proportion.

9. Would it be correct for me to assume that they occupy the position not only of trustees for the Natives, but also of representatives or agents of the Estates Company?—They are really trustees for both parties.

Mr. Heke: That is the view taken by me.

10. *Mr. Stevens.*] I understood you to say that purchases of inalienable land could be validated by the Validation Court. You have Crown grants which are inalienable except with the consent of the Governor in Council. Suppose a person entered into a contract with a grantee for the purchase of such land, and suppose the Governor in Council declined to give his consent to the alienation of the land, could the Validation Court validate the transaction?—I do not think Mr. Ransfield's case went so far as to say that, in the event of absolute refusal of consent, validation would be granted. But in the absence of any consent, and with existing restrictions, and a knowledge that those restrictions did exist, the Court of Appeal held that the Validation Court could validate.

11. *The Chairman.*] In reference to one claim that came before the Court, it was thrown out on the grounds that the transaction had been entered upon before the block had been adjudicated upon by the Court. Would that hold good in regard to all the blocks?—There were more than sixteen cases affected by the same question, but the remainder of the cases were not affected. The remainder number about thirty-six, and I have not gone into the merits of any one of them.

12. *Mr. Heke.*] But it would affect all cases in which negotiations had been entered into before the land was passed through the Court?—Yes.

13. I believe I heard you make a statement to the effect that Messrs. Carroll and Wi Pere desired to promote legislation to give effect to something. Will you kindly repeat what you said?—The prayer of the petition is that the House will refuse to pass any legislation. I understand that the legislation proposed is in the direction of removing the difficulty of deciding whether the Validation Court can deal with titles that had not been investigated at the date of the contract with the Natives—it is proposed to either interpret the clause or to enlarge it. Another matter I wish to mention is this: that the Natives object to their lands being vested in Messrs. Carroll and Wi Pere—somewhat, perhaps, on personal grounds, but mainly because the operation entails on the land a heavy liability. As soon as the land is declared to be part of the trust estate, it becomes liable to share in the whole of this heavy debt, and little or no margin is left, the costs also being very heavy.

14. *Mr. Stevens.*] Would that affect Natives who did not agree that their lands should be so affected, or who did not derive the same benefit as others from the moneys devoted to carrying on this great settlement scheme, or who never gave in their allegiance to the scheme?—The difficulty is that these Natives are supposed to be connected with the leading members of their hapus, and to have been in a position to have claimed benefits; but, if they are not affected, they are now supposed to be in a position to avoid the liabilities. It is a very difficult position.

Mr. Heke: I am fully aware that in some blocks that the trustees wish to bring in with the others the Natives interested object to the proceedings. For instance, many Natives interested in the Paremata Block have written to me on the subject. They claim that pretty well all the burdens created by the work of the Estates Company have been apportioned to them, because that is the best block in the sight of the law.

Judge Batham: In that block there are about a thousand acres set aside and free from any burden, but the rest of the block is practically swamped.

15. *Mr. Heke.*] In fact, it is carrying more than its fair share. Do you think these Native owners can apply to your Court again to have an equal adjustment of their liabilities whereby some of it will go on to the other blocks?—I think that if, when the whole of these lands are brought into the hands of the trustees, it is found there is a margin there should be an adjustment of the liabilities.

16. Could the owners of Paremata move in that direction?—I think it would be the duty of the trustees, as going between all parties, to see that the burden is borne fairly.

17. But suppose they did not move in this direction, could the owners of this block move on their own account?—I imagine so; they have their committee, which has a right to approach the Court at all times.

Mr. Wi Pere, M.H.R., examined.

Mr. Wi Pere: I will take this opportunity of bringing before the committee some matters upon which I wish to speak, but there are others upon which I will not touch at present. First of all, I will deal with this New Zealand Native Land Settlement Company, which was to be worked somewhat on the following lines: The Natives were to find the land, and the income to be derived from the wool, &c.,—say, £3,000—was to be divided in the proportion of £1,000 for the company, and £2,000 for the Natives. I consented to that proposal. My reason for doing so was, that at that time the lands were rapidly going out of the possession of the Natives owing to purchases by the Crown and by private Europeans. The Maoris appointed committees to act for them in regard to these matters. These committees, with the consent of the tribe, handed over the lands to the company. After this had been done, an agitation was got up by the committees, and they asked that something be paid to them from the profits of these lands. When I heard of this I interviewed the Natives with the object of putting a stop to it. A large meeting was called at Uawa (Tolago Bay), and there I advised the Natives not to receive any money from the company. I said that they were to hand the lands over to the company and let it manage them; if it managed them properly the lands would come back to the Natives without any incumbrances or charges. The heads of the committees replied by referring to a ship and an anchor, but I said that I did not think it applied in this case. They then quoted a proverb, to the effect that it was well to make a fair exchange and get a *quid pro quo*. I then became an opponent

of both the company and the Natives, especially when some lands (over 70,000 acres) belonging to myself and my near relatives got into the hands of the company. The company endeavoured to obtain from the Government power to settle these transactions, but was not successful, and over £30,000 of Native money has been paid to the Crown in the way of stamp duties. Then the Native Land Settlement Company sold all its rights to the present company, and some time afterwards I went to England to raise money to pay off this company. When I had been promised the necessary money, the Government, of which Sir Harry Atkinson was then the head, wired to England opposing my plans. The consequence was that I was unable to carry them out. When I returned to New Zealand I had an interview with Sir Harry Atkinson, and told him that he had not acted right. "You have received £30,000 from this land in duties," I said, "and why oppose me now? If, in consequence of your action, my people lose their land, who is going to redress their grievances? Will you do it?" Ultimately, Sir Harry Atkinson offered to cable to England to Mr. W. L. Rees, asking him to remain in England and continue negotiations. The reply came that Mr. Rees had left England four days previously, and it was decided to wait till his arrival in the colony. When he did arrive, it was arranged that two Ministers of the Crown (Messrs. Mitchelson and Richardson) should go to Gisborne and inspect the land with a view to the Government taking it over. They reported that if the lands were put into the market they would not realise the money spent on them. When the transfer was made to the new company the lands were put into the market, and £60,000—perhaps more—was obtained. Some of the lands, however, remain, and these it is that are affected by this petition. Summonses were issued by me in respect to some land of my own, and the bank asked me to withdraw the summonses. Some land called Maraetaha No. 1, which belonged to the whole of the tribe, they promised to sell. I wanted to consider the interests of the tribe, and, on the bank's promise, I withdrew my summons, and also stipulated that these other lands should be handed over to Mr. Carroll and myself. As to the petitioners, they belong to the Ngatiporou Tribe, and they were among those whom I advised not to take any money from the company. The exact meaning of the petition is that, having received money from the company, they now petition against that same company. What Mr. Carroll and myself desire to do is simply to get the Natives' lands all together, and to manage them so that they will return a profit. I want Parliament to legislate to enable us to do this. As to the Ngatiporou Natives, the heads of the hapus are paying the interest on the money they received. One of the worst features of this matter is the vast amount that has been paid to lawyers. In one district alone they received £14,000. I think I am quite safe in saying that altogether over £20,000 has been spent. The Validation Court allows these lawyers to go before it, and take up time day after day, and not a single block of land has been completed; and, while this was going on, these lands might have been taken in hand and have been producing revenue to pay off the liabilities. Instead of that, means have been provided for lawyers to return and incur further expenses which have to come out of the lands. I ask this Committee to help to prevent lawyers going before the Court at all. Myself and Mr. Carroll, the Judge, and the manager of the bank or Assets Company are quite competent to deal adequately with the whole of these matters. As to the principal petitioner, Wiremu Pokiha, Mr. Carroll has already given evidence about him; but I wish to add that none of his land is in our hands, and therefore what reason has he to petition the House? I think that the moneys received by these Natives from the company should be refunded to it. I advised them not to take money, but they persisted in doing so: let them pay it back. Having spent the money, they come here and petition, and say they have been deceived. Nobody tried to deceive them or to coax them to offer their land. They went to the company entirely on their own free-will. Another matter is in regard to lands to which there was no title. The agreement was that these lands should be handed over to the company whenever they were clothed with titles. The people who lost by these transactions were those whose lands were paying interest, and upon those moneys received by other people are incurring a heavy burden. Why, these petitioners are dancing with joy over the position: they have to pay nothing, and are having a good laugh at others who have to pay. The fact is, these Natives would not have done this thing had it not been for the lawyer, Apirana Ngata, who is acting for Messrs. Cooper and Devore. He it was who told the Maoris that the company had no claims on their lands, and that if they put this matter into his hands they would get their lands back again. And now the Natives have spent over £20,000, and the lawyers have not been able to bring back one single acre. Of course, Judge Batham has only recently been appointed, but during his time the lawyers come to the Court just the same, and there is no end to them. The fact is, the land is being eaten up by the lawyers, by the Court, and to a certain extent by the Government. Not a sixpence has been returned yet, and the endeavour of myself and Mr. Carroll is to save something for the Natives. Some time ago I advised Judge Batham to hold over this case of the petitioners till I discussed it with the tribe. When I did so they did not say anything condemnatory to me; on the contrary, they approved of what I said. I repeat that it is all the work of this young lawyer Ngata. These lands mentioned in the petition were not taken into the Validation Court by us. There was a block put into the Court by them, but which it was I do not know. It was not even on our instigation that these blocks were put in. Had it not been for the lawyers, the whole thing would have been settled long ago, and the lands would now be productive. I repeat that no lands of Wiremu Pokiha's are in our hands.

18. *The Chairman.* But there are 653 others?—There is only one case, Ngamoe. You will have to approach Mr. De Latour in this matter, because the others withdrew their applications.

19. *Mr. Heke.*] These claims have not been actually withdrawn yet?—They have been withdrawn only until such time as the people are able to meet. Ngamoe was the only block in which proceedings were commenced in Court. In regard to this Settlement Company, I have not a single share in it. I would like to say, in conclusion, that Mr. Carroll and myself, as trustees, have paid all expenses out of our own pockets. I have paid £5,000 and Mr. Carroll has paid £800 or more. We receive no benefit from these lands, but we wish to see the tribe benefited. I have never

asked the people to refund me my £5,000. I have lands of my own outside these lands, but the lands of other hapus of mine have all gone to the company. I have no designs on these Natives, and do not know why they should send in a petition like this. I am sure that if the company were to demand the money the Natives would not be ready with it, but would say, "Take the land and manage it."

20. *Mr. Kaihau.*] Are those who signed the petition on the committee mentioned by you?—Some are.

21. Did any of these petitioners receive money from the company?—Some did, but not all. It was the committees who received the money, and these people take advantage of the fact to say that the money was not distributed amongst them.

22. Could it be proved how many of these received money?—Yes.

23. About those applications that were sent in and withdrawn?—We withdrew them for the time being until we saw the people.

24. *The Chairman.*] For what amount of money against the land had the trustees become responsible to the company?—I do not know.

25. And they, as trustees, are paying interest at the present time?—Yes.

26. How much?—I cannot say, but it is a large amount—6½ per cent., I think.

27. *Mr. Heke.*] A little over £4,000 a year. Is any revenue being received from these lands at the present time?—Yes. Some blocks are being improved; there are about 100,000 acres which are not improved, and which we cannot improve. The blocks that we are improving comprise one of about 7,000 acres, two of 5,000 acres, and one of 15,000 acres. Of the last we have improved only 5,000 acres. All the revenue from the land is consumed in interest. In reference to the lawyers' expenses in connection with these lands, I advised the company to pay them; if they did not do so, the burden would, of course, fall on the Natives.

The Chairman: I am rather surprised at Mr. Wi Pere coming here now and railing against the lawyers, when he did not support me in my endeavours to have lawyers excluded from all the Native Land Courts.

Mr. Heke: Mr. Wi Pere does not take into consideration that the people who lend these moneys must be represented, and, of course, you cannot bar them from having local representatives.

Mr. Wi Pere: There is one matter that I would like to mention again, and that is that behind this man Pokiha are the lawyers, who are putting the Natives on to fight.

28. *The Chairman* (to Judge Batham).] Do you wish to make any further remarks since you have heard Mr. Wi Pere?—I would like to mention that the debt of these trustees, which was due in June last, is, as near as I can ascertain, £130,000, the bulk of it being to the Estates Company. For many years this debt carried interest at the rate of 9 per cent, with half-yearly rests and compound interest. The interest now is 6 or 6½ per cent. The mortgagees are in possession of the land, and they are the best managers, because the trustees have no capital to undertake the management.

29. Then, the trustees are merely managers in name?—Yes. Only a very small portion of the land is being utilised, and the interest, commission, &c., are increasing the debt, I suppose, by from £5,000 to £7,000 a year.

30. *Mr. Heke.*] Are law expenses included in that sum?—No. The law expenses have been very heavy indeed, and it has been quite beyond the power of the Court to control them.

31. Then, this sum represents only the expenses for attending the Court, and the interest?—It represents interest and the commission for management—that is all.

32. *The Chairman.*] And this is being added to the principal?—Yes.

33. Apparently, then, these lands will ultimately be sold?—There is very little margin indeed.

34. *Mr. Heke.*] Have you any idea as to what income is coming from these properties?—I cannot give any reliable information. The Estates Company, as I mentioned, is the manager, and the accounts are extremely involved. There is some stock running on the land, and some rents are coming in. I believe that last year something like £2,000 went towards paying interest and commission.

35. *Mr. E. G. Allen.*] Are the whole of the liabilities on the property due to the Estates Company, or are there other creditors?—A very large proportion—nearly the whole—of the liabilities is due to the company, but there are other claims, chiefly for law expenses, and running into about £15,000 or £20,000.

36. This £130,000 indebtedness is outside the proceeds from the land that was sold?—Yes. Some sixty thousand pounds' worth was sold.

37. What is the area of the land still unsold?—It is rather hard to answer that. I should say about 100,000 acres.

Mr. Heke: It is close on half a million acres, I believe.

Judge Batham: Some blocks vested in Messrs. Carroll and Wi Pere may or may not be found to be part of these estates. They have been vested in those gentlemen on grounds which, after investigation, would scarcely hold water.

38. *The Chairman.*] If the trusteeship of Messrs. Carroll and Wi Pere were carried out properly, do you think it would be to the interests of the Natives?—So far as I can judge, they are only nominal trustees. The management is done by Mr. W. L. Rees, and he is a solicitor. The fact is, matters are left very much in Mr. Rees's hands.

39. *Mr. E. G. Allen.*] Are the trustees not supposed to get any payment for looking after this enormous property?—I think they are to get £500 each, supposed to represent moneys paid out of pocket some years ago.

Mr. Heke: But they receive those moneys not as salaries, but simply as refunds.

Mr. E. G. Allen: It is too much to expect any one to undertake for nothing.

40. *Mr. Parata.*] Suppose the land were used for grazing or for agricultural purposes, what would its annual return be?—It is scattered all over the East Coast, but my general impression is that if it were economically managed, and if a little capital were sunk in it, in a few years' time it would return 5 or 6 per cent. It is a fine country, but the trustees have no capital to work it, and at present it is lying useless, like a water-logged ship.

41. *Mr. E. G. Allen.*] Cannot the land be leased?—In January next the mortgagees can go to the Court and apply for permission to sell, so that any lease that is made will be valueless. An arrangement, however, was made by which the term was practically extended for three years, unless circumstances take such a turn as to show that the interest of the mortgagees would be sacrificed by so great an extension.

42. *Mr. Parata.*] To the best of your knowledge, how many sheep would this country carry to the acre?—I cannot say.

Mr. Heke: On the average, one sheep to the acre, which would pay handsomely. My private opinion, however, is that when the land is improved it will carry more than that. At present it is all bush, scrub, and fern land.

TUESDAY, 7TH DECEMBER, 1897.

Mr. H. C. JACKSON examined.

1. *The Chairman.*] The Committee wish, Mr. Jackson, to know if you can give them some particulars in reference to lands on the East Coast which are under the New Zealand Estates Company. They are anxious to hear the evidence of Mr. Foster, but as he will not be here for some days, it is understood that you can supply the required information—that is, as to the position of this company?—Yes, I think I can give the information up to the 30th July.

2. *Hon. J. Carroll.*] Your position is that of receiver in these trust estates, is it not?—Yes; I am one of three Receivers appointed by the Validation Court—the Carroll-Wi Pere Trust.

3. *Mr. Monk.*] I will suggest to Mr. Jackson the lines upon which evidence is required. (To witness): The Committee have received statements which conflict in this respect: One part of the evidence goes to show that the income of the company is a certain amount, and another portion of the evidence shows that it is quite a different amount. The Committee desire to know if you can supply them with the actual gross income, the actual net income, and also as to what prospects there are or what arrangements are being made for an ultimate release of the land in favour of the Natives, or the company, which is the same thing?—I regret to say that I am unable to give exact figures, as they fluctuate with the price of wool and other products. For last year, by the accounts rendered by the Estates Company to the Receivers, they estimate the income from wool at three thousand three hundred and odd pounds. Then there are certain portions of the estate under lease—viz., Mangahaea No. 2 Block, which produces a yearly revenue to the Trustees of £403 14s., and from a portion of the Mangapoiki Estate there is a revenue of £125 per annum. Negotiations are pending with Mr. G. C. Ormond for a lease of a portion of the Mahia property, which will add to the income about £100 per annum. That is all, so far as I am aware. The gross revenue would be about £3,900.

4. Have you estimated anything as to proceeds of the sale of fat stock?—Yes; that is included in the estimate for wool.

5. How many thousand sheep are there?—The last returns show about eighteen thousand.

6. Of what description?—I am not aware of that. I am speaking of the net proceeds of the estate.

7. *Mr. Wi Pere.*] You mean to say that is the net income after paying all expenses?—Yes.

8. *Mr. Monk.*] Can yon tell us what was the amount of the indebtedness of the company five years ago?—In 1892 the accounts as rendered by the Estates Company to the Trustees show the indebtedness to have been £58,000.

9. And what is the amount to-day?—The accounts as rendered on the 23rd July last to the Receivers show that the indebtedness then amounted to £91,000, to which must be added a separate stock mortgage amounting to between £9,000 and £10,000.

10. What is the cause of such increase during the last five years—the indebtedness has nearly doubled?—I think a large proportion of the increase must be set down to the accumulation of interest, and to expenses in connection with litigation that has been going on during the time. I can give the Committee some of the items. The charges for interest in the accounts rendered by the Estates Company from the 17th February, 1892, to the 23rd July, 1897, amount to £24,396 7s. 2d. The untaxed legal costs charged in these accounts are, as near as I can ascertain, £6,020. In 1894 the Validation Court first sat. I have a detailed summary of all the legal expenses in connection with that Court. This is since I have been one of the Receivers, a part of my duties being to keep the accounts. The total bills for legal expenses as shown in this summary amount to about £14,000. [Witness explained here that on the 17th February, 1893, in consequence of arrangements come to between the New Zealand Native Land Settlement Company, or, as it is now called, the Estates Company, these properties were handed over in trust to Messrs. Carroll and Wi Pere, on behalf of the Native owners or beneficiaries.] In the accounts rendered to these gentlemen items appear for legal expenses amounting to £6,020, and these costs, so far as I can learn, have not been scrutinised by any taxing-master or Court. On the 26th June, 1895, the Validation Court made its first decree—the Judge appointed me to act with Messrs. Carroll and Wi Pere in the matter. Since then I have kept the accounts, and the amount of the legal expenses is shown in this summary, of which I can supply a copy to the Committee. The bills as rendered amount to £14,904 10s. 7d. Under taxation, in which I appeared personally before the Registrar of the Supreme Court, in every case, there has been disallowed

£3,931 2s. 9d. The total costs allowed amount to £10,834 6s. 3d., and the accumulated interest amounts to £323 0s. 11d. Members of the legal profession are allowed 5 per cent. from the date of the allocation to the payment of their charges.

11. *Hon. J. Carroll.*] You have not got Mr. Hutchison's name here?—No; Mr. Hutchison's costs are amongst those that I understand have not been taxed; they were charged in the accounts before my appointment. They are set out here in detail.

12. *The Chairman.*] That is in addition to the £14,000?—Yes. The costs, including Mr. Hutchison's, amount to the £6,020 that I spoke of.

13. *Mr. Monk.*] Can you suggest any method by which the position of the company might be improved? It is now, as your evidence goes to show, steadily increasing its embarrassments?—Yes, that is so.

14. *Hon. J. Carroll.*] Before Mr. Jackson answers that question, I should like to have this information made clear: The total amount of interest and principal charged amounts now to £100,000?—Yes; all debt to the Estates Company comes to £100,000.

15. In addition to that, there is the sum of £14,000 for law-costs? Yes; the law-costs, as shown in the summary, since the commencement of the Court of Validation are £11,157; and the amounts charged in the Estates Company's accounts for untaxed costs come to £6,020; making £17,177 14s. 4d. from February, 1892, to July, 1897.

16. Then, the indebtedness now of the Trust Account, on all accounts, is £117,000?—Yes; but I ought to explain that the figures I have given do not include the whole of the liabilities. There are claims pending for surveys and other matters that will have to be met.

17. Would you put them down at another £3,000?—Yes; it would probably come to that.

18. Then, the total indebtedness may be put down at £120,000, approximately?—Yes.

19. Mr. Monk has asked whether you can suggest any plan or scheme by which the position can be relieved or improved, and which may result in some benefit to the Natives, or in saving some of this estate?—I think, if the Committee could recommend such a course as this—that a clause should be added to the amending Act which, I understand, is proposed to be brought in whereby we should not be subject to this constant litigation; and if the properties were worked on a business basis they could be made, I think, almost immediately productive of sufficient revenue to meet interest and provide a small sinking fund.

20. You think that by judicious business-like management these properties could be made remunerative?—Certainly, so far as I can foresee. There is ample land at the disposal of the trustees that could be made productive of revenue.

21. And you think that the first important step would be to shut down on the lawyers?—Unless that is done there is absolute ruin staring the Natives in the face.

22. *The Chairman.*] What is the rate of interest charged?—6 per cent., with half-yearly rests—that is, the interest is calculated half-yearly and added to the principal: it comes to a fraction under 6½ per cent. per annum.

23. What is the amount due for interest only on the whole indebtedness?—Well, the accounts vary. They make charges on the monthly or daily balances. For instance, if they had expended a sum of £10,000 in improvements they would calculate interest on it from the date of entry in the ledger; but interest is chargeable on the 23rd of January and 23rd July in each year.

24. As a first important step you would shut down on the lawyers. What other steps would you recommend?—I would suggest that some short clause be added to the amending Act before the House, placing beyond doubt the position of titles of the trust estate, so that financial institutions could be approached and asked to lend money without the fear of attack in any of the Courts.

25. You mean to apply this to procuring a low rate of interest?—Undoubtedly.

26. At 6 per cent. you do not think the estates could be made profitable?—It would require very careful management, and expenditure of money on improvements, in order to recover from the position under a 6-per-cent. interest, with half-yearly rests.

27. *Mr. Heke.*] The main difficulties that you find in the way of success are, as you have already stated, the expenses of litigation?—That is the case.

28. *Hon. J. Carroll.*] Is there any further necessity for the employment of professional men at all, or of incurring further legal costs?—If the titles were once made unassailable the legal expenses would, in my opinion, be reduced 90 per cent. The only necessary legal work then would be the preparation of leases. These leases, I would suggest, should be only prepared upon specific direction of the governing body of the land. If the titles were made unassailable, so that financial institutions could be approached without fear of vexatious litigation in the future, I think the estates could be made reproductive.

29. *Mr. Monk.*] I suppose you have an estimate of the actual value of the land?—Yes; or I could prepare an estimate in a very short time of its value as now held.

30. Who has it been valued by?—I should take the figures of the Property-tax Department.

31. I shall want this information from you, allowing that you can close down all this wasteful expenditure of which you have informed the Committee—that your titles can be made perfectly clear so that you can go to a financial institution and borrow at the least possible rate of interest—say, 4 per cent. I shall want to know how much additional capital you are likely to require to bring the estate into a sound working condition, because that will be so much of an increase to your debt. At present you are undoubtedly increasing your capital indebtedness, because your income does not cover the amount you are paying out. Will you get as much information on that point as you can by to-morrow?—Yes; I will get that information.

TUESDAY, 14TH DECEMBER, 1897.

Mr. W. G. FOSTER, Manager of Bank of New Zealand Assets Company, examined.

1. *The Chairman.*] Mr. Foster, the Committee have been considering a petition in reference to some lands on the East Coast. I do not know whether you have seen the petition or not?—No; I have not seen the petition.

2. Do you know anything of its contents?—No.

3. The petitioners pray that some of the lands on the East Coast which are under the Estates Company should be removed from being dealt with by Messrs. Carroll and Wi Pere as trustees. The Committee are anxious to know from you something of the value of these blocks of land. They have had some general information from Mr. Jackson, and it was thought better to postpone consideration of the matter until you were present in Wellington. Will you kindly state your idea of the value of this land, and if you can make any suggestion that will enable the Committee to come to some determination as to how these lands should be dealt with in the interests of all parties—Europeans and Natives?—As regards the first question—that of value—I may say that since having control of the Estates Company's assets I have, so far, taken no steps whatever to ascertain the value of the lands; for this reason—that it meant expense; and the position which the Estates Company has stood in has been, to my mind, one of very considerable insecurity, and one that necessitated the exercise of economy, and as little expenditure as possible. These were my reasons for not taking steps to ascertain values. I consider the security we hold as certainly not more than sufficient for the debt. In saying that it is not more than sufficient, I speak of the country in its present condition. It is for the greater part in a virgin state, and to render it in any sense marketable would require a considerable amount of money being spent upon it. The bank has recently been negotiating with the trustees and the Court for the establishing of the validity of the titles over lands held by the Estates Company, and over which the East Coast Land Settlement Company had claims. We have recently succeeded in getting security as far as was economically available, and the bank has, conditional upon such additional security, agreed to manage these properties—of course, at its discretion in regard to prudent and good management—in such a way as to, as soon as possible, bring them into a condition favourable to European occupation under lease, or by sale. I do not know that I have any suggestion to make as to any other scheme. The control of these particular estates has been handed to me by the bank, and I think it is only necessary to show the intention of the bank to do the best for the properties, and to say that the bank looks upon investments of this nature as not altogether legitimate banking business, and decidedly unremunerative—the money would be very much better in their own hands to turn over; and the bank's object in connection with these properties is to get, as soon as possible, a revenue of such a nature as will enable the shifting of the mortgage into the holding of other people. In order to do that, it will be necessary to create, if possible, a margin of value over and above the bank's debt; and that we shall proceed to do by carrying outsurveys and breaking-in of new country where likely to be profitable as rapidly as we can. The method that we have in hand is what we should recommend if the estates were under any other proprietary or management. I may say the great source of trouble and loss in respect of these East Coast lands has been the legal costs. Very large sums have had to be paid out in costs; and, unless this is controlled in the future, very large sums will have to be paid, because where the trustees employ a solicitor I naturally have to employ one to meet him. But my intention is, if I can so work it, to bring such pressure to bear as will compel a discontinuance of this everlasting legal engagement, and to work the business without legal costs. I think, in regard to this estate, there is no other suggestion I can make to the Committee. The bank's position is such that they would naturally like to get their money.

4. *Mr. Stevens.*] What is the necessity for all this legal intervention if the bank holds good security?—Well, there is a necessity for legal assistance to some extent, but to my mind it has been excessive; but it has not been initiated or even acted upon by the bank except in defence. Mr. Rees has been the solicitor for the trustees, and has practically been the mouthpiece of, and manager for the trustees. You can understand why, when the business is conducted by a solicitor—and to some extent adversely to the mortgagees, the bank being mortgagees—we have had to meet them with another solicitor. But the arrangements now come to, as the result of negotiations I have had, have, I think, placed the bank in a position that will enable it to dictate as to unnecessary employment of solicitors by the other side. We shall not employ a solicitor, except in matters such as transfers, until the trustees do, or unless compelled.

5. *Mr. Heke.*] And how can you prevent the trustees from employing a solicitor?—By stopping financial supplies, which is a very effectual way.

6. Did you say you had any objection to the trustees or any other party procuring legislation such as would enable them to borrow from some other source and pay off the liability to the bank?—No; we shall be only too glad to get our money at any time, even without notice.

7. As far as I can understand, it is the desire of all parties to bring about legislation to render it more simple to negotiate with some other institution to advance the money?—That is certainly the desire of the bank.

8. *Mr. Wi Pere.*] I have one question that I would like to ask. Do you not think it would be possible that you yourself could personally approach the Government and suggest a clause to be inserted to stop any further interference on the part of lawyers in these matters?—I do not like to approach the Government for any assistance that we think we can dispense with. My strong impression is that, by the arrangements come to, the bank is now in a position to say, We shall refuse to allow this expenditure—we shall refuse to find the money; and nobody else will.

9. Supposing trouble arises or proceedings of any nature are instituted by one particular side, and a lawyer is employed in their behalf, can you possibly hope to oppose the action successfully unless you employ a lawyer on your side?—There are only two parties concerned—the trustees and the bank.

10. This is what I mean: Does it not seem to you the proper course that legislation should be introduced empowering the trustees on the one side and the bank on the other to deal with one another without the medium of lawyers at all; because, as a matter of fact, what has happened in the past is this: Certain lawyers will come to Natives other than the trustees, and suggest certain steps. If the Natives agree to the course suggested to them by these lawyers, then the trustees are obliged to engage legal assistance; and so also is the bank in watching its own interests and contesting the points stirred up by these people who have stirred up the Maoris?—I can answer that by pointing to what I have already stated—that the security we hold is already, to my mind, barely adequate; and whatever costs may be incurred will have to come out of the estate to a larger or smaller extent. Therefore it goes without saying that our wish is to avoid the engagement of lawyers in every respect; and I am quite prepared, without any intervention of Government, to come to any reasonable undertaking with the trustees to dispense with the services of solicitors wherever it is possible to do so. In the past the trustees have continuously engaged and employed a solicitor, and only through a solicitor have I ever been approached. As long as the trustees employ a solicitor, just so long must I.

11. Yes, that I quite understand—that if the Trustees do not employ a solicitor, there will be no necessity for the bank to do it. But I am supposing that lawyers get at the ears of interested Natives other than the trustees; the trustees must, as trustees, watch their interests, and I suppose the bank must do the same. It is the lawyers, who are anxious to make something out of it for themselves, who go to these ignorant Natives—not that they have the interests of the Natives in view?—I think that Mr. Wi Pere has a wrong impression of the position: Messrs. Carroll and Wi Pere are trustees for the Natives, not for the bank. As far as the bank is concerned, they are willing to hand over everything to the trustees, the debt being paid; and the sooner we get the money the better it will be.

12. *Mr. Stevens.*] Suppose, Mr. Foster, that legislation were passed which would enable the trustees to dispose of their land in the market as if it were European land, do you think that would be a shorter way out of the difficulty under existing circumstances?—Well, I am inclined to think that any ideas in the direction of being able to very rapidly dispose of the lands for settlement would be mistaken. The country is, to a large proportion, very remote. At present access is very indifferent; the land in the district runs patchy; properties in that neighbourhood for some years have not been very paying; failures in working properties have not been rare: altogether, I am not very sanguine about the very rapid settlement of these lands.

13. The position now, I understand, is that neither the bank nor the trustees can deal with the land?—Oh, no; that is not so now. The properties over which we have charges we are now intending to bring into such condition as we think will bring about European inquiry and occupation by leasing. The bank is quite prepared to find the necessary expense for that; it will be in the direction not of working the properties, but of endeavouring to get other people to work them after they are surveyed. We intend to carry out surveys, and perhaps to fell bush, with the view of as soon as possible making them suitable for European occupation. We should, of course, very much prefer if a syndicate or English money could be obtained. That would, of course, obviate the necessity of our assuming any management in the matter.

14. But under the existing law no syndicate could make an offer?—No. I am afraid that blocks of land with Native titles are not likely to find very great favour at Home.

15. Therefore, before a syndicate could be approached it would require legislation bringing the land, practically, under the Land Transfer Act?—Yes.

16. *Mr. Heke.*] More than that, it would have to be practically declared by legislation that the owners of the lands are Europeans?—Yes.

17. Legislation would be required to make the land a marketable commodity—such legislation as would make the Crown responsible for the title?—I do not anticipate very much difficulty in regard to a very large proportion of the land as to letting them; and once let and bringing in revenue I am not very sure that there would not be a source from which money could be got—a sufficient amount advanced to relieve them from the bank—but until there is revenue investors look askance at these properties.

18. *The Chairman.*] I suppose the bank is prepared to dispose of these properties at any time?—No; under a recent arrangement we have undertaken not to sell, except in the case of default, until 1901.

19. But if default is made the bank is prepared to realise?—Yes, under control of the Court in regard to a certain portion of the securities.

20. Then, you think that if sufficient money were spent on improvement of these properties there is a possibility that in course of time they would be able to recover so as to relieve themselves from any encumbrances?—Well, not having visited all the blocks with a view to making an estimate of their value, it would be very risky for me to say very much; but the bank is "in the wood," and has to find the best way out of it. We think the best way is to render the properties as profitable as possible, and by judicious expenditure endeavour to show such margin of value as would be an inducement to investors to relieve the bank of its security; so that in endeavouring to secure such margin of value the bank certainly in its workings must have the ultimate interest of the Native at heart.

21. *Mr. Monk.*] Is it not rather remote—the chance of relieving the Natives simply by leasing rough land like that?—Of course, it is unquestionably remote, as all settlement is more or less protracted.

22. What I mean is that the rents will be very small as compared with the liability?—Well, I do not know; there is some very good property. There are very large areas at present altogether unremunerative—eating their heads off—because we were not prepared to spend money upon them in the past, as they were looked upon as bad securities. Had the position been safer, it would have

been wiser to have opened up more country, and to have rendered it fit to carry more stock in order to make the properties self-supporting. As an indication of what we have done, I may say that in 1896 the receipts over expenditure amounted to only some £300 or £400. By rigid economy and management, last year the income exceeded the expenditure by over £3,000. I think we shall do better this year. But there are greater possibilities by bringing larger areas into occupation. For instance, there are 3,000 or 4,000 acres at Maraetaha of good land and in a good position—it is at present covered with bush—if it were felled, it would probably carry another 20,000 sheep, with no very great expenditure.

23. How much would it cost per acre to bring such land into pasture?—In that position it would probably cost £2 5s. to bring it into grass.

24. There you increase the capital at once?—Yes; but the land in its present state is probably saleable at £1 per acre. The spending of another £2 5s. per acre on it brings it up to £3 5s. If that land will then carry from three to four sheep per acre for a number of years it would prove a very judicious expenditure, there is no doubt about that. But I have not been over all the blocks, and have no very definite ideas as to what may be necessary in future.

25. It seems to me, that unless the Committee have some definite scheme by which the Natives are to be relieved, it would be better for them to recommend the adoption of some more heroic measure—such as sacrificing a portion of the property in order to save the rest. (To witness) As you are going on now, your capital is increasing rapidly?—Yes; because it has never paid interest, but it is to my mind quite within the possibilities that the estate should provide for the interest—not immediately, but in course of time.

26. *Mr. Stevens.*] If a basis were laid down to work, say, for a period of five years, with a capital debt of £100,000, and by the expenditure of another £25,000 you could increase the receipts by, say, double, then you could afford to wait for your interest until your improvements had matured; it is clearly not a matter that you can deal with in one or two years?—No.

27. *Mr. Monk.*] Nor yet in five years? I do not think that a private individual encumbered to this extent would be justified in spending a few thousands more in the hope of retrieving himself within a reasonable period, because he must make a reasonable sinking fund. Now, any sinking fund that you can provide in the next five years will be small?—Yes. I am merely instancing these properties as capable of improvement. I do not mean to say that the bank would do it unless we fail to get an occupier. My idea is to lease.

28. But a European is not going to lease rough country like that without having a very long term to recuperate his outlay, and also a very low rent to start with?—Of course, the European is assumed to know what he is doing, and to pay what he estimates is the value of the lease to him. If the bank can arrive at the first value of the country in its rough state, and get fair interest upon that, it is all that can be expected.

29. But such a position would not relieve the Natives?—I do not know that.

30. You lease the land for an improving lease at its rough value—it will be a very long time before the income will meet such gigantic liabilities as you have here?—Well, the liability is practically £120,000. Assuming there are about 500,000 acres: there is some of that land in pretty big blocks that would range as high as £5 and £6 an acre; there are other blocks that would be valued as low as half-a-crown. Taking the mean of these figures for 500,000 acres, or even below the mean, I think it will be seen that there is a surplus over the 120,000 liability.

31. Then would it not be wise to sell that high-priced land, and bring the debt down to a low and manageable amount?—So far as the bank is concerned, we should like to begin selling straight away, and so relieve the estate of its liability; but at the request of the trustees we are tied until 1901, except in case of default.

32. As the trustees have come before this Committee, I am simply trying to discover if there is not some means by which the Natives may ultimately be placed in a better position. I fear they are going to be a long time in getting off their present burden?—I agree with you that a more expeditious method would be desirable; and if we were free to act as I think would be best for all parties, I should say sell some of the more accessible or valuable lands and so reduce the debt. But the Natives have expressed a wish not to sell until 1901.

33. *Mr. Heke.*] The first difficulty that you are met with is that the Natives' interests in these lands are not in the whole of the lands—there are separate owners to each block—if you sell a portion, there would be certain individuals who would have no interest in the remainder of the property. If the properties could be pooled?—They are pooled already in regard to a certain portion—that is, in respect to the "completed" titles. They are responsible for the whole amount of the debt; but the more recently acquired securities have allotted to them specified sums.

34. *Mr. Monk.*] It seems that there are certain properties that it is better to abandon than to incur further costly litigation, even if such litigation should prove successful?—Yes; and with regard to other blocks over which we have claims through the Native Lands Settlement Company we shall certainly never spend £1 to get only £1; we shall only incur expense where we think that the outcome should warrant it.

35. Your debt five years ago was £58,000, now it is £120,000 or £130,000, and it seems to have been largely swollen by litigation: is it not desirable to altogether abandon anything in the way of litigation; for it seems there are parties who put their hands upon these transactions, and the trustees seem powerless to keep them off? It is not litigation in the sense in which the word is generally used; litigation generally conveys the meaning of fighting. We have not been fighting, but endeavouring to perfect titles.

36. £20,000 in law costs seems extraordinary?—Yes. I do not know how costs can have so mounted up, but the costs are there. But, having arrived at the position the bank is now in, I see no necessity for further legal costs; and as far as we are concerned we are determined not to incur them, unless the other side by employing solicitors necessitate the employment of solicitors on our side for our protection.

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 f 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

the Validation Court, upon which land the amount due by the trustees has not yet been determined by the Court, but upon which the trustees propose to allocate the sum of £3,500, amounts to 95,000 acres. The total area of the lands held by the trustees under these three different classes of title amounts to 222,094 acres.

49. And that is subject to the estimated liability of £120,000?—Yes; I have no reason to change the estimate that I gave the Committee before—I believe it to be as near as possible at that figure. Then there is the gross area of lands now the subject-matter of applications made by the trustees to the Validation Court, but which have not been dealt with by the Court. This amounts to 270,825 acres; and the claims upon these lands are estimated at £15,330.

50. These are the lands that would probably cost as much as you have got on them to prove your title?—If the same procedure is to be followed as formerly, I should strongly recommend the withdrawal of the claim altogether. I have been connected with this estate for years, and I have a suggestion to make that perhaps the Committee might accept. With the Committee's permission I will show them a map, coloured in accordance with the different classes of title. The Land Transfer titles, 64,843 acres, are coloured red. The blocks coloured yellow are the Validation Court orders to the trustees—62,681 acres; and also the 95,000 acres, because these are held under decrees. The third class—lands affected by new applications, which have not yet been determined by the Court, are spread over a large district, and are indicated by the green colour. [Map produced.]

51. Is the land left uncoloured all Native land?—No; there is much of it under European settlement. Messrs. Muir and Findlay, a Wellington firm, have a large freehold (position indicated). The blocks coloured green, that have not yet been determined by the Court, are almost entirely under lease at present, and bringing in revenue. The Native owners are getting the rents. [The map was here explained to Mr. Wi Pere by Mr. Heke.]

52. *Mr. Heke.*] Regarding the value of the property. Have they any valuation at all in the Property-tax Office?—Yes, they have; but it deals with the whole block in each case. You will notice that in every instance the trustees only hold a portion; and the new valuation which would show the holding of the trustees has not yet been received by the department—they are expecting it very shortly—it may arrive in the course of a week er two.

53. You mean the separate valuation?—Yes.

54. But they have the valuation as a whole?—Yes.

55. *Mr. Stevens.*] I understood Mr. Jackson to say that he had been to the Land-tax Department for the purpose of obtaining the value, but that no valuation has been made since 1891?—It would be misleading if I said that. I mean that they have no valuation in the office later than that made in 1891. The new valuation has not yet been received by the department.

56. *Mr. Heke.*] Do you say they are expecting it in the course of a week or so?—I think Mr. Campbell's reply was that it might be received at any time.

57. Are you paying any taxes on these properties?—Yes.

58. What is the amount you pay annually?—That has not been quite settled. We have earmarked a certain balance in the bank—a sum of £200—to meet the accumulation of rates and taxes. The bank's solicitors contested a case in the Wairoa, contending the Native rate only should be paid, which makes a great difference—half the usual rate, I understand. I may be permitted to answer a question that Mr. Stevens asked Mr. Foster as to the title of the trustees. Messrs. Carroll and Wi Pere, under decrees of the Validation Court, hold as trustees; but they also hold as purchasers; which converts the title into an English title, although they hold each block separately for certain beneficiaries.

59. *Mr. Stevens.*] They hold, then, an absolute title?—Yes; they hold as purchasers, which makes an English title; but they can do nothing without getting the sanction of the Court.

60. And having got the sanction of the Court as to disposal, they can transfer their title?—Yes.

61. Then, if Messrs. Carroll and Wi Pere joined with the bank, and after sanction of the Court, there would be a perfect title without any further legislation?—Yes, that would be so. I think, however, that there ought to be a validating clause, for this reason: The Validation Act is very wide in its scope. Decrees have to be sent to this House, and placed on the table of the House, and this, in my opinion, makes the title a statutory title; but in one instance, the law officers of the Crown, I believe, advised the Government that the Court had exceeded its jurisdiction in that case, and since then we have been unable to get the title passed by this House. The delay has caused an expense of over £200 to this particular set of Natives. If the law officers advise the Crown that the Court exceeds its jurisdiction in one case, it is possible that the same thing may arise again. If the Committee can procure the placing of such a matter beyond doubt, I think it would be a great relief to the Natives. The issue of the title was stopped in this case by the Government refusing to get the Governor's warrant signed. I believe that when the position was made known to the Hon. the Premier, he promised to put a clause in the present amending Act to meet the case. The block of land to which I have referred is not a part of this trust estate, but one in which I am receiver, called Whangara. I should state also that had the Government known the position, the title would not have been stopped. It was stopped on a technicality raised by the law officers. Directly Mr. Seddon and the Minister of Lands were made aware of the position, they promised to relieve us.

Mr. Heke.] Can you give us any information in regard to any transactions you have had, as to whether the trustees in selling portions of this property, are called upon to pay the Native stamp duty, now reduced to 7½ per cent.?—Yes, they are.

62. And the same with leases?—I am not able to say as to leases, because only one has been given since the trust has been created; but on the decree of the Validation Court, the Stamp Department made a demand from the trustees or the bank for, I think, about £600 for duty.

68. Based on the Native stamp rate?—I understand so; otherwise such a sum could not have been made up.

64. You are speaking of the sale that took place of Mangaheia No. 2D?—Yes.

Witness: May I ask your instructions about this map; will it be of use to the Committee?—

The Chairman: Yes; if you will be good enough to leave it with the Committee, it can be returned to you when they have done with it.

A.—*In re* TRUST ESTATE OF MESSRS. CARROLL AND WI PERE.

Summary of Blocks, with their Areas, held by the above Trustees, under the various Conditions of Titles.

	Acres.
Gross area of blocks held under Land Transfer titles (subject to the whole debt due by the company)	64,833
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)	62,261
Gross area of blocks held by the trustees under the decrees of the Validation Court, upon which land the amount due by the trustees has not yet been determined by the Court (but upon which the trustees propose to allocate the sum of £3,500)	95,000
Total area of land now held by trustees (subject to an estimated liability of £120,000)	222,094
Gross area of lands now the subject-matter of applications made by the trustees to the Validation Court, but which have not yet been dealt with by the Court (claims upon these lands are estimated at £15,330)	270,825

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PROVINCIAL DISTRICT OF AUCKLAND

SHEET No. 5

SCALE OF MILES

4 0 4 8 12

RECTANGULAR TANGENTIAL PROJECTION

NOTE.

LAND TRANSFER TITLES ____

VALIDATION COURT ORDERS TO TRUSTEES ____

LANDS AFFECTED BY NEW APPLICATIONS ____

BAY OF PLENTY

HAWKE'S BAY

HAWKE'S BAY

PROVINCIAL DISTRICT

WHITE I. (WHAKARI) Crater
Continually ejecting steam.

RUARIMA ROCKS

MOTUHORA OR WHALE I.

ARIEL ROCKS (TORA ROCKS)

Cape Runaway (Tikirau)

Lottin Point

Matakaoa Pt.

Hicks Bay P.O.

Hicks Bay

East Cape

Mawhai Point

Patrick's Cove

Anaura Bay

Marau Point

Tolaga Bay

Gable End Foreland (Paremuteta)

Young Nick's Head (First land sighted by Captain Cook - Oct. 6, 1769)

Poverty Bay (Turanga-nui)

Tuahine Point

Table Cape

Mahia Peninsula

Whakatane P.T.O.

Opotiki P.O.

Gisborne P.T.O.

Photolithographed at the Head Office, Department of Lands & Survey Wellington N.Z.

REFERENCE

Townships with Post and Telegraph or Telephone Offices, shown thus ▩ OPOTIKI

Post and Telegraph or Telephone Offices only — Fakarae P.T.O.

Post Offices only — Te Kaha P.O.

Unsurveyed Crown Lands — C.L.

Native — N.L.

Main Roads formed

Tracks

Parish boundaries

Trig. Stations 1314 ○ Arakihi 2005 ft.

Hot Springs

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