SESS. II.—1897.
NEW ZEALAND.

NATIVE LAND LAWS AMENDMENT BILL.

REPORT OF THE JOINT COMMITTEE ON THE BILL, TOGETHER WITH THE BILL, THE MINUTES OF PROCEEDINGS AND EVIDENCE, AND APPENDIX.

Report presented to both Houses of the General Assembly, 14th December, 1897, and ordered to be printed.

ORDERS OF REFERENCE.

Extract from the Journals of the Legislative Council.

THURSDAY, THE 11TH DAY OF NOVEMBER, 1897.

Ordered, "That, in accordance with a request of the House of Representatives, expressed in their message of the 10th November, a Select Committee be appointed to consider the Native Land Laws Amendment Bill, with power to confer and sit together with a similar Committee appointed by the House of Representatives; such Committee to consist of the Hon. F. Arkwright, the Hon. Dr. Grace, C.M.G., the Hon. Major Harris, the Hon. T. Kelly, the Hon. R. Oliver, the Hon. J. Rigg, the Hon. H. Scotland, the Hon. W. Swanson, the Hon. H. K. Taiaroa, and the mover." —(Hon. W. C. WALKER.)

Extracts from the Journals of the House of Representatives.

FRIDAY, THE 5TH DAY OF NOVEMBER, 1897.

Ordered, "That the Native Land Laws Amendment Bill be referred to a Select Committee."—(Rt. Hon. R. J. SEDDON.)

TUESDAY, THE 9TH DAY OF NOVEMBER, 1897.

Ordered, "That a Select Committee, consisting of ten members, be appointed, to which shall be referred the Native Land Laws Amendment Bill, with power to confer with any similar Committee appointed by the Legislative Council, with power to call for persons, papers, and records; three to be a quorum: the Committee to consist of Mr. R. McKenzie, Mr. Carson, Mr. Duncan, Mr. Graham, Mr. Monk, Mr. Morrison, Mr. Sligo, Mr. J. W. Thomson, Mr. Pere, and the mover."—(Hon. J. CARROLL.)

REPORT.

THE Joint Committee to whom was referred the above-mentioned Bill has the honour to report as follows:—

Section 2 of this Bill repeals section 13 of "The Native Land Laws Amendment Act, 1895." For the purposes of the investigation, two typical cases which are affected by this section were brought before the Committee.

The first was that of Messrs. Guy and Rathbone, who are lessees of the Piripiri Block. These gentlemen have a valid lease of the block for twenty-one years, ending 1907, and a second lease of individual interests in the block for an extended period. This last is stated to be invalid, owing to the provisions of "The Native Lands Frauds Prevention Act, 1881," and its amendments not having been complied with. This last-mentioned lease of individual interests has been confirmed by the Native Land Court under the 13th section of the Act of 1895. But, as the question of the validity of this lease is now before the Supreme Court, it is not necessary for the Committee to make any recommendation respecting it.

The second case is that of Mr. Tizard, who, relying apparently on the 13th section of the Act of 1895, did not apply to the Validation Court, but applied to the Native Land Court and obtained

a confirmation order under the above section 13, which the Registrar of the Auckland Registration District refused to register. The time having expired within which Mr. Tizard could apply to the Validation Court, he is now left without a legal remedy. With respect to the proposal to repeal section 13, the Chief Judge of the Native Land Court states that the clause is necessary in order to enable the Court to deal finally with cases which come before it, but it is only meant to apply to cases where the law has been duly complied with, and is not intended to enable the Court to confirm transactions made before the Act of 1894, which were at that period contrary to the then-existing law, or invalid by reason thereof.

The Committee recommends that the clause should be amended so as to affirm this reading of its scope and application.

Provision should be made to enable Mr. Tizard and others who have relied in error upon section 13, to transfer such application to the Validation Court, which should then have power to hear and decide such cases as if application had been made to the Validation Court.

Provision should also be made to protect Native interests which may be injuriously affected and for which there is no present safeguard or remedy.

Section 3 proposes to repeal section 23 of "The Native Land Laws Amendment Act, 1896," with the object of protecting certain Natives who are said to be injuriously affected by the passing of that section in the Act of 1896.

The typical case brought before the Committee on this point was one in which the Natives are owners of interests in the Kawakawa, Matakitaki, and Te Kopi Blocks, in the Wairarapa District, the titles to which were determined by the Native Land Court in 1870. Ten names only were placed in two of the titles and a less number in the third, and the grants were issued to the grantees without restrictions. These blocks were leased in 1870 to Mr. Charles Pharazyn for twenty-one years, at a rental of about £36 per annum. In 1889 he negotiated for leases to be granted to him over the whole estate, but they were only obtained for about 11,000 acres, the remainder of the blocks being leased to Messrs. Te Ama (otherwise Iraia te Whaiti) and Sinclair. During 1889, 1890 to 1893, Mr. Pharazyn advanced money to the Native owners of the land leased to him, and obtained from them agreements to mortgage these lands, the total amount of advances being about £5,000. The agreements provided that twelve months' notice was to be given before the Natives were to be called upon to execute a mortgage. The notice was given, and expired in March, 1894. In 1893 it was found that, as the interests of the rival lessees overlapped, it was impossible to work the land under two separate ownerships. The matter in dispute was submitted to the Supreme Court without avail, which forced parties to come to a compromise, and Mr. Pharazyn sold his interest in his homestead freehold, his stock of sheep, cattle, and horses, his lease of 11,000 acres, his agreement to mortgage, and good-will, for £18,000, and obtained a mortgage over the whole; and, in addition, a security over 2,000 acres of land in those blocks owned by Te Ama and his brother, and all leasehold and other rights they possessed in the land. Mr. Pharazyn was bound by the terms of his agreement with Te Ama and Sinclair to obtain valid mortgages, and this accounts for the notices sent to the Natives by Mr. Pharazyn's solicitor, Mr. Izard, dated 7th October, 1897, calling on them to sign deeds of mortgage. In 1893 a mortgage of £1,600 was executed, and under the power given by "The Native Land Act, 1896," mortgages to about the value of £1,187 have been executed this year, leaving a balance of about £2,200 to be further secured. The Natives concerned are no doubt placed in a difficult position. The rents they receive from their land are not sufficient to pay the present interest on the money they have borrowed, and sooner or later their lands will, unless a remedy be found, have to be sold to pay their indebtedness. Attempts have been made, through the agency of Mr. Heke, to avert this possibility by creating a co-operative company of Native owners to work the land, and out of the profits to gradually release it from its liability. The attempts, however, failed, owing to the state of the law. The Natives then appealed to the Government, and the result is the Bill now before the Committee.

The Committee is satisfied that Mr. Pharazyn obtained his leases and agreements to mortgage in accordance with the law. The 4th section of "The Native Land Act, 1888," provides that, subject to the Native Lands Frauds Prevention Act, the Native owners could deal with their lands as they thought fit.

"The Native Land Court Act, 1894," absolutely forbids any private dealings with Native land, but contains a saving clause of a wide character, which did not, however, provide for agreements to mortgage.

The Committee is of opinion that the passing of section 3 of the Bill will not in itself beneficially affect the Natives, because it appears that in any case Mr. Pharazyn could probably obtain in the Supreme Court a charging-order on the land of the Natives who are indebted to him under the agreements to mortgage. Apart from the question of *ex post facto* legislation, the object aimed at—namely, the preservation of the lands for the Natives and their descendants—can be achieved in a simpler and more effective manner.

The lands concerned are good security for the money owing, at a rate of interest not exceeding 4½ per cent. per annum, and will provide a small sinking fund (which will increase materially on the termination of the present lease) sufficient to gradually pay off the mortgage. The Committee recommends the Government to obtain legislation to enable the Public Trustee, or some other officer appointed by the Government, to accept a trust of the land, and to borrow or advance money on the security of the land to pay off the claims thereon.

This course will be in the interests of all concerned, and will avoid the necessity of passing clause 3 of the Bill.

The Committee therefore recommends that the Bill be referred to the Government with a view of effect being given to this report.

14th December, 1897.

R. Oliver, Chairman.

Hon. J. Carroll.

NATIVE LAND LAWS AMENDMENT.

ANALYSIS.

A BILL INTITULED

Title.

AN ACT to amend "The Native Land Laws Amendment Act, 1896."

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

Short Title.

1. The Short Title of this Act is "The Native Land Laws Amendment Act, 1897."

Section 13 of Act of 1895 repealed.

2. Section thirteen of "The Native Land Laws Amendment Act, 1895," is hereby repealed as from the date of the passing thereof.

Section 23 of Act of 1896 amended.

3. Section twenty-three of "The Native Land Laws Amendment Act, 1896," is hereby amended as from the date of the passing thereof by repealing the words "and by the insertion of the word 'mortgage' after the word 'lease.'"

MINUTES OF PROCEEDINGS.

THURSDAY, 18TH NOVEMBER, 1897.

THE Native Land Laws Amendment Bill Committee met at 11 a.m. pursuant to notice.

Present: Hon. F. Arkwright, Hon. Dr. Grace, C.M.G., Hon. Major Harris, Hon. T. Kelly, Hon. R. Oliver, Hon. J. Rigg, Hon. H. Scotland, Hon. W. Swanson, Hon. W. C. Walker.

The order of reference being read, on motion of the Hon. W. C. Walker, the Hon. R. Oliver was voted to the chair.

The Committee deliberated.

On motion of the Hon. W. C. Walker, *Resolved*, That the Committee do now adjourn, and that the Hon. the Chairman do communicate with the Chairman of the Committee of the House of Representatives with a view to meeting as a Joint Committee.

Then the Committee adjourned.

FRIDAY, 19TH NOVEMBER, 1897.

The Committee met pursuant to notice.

Present: Hon. J. Carroll, Mr. Graham, Mr. Monk, Mr. Morrison, Mr. Sligo, and Mr. J. W. Thomson.

The orders of reference having been read, it was resolved, on the motion of the Hon. J. Carroll, That Mr. Graham do take the chair.

A message having been received from the Chairman of the Committee of the Legislative Council suggesting that the two Committees should sit as a Joint Committee, it was resolved to adjourn for that purpose.

The Committees of the Legislative Council and the House of Representatives met by arrangement to sit as a Joint Committee.

Present: Hon. F. Arkwright, Hon. J. Carroll, Mr. Carson, Mr. Duncan, Hon. Dr. Grace, Mr. Graham, Hon. T. Kelly, Mr. Monk, Mr. Morrison, Hon. R. Oliver, Mr. Pere, Hon. J. Rigg, Hon. H. Scotland, Mr. Sligo, Hon. W. Swanson, Mr. J. W. Thomson, Hon. W. C. Walker.

Resolved, on the motion of the Hon. W. C. Walker, That the Hon. R. Oliver do take the chair.

A shorthand reporter was present, and took down the proceedings and evidence.

Resolved to summon the following persons to attend the next meeting of the Committee to give evidence: Mr. Sheridan, Mr. Charles Pharazyn, Messrs. Morison and Loughnan, Ropoama Meihana, Aporo te Kumeroa, Niniwa Heremaia, and Tamahau Mahupuku.

Resolved, on the motion of the Hon. W. C. Walker, That the Committee adjourn till Monday, at 10.30 a.m.

MONDAY, 22ND NOVEMBER, 1897.

The Committee met pursuant to notice.

Present: Hon. R. Oliver (Chairman), Hon. F. Arkwright, Hon. J. Carroll, Mr. Duncan, Hon. Dr. Grace, Mr. Graham, Hon. T. Kelly, Mr. Monk, Mr. Pere, Hon. J. Rigg, Hon. H. Scotland, Mr. Sligo, Hon. W. Swanson, Hon. H. K. Taiaroa, Mr. J. W. Thomson, Hon. W. C. Walker.

The minutes of the previous meeting were read and confirmed.

A reporter was present, and took down the evidence in shorthand.

Mr. Sheridan, of the Native Land Office, made a statement, and was examined by the Committee.

Mr. Monk moved, That witnesses be allowed to be present to watch the proceedings.

On the question being put it was negatived.

The Committee adjourned till 11 o'clock to-morrow.

TUESDAY, 23RD NOVEMBER, 1897.

The Committee met pursuant to notice.

Present: Hon. R. Oliver (Chairman), Hon. F. Arkwright, Hon. J. Carroll, Mr. Duncan, Hon. Dr. Grace, Mr. Graham, Hon. Major Harris, Hon. T. Kelly, Mr. Monk, Mr. Morrison, Mr. Pere, Hon. J. Rigg, Hon. H. Scotland, Mr. Sligo, Hon. W. Swanson, Hon. H. K. Taiaroa, Mr. J. W. Thomson, Hon. W. C. Walker.

The minutes of the previous meeting were read and confirmed.

A reporter was in attendance, and took down the evidence in shorthand.

The Hon. W. C. Smith, M.L.C., made a statement, and was examined.

Aporo te Kumeroa gave evidence, Mr. Barclay interpreting.

Letters to the Chairman from Messrs. Morison and Loughnan were read, asking that they might be allowed to watch the proceedings on behalf of Mr. Pharazyn, and to be heard on behalf of Messrs. Rathbone and Matthews.

Resolved, That these applications be not entertained.

The Committee adjourned till Thursday, 25th November, at 11 a.m.

THURSDAY, 25TH NOVEMBER, 1897.

The Committee met pursuant to notice.

Present: Hon. R. Oliver (Chairman), Hon. F. Arkwright, Hon. J. Carroll, Mr. Carson, Mr. Duncan, Hon. Dr. Grace, Mr. Graham, Hon. Major Harris, Hon. T. Kelly, Mr. Monk, Mr. Morrison, Hon. J. Rigg, Hon. H. Scotland, Mr. Sligo, Hon. W. Swanson, Mr. J. W. Thomson, Hon. H. K. Taiaroa, Hon. W. C. Walker.

The minutes of the previous meeting were read and confirmed.

Resolved, on the motion of the Hon. T. Kelly, That the Committee at its rising adjourn till Monday next at 10.30 a.m.

A reporter was present and took down the evidence in shorthand.

Niniwa Heremaia gave evidence, Mr. Hadfield interpreting, after which the Committee adjourned.

MONDAY, 29TH NOVEMBER, 1897.

The Committee met pursuant to notice.

Present: Hon. R. Oliver (Chairman), Hon. F. Arkwright, Hon. J. Carroll, Mr. Carson, Mr. Duncan, Hon. Dr. Grace, Mr. Graham, Hon. Major Harris, Hon. T. Kelly, Mr. R. McKenzie, Mr. Monk, Mr. Morrison, Mr. Pere, Hon. J. Rigg, Hon. H. Scotland, Mr. Sligo, Hon. W. Swanson, Hon. H. K. Taiaroa, Mr. J. W. Thomson, Hon. W. C. Walker.

The minutes of the previous meeting were read and confirmed.

A reporter was present and took down the evidence in shorthand.

Mr. Charles Pharazyn was examined.

Resolved, on the motion of the Hon. T. Kelly, to adjourn till Thursday, at 11 a.m.

THURSDAY, 2ND DECEMBER, 1897.

The Committee met pursuant to notice.

Present: Hon. R. Oliver (Chairman), Hon. F. Arkwright, Hon. J. Carroll, Mr. Carson, Mr. Duncan, Hon. Dr. Grace, Mr. Graham, Hon. Major Harris, Hon. T. Kelly, Mr. R. McKenzie, Mr. Monk, Hon. J. Rigg, Hon. H. Scotland, Mr. Sligo, Hon. W. Swanson, Hon. W. C. Walker.

The minutes of the previous meeting were read and confirmed.

A reporter was present and took down the evidence in shorthand.

Mr. H. Stratton Izard, Solicitor, Greytown North, was examined.

The Committee adjourned till to-morrow at 11 a.m.

FRIDAY, 3RD DECEMBER, 1897.

The Committee met pursuant to notice.

Present: Hon. R. Oliver (Chairman), Hon. J. Carroll, Mr. Carson, Mr. Duncan, Hon. Dr. Grace, Mr. Graham, Hon. T. Kelly, Mr. Monk, Hon. J. Rigg, Hon. H. Scotland, Hon. W. Swanson, Mr. J. W. Thomson, Hon. W. C. Walker.

The minutes of the previous meeting were read and confirmed.

A reporter was present and took down the evidence in shorthand.

Mr. Hone Heke, M.H.R., was examined.

The Committee adjourned till Monday, 6th December, at 11 a.m.

MONDAY, 6TH DECEMBER, 1897.

The Committee met pursuant to notice.

Present: Hon. R. Oliver (Chairman), Hon. F. Arkwright, Mr. Carson, Hon. J. Carroll. Mr. Duncan, Mr. Graham, Hon. Major Harris, Hon. T. Kelly, Mr. Monk, Hon. J. Rigg, Hon. H. Scotland, Hon. W. Swanson, Mr. J. W. Thomson, Hon. W. C. Walker.

The minutes of the previous meeting were read and confirmed.

A reporter was in attendance, and took down the evidence in shorthand.

The Chairman read a letter from Mr. C. B. Morison in reference to the decision of the Committee not to ask him to give evidence. *Resolved*, That the Committee is still of opinion that it is not necessary to examine Mr. Morison.

The Chief Judge of the Native Land Court and Mr. P. Sheridan, of the Native Land Office, were examined.

The Committee adjourned till Thursday next, at 11 a.m.

THURSDAY, 9TH DECEMBER, 1897.

The Committee met pursuant to notice.

Present: The Hon. R. Oliver (Chairman), Hon. F. Arkwright, Hon. J. Carroll, Mr. Carson, Hon. Dr. Grace, Hon. T. Kelly, Mr. Monk, Hon. J. Rigg, Hon. W. Scotland, Mr. Sligo.

The minutes of the previous meeting were read and confirmed.

The Chairman and the Hon. T. Kelly having handed in proposed reports, the same were ordered to be printed, and the Committee adjourned till to-morrow, at 11 a.m.

TUESDAY, 14TH DECEMBER, 1897.

The Committee met pursuant to notice.

Present: Hon. R. Oliver (Chairman), Hon. F. Arkwright, Hon. J. Carroll, Mr. Carson, Mr. Duncan, Hon. Dr. Grace, Mr. Graham, Hon. Major Harris, Hon. T. Kelly, Mr. R. McKenzie, Mr. Monk, Hon. J. Rigg, Hon. H. Scotland, Hon. H. K. Taiaroa, Hon. W. C. Walker.

The minutes of the previous meeting were read and confirmed.

Hon. T. Kelly moved the adoption of the following report:—

1. Section 2 of this Bill repeals section 13 of "The Native Land Laws Amendment Act, 1895." For the purposes of the investigation, two typical cases which are affected by this section were brought before the Committee.

2. The first was that of Messrs. Guy and Rathbone, who are lessees of the Piripiri Block. These gentlemen have a valid lease of the block for twenty-one years, ending 1907, and a second lease of individual interests in the block for an extended period. This last is stated to be invalid, owing to the provisions of "The Native Lands Frauds Prevention Act, 1881," and its amendments not having been complied with. This last-mentioned lease of individual interests has been confirmed by the Native Land Court under the 13th section of the Act of 1895. But as the question of the validity of this lease is now before the Supreme Court, it is not necessary for the Committee to make any recommendation respecting it.

3. The second case is that of Mr. Tizard, who, relying apparently on the 13th section of the Act of 1895, did not apply to the Validation Court, but applied to the Native Land Court and obtained a confirmation order under the above section 13, which the Registrar of the Auckland Registration District refused to register. The time having expired within which Mr. Tizard could apply to the Validation Court, he is now left without a legal remedy. With respect to the proposal to repeal section 13, the Chief Judge of the Native Land Court states that the clause is necessary in order to enable the Court to deal finally with cases which come before it, but it is only meant to apply to cases where the law has been duly complied with, and is not intended to enable the Court to confirm transactions made before the Act of 1894, which were at that period contrary to the then existing law, or invalid by reason thereof.

4. The Committee recommends that the clause should be amended so as to affirm this reading of its scope and application.

5. Provision should be made to enable Mr. Tizard and others who have relied in error upon section 13 to transfer such application to the Validation Court, which should then have power to hear and decide such cases as if application had been made to the Validation Court.

6. Provision should also be made to protect Native interests which may be injuriously affected and for which there is no present safeguard or remedy.

7. Section 3 proposes to repeal section 23 of "The Native Land Laws Amendment Act, 1896," with the object of protecting certain Natives who are said to be injuriously affected by the passing of that section in the Act of 1896.

8. The typical case brought before the Committee on this point was one in which the Natives are owners of interests in the Kawakawa, Matakitaki, and Te Kopi Blocks, in the Wairarapa District, the titles to which were determined by the Native Land Court in 1870. Ten names only were placed in two of the titles, and less in the third, and the grants were issued to the grantees without restrictions. These blocks were leased in 1870 in Mr. Charles Pharazyn for twenty-one years, at a rental of £36 per annum. In 1889 he negotiated for leases to be granted to him over the whole estate, but they were only obtained for about 11,000 acres, the remainder of the blocks being leased to Messrs. Te Ama and Sinclair. During 1889, 1890 to 1893, Mr. Pharazyn advanced money to the Native owners of the land leased to him, and obtained from them agreements to mortgage these lands, the total amount of advances being about £5,000. The agreements provided that twelve months' notice was to be given before the Natives were to be called upon to execute a mortgage.

The notice was given, and expired in March, 1894. In 1893 it was found that, as the interests of the rival lessees overlapped, it was impossible to work the land under two separate ownerships. The matter in dispute was submitted to the Supreme Court without avail, which forced parties to come to a compromise, and Mr. Pharazyn sold his interest in his homestead freehold, his stock of sheep, cattle, and horses, his lease of 11,000 acres, his agreement to mortgage, and good-will, for £18,000, and obtained a mortgage over the whole, and, in addition, a security over 2,000 acres of land in those blocks owned by Te Ama and his brother, and all leasehold and other rights they possessed in the land. Mr. Pharazyn was bound by the terms of his agreement with Te Ama and Sinclair to obtain valid mortgages, and this accounts for the notices sent to the Natives by Mr. Pharazyn's solicitor, Mr. Izard, dated 7th October, 1897, to sign the deed of mortgage. Under the power given by "The Native Land Act, 1896," mortgages to about the value of £1,187 have been executed this year, and a mortgage of £1,600 in 1893, leaving a balance of about £2,200 to be further secured. The Natives concerned are no doubt placed in a difficult position. The rents they receive from their land are not sufficient to pay the present interest on the money they have borrowed, and sooner or later their lands will, unless a remedy be found, have to be sold to pay their indebtedness. Attempts have been made, through the agency of Mr. Heke, to avert this possibility by creating a co-operative company of Native owners to work the land, and out of the profits to gradually release it from its liability. The attempts, however, failed. The Natives then appealed to the Government, and the result is the Bill now before the Committee.

9. The Committee is satisfied that Mr. Pharazyn obtained his leases and agreements to mortgage in accordance with the law. The 4th section of "The Native Land Act, 1888," provides that, subject to the Native Lands Frauds Prevention Act, the Native owners could deal with their lands as they thought fit.

10. "The Native Land Court Act, 1894," absolutely forbids any private dealings with Native land, but contains a saving clause of a wide character, which did not, however, provide for agreements to mortgage.

11. The Committee is of opinion that the passing of section 3 of the Bill will not in itself beneficially affect the Natives, because it appears that in any case Mr. Pharazyn could probably obtain in the Supreme Court a charging-order on the land of the Natives who are indebted to him under the agreements to mortgage. Apart from the question of *ex post facto* legislation, the object aimed at—namely, the preservation of the lands for the Natives and their descendants—can be achieved in a simpler and more effective manner.

12. The lands concerned are good security for the money owing, at a rate of interest not exceeding 4½ per cent. per annum, and will provide a small sinking fund (which will increase materially on the termination of the present lease) sufficient to gradually pay off the mortgage. The Committee recommends the Government to obtain legislation to enable the Public Trustee, or some other officer appointed by the Government, to accept a trust of the land, and to borrow or advance money on the security of the land to pay off the claims thereon.

13. This course will be in the interests of all concerned, and will avoid the necessity of passing clause 3 of the Bill.

14. The Committee therefore recommends that the Bill be not proceeded with.

The Committee then proceeded to consider the proposed report clause by clause, and the following amendments were agreed upon:—

Clause 8—

The word "a" inserted after the word "and," in line 4.
The word "number" inserted after the word "less," in line 4.
The word "in," after the numerals "1870," in line 5, struck out, and the word "to" inserted in lieu thereof.
The word "about" inserted after the words "rental of," in line 6.
The words "(otherwise Iraia te Whaiti)" inserted after the word "Ama," in line 8.
The words "calling on them" inserted after the numerals "1897," in line 21.
The word "the," after the word "to," in line 21, struck out.
The word "deed," after the word "the," in line 21, struck out, and the word "deeds" inserted in lieu thereof.
The words "In 1893 a mortgage of £1,600 was executed and" inserted after the word "mortgage," in line 21.
The words "and a mortgage of £1,600 in 1893," after the word "year," in line 23, struck out.
The words "owing to the state of the law" inserted after the word "failed," in line 29.

Clause 14—

The words "not proceeded with," at the end of the clause, struck out, and the following words inserted in lieu thereof: "referred to the Government, with a view of effect being given to this report."

Resolved, That the Chairman and Mr. Graham, Chairman of the Committee of the House of Representatives, be directed to move in the Legislative Council and the House of Representatives respectively, that the report, together with the minutes of proceedings and evidence, be printed.

The Committee then adjourned.

MINUTES OF EVIDENCE.

FRIDAY, 19TH NOVEMBER, 1897.

THE HON. J. CARROLL, in laying the case before the Committee, read the following letters, in order to familiarise members with the facts as represented by the Maoris interested :—

Greytown, Wairarapa, 24th August, 1897.

The Hon. Mr. McKenzie, Acting Premier, and the Hon. Mr. Carroll.—Friends, greeting. A great hardship having come upon us, we write to you and entreat you and your Government to consider our case and assist us who are pressed down with a great weight. This hardship is a very grievous one. In the year 1890, or 1893, a lease of the under-mentioned lands of ours was arranged,—namely, of: (1) Kawakawa, 17,790 acres; (2) Matakitaki, 4,910 acres; (3) Kopi, 2,600 acres. At that time partition cases were being taken before the Native Land Court, and at that time, too, trouble arose between us, the Maoris who had interests, and the lessees, the trouble being that there were two persons who stepped in and demanded, one that we should sign his lease, and the other that we should sign his.

The names of those two persons were, Mr. Charles Pharazyn and Te Ama, each of whom had a deed of lease. Their negotiations proceeded. Some of us were drawn to Te Ama, while some were drawn to Mr. Pharazyn. While they were conducting their negotiations for obtaining names (signatures), Mr. Charles Pharazyn's agent made arrangements for advancing moneys, it being known that if any of our number (that is, our parents) wished to obtain moneys they should go to him. This was the commencement of our disaster; and upon this the majority of the people signed the lease to Mr. Charles Pharazyn. Subsequently to our signing our names one and another took moneys. At the same time an agreement to mortgage was signed between Mr. Charles Pharazyn and ourselves, the interest being at the rate of of 8 per cent. per annum; and now we are asked to sign the deed of mortgage.

Well then, should we sign the document then indeed shall we suffer, because those are all the lands we have, and, too, the small amounts payable to us are not sufficient to pay the interest and the principal received by us from him. We have not received any rent from the time the lease was made; all has been absorbed in the payment of the interest for moneys received. Those of us who have escaped from this disaster are those who did not sign the lease to Mr. Charles Pharazyn but signed the lease to Te Ama.

The amount of interest payable for the sums of money received is in excess of the amount of the rent that each of us is entitled to receive.

We supply you herewith a schedule showing :—(1) our interests (the acreage thereof), (2) the amount of indebtedness, (3) the interest on loan, (4) the amount of rent, (5) the shortage, being the difference between rent and interest. You will thus see that the rent is not sufficient to pay the full amount of interest, and the debt is ever increasing.

It is not that we object to repay these moneys; we are willing to do so, but not to do so in the manner demanded of us, that is by signing an effective deed of mortgage. For, by the foregoing statement of the position that we have there shown you it would be better for us to sell our shares than to sign the deed of mortgage.

Again, considering the nature of the transaction under which our signatures and those of our elders were obtained to this lease, it would be right that some arrangement be made under which we should be enabled to pay off our indebtedness to him, and so retain our lands for our descendants.

We have laid our suggestions in that direction before Mr. Charles Pharazyn, but these suggestions did not have effect, as the two persons who are working the land did not agree thereto.

We, therefore, pray that you will give this your consideration.—Sufficient, from your friends.

Eruha te Maari,
Heta Hemi te Miha,
Ngaere Heemi,
Ani Ratima,
Hiria Karauria,
Kahu Piripi,
Rina Ihakara,
Reti a te Maari,
Whanautane te Maari,
Nikorima te Maari,
Arapata te Maari
Makere Kirihi,
Ngatikahungunu Tribe.

P.S.—The majority of these signatures are those of the sons and daughters of the original debtors, a few of which are set out in the following schedule :—

Debtors.	Interest, Acreage.	Rent.	Debt.	Interest on Loan per Annum, at 8 per Cent.	Increase on Principal caused by insufficiency of Rents.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.
Piripiri te Maari ..	Kawakawa No. 1, 3,400 acres Matakitaki No. 1, 580 acres	48 0 0	1,544 2 7	120 0 0	72 0 0
Hemi te Miha ..	Kawakawa No. 1, 2,000 acres Matakitaki No. 1, 430 acres Te Kopi No. 2, 760 acres Te Kopi No. 5, 200 acres	38 5 7	1,382 12 6	108 0 0	69 14 5
Kooro te Raukirikiri	Kawakawa No. 1, 1,200 acres	14 9 7	558 7 6	44 0 0	29 10 5
	Kawakawa No. 1, 1,600 acres Matakitaki No. 1, 215 acres	24 11 5	452 3 6	36 0 0	11 8 7
Te Ngaere Hemi ..	Matakitiaki No. 1, 265 acres ..	3 5 6	109 6 3	8 0 0	4 14 6

Copy of letter received by Te Ngaere Hemi and others, calling upon them to execute a deed of mortgage to Mr. Charles Pharazyn :—

Greytown, Wairarapa, 7th October, 1897.

To Te Ngaere Hemi, Tauranganui, Lower Valley.

SIR,—This is to notify you, should you fail to sign the deed of mortgage to Mr. Charles Pharazyn of your interest in Whatarangi (*i.e.*, Matakitaki and Kawakawa Blocks) within seven days from date, a writ of the Supreme Court will be issued against you compelling you to sign the deed, and to pay all costs incurred.

Mr. Charles Pharazyn has no desire to take this action against you, but he has been pressed by Mr. Sinclair and Te Ama (Iraia te Whaiti) to get this done, and if you will not do it, then proceedings will be taken as stated above.

Mr. McFarlane (Native Agent and Interpreter) has the deed, as you already know.

You will understand that when you began to borrow money from Mr. Pharazyn you signed an agreement to mortgage all your interests in Te Kawakawa, Matakitaki, and Te Kopi Blocks, that, after twelve months' notice was given you, you were to sign the original deed. The notice was given you a little over two years ago.

From your friend, H. STRATTON IZARD, Solicitor, Greytown.

The *Hon. J. Carroll* (proceeding with his statement) said: That was the case as laid before the Government by the Natives. In the year 1894 the Legislature thought fit to alter the Native policy by forbidding all transactions between private individuals and the Natives. Selling and leasing, excepting under certain conditions, were strictly prohibited by the Act which received the sanction of the Legislature in 1894. There were, however, certain provisions in the legislation of that year which provided for incomplete cases. Such provisions affected transactions in respect to incomplete leases of Native lands, sales, and purchases thereof, but they made no condition whatever in respect to incomplete mortgages. Registered mortgages, complete mortgages—that is to say, legal mortgages of that time—were not questioned by the Act, but the Act took no cognisance of any contract or agreement to mortgage which was then held to be in an inchoate state. Section 121 of "The Native Land Court Act, 1894," has the following: "Nothing in this Act contained shall render nugatory any power of sale in any existing mortgage, or under any existing decree, judgment, or charging order, or prevent the completion of any existing contract for the sale, lease, or purchase of land, but the same shall have effect as if this Act had not been passed." Therefore I would point out to the Committee that in 1894 the contract to mortgage—the contract which had been signed by the Natives to Mr. Pharazyn—had no legal standing. The Act of 1894 afforded him no rights whatever under that contract.

In 1895 the Native Land Laws Amendment Act was passed, and there an attempt was made to improve the position of incomplete transactions. For instance, section 11 reads as follows: "Nothing in the Act contained shall operate to defeat or prejudice any right or remedy which, but for the passing of the Act, any person might or would have against land owned by a Native in respect of any debt or liability incurred by such Native prior to the passing of the Act; but such right or remedy may be exercised as fully and effectually as if the Act had not been passed; nor shall anything in the Act contained preclude the acquisition by any person of land sold under process of law in exercise of any right or remedy as aforesaid: Provided that the Court shall, as regards the exercise of any such right or remedy, make all inquiries which before the passing of the Act would have been required to be made by a Trust Commissioner in respect thereof, and may, if satisfied with the result of such inquiries, and that the sale is in accordance with the provisions of this Act, confirm such alienation. No person shall be debarred from the benefit of the foregoing provision by reason only that such person has, since the passing of the Act, taken or accepted any promissory-note or other obligation or security, or has recovered judgment in any Court of law, in respect of any debt or liability as aforesaid." This provides rights and remedies against land owned by Natives in respect of debts incurred. Now, section 13 of the same Act takes into account confirmation orders; it reads as follows: "A confirmation order under the seal of the Court, or a certificate under section fifty-five of the Act, indorsed on any deed or instrument, shall, for all purposes of title, be conclusive evidence that such deed or instrument is not in contravention of any of the provisions of the Act or of this Act, but shall not exonerate any person from penalties incurred in respect of any false declaration or evidence made or used for the purpose of obtaining such order." Though that gave a right to one in the position of Mr. Pharazyn, we will say, to get from a Judge of the Native Land Court a confirmation order, providing, of course, that the Native Land Court Judge made all the inquiries that were required of a Trust Commissioner, still only a confirmation order could issue; the Act did not go any further. That is to say, supposing a confirmation order under the section which I have just quoted had been issued, there was nothing to compel the Natives to fulfil or execute a mortgage.

Then we come to the Native Land Laws Amendment Act of 1896. An amendment was inserted in that Act which further affected the position of those holding as Mr Pharazyn held. Section 121 of the Act of 1894, as I have already explained to the Committee, had left out any provision whatever with respect to contracts to mortgage. Section 23 of the Native Land Laws Amendment Act of 1896 reads as follows: "Section 121 of the said Act is amended by the insertion of the words 'Subject to the provisions of section 65 of this Act' after the words 'the same shall,' and by the insertion of the word 'mortgage' after the word 'lease.' Completion of existing contract in said section 121 shall be construed to mean and intend fulfilment thereof." If you have the Act before you, you will understand how the section will read with the insertion of these words. It will read as follows: "Nothing in this Act contained shall render nugatory any power of sale in any existing mortgage, or under any existing decree, judgment, or charging order, or prevent the completion of any existing contract for the sale, lease, mortgage, or purchase of land; but the same shall (subject to the provisions of section 65 of this Act) have effect as if this Act had not been passed." Now, that is the whole position. The insertion in 1896 of the word "mortgage" puts Mr. Pharazyn, by virtue of his contract with the Natives to mortgage to him, in line with those who were in 1894 considered to have certain rights of confirmation capable of fulfilment.

Taking the circumstances into consideration—taking the position of the Natives that their land is practically gone from them if the mortgage is allowed to be good and completeable; that the rents they are receiving are far less than the interest they have to pay, or they are liable for upon their indebtedness — taking all these matters into consideration, the Government has decided, as instanced by the Bill which is now before this Committee and under its deliberation, to put the whole question back to the position it stood in before the 1896 Act was passed. We do not take away any title from Mr. Pharazyn. He has no registered title at present; the mortgage has not been executed. The alteration of the law has simply altered his position to this—that it has given him the right of getting a title under his contract. We say, before that actually comes o pass, it is only fair to the Natives, taking all the facts into consideration, to put them and Mr. Pharazyn back to the position they occupied in 1894, or prior to the amendment of 1896.

Hon. Dr. Grace: The Bill seems to go further than the Act, because it alters the Act of 1895; it does more than put the position back to the position of 1894, because it alters the position of 1895.

Hon. J. Carroll: Just so, and why I made that statement is because I am only dealing with a sample case. The amendment in section 13 of "The Native Land Laws Amendment Act, 1895," affects particularly a block in the Seventy-mile Bush called the Piripiri Block. The title to this block was issued under the Act of 1865. Any way, it was adjudicated upon by the Native Land Court in 1870, and at that time the Native Land Court had no power to put more than ten persons in a title, unless, under the 17th section of the Act of 1867 or 1869, they could issue a title to ten persons on the face of the certificate, and the other owners were registered at the back of the certificate, the ten acting in the position of trustees. But in this case the title was not issued to the Piripiri Block under the 17th section of the Act I have named. By a clerical error, when the title came to be made out two out of the ten were omitted from the title. Europeans, in the meantime, leased from the eight. The two who had been omitted represented their claims and had to be recognised, of course. The proceedings resulted in a Supreme Court case, I believe—I cannot say with certainty—and the two had, by judgment of the Court, to abide by the contract made by the eight. Some time afterwards there was an application under the Equitable Owners Act to have this block investigated. Under the Equitable Owners Act something like a hundred and twenty owners were ascertained and duly attached to the title as owners; but, of course, it observed the existing lease which had been obtained by the Europeans from the eight. At this time the Europeans were very anxious to part with their lease. They offered it to the Government for from £2,000 to about £3,000, which was the value they placed upon their leasehold rights. The Government, however, did not do any business with them, on the ground that it was not advisable to have a leasehold unless it got a freehold. The Government then proceeded to purchase from the Natives, and succeeded in acquiring the freehold with the exception of one or two interests outstanding. In the meantime the Europeans obtained a renewal of their lease.

Mr. Duncan: For what duration of time?

Hon. J. Carroll: Twenty-one years, I think; I am not certain. It was questionable whether that lease was legally obtained—very questionable—because under "The Native Lands Frauds Prevention Act, 1888," the law was that you could not obtain any lease or purchase from Native owners any block of Native land in which there were more than twenty owners. And by "The Native Lands Frauds Prevention Act, 1889," it distinctly stipulated that you could not obtain the alienation of any Native land if, as a freehold, it was over 5,000 acres, or, if leasehold, it extended over 10,000 acres. These were the limitations imposed by this Act.

Mr. Duncan: What is the area of Piripiri?

Hon. J. Carroll: Over 10,000 acres, and the ownership consists of more than twenty persons; so that at the time these Europeans got their renewal of lease it was very questionable whether they were within the law.

Hon. Dr. Grace: Was this before the Equitable Owners Act—before 1886, and not before 1889?

Hon. J. Carroll: I cannot say exactly. However, when the Act of 1894 was passed they had no remedy. But when the Native Land Laws Amendment Act of 1895 was passed section 13 of that Act specially affected them. They took their case before a Judge of the Native Land Court, and a Judge of the Native Land Court gave them a confirmation order.

Hon. Dr. Grace: Under the Act of 1895?

Hon. J. Carroll: Under the Act of 1895 they got a confirmation order from the Native Land Court; and the difference to them is this: that where they asked £3,000 for their lease they now demand £9,000—in fact, £1,000 more than what the Government gave for the freehold; so that the repeal of section 13 of the Native Land Laws Act of 1895 is intended to affect that transaction. So far as I know, Mr. Chairman and gentlemen, these are the only two cases that we can find which his Bill, if passed into law, would affect. We do not know of any other. And the object of the Bill is simply to put these transactions back to their original position when the Act of 1894 was passed. That is the only explanation I can give at the present time.

The Chairman: Then it is frankly the intention of this Act to act retrospectively, and to deprive certain people of rights which have come to them under the sanction of laws which have been passed?

Hon. J. Carroll: Well, I think we might discuss that later on.

The Chairman: Well, the reason of my question is this: It has been alleged that the legislation of last year was obtained by surprise, and without attention having been called to the exact effect of the introduction of that word "mortgage." The Council has listened to certain statements to an opposite effect; and so far as we are advised in the Council at present it does seem that the effect intended to be produced by this Bill is to take away certain rights which have accrued to certain individuals under the sanction of the law, and the law passed with all the examination and deliberation usual in the passing of laws. The reason of my interjection of this is that if you have anything to bring before the Committee before you conclude your speech on that I am sure the Committee will be very anxious to hear you.

Hon. J. Carroll: The only thing I can say is this: that if you put yourselves back to 1896, when the Legislature was deliberating upon this amendment, which had the effect that I have described to you after being passed—if you put yourselves back to that time you would have to consider then the effect of the amendment you were deliberating over—that you were giving rights to Europeans who were not entitled to those rights by any law, and that you were taking away rights from Natives. You say at the present time that this Bill is retrospective.

The Chairman: I beg your pardon, Mr. Carroll, you have said in your explanation of the Bill that it is intended to be retrospective. Was not the legislation of 1896 as to the amendment retrospective?

Hon. T. Kelly: I think, Mr. Chairman, we ought not to enter into a discussion now on the merits of the Bill.

Hon. J. Carroll: We say that whatever Mr. Pharazyn did prior to the Amendment Act of 1896 carried with it no deprivation of land from the Natives, or gave valid effect to any contract of mortgage with Mr. Pharazyn.

The Chairman: Exactly. That is a very important point, and I for one should like some evidence brought before this Committee as to the real legal standing of these Natives after they had signed this agreement to give a mortgage—whether that agreement could have been enforced or whether it could not.

Hon. J. Carroll: Prior to the Act of 1896?

The Chairman: Yes.

Hon. T. Kelly: I would suggest that we should get some officer of the department and examine him as to the effect of the 1894, 1895, and 1896 Acts, and then, after hearing his evidence, we might discuss the matter.

The Chairman: It is not with the idea of discussing this matter, it is simply to bring before the Committee the line of inquiry we ought to pursue.

Hon. T. Kelly: Whom would you suggest would be able to give information on these Land Acts?

Hon. J. Carroll: I do not think the Judges of the Native Land Court could decide upon that.

Hon. Dr. Grace: I should like to say in relation to the whole matter—first, that the statement made by the Hon. Mr. Carroll is characterized by candour itself, and a fairer statement could not well be made of the position. In dealing with this intricate matter he does not seem to me to have hesitated to place clearly before the Committee what the subject under consideration and what the character of the introduction was. That is a very creditable position, and it is one, fortunately, our Ministers assume in these cases. Without at the present moment pretending to thoroughly understand the whole of this position, I should like to say that there are just a few matters which seem to me to be important to take into consideration, and perhaps the first of them is in relation to this case of the Kawakawa, Matakitaki, and Kopi Blocks. First, it suggests itself to my mind to ask what the character of the title is which these Natives enjoyed when they gave a renewal of lease to Mr. Pharazyn, and to inquire whether the title which they then enjoyed enabled them to mortgage; because, if so, on the basis of that title at that time it is probable that Mr. Pharazyn's mortgage was either valid or invalid. Therefore, Sir, I want you to be good enough to find for me under what title did the Natives hold the Blocks Kawakawa, Matakitaki, and Kopi when they signed the renewal of their lease to Mr. Charles Pharazyn. Any person who is acquainted with these Native Land Acts will see the importance of that, because if their title was of such a character as to enable them then to mortgage, in such case the operation of the Native Land Act of 1894 would have been indirectly to weaken the title which previously had been valid. I hold that to be an important matter in itself. Now, Sir, this is not the precise time, as I hold it, to go into particulars as to the equity of the conduct of the lessee in relation to his transactions with the Natives, the character of his mortgage, the character of his lease, or, generally speaking, the equitable conditions surrounding the contract. We are not just now prepared to discuss this. But certainly, excepting for the purpose of justifying the action of the Government, and except as to the necessary statements made by the Hon. Mr. Carroll, these considerations at present should not influence the minds of the Committee. Now, Sir, with regard to that portion of the property which is to be affected by the repeal of section 13 of "The Native Land Laws Act Amendment Act, 1895," and its position, there is also something to be said, and there is a great deal for a Committee to consider in relation to that matter. First, it is alleged, and it is clearly a fact, that, whereas the title was granted to ten grantees under, as I understand, the 17th section of "The Native Land Act, 1865," which section prescribed that the names of ten Natives should appear on the front of the certificate and the names of all the others interested should appear on the back, that provision of the 17th section of "The Native Land Act, 1865," was made to secure that such property so held should not be alienated by the ten grantees, but must be held by them in trust for those whose names appeared on the back of the certificate. Now, as far as I can remember it was "The Native Land Act, 1873," that enabled the individualisation of title to take place in those cases, provided the Court satisfied itself that all the beneficiaries whose names appear on the back of the certificate were consenting parties — that in such cases, for the purpose of the simplification of the title, a title could issue to the ten grantees, and, resultingly, that the money which resulted should be divided equally among all those interested. Now, the names of ten grantees were not placed on the front of the certificate — I refer to the Piripiri Block—and I hold that from the beginning the absence of ten names invalidated that certificate. But, nevertheless, notwithstanding that the original certificate, as I hold, is not itself valid, eight grantees leased the land, and then, subsequently instituted proceedings, and the Court certifies as to the two persons whose names ought to have been inscribed on the front of the certificate, though they are not so subscribed, that they shall be bound by the eight whose names appeared on the front of the certificate. Now, I hold that from the beginning——

Hon. J. Rigg: Mr. Chairman, may I ask if this statement is in order? I would suggest that we should confine ourselves to direct question and answer.

The Chairman: Well, no doubt we are endeavouring just at the present time to clear the ground and to see in what direction these inquiries should tend, and what witnesses it will be necessary to summon before us, and I suppose that is Dr. Grace's intention.

Hon. Dr. Grace: I thought I was making the matter very clear as to the character of the inquiry we had to make; but if the Committee consider I have not any necessity to I am ready to desist.

Hon. J. Rigg: I understood the honourable gentleman was explaining the Native-land laws.

Hon. Dr. Grace: No; I was endeavouring to point out to the Committee — I dare say

inefficiently—what was the real foundation for justifying the passage I referred to. I shall be done in about two minutes. My object was to explain that you are dealing with extraordinarily intricate matters, and it is of the first importance that you should commence by trying to understand them in some clear light. I was merely wanting to make it clear that you cannot touch any Native-land transactions without opening up the widest possible field of inquiry as to where justice is involved and as to where equity comes in; and I wanted to make it clear, in the performance of what I thought to be my duty, that the statement of the Hon. Mr. Carroll is of the gravest possible importance to this Committee, and that a right understanding of the questions involved by that statement is a condition precedent to coming to a decision as to the advisability or inadvisability of that Bill; and if when I take the opportunity of explaining what are the conditions involved in the alteration of the law I am exceeding my duties on the Committee, then I am useless on it.

Mr. Monk: My own impression is for us to have the evidence brought before the Committee of both sides of the question and the evidence of the Natives, and to proceed by the examination of witnesses to substantiate or otherwise the facts now placed before us by Mr. Carroll's statement.

The Chairman: I think the Committee will be grateful for the statement which Mr. Carroll made as an explanation of the case. Then comes the question of whether we should invite evidence before us showing the rights of the Natives, as the Hon. Dr. Grace has suggested, from the legal point of view, and the way in which the proposed legislation will effect its purpose. It appears to me that these are the points which this Committee have to inquire into; and if the Hon. Mr. Carroll can suggest to us the names of any witnesses skilled in Native-land law and in Native-land transactions, so that the Committee might have a clear view of those points to which I have already referred, it would be in the direction in which the Committee, in my opinion, should go. I do not know whether this opinion will be shared by the other members of the Committee.

Hon. T. Kelly: It is the very thing we want to start on. (To the Hon. Mr. Carroll) Which officer do you suggest?

Hon. J. Carroll: I would not suggest any particular one; but I quite agree that he most essential point to be understood by the Committee before working out any conclusion is a knowledge of the legal position of the case—the legal position as it was before 1896, and the legal position as it is now.

Mr. Monk: We get that more clearly by reading the Acts. What I want to be satisfied on is whether the allegations made against Mr. Pharazyn, for instance, are right, whether the allegations with regard to Europeans having improperly dealt with Piripiri are correct, and for the Judge also to explain to us why there should be a validation of the act of eight when they seemingly should have had the sanction of the ten trustees, for, there being only eight, on the face of it one may suspect the transaction is improper. May I ask Mr. Carroll whether the witnesses who would be able to help us in relation to section 13 of "The Native Land Laws Amendment Act, 1895," and section 55 of "The Native Land Court Act, 1894," would be the same men who would be able to assist us with regard to the other portion of the Bill?

Hon. J. Carroll: No; in the case of the Piripiri Block, that is affected by section 2 of the present Bill, I would propose to submit the name of Mr. Sheridan, who is the Chief Land Purchase Officer of the Government, to give evidence before the Committee. He is the official head of that department, who purchased that land from the Natives, and he could show all the evidence of the legal position of the matter. I do not think we should require any information outside what Mr. Sheridan could tell us. In respect to Mr. Pharazyn's matter, the papers pretty well disclose the position, with the formal statements made by the Natives as per schedule, showing the rents to come to each person, the indebtedness of each person, &c.; and you will see the letter from the solicitor of Mr. Pharazyn calling upon the Natives to execute the mortgage.

Hon. J. Rigg: I would like to ask if the Natives received the respective amount of the indebtedness in cash.

The Chairman: That we could get.

Hon. J. Rigg: Then, I would ask that evidence be obtained on that point, and also to assure us that they received a fair rental of the land.

The Chairman: Shall we decide first whether we shall take these clauses seriatim? Because, if so, we should proceed by summoning Mr. Sheridan to appear before us.

Hon. J. Carroll: If you take section 2 first, then Mr. Sheridan will be the witness.

The Chairman: If that course is decided on, then will Mr. Rigg suggest who else can be summoned?

Hon. T. Kelly: We want evidence as to the legal position.

The Chairman: I understand that the Committee desire me to summon Mr. Sheridan.

Hon. J. Rigg: I am not in a position to submit names, because I know no more about the case than what we have heard to-day. But if you agree to the motion that evidence be taken on these two points—as to the rental value of the land, and as to the amount received by the Natives and of what it consisted—if you will take evidence on these points I will endeavour to get names from some of the Maoris and submit them at the next meeting of the Committee.

Mr. Monk: Further, I would like to know what inducements were offered to the Natives in getting this money, because it has been suggested that pressure was put on the Natives to inveigle them into a position in which they would have to lose their lands. I should like to have the fullest information on that point as well.

Hon. J. Carroll: I will suggest names.

Mr. Monk: I should like evidence furnished before us as to the quality and value of the land.

The Chairman: That would be included in the question as to whether a fair rent was obtained.

Hon. J. Carroll: We can get the land-tax value; I can submit that.

At this stage the Committee adjourned till Monday, the 22nd instant.

MONDAY, 22ND NOVEMBER, 1897.

Mr. Patrick Sheridan made a statement, and was examined: I am Native Land Purchase Officer. I think it is a pity that the Piripiri case was brought forward in this investigation, because it is already before the Supreme Court. It has been referred to that Court by the Native Appellate Court, and the Crown Solicitor is quite satisfied that no remedial legislation is required as far as that block is concerned. The deeds are invalid on other grounds, on which there will be no difficulty in setting them aside. Piripiri is nevertheless the first case which drew serious attention to clause 13 of the Act of 1895, and that is why I mentioned it to the Hon. Mr. Carroll. Confirmation under the Act of 1894 was merely intended to take the place of the old Trust Commissioner's certificate, which simply involved an inquiry as to whether the dealings between the parties had been honest and straightforward. The deed might be invalid on grounds entirely outside the scope of the Trust Commissioner's inquiry. I do not think we should make much reference to the Piripiri case, because it is as I have already stated before the Supreme Court. At all events, if the Committee requires much information with regard to it, the Crown Solicitor who has the case in hand should be heard. One case of particular hardship in the Thames District came before the Native Affairs Committee the other day: that is the case of Mr. Tizard. Relying evidently on this clause, he neglected to take the case into the Validation Court. He took it first before the Native Land Court, and there got it confirmed; but when he presented the deed to the District Land Registrar that officer refused to register, and told him that he must go into the Validation Court, but through the Act of 1896 he was in the meantime completely shut out from bringing the matter before that Court. I think, consequentially upon passing this clause, another clause should be added opening the Validation Court to certain people who are in the same position as Mr Tizard.

The Chairman: I think it would be more convenient if Mr. Sheridan would confine himself to facts—that is, to saying how it comes about that there is a necessity for clause 2 of the Bill which we have before us, and which is the subject of our inquiry at present.

Mr. Sheridan: The Government had very little to do with the section of the Act which it is sought to repeal. It was put in in one of the final stages of the Bill when it was before Parliament. It was not in the original Bill as introduced. If the records are referred to it will be seen that it was not put in until the last moment. I am referring to clause 13 of "The Native Land Laws Amendment Act, 1895." The reason why it should be repealed is that it is a monstrous clause; under it any Judge might confirm transactions, no matter how bad or involved they might be. It gives the Judge complete power. The District Land Registrar of Auckland has in Mr. Tizard's case declined to register notwithstanding confirmation, but other Registrars may not take the same view of similar cases. As long as that clause remains upon the statute-book, if it has the meaning which some persons assign to it, there is no necessity for a Validation Court.

Hon. J. Carroll: Does it give the Native Land Court powers exceeding those given to the Trust Commissioner?—No; I do not think it does. It gives the Court power to confirm.

The Trust Commissioner cannot give a title?—No.

But this gives a title?—Yes; that I believe is the contention.

The Chairman: I understand you to say that the power of confirmation is so great that the persons who are aimed at by section 2 of this Bill will have a valid title. If you read section 2 of the Bill now before us you will see that section 13 of the Act of 1895 is repealed. Would the passing of that clause do away with the titles which accrued under the Act of 1895? It says, "from the passing thereof"; would not the same effect be produced if it were after the passing of this Bill?—No.

Why is that?—There is no doubt that the presence of that clause has led to much litigation already, and so long as it is there it will continue so to do.

That is to say, rights have arisen, and are likely to be arising?—I cannot say; but the clause should go out, so as to prevent any more money being spent on useless litigation.

Hon. J. Carroll: When did the Piripiri Block pass through the Native Land Court?—In 1870.

Under what Act was the title given?—Under "The Native Land Act, 1865."

How many Natives were in it?—There were ten; by mistake two names were left out of the title.

That is to say, in the official manufacturing of the title, two names were omitted—that is to say, when the Crown grant or certificate was made out?—Yes; it occurred in this way: the order was written on the bottom of the page, and two of the names were on the top of the next page. The clerk in making out the certificate accidently omitted those last two names.

Was that accidental omission rectified afterwards?—Yes, it was. In the meantime the land was dealt with, and Guy and Rathbone got a lease of it, for twenty-one years, from the eight Natives whose names appeared in the certificate. The two Natives whose names were left out dissented. It was in 1886 that Guy and Rathbone got the lease for twenty-one years from the eight Natives; and when the two other Natives whose names did not appear in the certificate dissented, the case was taken into the Supreme Court. The Supreme Court made a decree declaring, in effect, that the two Natives who had never signed the deed were bound by the lease.

The omission which occurred in the first instance in the title was rectified afterwards by the acknowledgment of the rights of the two Natives whose names had been omitted?—Yes, when the land was dealt with under "The Native Equitable Owners Act, 1886"—that is, in 1892, when the Court changed the ownership from ten to 120, including the two omitted from the first order.

In making the new order, did the Native Land Court reserve all existing rights, whether by way of lease or otherwise?—All leases are protected by "The Native Equitable Owners Act, 1886"; an order of the Court for that purpose was therefore unnecessary.

The order of the Court did not affect the position of the lessees, but it altered the ownership?—Yes, from ten to 120.

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

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

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

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

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

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

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

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

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

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

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

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

Mr. Monk: The interest of each is individualised.

Mr. Sheridan: That is so.

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

Are the interests defined?—No.

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

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

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

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

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

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

Hon. Dr. Grace: The contention is that the decision of the Judges of the Native Land Court was an illegal decision?—Yes, that is the contention.

As the law stands at present, is it held that there is no appeal from a decision of that Court validating a transaction which is held to be illegal?—There is now no appeal, the time for appeal having long since expired. When another batch of signatures came before the Native Land Court, the Crown opposed their confirmation. The Court refused to confirm the second batch. The lessees have appealed to the Native Appellate Court against this refusal, and that Court stated a case for the Supreme Court, which is now under consideration.

Your argument is that, as this case is pending, there should be no repealing legislation in this respect—in fact, that there is no necessity for this clause. You say that there is no appeal from the decision of the Native Land Court, and yet it appears that there is an appeal in this case to the Supreme Court?—What I said was, that, as the time had been allowed to elapse with regard to the first batch of signatures, there was now no right of appeal. The first lease, of 1886, is not called in question.

Hon. T. Kelly: Are there any other blocks concerned under this 13th section of "The Native Land Act, 1895"?—I have mentioned the case of Mr. Tizard. He has lost his chance of going into the Validation Court.

Will any other persons be injuriously affected by that clause besides Mr. Tizard?—I am not aware of any other cases.

Then there is no reason why that clause should not be repealed?—Not as far as Piripiri is concerned, but the clause is a very dangerous one.

Hon. J. Carroll: How did that clause get into the Act?—I have already explained that it was put into the Bill in one of its final stages in the very last days of the session.

Hon. T. Kelly: It escaped the notice of the Government?—No; I cannot say that. It did not escape notice altogether, but its effect was not clearly understood.

It gives a title which was never intended?—It gives a power to the Native Land Court which was never intended.

Hon. Dr. Grace: Will you kindly tell me this: The Native Lands Frauds Prevention Act is administered by a Judge of the Native Land Court; this clause merely leaves the power to a Judge of the Native Land Court, and if a Judge of the Native Land Court, acting as Native Lands Frauds Commissioner, is competent to administer the Act in that capacity, why should he not be competent to do so as Judge of the Native Land Court?—The effect of a Trust Commissioner's certificate was much more limited in its scope than a confirmation order under the now existing state of the law.

Hon. T. Kelly: It is found that the second lease was illegal under "The Native Lands Frauds Prevention Act, 1888," and yet, notwithstanding that, a Judge of the Native Land Court confirmed the signatures?—Yes; I presume in ignorance of the law.

Hon. J. Rigg: Has the department received any communications objecting to this provision?—No.

Hon. J. Carroll: With regard to clause 3 of this Bill, do you know anything about the Kawakawa, Te Kopi No. 2, and Matakitaki Blocks? The Kawakawa Block was granted under "The Native Land Act, 1865." The date of the grant is the 4th November, 1872, and it antevests the title to the 16th May, 1870. Is that so?—The latter would be the date on which the title was investigated by the Native Land Court.

Can you give any information to the Committee about these blocks?—I have not looked into the transactions, and do not know anything about them.

Hon. T. Kelly: Can you not give the names of the ten persons to whom the grant was made?—No.

These are the only persons who have a beneficial interest?

Hon. J. Carroll: And their successors.

Mr. Sheridan: Probably these persons are only trustees.

Hon. T. Kelly: That is just what we want to know. Surely there are some owners other than these ten?—I should say they are trustees.

What I want to know is whether the beneficial owners of this land have been ascertained?—No.

And yet the land has been dealt with by way of mortgage?—That is so.

Hon. J. Carroll: Under the Act of 1865 could the Native grantees mortgage their interests in the land?—I do not think so.

Hon. Dr. Grace: Why not, if the grant was issued? The position is that these Natives hold a Crown grant.—I am not aware of any power which then existed to mortgage.

Hon. J. Carroll: Prior to the Act of 1873?—Yes, prior to 1873.

Surely the Native Lands Investigation Commission, which sat in 1872 or 1873 to investigate into Native-land transactions in Hawke's Bay, dealt with mortgages?—I am not clear upon the point. The Act of 1873 simply stated that no right of foreclosure under mortgage would be valid. Section 4 of "The Native Land Act Amendment Act, 1878" (No. 2), took away the power to mortgage altogether.

Then, by implication, these lands could have been mortgaged before 1878?—Apparently so.

Do you know at what date after 1878 the power to mortgage crept into the Native-land laws?—Under "The Native Land Court Act, 1886," it comes in indirectly, if not directly.

Do you remember the section?—No.

Hon. T. Kelly: Then it is not specifically stated that no mortgage should be made; but some of the sections imply it?—That, I think, is so.

Will you tell us how many persons are absolute owners in respect to these three blocks?—Of Kawakawa, 10; of Te Kopi No. 2, 4; and of Matakitaki, 10.

That is to say, there are twenty-four persons who are directly interested in the three blocks.—There are not twenty-four separate individuals, because some of them appear in more than one of the titles.

How many separate individuals are there?—I will let you know.

Surely there ought to be a number of persons in the title to these lands? Twenty-five thousand acres would not belong to twenty-four Native owners. There must be a large number of beneficial owners?—That probably is so.

Are these others protected? The land has been mortgaged to a considerable amount, and their interests dealt with by the owners whose names are in the Crown grants; are the other owners whose names are not in the Crown grants protected?—I do not know. Of course they can protect themselves by applying to the Government to issue an Order in Council, if they can prove their claims to the satisfaction of the Court; but if we suppose there were two hundred persons interested in the lands the mortgages would not I presume affect the interests of those persons who were not a party to them.

How much money have these Natives borrowed?—I do not know; I have already stated that I have not looked into the transactions.

Could you ascertain?—Mr. Carroll might be able to inform you.

Hon. H. K. Taiaroa: Are there any restrictions on these three Crown-granted blocks?—No; the titles are open.

Hon. T. Kelly: I wish to ascertain what amount these Natives have borrowed by way of mortgage; can you ascertain that?—Only by referring to the file of papers which Mr. Carroll has. The information therein comes principally from the Natives, and may not be altogether correct.

Do you know the date of this mortgage?—Probably some time prior to 1894.

Did the Court at any time sanction the borrowing?—I think the cases came before Judge Butler, as Trust Commissioner.

Do you know the year?—I do not.

Did he sanction it?—Judge Butler told me the matter came before him. He said that he tried to persuade the Natives not to borrow the money, but Piripi te Maari persisted. This, however, is really only hearsay.

Mr. Pere: Was this mortgage made at the time there were not more than ten grantees in each block?—That must be so, as the titles are still unchanged.

Was it before these persons were appointed successors to deceased grantees?—Yes; because Piripi te Maari was alive at the time.

TUESDAY, 23RD NOVEMBER, 1897.

The Hon. W. C. SMITH made a statement, and was examined.

Hon. W. C. Smith: Allow me to explain to the Committee how it was I came to move the amendment with reference to mortgages that it is proposed under this Bill to repeal. When the Native Land Laws Amendment Act was before Parliament last session it was brought to my notice by Messrs. Morison and Loughnan, solicitors, of Wellington, that the question of agreements for mortgages was very uncertain as the Bill stood, and they asked me to look into the matter. As Mr. Loughnan came from Hawke's Bay, and was known to me as an expert in Native affairs, having had a large experience, I looked up "The Native Land Court Act, 1894," and "The Native Land Laws Amendment Act, 1895," and I found that by section 121 of the Act of 1894 and section 11 of the Act of 1895, in my opinion, the Legislature had intended that all incomplete legal transactions up to the date of the Act of 1894 were allowed to be completed. It was not specially mentioned, although it was inferentially, in my opinion. As to agreements for mortgages, it simply said that nothing in this Act should make mortgages nugatory, and as it did not mention the agreement as to mortgages it was doubtful. If the Committee will read specially section 11 of the Act of 1895, they will there see it stated that any money agreements should be legal up to a certain date. Thinking that it would be for the general public interest that the matter should be decided, so that no quibble should be raised with regard to agreements to mortgage, I moved the amendment in the Council, which was unanimously adopted, as will be seen by the report; and I understood the head of the Government in the Council submitted it to the officers of the Native Department, and that they agreed that it was a very proper amendment. Therefore it was not opposed by the Government, and it became law. I should like to say, noticing a discussion which took place in the other House, that no influence whatever was brought to bear on me in the matter. I had no personal interest in the amendment. I knew of no case that it would affect. No case was mentioned to me, and I was unaware of any case being affected by it. It was only when I came down this session that I for the first time learnt that such was stated. I brought the amendment forward with the idea of making the law clear, and, after very long experience in these matters, I may say that it is still my opinion that the amendment only made the law clearer, so that no quibble could be raised in law, which, unfortunately, is often the case in these matters. I do not think it necessary to say more.

1. *Hon. T. Kelly.*] Which of those gentlemen you have named came to you; was it Mr. Morison, or Mr. Loughnan?—Neither came to me specially on that business. Mr. Loughnan was seeing me on other business, and he simply pointed this matter out.

2. Do you recollect the terms of his communication in respect to it?—After he had mentioned the business on which he was seeing me, he said he would like to draw my attention to the fact that the question of agreements for mortgages was not on a clear footing, and he thought it would be a good thing to put it on a clear footing.

3. Did he name any specific mortgage?—No, no case was mentioned; he spoke in general terms.

4. The only communication you had on the subject with Mr. Loughnan was the one you have mentioned?—Nothing was said in the way of mentioning any case.

5. At that time you were not aware that it would benefit the condition of the mortgagees?—No; I knew of no case that it would affect until I came down this session.

6. *Hon. J. Carroll.*] Mr. Loughnan drew your attention to the state of the law; can you remember what words he used, as to the effect of the amendment?—He simply made the statement that it would make the law clearer.

7. Did he lead you to understand that contracts to mortgage were not legal?—No, that matter was not discussed.

8. Did he say that he was giving you this amendment so as to make provision for contracts for mortgages?—No; I do not think he said anything about that. All I remember he said was that it would make the law clearer.

9. In the matter of what?—In the matter of agreements to mortgage.

10. Then, he referred to agreements to mortgage?—Of course; that was the object of the amendment.

11. And it would make the law clearer, in so far that it would give effect to agreements to mortgage?—If they were legal, as up to the Act of 1894.

12. This amendment then was intended to make clear only legal agreements to mortgage prior to the Act of 1894?—Yes.

13. I think you said he mentioned no special case?—No.

14. Either in Hawke's Bay or elsewhere?—No.

15. Did Mr. Morison also speak to you about it?—I do not think I ever saw him specially about it. Of course I have spoken to him and Mr. Loughnan on this and other matters.

16. You were not aware of any case that would be affected?—No; and I had no personal interest whatever in the matter except the public interest.

17. *Mr. Duncan.*] Your impression of the Act was that no mortgage without this amendment would be valid?—My understanding of the law was that mortgages up to the passing of the Act of 1894, and agreements to mortgage, were made legal by that Act.

18. Are you still of that opinion?—Yes.

19. And any mortgage since 1894 is illegal?—Yes.

20. *Mr. Sligo*] I understand there was no objection by the Government or the Law Officers to this amendment?—No.

21. *Mr. J. W. Thomson.*] Who is Mr. Loughnan?—He is a solicitor from Hastings, in Hawke's Bay, now settled in Wellington. He came from my part of the country, and I knew him very well.

22. *Hon. J. Rigg.*] Did Mr. Loughnan suggest any particular manner in which the Act should be amended?—He pointed out that the insertion of the word "mortgage" would make the agreements for mortgages as the law now stands.

23. Did he hand you the amendment in writing?—No.

APORO TE KUMEROA examined.

1. *The Chairman.*] Are you interested in these land transactions—these mortgages to Mr. Charles Pharazyn?—My wife is.

2. What is her name?— Te Ruihi Aporo.

3. Is her name one of those on the grant?—Yes, her name was included in 1889.

4. Her name does not appear among those before the Committee. How is that?—The reason her name does not appear here is that she has signed the deed of mortgage.

5. Not only the agreement to mortgage?—She signed the mortgage itself, and that is the reason her name does not appear here.

6. And you acted for her in the transaction of borrowing money from Mr. Pharazyn?—I did.

7. Are you one of the objectors to the Act of last year?—None of the Natives knew anything about this Act until this year. It was not until this present year that we found out that a clause had been placed in the Act which would affect this mortgage.

8. When your wife was included in the mortgage deed, was it with your consent?—Yes; it was with my consent.

9. Then you do not disapprove of it now?—No one objects to the mortgage; but what they do object to is this: they do not want the land to pass away. They want an arrangement which will enable them to pay off the mortgage and keep the land.

10. Do they know that that can only be done by an arrangement for the payment of the money?—No such provision as that was made at the time the agreement was first entered into.

11. As what?—That these mortgages were to be the means of purchasing the land.

12. When your wife executed the mortgage deed, was she aware of the nature of the deed?—Yes; it was read over by the interpreter.

13. *Hon. T. Kelly.*] When was this money borrowed—in what year and month?—Well, the first trouble in connection with the land dates from 1889. The cause of the trouble originally was this: my wife's name was not in the Crown grant. When she applied to be included among the owners of the land the trouble began, and the people became split up amongst themselves. Some went to Mr. Pharazyn's side.

14. *The Chairman.*] With regard to the lease, was it?—This was the cause that led up to the mortgage being first entered into.

15. *Hon. T. Kelly.*] Then, I understand the names on the grant were the names of Natives who were declared by the Court to be owners of the land. Were there not other Natives who thought they were beneficial owners?—That is so.

16. Are there many of them?—No; my wife and a few others.

17. When was the money given that was borrowed?—Sums of money have been obtained on so many occasions that I do not think I am in a position to say when the first payment was made.

18. When was the last payment made?—Sums of money were advanced during the years 1890, 1891, and 1892.

19. What is the total amount that your wife got?—£1,300 I think my wife got, or thereabouts.

20. For what purpose did she get this money?—Well, at that time she was ill, in the doctor's hands; that was the reason.

21. Surely she did not want £1,300 to pay the doctor's bill?—She had to come to Wellington so many times.

22. Is the money all spent now?—Yes.

23. I should like to know how she was able to get this money, when her name was not in the grant?—She did get in. In 1889 she claimed to be included and was successful, the Crown grantees having admitted her right.

24. Was this done by the Court?—Yes.

25. In 1889?—The ten grantees admitted her right and she was put in the grant in 1889.

26. By what Judge?—Judge Mackay.

27. Were any others admitted at the same time?—No; she alone.

28. Can you tell me what amount in all has been borrowed by the Natives on these blocks of 24,000 acres?—Nearly £7,000 is the total amount.

29. For what purpose was this money borrowed? Was it to make improvements on land belonging to the borrowers, or for stock or buildings?—I have already explained that the necessity for the money was that the people were split up amongst themselves; some had sided with Mr. Pharazyn, and others wanted to retain the land for themselves.

30. That is no excuse for borrowing money, surely?—Well, Mr. Pharazyn had opened his money-bag for the benefit of these people, and he got 11,000 acres of land.

31. Did the Natives go to Mr. Pharazyn to borrow the money, or did Mr. Pharazyn or his agents offer the money to the Natives?—Piripi and Hemi were the people who were on Mr. Pharazyn's side, and they arranged this matter.

32. That is no answer to my question.

33. *The Chairman.*] Did your wife go to Mr. Pharazyn, or did Mr. Pharazyn go to your wife about this money?—The money-bag was open at that time, and she went and asked for some.

34. *Hon. T. Kelly.*] Who told her the money-bag was open?—The interpreter.

35. What was his name?—Hutton.

36. Was he a licensed interpreter?—Yes.

37. Was he acting on Mr. Pharazyn's behalf, or for some one else?—He was acting for Mr. Pharazyn.

38. When the Natives received the money did they sign a document?—They did.

39. Were the documents interpreted to them, so that they could understand their exact position?—Oh, yes!

40. I wish to know when they signed these documents if they knew they were to be charged 8 per cent. for the money?—Yes, they did.

41. They also knew the rent would not pay interest on the money?—That was not stated.

42. They must have known the amount of rent they were receiving?—The leases at this time had not been signed.

43. Was it simply an agreement to lease?—The first lease had been taken exception to by the Natives, because they found it provided that, after the expiration of twenty-one years, they were bound for another term of twenty-one years, making, in all, forty-two years, to which they objected.

44. What was the date of the first lease?—The first lease was made in the year 1870, and after the expiration of that lease then came in this other lease.

45. That would be at the time when the first lease was about expiring?—It had not expired at the time when this other transaction was entered into.

46. I understand by the terms of the first lease a renewal was to be given for twenty-one years?—That was another lease—the second lease.

47. Which was being negotiated at that time?—Yes; it was the second lease which provided for a term of forty-two years, and that was the one the Maoris objected to.

48. The whole matter was then under negotiation at the time the money-bag was open, as you express it?—Yes; the people were divided into two sections, each trying to get the land. Pharazyn got 11,000 acres, and the others 13,000 acres.

49. The lease to Mr. Pharazyn was completed as far as these Natives were concerned?—Yes.

50. Was it sanctioned by the Court at all?—It was.

51. By what Judge?—Judge Mackay.

52. When was that?—I am not quite certain as to the year; but I should like to say, in explanation, that before Mr. Pharazyn had these 11,000 acres he still went on with further negotiations endeavouring to get the rest of the land as well.

53. I want to know the date when it was before Judge Mackay?—There is the record in the office.

54. With respect to the 13,000 acres, was that also before the Court?—Yes.

55. At the same time?—Yes, it was; but even though that was done, Mr. Pharazyn did not cease in his endeavours to obtain the rest of the land. There was my wife's interest: there was trouble about that. Pharazyn's side contended that she should not be recognised as owner of the acres that belonged to her, but that they had been given to her by Piripi and Hemi, who were on Mr. Pharazyn's side, and she had signed the other lease.

56. *Mr. Graham.*] Did I understand you to say that the name of your wife was not included in the first grant, but that she was afterwards admitted as an owner?—That is so.

57. Do you know what date that was?—In 1889.

58. What was the date when she signed the mortgage; was it before she was admitted as one of the owners or after?—It was afterwards.

59. Did she understand when she signed the mortgage that she was alienating her right to her share of the land in the event of the money not being paid back?—No.

60. She did not understand that? That was not made clear to her?—No; to none of the people who signed that mortgage. I am in a position to say that the matter was not explained to them.

61. You are quite clear that no explanation of the meaning of a mortgage was ever given?—I am absolutely certain that was not explained.

62. What was their impression of the effect of their signing the mortgage?—What they understood was this: that in the event of the money not being paid when it should be, the land would continue to be leased to the European who had advanced the money.

63. That the land should be held as security until the money was repaid, but never that it would be alienated from them altogether?—No.

64. The idea was that the lease would be renewed from time to time to the people who advanced the money until the advances were repaid out of the rents?—The idea was that, if a man found that he could not pay the money he had borrowed, his land was to be set apart for so many years to pay off the sum.

65. Until, in fact, the land earned the money and repaid the advances?—That was it. The owners were not on any consideration agreeable to sell the land.

66. And they never understood that it might be taken from them and sold?—No, they did not.

67. I think you have said that it was never pointed out to you that the interest was very much in excess of the rent?—No, it was not explained to me, nor to any of the persons who mortgaged, that the interest was greater than the amount of the rent. It was not until a year and a half had elapsed that that was said.

68. Until then you had no knowledge of the fact that the interest on the loans advanced was accumulating at a far greater rate than the rent?—It was only when this state of things was disclosed that we recognised the extent of the embarrassment. Then the people commenced to cudgel their brains to endeavour to find means by which the money might be paid back to the European who advanced it, so that the land should be saved for the people themselves. I continually attended their meetings and talked the matter over, and listened to what they said, and they never once proposed that this European's money should not be paid. They wanted to arrive at some just and equitable arrangement that would be equally fair to the European and to the Natives. Then, after this he demanded that these people should sign the deed of mortgage, and threatened them with proceedings in the Supreme Court if they refused to do so, and then their land would be seized and taken from them under this section of the Act of 1896, which has been referred to. When this was sprung upon them as a surprise they realised that an Act had been passed providing means whereby they were to be deprived of their land.

69. I understand the position to be that when your wife was willing to sign the mortgage, she never had it explained to her that the ultimate effect might be the loss of the land?—No.

70. That was never explained to her?—No, never upon any occasion. The interpreter I know well. He is a good man, and he is a man who is entirely up to his work, but he did not say a single word of that kind.

71. *Hon. J. Carroll.*] When did the block go through the Native Land Court?—In 1889.

72. I mean, when was the original investigation?—In 1870.

73. How many persons was the land awarded to?—To ten persons. The land is divided into three blocks, Te Kopi, Te Kawakawa, and Matakitaki.

74. How many persons were put into Te Kawakawa?—Ten.

75. How many into Matakitaki?—I think there were in that also ten.

76. How many into Te Kopi?—About five—four or five persons.

77. Did all the owners for each of these blocks join in the lease?—Yes.

78. To whom did they lease?—To Mr. Pharazyn.

79. When did that lease expire, and when was the renewal?—I do not know the date of the first lease. My wife was not in that lease, and therefore I have no means of knowing it.

80. When did the first lease expire?—In 1891; it must have commenced in 1870.

81. Before that lease expired, did Mr. Pharazyn negotiate with the owners for a new lease?—Yes.

82. In regard to the second lease, was anything completed?—No; Piripi and Hemi were not willing to lease the land at that time.

83. After that, what happened?—At that time, and carrying out this intention, my wife and I made an agreement. This was before she was in the land; but her aunt, Maria te Toatoa, was an owner. When this agreement was drawn up it was taken by the interpreter to Piripi and Hemi.

84. What was that agreement?—An agreement to lease to Mr. Pharazyn; Mr. Pharazyn having signified it was his desire to renew this lease and have it done before he went to England.

85. Who went with this agreement to Piripi and Hemi?—The interpreter, William Iorns, went with the agreement to Piripi and Hemi. When it was shown to Piripi, he threw it on one side and said, "I will not agree that any other person should lease my land." The trouble commenced then. The people split up, and I said to Mr. Pharazyn, "You ought to come over to my side," but he would not listen to me. He said, "No," that he looked upon Piripi and Hemi as the principal owners of the land.

86. After you asked Mr. Pharazyn to come over to your side, what happened?—We were in Wellington, and myself and Te Whatahoro went to Levin's office, and Mr. Pharazyn came there. We wanted some money, and we asked for £25, and he would not give it.

87. I do not want to hear about that at all?—I simply said this to show he refused to have anything to do with me, as he thought Piripi and Hemi were the principal owners. When my wife got her claim he paid more attention to me.

88. When Mr. Pharazyn obtained the lease, about what time did the other man come into the field and get his lease also?—At the time when the negotiations for the second lease were entered into; about the time of the expiration of the first lease, which began in 1870. It was then this other party came in.

89. Te Ama, was it not?—Yes. He came to me, thinking that as there had been a rupture between myself and Mr. Pharazyn he would persuade me to lease the land to him.

90. And your wife leased it?—Yes.

91. How many signed Te Ama's lease?—Many people.

92. How many signed Mr. Pharazyn's lease?—Also many people signed that.

93. After these two leases were signed were they taken before the Native Land Court to define the interest of each lessee?—We came to Wellington, and the leases were brought there, and the area leased to Mr. Pharazyn and that to Te Ama were ascertained.

94. That means that the two leases were submitted to the Native Land Court?—Yes, they were; but nothing was finally complete because each side claimed the whole of the land. It was admitted on all sides that the persons who had signed the lease had done it properly, but each side wanted to get all the land under his own particular lease.

95. The Court did not allow that?—No.

96. When was the area defined as being the allotment to each lessee of the land?—It was not until a considerable time afterwards that the matter was finally settled. Mr. Pharazyn agreed that Te Ama should have the whole of the land; he would give all his over to him.

97. Then subsequently Mr. Pharazyn transferred the rights under this lease to Te Ama; do you know on what terms the transfer was made?—I do not know. That was arranged amongst the lawyers. I no longer took an active part in the transaction.

98. Was there an agreement to mortgage to Mr. Pharazyn?—Yes, at the same time that this was going on about the leases.

99. How many mortgages have they signed? They only signed one document. I saw there were a great number of stamps on that document. As each man signed a fresh stamp was put on.

100. Then, he was taking a mortgage from the Natives at the same time that he was getting the lease? Yes.

101. They signed both deeds at the same time? Yes, most of them did it in this way: the lease was laid before them, and they signed that and immediately got some money.

102. The position then appears to me to be this: that at the present time Mr. Pharazyn has no lease, having transferred it to Te Ama?—Yes.

103. But he is claiming under his mortgage?—That is so, that is what he is doing.

104. You have said in your statement that all along the Native owners of these blocks were willing and anxious that Mr. Pharazyn should not lose his money?—What I said was this: that when the Natives for the first time discovered that the amount of interest they were called upon to pay was in excess of the rent that accrued from the land, they then decided that they must hunt about to find means to pay off the money, so that the land should be prevented from passing under the mortgage away from them. The people who have borrowed only small sums of money are now endeavouring to arrive at the means whereby these may be paid off as soon as possible. These are two women I am speaking of, who have borrowed sums of £20 each, and the amount of the interest they have to pay is much more than the rent they get. They have mortgaged 200 acres, and the amount of rent that they draw is 14s. 6d. each, and they are afraid that their mother's share in the Kawakawa Block will be taken away in satisfaction of this debt.

105. Though the Natives want to save their land by all means, at the same time they do not want to see Mr. Pharazyn done out of his money?—Oh, yes! that is what they wish to do. They wanted to put the Kawakawa Block into the hands of the Public Trustee, so that if possible the land should not pass away from them.

106. You stated that the matter of these lease transactions was referred to the Native Lands Court before Judge Mackay?—Yes.

106A. Did they also go before Judge Butler?—Well, that I do not remember. There was one Court that I was not personally at. I was at that time at Gisborne.

107. Is your wife a successor to any of the original owners duly appointed by the Native Land Court?—No, her interest is her own.

108. How was it made over to her?—It was the original grantees who opened up the means whereby outsiders who had a claim should come in.

109. How did they open that?—This was how it was done: It was upon my wife's application for inclusion that the Kawakawa case was heard. Piripi opposed this, and when the matter came before the Court both he and Hemi stood up and objected, and said that that was not the proper way, that people should not go and get the Court to do it, but they should have come to them, and they would provide for those who were claiming. This was said by Piripi before Judge Mackay in the Court. Judge Mackay agreed to what he said, and a case was set up, with the result that Piripi and Hemi were worsted.

110. Did he agree to put her in?—Yes.

111. Was she the only one of those left who was put into the new title?—Yes; she was by right the principal owner of the land, and had been left out.

112. None of the others were put in by the Court?—Only herself.

113. Can you give us the date of that?—The Court was held in 1889. That was the year.

114. Was her application made under the Equitable Owners Act?—Yes.

115. And she was the only one who appeared in the Court after these others had been left out

of the title?—Yes, although a principal owner of the land, and although her brother was not left out of the original grant.

116. You said in your statement that there were others of the people outside the title who had claims to this land; was it so?—I do not think I said that my wife was the only person who applied for inclusion afterwards. There were other persons who, although they had no right, wanted to come in. They did not get in. It was only those who were put in by my wife who got in.

117. Then, there were others besides your wife?—Oh, yes! she put in some persons with her when she got in—got into the portion of the land which was awarded to her.

118. Taking all the new owners that are at present in the land, have they all signed the deed of mortgage to Mr. Pharazyn?—I am not now in a position to say. Some of them, I think; but I am not in a position to say who signed and who did not sign. They did not all sign I am certain, but there are some who told me that they did so.

119. *Mr. Monk.*] Have the people interested in these blocks sold or leased any other lands within the last ten years?—Yes, they have sold other lands. Piripi has sold other lands of his, and Hemi also.

120. When were these sold?—About the same time; since 1890.

121. At the same time that they were borrowing this money?—Yes, about the same time, during the same years; but these were for different reasons Piripi had mortgaged all his interest, and he was buying a block called Moiki.

122. Have the Natives any school up there? Have they been educated as the Natives usually are?—In my time we had no schools, but schools have been introduced there recently, and our grandchildren attend them.

123. Have you been to school?—Yes; for eighteen months.

124. Do you mean to convey to the Committee the impression that when these Natives borrowed the money they were not aware that the rent received from the land was not sufficient to pay interest on the debt? How could they possibly be ignorant on that point?—How could that possibly be ascertained then when the leases had not been completed?

125. They had a knowledge of about how much they would receive under those leases?—No. This was the position: that the people were divided into parties, and those of one party did not go and ask the people who were identified with the other party what amount of rent they would get; besides, the rent money had not been distinctly agreed upon then. Neither side knew what the other was going to get.

126. When you called on that firm in Wellington to borrow money, did anybody ask you to go there to borrow money?—My wife.

127. Did anybody ask you or your wife to go there and take up money?—No.

128. Was not the money borrowed—this money lent by Mr. Pharazyn—obtained with the ordinary desire of Natives to have money and spend it, and not through being asked by Mr. Pharazyn or anybody else to go and borrow the money?—No; that was conducted in a different manner altogether. After a man had signed he was told, "Here you are; here is money for you." The mortgage was drawn up simply as a means of saying to the Natives, "If you want the money here it is for you." When I came to get the money here in Wellington it was a different matter altogether.

129. When these Natives took that money, did they not realise they must pay it back?—Oh, yes; they knew that; they fully understood that.

130. You said you did not know what the mortgage meant. Are you not aware that mortgages have been in existence all along—that they have existed in this form: that there has been what is called a surveyor's lien on the land, and the land could not be relieved from the liability without the money being paid?—I did not say that; I did not say that we did not understand what a mortgage was.

131. You said you did not understand the land was liable for the money when it was borrowed?—I say that when the Maoris signed they were not told the land would be taken in payment, but they were told that the land would have to pay back the money they were borrowing, and that provision would be made in the mortgage to that effect. Mr. Pharazyn and his agent knew that the money they had advanced was far in excess of the rent, and yet they went on advancing it. The Maoris looked at that in this way: that this was a very desirable pakeha to have to deal with—that he did not want to take the land.

132. You could not possibly believe that the Natives were taking such large sums of money without there being some recourse for its repayment. I wish to explain to you that the statement you made, that the interpreter who came with the document, and who, as you say, was an efficient and good man, but that he did not explain the mortgage, is a very serious accusation, and, if true, it would warrant his being dismissed from his position. Is that the case?—Do you mean because he did not explain it sufficiently to the Natives?

133. You have already stated that the interpreter did not explain the effect of the mortgage—that he did not explain that the land was liable for the money advanced on the mortgage. Is that so?—What I say is this: that the mortgage document, the deed of mortgage, was read out by the interpreter, and that he made no further verbal explanation other than what he read out of this document. He never went on to explain that the land would ultimately be taken for this money. I do not think that is an accusation against him. All he had to do was to interpret.

134. Did not the mortgage state that if they did not pay the money in the course of time the land would be sold—it would be taken possession of, seized: was that stated in the translation of it?—Oh! That is the usual provision in a mortgage.

135. Then, you are confessing to the very point I wish to make. I want to know whether the Natives knew that the mortgage would be ultimately foreclosed if they did not pay the money?—The land would have to pay the money by way of the renewal of the leases.

136. Have you any conception of the amount of rent that would be received under the first lease, that made in 1870?—I have already stated I do not know. My wife was not an owner then.

137. Have you no idea whatever of the amount of money that would be paid per annum for the rent under that lease—whether it would be £300, £200, or £100?—No one knew, for this reason: that there were two agreements, one agreement being held by one section of the people and the other by the other section. If Mr. Pharazyn's lease for the 11,000 acres had been carried out, then the rent money would not have paid the interest on the mortgage. Now, the 11,000 acres and the 13,000 acres have been thrown into one, and they cannot pay off the mortgage.

138. When your wife was negotiating for the lease of her interest, do you mean to say that no statement was made as to the value to be given in the way of rent?—No; because it did not pass the Court, and there was no means of ascertaining what her share would be. It was not until the Court defined the interests that the amount of rent to which each individual would be entitled could be ascertained.

139. You have confessed that the rentals are not equal to the interest on the loan: how do the Natives intend to pay that off?—That is what they are trying to do now. They are trying to discover some means to do it.

140. No proposition?—It is because we have no proposal that we are here.

141. *Hon. J. Carroll.*] You said something about making the land over to the Public Trustee?—We have been talking about that. We do not know whether it can be done or not. What we want is to get the debt paid off and place this land in the hands of the Public Trustee.

142. *Hon. J. Rigg.*] We are now dealing with three blocks—Kawakawa, Te Kopi, and Matakitaki: which block is your wife interested in?—She is in each of the three.

143. Then, your evidence applies to the three blocks and not to a single one?—Yes.

144. You have been speaking of a mortgage on the land: is that on the three blocks or on one particular one?—On the three.

145. When was that mortgage completed?—Does your question mean on my wife's side or with reference to all the parties?

146. I refer to the mortgage deed itself, which would include all the parties?—There are separate mortgage deeds now. In the first place, there was but one; now there are separate deeds. Certain persons have signed one mortgage and others another.

147. Are any of these complete—that is, do they contain all the signatures necessary?—Yes, some of them; but some of them are not complete as yet.

148. Could you give us a list of the persons who have signed those which are complete?—Those whom I know of? My wife is one.

149. Are any of these mortgages registered?—That I do not know. There is my wife, and there is Hemi. Those are the principal persons whom I know.

150. I read in this letter, signed by a number of members of the tribe, and dated the 24th August, 1897, that it was only an agreement to mortgage: is that so?—Yes; that is what I referred to just now when I said that when they signed this agreement they got money. The mortgage deed, properly speaking, was only recently laid before them.

151. What they signed was the agreement to mortgage?—Yes, when they drew the money.

152. We have been talking about a mortgage which does not exist. At the time the land was leased to Mr. Pharazyn, did the Natives consider the rental a fair one?—No; there was trouble about that.

153. We will take the first lease: what about that?—In regard to the first agreement with which I went to Piripi and Hemi, and they would not acknowledge it, I stipulated for £1,000 on my wife's behalf on the whole blocks.

154. And what rent did you receive?—We have never got any.

155. What was the rental you stipulated to receive?—It was Hemi and his people who made the agreement, but I do not know what they asked. But they asked that Mr. John Russell be appointed arbitrator between the parties and say what was the proper rent.

156. In what year was that?—I do not know. I have the document in my possession written by the interpreter, but there is no date to it.

157. Are you speaking of the original lease or of the new one?—Of the new one.

158. Was the indebtedness to Mr. Pharazyn solely for money received, or was any part for goods?—It was all money.

159. Was this money received at various times by the Natives?—Each man went at whatever time he wished to get money.

160. When a Native received money, did he immediately give a receipt for the money he had received?—The receipt was this document I referred to which had so many stamps upon it.

161. Then, the Natives went and got money at various times when it suited their convenience?—This was how it was done: Mr. Pharazyn's agent would say to a particular Native, "Let me see, this is so-and-so." He would then say to him, "Come and sign this lease," and then he would go and sign it and get money.

162. Each time a man borrowed money he was required to sign an agreement to lease?—Yes; I know three persons who went up and signed the lease, and immediately afterwards the agreement to mortgage.

163. In the case of a Native obtaining money on more than one occasion, was he required to sign the lease on each occasion?—No; there were certain persons who had arranged to borrow a certain amount, but did not take it all on their first visit, and arranged that when they wanted the rest they could go and get it.

164. Then, the amount given to each Native was in proportion to his interest in the lease?—

Yes, that was the way it was done; because I myself acted as agent for one of the principal owners in the land. I was authorised to draw money for this person by power of attorney. I had only drawn the money on one occasion, when this person died, and there was a balance of £125 remaining which I could not get.

165. The Natives signed the mortgage as security for the money lent to them: why, then, did they sign the lease at the same time?—Do you mean that if any man signed the mortgage there was no occasion to sign the lease?

166. Why was it necessary for him to sign both?—I am not in a position to reply to that question. Mr. Pharazyn's agents are the proper persons to say why that was required.

167. Supposing this land were taken under a mortgage and sold, would the Natives have any land left to support themselves?—That is a very broad question to answer off-hand. There are so many people in the title I would have to make inquiries right through them all and see who has any and who has not.

168. Has your wife any other land?—Yes, she has other land.

169. *Hon. Mr. Arkwright.*] I think you said that the amount advanced by Mr. Pharazyn was about £7,000?—Yes; I am not absolutely certain as to the exact amount, but it is somewhere about that.

170. And the extent of land that was to be mortgaged as security was about 24,000 acres?—Yes; but, then, there were certain persons in the block who did not mortgage. There are 3,000 acres that I am certain the owners have not mortgaged. I am afraid that now the land will be affected by the mortgage, because one of the owners is dead, and his children have come in as his successors, and they have mortgaged to Mr. Pharazyn.

171. What sort of land is it; is it very hilly?—Yes, it is hilly and rough. It is only sheep country.

172. Have you any idea as to the number of sheep Mr. Pharazyn had on it?—I know what number of sheep there were this year, because I asked the caretaker, and he told me that he sheared twenty-seven thousand sheep this year. Mr. Pharazyn used to keep fourteen or fifteen thousand, or, say, seventeen thousand sheep there. I know that because I was shepherd.

173. *Hon. B. Harris.*] In the event of a Native borrowing from Mr. Pharazyn, would the amount which that single individual borrowed be a charge on all the other Natives interested?—No; only the man who had borrowed would be responsible for the money.

174. *The Chairman.*] We were told by this witness that it was impossible to say whether the rental would be sufficient to pay the interest on the money borrowed, because the leases were not signed when the money was borrowed, but he seems to say since that the agreement to lease was signed at the same time as the money was borrowed. Is that so?—What I said was that I know personally of three individuals who had gone and signed the lease and the agreement to mortgage at the same time.

175. But it was not general?—They went one by one.

176. What I want to know is whether the lease, which you say was signed at the same time that the money was borrowed, was a distinct lease stating the amount of the rental?—Yes; it did set forth the amount of consideration; but there were two leases, and the people were divided. Some signed one lease and some the other. Of course, it is only the persons who signed each lease who know the amount of rental.

177. But they would know at the time of signing whether the interest on the money would exceed the rental or not?—That, of course, is so. For instance, there were two women who had never been to school, and they had 200 or 250 acres given to them by the Court, and the amount of rental they should receive was 14s. 6d. each. Each of these women had borrowed a sum of £20, and were not told by the interpreter, at the time they got it, that the rent-money for this land would not pay off that money which they borrowed. Their husbands were present when they heard what was said, and the trustees on behalf of the children who were interested in this 250 acres were also present. They borrowed £40.

178. Had they not some source of income from which to pay the debt?—There was no proposal made then that it was to be paid off from another source.

179. But apart from any proposal?—I have already explained that these two women who owe this small amount are endeavouring to find some means to pay it off.

180. Have they or have they not other sources of revenue?—No; this is in Te Kopi; but these women are also owners of Kawakawa, and have not borrowed on that.

181. Has their interest in these blocks been defined by the Court?—Yes; their mother is now dead, and they and one other person will succeed to 1,000 acres on the 1st December.

182. *Hon. T. Kelly.*] I understand that when this land was dealt with by the Court in 1870 only ten names could be put in the grant; but there is a provision in the Act of 1867 that names of other persons found by the Court to be beneficially interested can be registered in the Court. Have any names been registered in regard to these blocks in the Court?—I do not know.

183. Did you get a copy of the mortgage deed which your wife signed?—No; none of the people got copies.

184. Who pays the rent now?—Iraia Te Amo and Sinclair.

185. *Mr. Wi Pere.*] Do I understand you to say that it was at the time when there were two persons in opposition trying to obtain a lease over this land that Mr. Pharazyn was opening what you describe as his money-bags?—Yes.

186. Was this done as an inducement to these people to sign his lease, and not to sign the other lease?—That was why it was done.

187. And then afterwards this money was said to be on mortgage; I want you to distinguish between the two periods of time. The money was advanced at one time in this way and for this purpose, and it was said afterwards it was to be mortgaged?—There was only one agreement signed.

188. What I mean is that he said to the people, "Come and sign this lease, and here is money for you," and on a subsequent occasion he called upon these people to sign a mortgage agreeing to pay this money back?—Yes; that was it. There were two Europeans each trying to get the land, and one of them, as a special inducement to sign the lease, offered them money, and then subsequently called upon them to sign the mortgage.

189. Were these the only moneys that are now claimed to have been advanced on mortgage, or were there any other sums of money besides?—Yes; other sums of money have been included with these in the mortgage.

190. Has Piripi other lands except this land?—Small pieces of land.

191. Could not those other pieces of land be disposed of to pay off their indebtedness?—If that was done they would have no place to live on at all.

THURSDAY, 25TH NOVEMBER, 1897.

NINIWA HEREMAIA examined.

1. *The Chairman.*] Are you one of the owners of the land in question?—My father Heremaia was.

2. Is he living?—He is dead, and I did not obtain an interest until after his death.

3. How did you obtain an interest?—By succession.

4. Are there any other children of his interested?—No, only myself.

5. Do you know anything of the circumstances under which your father obtained advances on the land?—I remember asking for some money myself on this land, and my father also got some from Mr. Pharazyn.

6. You got some yourself?—Yes.

7. Before your father's death?—Yes.

8. How did that come about?—I asked for some money and it was given to me.

9. What was the date of that?—On the 16th December, 1890.

10. Were you called on to sign any document?—Yes; I was asked to sign a document which had some stamps on it.

11. What was the nature of the document?—I think that this document was a record of the people who received money, because every one's name who had drawn money was there, and there were stamps against the names of every one as well as my own.

12. Have you signed any document since?—No; but I have been called upon to do so by the lawyer.

13. And have you not done so?—No. These are the documents that I received from Mr. Pharazyn's lawyer. This shows the amounts that both my father and myself received. My father received £67 10s., and I received £51. We have never signed any other document; but this is why the lawyer required us to sign the document that is now wanted to be signed. This is the document:—

DEAR SIR,— Greytown North, 15th April, 1896.

In reply to yours of the 9th, I beg to inform you that Niniwa Heremaia owes about £55, and Heremaia £72. This is subject to interest being added. These amounts are secured to Mr. Pharazyn by agreements to mortgage, which he intends to enforce at once unless the amounts are repaid. Kindly let me know if there is any chance of payment shortly.

Yours faithfully,

Hone Heke, Esq., M.H.R., House of Assembly, Wellington. H. STRATTON IZARD.

Re *Niniwa and Heremaia (deceased.)*

DEAR SIR,— Greytown North, 2nd May, 1896.

The exact amounts due by the above-named Natives to Mr. Pharazyn, calculated up to the 18th of this month, which date is the rent and half-yearly interest day, is the sum of £54 15s. 8d. and £72 12s. 9d. respectively. I have also forwarded to Mr. W. B. Edwards a memorandum of these amounts. Yours faithfully,

Hone Heke, Esq., M.H.R., House of Assembly, Wellington. H. STRATTON IZARD.

To Heremaia Tamaihotua, Table Lands, Martinborough. Greytown North, 26th March, 1893.

As solicitor and agent for Charles Pharazyn, of Featherston, I hereby give you, in terms of the memorandum of agreement to mortgage, bearing date the 16th December, 1890, and made between you and others of the one part, and the said Charles Pharazyn of the other part, one year's formal notice in writing, as required by the said agreement, to execute in favour of the said Charles Pharazyn a mortgage over your lands as mentioned in the said agreement.

The amount due by you up to date for principal and interest moneys is the sum of £67 10s.

H. STRATTON IZARD,
Solicitor and Agent for Charles Pharazyn.

I te mea ko ahau te Kaiwhakahaere i nga mea, te Roia hoki mo Tare Paratini, o Petetone. Koia ahau ka tuku panui nei kia koe i raro i nga Whakaritenga o te Whakamaharatanga Kirimana mo to Mokete i mahia i te tekau ma ono o nga ra o Tihema tau, 1890. I waenga i a koe me etahi atu o tetahi taha, me Tara Paratini o tetahi taha, kia kotahi tau ki muri o tenei ra, ara, o te taenga atu o tenei tono kia koe, i raro i nga tikanga o taua pukapuka kiriimana, me whakaoti me mahi e koe he Mokete kia Tare Paratini i runga i o whenua katoa.

Ko te nama inaianei hūi katoa, te tinana tonu me te takaha me runga £67 10s.

H. STRATTON IZARD,
Roia Kaiwhakahaere hoki mo Tare Paratini.

To Niniwa Heremaia, Table Lands, Martinborough. Greytown North, 26th March, 1893.

As solicitor and agent for Charles Pharazyn, of Featherston, I hereby give you, in terms of the memorandum of agreement to mortgage, bearing date the 16th day of December, 1890, and made between you and others of the one part, and the said Charles Pharazyn of the other part, one year's formal notice in writing, as required by the said agreement, to execute in favour of the said Charles Pharazyn a mortgage over your lands as mentioned in the said agreement.

The amount due by you up to date for principal and interest moneys is the sum of £51.

H. STRATTON IZARD,
Solicitor and Agent for Charles Pharazyn.

I te mea ko ahau te Kaiwhakahaere i nga mea, te Roia hoki mo Tare Paratini, o Petetone. Koia ahau ka tuku panui nei kia koe i raro i nga Whakaritenga o te Whakamaharatanga Kiriimana mo te Mokete i mahia i te tekau ma

one o nga ra o Tihema tau, 1890. I waenga i a koe me etahi atu o tetahi taha, me Tare Paratīni o tetahi taha, kia kotahi tau ki muri o tenei ra, ara, o te taenga atu o tenei tono kia koe, i raro i nga tikanga o taua pukapuka kiriimana, me whakaoti me mahi e koe he Mokete kia Tare Paratini i runga i o whenua katoa.

Ko te nama inaianei hui katoa, te tinana tonu me te takaha me runga £51.

H. STRATTON IZARD.
Roia Kaiwhakahaere hoki mo Tare Paratini.

14. *Hon. J. Carroll.*] At the time moneys were advanced by Mr. Pharazyn were you invited to take some?—The interpreter came to me and said that some of the owners were drawing money, and if I wished to draw money I could have some also. I said "Yes, I should like to have some money."

15. Upon that you went and drew some money?—Then I went to Mr. Pharazyn's lawyer and asked him to give me some money.

16. At the time you drew this money were you an owner in the land?—My name was not in the title to the land; my father's name was.

17. Then, you were not an owner when you drew this money?—No; I went to ask for this money. I was not an owner then, but I went to ask for this money, and left it for the lawyer to judge for himself as to whether I was to have money. He made no objection and paid me the money.

18. When were you appointed successor to your father?—In 1895.

19. Then, you got a notice from Mr. Pharazyn's lawyer to execute a mortgage before you were legally an owner in the land?—The paper that I have handed in shows that. That is the only paper I have had.

20. Can you tell the Committee whether the sum drawn by you was debited to your father as well as to yourself?—No; the money drawn by my father was charged to him, and the money drawn by me was charged to me.

21. What did you do after you got notice to execute the mortgage?—I did not execute the mortgage, but I thought I would return to Mr. Pharazyn the money I had received, which I did in 1896. I repaid the sum of £120.

22. Did you repay at the same time what your father had received?—Yes; that included both what my father had received and what I had received.

23. Do you know of any other cases besides your own where moneys were advanced to those who were not in the title on account of this mortgage?—I believe that the same was done with the others; the money was paid to them before they were the owners of the land—when they were not owners of the land.

24. You cannot say positively that any one was in the same position as yourself—drawing money when they were not owners of the land?—Yes; Hohepa Aporo was one, that is Piripi's younger brother, and his sister Ani Ratima was another. Te Kahu-o-terangi was another in a similar position. That is three I know who were in a similar position.

25. *The Chairman.*] Have they paid it off?—I do not think they have returned the money.

26. *Hon. T. Kelly.*] When you signed this paper with the stamps on it, did you know the nature of the deed you were signing?—Yes; the interpreter explained to me the meaning of that paper.

27. What was the meaning of it?—He said it was a mortgage. He explained to us that we should have three years for returning this money, and that if we were unable to repay it in three years the term would be extended in which we might find the money to return it. He also explained to us that the rents could be used to refund this money.

28. Was this money obtained before the second lease was given by the Natives, or was it after?—It was about the same time, but I think that we had received the money before the second lease was signed. It was about the same time, I think.

29. Can you recollect whether the deed of mortgage was signed on the same day as the lease?—I could not say that it was exactly on the same day that the lease and mortgage were signed. If I had been one of those who signed the lease myself, perhaps I should remember.

30. We learned by evidence given by another Native that some £7,000 was borrowed by the Natives on mortgage. Do you know to what purpose the money was applied by those who borrowed it?—No, I could not say to what purpose the others applied their money. I can only speak with regard to that which was drawn by my father and myself.

31. Do you know whether any considerable portion went to improve land owned by them in the way of fencing, building, and so on?—I could not say, because I live more than thirty miles away. I do not know whether this money was spent for this purpose or for any other purposes.

32. *Mr. Graham.*] Was it before or after you repaid the £120 to Mr. Pharazyn that you were asked to sign the mortgage of your share of the property?—I think it was before; in fact, the date of the papers I have put in would show it was before. I did not sign; instead of signing, I repaid the money.

33. Does the money you repaid represent the whole of your debt, or do you still owe anything to Mr. Pharazyn?—No; that cleared everything off, and I draw the rent clear.

34. So that your share of the property is clear of Mr. Pharazyn?—There is only the lease, and I receive the money for that.

35. *Hon. J. Rigg.*] Did you receive money on more than one occasion from Mr. Pharazyn? Was it only on one occasion or on several?—I went on several occasions to take money—£10 or £20—until the amount came to £51.

36. Did you sign a document on each occasion when you received money?—I signed that paper with the stamps on, I think, two or three times. I fancy it was the same paper.

37. You signed what you think was the same paper on each occasion?—Yes, I believe that was so, because it looked like the same paper, and my name appeared on it above.

38. Was it interpreted to you on each occasion?—No; it was translated to me by the interpreter once, and then I knew what it was, and when I saw I signed the same document.

39. Did you understand, when you signed that document, that you agreed to pay Mr. Pharazyn 8 per cent. for that money?—Yes; the interpreter explained that to me, and I said that was all right.

40. Was it made a condition of your obtaining the money for which you gave the mortgage that you should sign the lease in addition?—No; I cannot say that. I did not sign the mortgage, and there was no need to sign the lease.

41. Do you consider the rent you receive under this lease a fair one?—I must say to this Committee I think the money is very little. There are 500 acres which belonged to my father, and for that I only get £6 a year.

42. *Hon. H. K. Taiaroa.*] Is that £6 the rent for your father's interest, or is anything being deducted in the way of interest?—Before I repaid the £120 we did not draw any rent; but after I repaid that money then I drew £6 rent. That is all I can explain as to that.

43. *Mr. Monk.*] Before you were declared heir to your father, whatever moneys you received you simply signed a receipt for, and no other document?—Yes; it was a receipt stamped as a receipt that I had received so much money.

44. There was no mention of any other form of agreement that might ultimately be made with you?—It was explained that if this money was not paid in the time there would be another document, and the document I have put in was the one which followed.

45. It did not follow until you were in the title?—No, it was before that. These documents are dated 1893, and my father died in 1894, and it was not until 1895 that I became an owner.

46. You are sure that your father died in 1894?—Yes. These papers came to us in 1893, and that is the last paper I had anything to do with, and my father died in 1894.

47. Did the interpreter ever say to you that you should induce your father, or suggest to him, that he should sign the mortgage?—No, he did not say anything about it.

48. Did he ever mention that the two amounts, the £51 and the £67, should go together and be put in the mortgage made by your father?—No, he did not say that; but when we took the money it was said that if we could pay it within the three years that would be all right, and that the rent would go towards paying off what we owed. Then, subsequently, it was suggested that if we could not repay this money it should be placed under a mortgage. But the mortgage document never came to my father or myself. That document which I have put in is the only one that was ever presented to us, and the receipt for the money. Those are the only two papers.

49. That is to say, you borrowed money, and you were given to understand that if you did not pay in three years you would be called upon to give a mortgage?—We were to pay this money within three years, and if we could not we were to have an extension of time.

50. Was there an understanding that there would be a mortgage deed placed before you then?—It was arranged that if we could not repay the money in the time, a mortgage could be arranged fixing the time in which we should repay it.

51. I gather from you that you understood that if the money was not repaid in three years there would be an extension of time in which it could be paid, but there would be security taken in the form of a mortgage?—When we received the money we understood we were to have three years in which to repay it, but, failing that, we were to have an extension of time with a mortgage.

52. Then, you paid at the end of three years, avoiding the complication of a mortgage?—We paid interest for this money until it was repaid; and that is really all I know about it.

53. *Hon. J. Carroll.*] Are you clear that you paid interest for this money?—I suppose so, because we did not draw any rent during that time, and I presume that was held back for interest.

54. *Hon. T. Kelly.*] I understand that you are entitled to 500 acres of land in these blocks. Has that 500 acres been cut out for you, or is the 500 acres somewhere in the block, but not located by survey?—It has been subdivided by the Court, but, as far as I know, there has been no detail survey.

55. Are there several others with you?—My section is in my own name.

56. Do you not know the locality?—No.

57. What I want to bring out is this: According to your statement, you get £6 a year for 500 acres, or at the rate of about 3d. an acre. If your section is to be taken as only somewhere in the blocks, then that would represent the average rental of the whole of the blocks?—Here is a document which shows the rentals paid for the Matakitaki Block:—

MATAKITAKI PORAKA.

NGA tangata o te Karaati tuturu i te whakataunga tuatahi e Te Kooti Whenua Maori: (1) Piripi te Maari (2) Karauria Hape, (3) Heremaia Tamaikotua, (4) Hemi te Miha, (5) Maraea te Toatoa, (6) Ihapera Turakirae, (7) Ani Pikonoa, (8) Riria Tauhinu, (9) Hohepa te Whanga, me (10) Tiopira Tahana.

Nga Tangata o te Karaati Tuturu.	Nga Kai-riiwhi.	Nga Kai-tiaki.
(1) P. te Maari	(1) Eruha te Maari, (2) Te Kahu te Maari, (3) Arapata te Maari, (4) Nikorima te Maari, (5) Te Whanautane te Maari	Eruha te Maari.
(2) Karauria Hape ..	(1) Hiria Karauria.	
(3) Heremaia Tamaikotua ..	(1) Niniwa Heremaia, (2) Paraone te Manawa-kawa.	
(4) Hemi te Miha ..	(1) Heta Hemi, (2) Te Ngaere.	
(*a*) Ihetere Hemi ..	(1) Te Ngaere Hemi.	
(*b*) Tuiha Hemi ..	(1) Heta Hemi, (2) Te Ngaere Hemi.	
(5) Maraea te Toatoa ..	(1) Ruihi Aporo, (2) Hui te Miha, (3) Iraia te Whaiti, (4) Hone te Whaiti rite tonu nga Hea	Aporo Hare.
(6) Ihapera Turakirae ..	(1) Heta Hemi, (2) Te Ngaere Hemi.	
(7) Ani Pikonoa.		
(8) Riria Tauhinu	(1) Ropoama Meihana, (2) Haromi Otene.	
(*a*) Haromi Otene ..	(1) Ropoama Meihana.	
(9) Hohepa te Whanga.		
(10) Tiopira Tahana.		

Te Wawahanga o nga eka me nga moni reti me ia hea o ia tangata oia tangata :—

Ingoa o nga Tangata.	Nga Eka.	Moni Reti.
	Eka ruri paati.	£ s. d.
Matakitaki Nama 1—		
1. P. te Maari	580 0 0	7 3 6
2. Ani Piteonoa	425 0 0	5 4 9
3. Hohepa te Whanga	430 0 0	5 6 0
4. Ropoama Meihana	215 0 0	2 13 0
5. Haromi Otene	215 0 0	2 13 0
6. Heta Hemi	159 1 20	1 19 3
7. Te Ngaere Hemi	265 2 20	3 5 6
8. Hemi te Miha	430 0 0	5 6 0
9. Heremaia Tamaikotua	500 0 0	6 3 6
10. Tiopira Tahana	440 0 0	5 8 6
Matakitaki Nama 2—		
1. Ruihi Aporo	..	2 2 9
2. Hui te Miha	..	2 2 9
3. Iraia te Whaiti	..	2 2 9
4. Hone te Whaiti	..	2 2 9
Matakitaki Nama 3—		
1. P. te Maari	50 0 0*	..
Matakitaki Nama 4—		
1. Huria Karauria	..	6 6 0

MATAKITAKI BLOCK.

THE persons named in the Crown Grant issued on the first judgment of the Native Land Court: (1) Piripi te Maari, (2) Karauria Hape, (3) Heremaia Tamaikotua, (4) Hemi te Miha, (5) Maraea te Toatoa, (6) Ihapera Turakirae, (7) Ani Pikinoa, (8) Riria Tauhinu, (9) Hohepa te Whanga, and (10) Tiopira Tahana.

The Names of the original Grantees.	Successors.	Trustees.
(1) P. te Maari	(1) Eruha te Maari, (2) Te Kahu te Maari, (3) Arapata te Maari, (4) Nikorima te Maari, (5) Te Whanautane te Maari	Eruha te Maari.
(2) Karauria Hape	(1) Hiria Karauria.	
(3) Heremaia Tamaikotua ..	(1) Niniwa Heremaia, (2) Paraone te Manawa-kawa.	
(4) Hemi te Miha	(1) Heta Hemi, (2) Te Ngaere.	
(*a*) Ihetere Hemi ..	(1) Te Ngaere Hemi.	
(*b*) Tuiha Hemi ..	(1) Heta Hemi, (2) Te Ngaere Hemi.	
(5) Maraea te Toatoa ..	(1) Ruihi Aporo, (2) Hui te Miha, (3) Iraia te Whaiti, (4) Hone te Whaiti rite tonu nga Hea	Aporo Hare.
(6) Ihapera Turakirae ..	(1) Heta Hemi, (2) Te Ngaere Hemi.	
(7) Ani Pikonoa.		
(8) Riria Tauhinu	(1) Ropoama Meihana, (2) Haromi Otene.	
(*a*) Haromi Otene ..	(1) Ropoama Meihana.	
(9) Hohepa te Whanga.		
(10) Tiopira Tuhana.		

The subdivision of the area and rent money showing the shares of each person respectively.

Names of Individuals.	Area.	Rent Money.
	A. R. P.	£ s. d.
Matakitaki No. 1—		
1. P. te Maari	580 0 0	7 3 6
2. Ani Piteonoa	425 0 0	5 4 9
3. Hohepa te Whanga	430 0 0	5 6 0
4. Ropoama Meihana	215 0 0	2 13 0
5. Haromi Otene	215 0 0	2 13 0
6. Heta Hemi	159 1 20	1 19 3
7. Te Ngaere Hemi	265 2 20	3 5 6
8. Hemi te Miha	430 0 0	5 6 0
9. Heremaia Tamaikotua	500 0 0	6 3 6
10. Tiopira Tahana	440 0 0	5 8 6
Matakitaki No. 2—		
1. Ruihi Aporo	..	2 2 9
2. Hui te Miha	..	2 2 9
3. Iraia te Whaiti	..	2 2 9
4. Hone te Whaiti	..	2 2 9
Matakitaki No. 3—		
1. P. te Maari	50 0 0*	..
Matakitaki No. 4—		
1. Huria Kauraria	..	6 6 0

*1. Rahui.

MONDAY, 29TH NOVEMBER, 1897.

Mr. CHARLES PHARAZYN examined.

1. *The Chairman.*] You are the leaseholder of the three blocks, Kawakawa, Te Kopi, and Matakitaki?—Yes; but I have since assigned the lease. If the Committee would allow me to make a statement with regard to my connection with those blocks it might save time and probably lead to the whole of the present proceedings being upset. Most incorrect statements have been made with regard to these transactions, and a very erroneous impression has been created apparently. It

has been assumed that I have been the means of doing a great wrong to the Natives, and the position seems to be that I am brought here almost as a criminal to defend myself in consequence of a letter written by some Natives, making statements which are utterly unfounded in fact, as I hope to be able to show presently—statements which will not bear investigation. When that letter was submitted to me I saw that the statements it contained were inaccurate, and that two-thirds of this inquiry were unnecessary. I will be as brief as possible, but I think I shall be able to show that the statements which have been made publicly are one-sided and inaccurate. I am accused of having advanced money in order to get land from Natives who would become absolutely landless. In the first place, I do not get an acre of this land, as I shall show by documentary evidence. As to the Natives being landless, I, of course, took steps to ascertain that every one of these Natives held other lands, some of considerable value, and any one who has any knowledge of Native law must know that it is impossible to make a Native landless by mortgage, because the Court will not sanction it. It is an absolutely false idea that it can be done. If a mortgage is brought before a Judge of the Native Land Court he has to satisfy himself that the Native owners of the land have other lands belonging to them. Therefore I could not possibly make them landless; and if I advanced money to them with that idea I should have to suffer as others have done. These Natives will, of course, like most of the Natives of the present day, live in idleness; but I do not see that they should live in idleness at my expense, and that would have been the position if I had not taken some steps to secure myself for the moneys that I had advanced to them. In order to make the matter clear I may explain that this was not a matter into which I went as a matter of speculation. For over fifty years I have been in occupation of land in this district, and had constant dealings with the Natives. From my childhood I may say that the most friendly relations have existed between myself and the Natives there—the fathers and mothers of those who are now moving in this matter. I have constantly advanced them money and got them out of difficulties, so that when they got into difficulties they would come to me and I would assist them. I did this through friendly feeling for them; but, naturally, as any one would do, I protected myself, under the law as it then stood, and as it ought now to continue to stand. I may just say this: that the effect of passing this proposed law would be to absolutely ruin these Natives. That is undoubtedly the case as matters stand at present. I might at any time, if I wished to get hold of the land, have sold them up long ago; but I have given them every opportunity to retrieve their position, and I shall continue to do so.

Now, I will recite the events which led up to this transaction. When my leases were near expiration, which was in May, 1891, I entered into fresh negotiations, and on the 23rd December, 1889, I obtained fresh leases. That date is important. These leases were signed then, and dated from May, 1891. These leases were signed by the principal debtors amongst those connected with the present investigation—not by the whole of them, but notably by the parents of those who are movers in these matters. I refer to Piripi te Maari and family. It is very important to remember that date. The principal ones signed on that date, but the smaller ones afterwards. Having got these leases, I afterwards found myself in this position: that I had already made advances to these Natives, and that we were constantly in a state of debtor and creditor account between us, and they already owed me some £800 or £900. Now, I wish the Committee to see clearly what my position was. These Natives were my landlords, and were owing me money, and the law allowed the Natives absolute free-trade in their land, with rights to sell, rent, or mortgage. Now, obviously, to secure myself for the amounts then owing to me by them, and for amounts they were certain to want in the future, the only thing I could do was to take security from them. They were then in that condition that they were running after any one who had money, in order to get some, and would it not have been absolute folly on my part, and that which no man with any sense would have done, not to take the security, which the law specially provides in such matters, and prevent others interfering with my business? Obviously the only thing I could do was to take security. That was in the form of a deed of agreement legally drawn up and absolutely secured under the then existing law, for there was nothing against it. That deed of agreement was drawn up on the 16th December, 1890, and signed by the Natives as they drew money. Their debts had been accruing before that date. I am now represented by people who have no friendly feeling towards me as being anxious to acquire this land from the Natives, and as having distributed money amongst them for that purpose. It is a most absurd accusation to make, and I protest against it. What I say is this: I was bound to get security for the money I had advanced to these Natives, and my solicitor asked me to what amount I would go, and that they were not going to lock up their lands unless they knew what definite limit I would put upon the advances. I said, perhaps somewhat hastily, that I was prepared to go to the extent of 6s. 8d. an acre, which was under the property-tax valuation. But I said, "I wish to avoid any further advances." It was only on compulsion that any further advances were made. They were in difficulties, and they would have to get money. If the Committee will allow me, I will read an extract from a letter from my solicitor in January, 1891. This was about a month or so after the agreement was signed. He writes as follows: "I enclose account of Native advances to date. You will see that Piripi, Hemi, and Te Kooro have drawn about half, and Hohepa rather more than half. Te Ngaere has also drawn more than half, while Ropoama has drawn all but £13. He drew the balance yesterday to pay bills with—at least, I paid the bills, as they were all pressing ones. Now he is up to his limit he is greatly staggered, and was very irate with my refusing him even the £13, but I did not give him any cash for himself. I will try to prevent other Natives drawing as he has done, but I am afraid I cannot stop them, as they know how much they can have." That seems to be a complete answer to the statement that I have been showering money upon them, and if the Committee chooses to examine Mr. Izard, my solicitor, they will find that I objected to make any advances which might lead them into difficulties. I must repeat that that disposes of the point that I was showering money upon them in order to obtain their land. The only thing on

which I take some blame to myself was that I was too good-natured in the matter. You will understand that I had been for a lifetime in relationship with them, and I could not see them in difficulties without holding out a helping hand to them. They were being constantly summoned for debts which they owed, and they were in constant difficulties. I continually pointed out to them that if they went on like that the result would be that their land would be taken from them, and I strongly advised them not to get into debt. They themselves know that the statements made here with regard to the matter are the greatest nonsense. Some of the cases which have attracted most attention are those in which the advances have exceeded 6s. 8d. an acre. There are only a few of these, and amongst them is that of Piripi te Maari, and that case was mixed with a large amount of other transactions. They were all people who thoroughly understood the nature of a mortgage. Piripi had some other land in which he was interested. This land had been mortgaged, but the amount which he would receive in the event of selling under the mortgage would not have been sufficient, and he acquired the equity of redemption so as to save it, and he came to me to borrow £2,000 in order to save him. This was quite independent of the other transaction. There was no possibility of my making anything out of it, but I wanted to protect his land, as the people with whom he was dealing were wanting to get his land. I therefore advanced him the £2,000, with the result that he paid off the mortgage and released the land, repaid me, and made a very good thing out of it. That shows the sort of arrangement there was between us. As he had always been an honourable and straightforward man I allowed him to go beyond the amount I had specified as a limit to the advances. There were several cases in which he was engaged in expensive lawsuits, and I thought he was entitled to protection in regard to them. Here is a copy of a letter which I wrote in July, 1889:—

Wellington, 1st July, 1889.

Piripi te Maari, Wairarapa.

Dear Sir,—In reply to your request for an advance of two hundred pounds (£200) in sums as required from time to time to pay expenses which may be incurred in connection with the claim you and other Natives are making to the Wairarapa Lake, I am willing to make advances to you to that extent. You can make use of this to show that you will have this sum available for the purpose, and any advances so made will be noted on this till the whole amount is drawn.

I am, &c.,
C. Pharazyn.

He got that £200. A number of things turned up after I made this arrangement with regard to the 6s. 8d. an acre. There was, for instance, the survey, for which I had to pay £250, and there were very heavy costs in getting the land subdivided which I had also to pay. This was all cash out of pocket. There are expressions used in connection with these matters, as far as I am concerned, with regard to which I should like to use the word "shameful," or even a stronger term if it were parliamentary. It has been published in *Hansard* and has been publicly stated that I have been trying to take them in; that I have been trying to induce them to sell this land to me by advancing money to them, and other accusations which no honourable man could stand, which no honourable man could hear without feeling indignant. I advanced all this money simply with the idea of benefiting the Natives, and for their immediate advantage. Mr. Izard's letter shows that when he made these payments there were showers of summonses out against these Natives, and that they owed money in all directions, and he advanced this money mainly to get them out of their difficulties. What I want the Committee to understand clearly is that I made these advances honestly, and in good faith, for the advantage of the Natives, and with no desire to get the land, and that they were made in full reliance on the law as it then stood, the accepted theory being then that the Maoris and Europeans should be on the same footing in respect to the dealing with land. That was the accepted policy of the country at the time, and therefore I concluded that the security for my advances was perfectly good unless some one should come in behind me and get a mortgage. Now, what is it the Natives come for? They come to ask relief from a position in which they intentionally put themselves. It has been stated that they have to pay 8 per cent. for this money. That is not the case. The interest is only 7 per cent., and the rest comes under the penal clause in case the rent should not be sufficient to cover the interest, and if not paid within a certain time. But I gave them the option to pay the debt off at any time, and I had to give them a year's notice to exercise that option. That surely was fair to them. They have security now to offer if the law remains as it is, and there is nothing to prevent these men borrowing money at 4½ per cent. and paying me off. I do not desire to have the land, and, as I shall explain, it will not come to me. I cannot put the matter in a fairer position than that. With regard to Piripi's case—and it rather amuses me—I found on inquiry into the matter that some of my money was used by him to buy two acres of land in Greytown, with a house, and therefore he lived in that house on my money. I will now take Aporo te Kumeroa's case. That is a case which stands on an entirely different footing, and I cannot think that the Committee have the facts clearly before them. I do not see how he came into the matter at all. He was no party to this transaction. Te Ruihi gave a mortgage over the whole of her land in September, 1893. The transaction was brought before the Trust Commissioner on the 30th September, 1893, and, as proof that my transactions were perfectly straightforward and proper, the Court passed it without any hesitation. It is quite clear that this mortgage cannot be touched by law. However, I have no interest in it, as it has passed out of my hands. Of course, as everybody knows, if a Native is asked the question, and he sees a chance of being relieved from a debt, he will take it; but to say, as this man Aporo did, that he did not understand what the meaning of a mortgage was, is absurd. He is an educated man. He was examined, and gave his evidence in Maori, but he understands English as well as I do, and he understands what a mortgage is just as well as any man. I lent him £100 on a house he has in Greytown, and I had constant applications from him to advance him money; and to say that he does not understand what a mortgage is is positively absurd. I see that he says that the money was raised in his case on account of his wife's illness, and that the debt was £1,300. I think, if the Committee knew the real facts of the case they would be of opinion that I would have been very hard-hearted if I had refused to advance this money. The woman's case was a

very serious one. She had been ill for two or three years, and had almost been given up by the doctors, and it was put to me that I should advance the money or she would die. How could I refuse under the circumstances, particularly when she had security to give me for the money? I did not refuse, and it would have been very hard-hearted if I had done so. Now, as to the fairness of the rent, that seems to have impressed many gentlemen because it is low as compared with the large area of the block; but, as giving an indication of the value of the land, I may say that the land-tax valuation was £9,750, and the rent is £450 for the first term of seven years, £500 for the next, and £550 for the third. That is about 5 per cent. on the land-tax valuation, which I think one will see is very fair indeed. Of course, the property has increased in value considerably since that time, and I expect that at the present moment the land-tax valuation is very much larger. I am now speaking of the whole 25,000 acres. In order that there should be no doubt about the fairness of the rent, and to satisfy myself, I referred the matter, before finally closing, to Mr. J. P. Russell, who was formerly in occupation of this land; and after carefully considering the whole question he fixed the rent at about £100 a year less than I paid. I think that is pretty good proof that it was a reasonable rent. But the property has gone from me now, and the rent at some future time will be very much larger no doubt. Of course, if I had any desire whatever to get the better of these Natives, and to get these lands into my possession, all I had to do was to proceed against them long ago and get a charging-order against the land, when it would have been sold, and I could have bought it. Instead of that, time has been lost over all these matters, and I think Mr. Hone Heke has been partly the cause of that in the friendly interest he has been taking in trying to get the Natives out of their difficulties. I said to him that I would not press these Natives, but would give them ample time and let them go on for a year without taking any steps. That shows that there was no desire on my part to press my claim unduly. I do not think the Committee has had any explanation of the statement that has been made that I have all this interest in the property, and am going to get this land. I may state that I have sold the whole of my interest to Te Whaiti and Sinclair. I have sold to them all my freehold, my leasehold, and also my rights to these Natives' debts, and they have kept all the accounts since the 10th July, 1893. The matter had become very complex. It had been brought before the Supreme Court, and it was impossible to settle these people's rights, and I said to Te Whaiti, "In order to get out of this difficulty, I will either sell to you, or you shall sell to me." He wanted to buy, and he bought it, together with the book-debts, and the agreement to mortgage. I am advised, in respect to that mortgage, that, as part of the agreement is that I am to complete the mortgages, the result of the proposed legislation would leave an open question as to who would be liable, and that it would lead to endless litigation. I do not suppose that I could be compelled to complete the mortgages if the law prevented my doing so, and therefore I shall not be a loser; but still it is a matter of doubt, and would very probably lead to a law-case. I wish the Committee to see how very dangerous it is to interfere with private rights. I sold my rights to these men on very easy terms. They had not sixpence to pay me, and they got from me over £18,000 to enable them to obtain this land. They are doing very well now, and if there were any interference with our terms of agreement it would be a serious matter, and would most likely lead to a lawsuit, which it might take years to settle, and we all know what that means. This legislation must lead to a mass of complications, whereas if the law is allowed to remain as it is it will be best for all parties. I shall take my remedy, as far as necessary, if the Natives succeed in this movement to avoid the payment of their just debts. I think they will find their best course is not to do so. With regard to the accounts, since 1893 I may say that I have not kept any accounts, and therefore I cannot say anything as to the correctness of the accounts since that time. I can only say that the figures stated in the discussion in the House were absolutely absurd. One great discussion was as to the 425 acres on which it was said that I advanced £500. The person to whom I advanced that money had 1,280 acres of land. That statement, therefore, was manifestly wrong, although made by a high authority in the House, and so it is with the whole of the statements; they are all absolutely wrong. The figures given are wrong, and the acreage of the land is wrong, and everything stated connected with it is wrong.

Hon. J. Carroll: The accounts will show that.

Mr. Pharazyn: I am not prepared to admit that the accounts which have been submitted to the Committee are correct, as I am not responsible for them after July, 1893. It has been stated that the Natives are willing to pay me, but that the security must not be left on the land. Of course, that is equivalent to robbing me of the whole, for if I do not get the security of the land I shall get nothing. A Native will not pay unless he has the land.

I have made a note with regard to a few points in the evidence already given, and if you will allow me I should like to point out how wrong that evidence is in many respects. There are not very many points, but it is quite evident that it is not as valuable as if it had been subject to cross-examination so as to check the evidence of the witnesses. It will, however, be a guide to the Committee, and better than asking me questions if I call attention to these points. To begin with, in the second paragraph of the letter written by these Natives there is this sentence: "While they were conducting their negotiations for obtaining names (signatures), Mr. Charles Pharazyn's agent made arrrangements for advancing moneys, it being known that if any of our number (that is, our parents) wished to obtain moneys they should go to him. This was the commencement of our disaster; and upon this the majority of the people signed the lease to Mr. Charles Pharazyn." From reading that statement it would be assumed that I had induced the parents of these people to sign these leases by advancing them money. The answer is one of fact. These men signed the leases on the 23rd December, 1889, and the agreement to make these advances was on the 16th December, 1890. The charge is that I held out this inducement to them to sign the leases by giving them money, whereas as a matter of fact they signed the leases a year before they got the money. That is a very important

point. Then we come to the schedule of rents, and here again all the figures are wrong. For instance, I see Hemi te Miha is put down for £38, whereas it should be £56. There are several points, particularly in the Hon. Mr. Carroll's statement, which involve rather legal questions, but I will not refer to them, as I understand the Committee is going to take the evidence of legal gentlemen, who will be better able to deal with them. I think all the statements of rent are incorrect, and the acreage is also incorrect. I do not know where they are taken from. There is one paragraph in Mr. Carroll's evidence to which I should like to refer. He says:—"We do not take away any title from Mr. Pharazyn. He has no registered title at present; the mortgage has not been executed. The alteration of the law has simply altered his position to this—that it has given him the right of getting a title under his contract." But that is what is proposed to be taken away from me; that is taking away my right to have a mortgage. Then he says we are to return to the position in 1894. Of course, like many Acts of Parliament, that was passed without any knowledge of the existence of cases like mine. I was in England at the time, and when I came back I found my rights were gone and I could not do anything under the Act of 1894, and I could not do anything before because the year's notice I had given to the Natives had not expired. In the fifth paragraph from the bottom of Page 3, there is this sentence in Mr. Carroll's evidence:—"The essence of the Bill is simply to put these transactions back to their original position when the Act of 1894 was passed." The original position was that I had a right to a mortgage, but the Act of 1894 deprived me of that right. The Parliament in its wisdom in 1895, saw how wrong that would be, and by the Act of 1895 reinstated my right, but in such a way that lawyers differed as to whether a clause of that Act would cover mortgages. It put me in the position to recover my debts. All that was done in 1896 was to put in the word "mortgages," which should have been in the Act of 1895, as it was clearly intended that it should have been there, and that put me back into my position as before the Act of 1894. On page nine, towards the bottom, the Hon. Mr. Taiaroa asks, "Are there any restrictions on these three crown-granted blocks?" And the answer is, "No, the titles are open." It was stated in the House, I think by the Premier, that I acted illegally in advancing money on land of which the title was restricted. That of course is wrong. My title would not have been legal if that had been the case. I see the answer to the third question from the bottom on the same page is, "Judge Butler told me the matter came before him. He said that he tried to persuade the Natives not to borrow the money." I see that Aporo te Kumeroa gives very distinct evidence in answer to questions 8, 9, 10, and 11 on page 11. He is asked, "When your wife was included in the mortgage deed was it with your consent?" And he answers, "Yes, it was with my consent." Questions 9 and 10 and their answers are these: "Then do you not disapprove of it now?—No one objects to the mortgage; but what they do object to is this: they do not want the land to pass away. They want an arrangement which will enable them to pay off the mortgage and keep the land. Do they know that that can only be done by an arrangement for the payment of the money?—No such provision as that was made at the time the agreement was first entered into." Of course the deed of mortgage was interpreted to him, and every possible means taken to make him understand it, and for a man like that to say he did not understand it is the most extraordinary statement I ever heard. Then in answer to the Chairman, question 33, who asked him, "Did your wife go to Mr. Pharazyn or did Mr. Pharazyn go to your wife about this money?" he says, "The money-bag was open at that time, and she went and asked for some." I do not know in what sense the money-bag could be said to be open. As I have already explained, these men came to me, and if this man's wife were before you now she would say that I saved her life by advancing them money. There was no money-bag open in the sense in which they use the term. I would have been very hard-hearted if I had allowed that woman to die, and so I advanced them money. In answer to questions 41 and 42 he says that they did not know the amount of the rent because the leases were not signed, but as these leases were signed in 1889 that evidence is perfectly worthless. In answer to questions 59 and 60 he again says that he did not understand the mortgage, but if any white-man came before the Committee and said he did not understand a mortgage the Committee would laugh at him, and this man understood it quite as well as most white people. Again at page 13 Mr. Carroll asks question 100, "Then he was taking a mortgage from the Natives at the same time that he was getting the lease?" He answers "Yes." Of course the reply is wrong, because there was no mortgage being taken at all; it was an agreement. Mr. Carroll goes on:—"They signed both deeds at the same time? Yes, most of them did it in this way: the lease was laid before them, and they signed that and immediately got some money." I have looked at my books and taken the date of the agreement, and I think there is only one who got money at the time, but the assumption from this answer is that the agreement was used as a means to induce them to sign the lease. There were some small owners who signed, but as far as I recollect none got money at the time they signed the lease. Unfortunately my books will only give partial evidence, because they do not come up to date. There is no account of transactions since July, 1893. I see that in answer to question 161 the witness makes the same statement, but that is also incorrect.

2. *Hon. J. Carroll.*] According to your books only a few received money when they signed the lease?—Yes, only one, or, perhaps, two quite small owners.

3. *The Chairman.*] Question 161, and the answer, are these: "Then, the Natives went and got money at various times when it suited their convenience?—This was how it was done: Mr. Pharazyn's agent would say to a particular Native, 'Let me see, this is so-and-so.' He would then say to him, 'Come and sign this lease'; and then he would go and sign it and get money." What do you say with regard to that?—That is absolutely incorrect.

4. Again, on page 17 we have these questions and answers: "Do I understand you to say that it was at the time when there were two persons in opposition trying to obtain a lease over this land that Mr. Pharazyn was opening what you describe as his 'money-bags'?—Yes." "Was this done as an inducement to these people to sign his lease, and not to sign the other lease?—That was why it was done." What do you say with regard to that?—I say that, clearly, not one of the men who signed that letter could possibly make such a statement, because the dates show that most of the

signatures to leases were obtained long before the advances were made. Some of the smaller ones got money afterwards, but the money was not given as an inducement to get signatures to the leases.

5. Then we have this further question: "What I mean is that he said to the people, 'Come and sign this lease, and here is money for you'; and on a subsequent occasion he called upon these people to sign a mortgage agreeing to pay this money back?—Yes; that was it. There were two Europeans each trying to get the land, and one of them, as a special inducement to sign the lease, offered them money, and then subsequently made them sign the mortgage." The inference I should draw from that is that the mortgage was an afterthought, and that the money was given, as we know it often is given, to the Native lessors as a sort of bonus: and I should claim it afterwards? —That is absolutely untrue. I wish to draw the attention of the Committee to the fact that many of these questions are put to the witnesses in such a way as to be really leading questions to which any solicitor would at once object. They are distinctly leading questions, and a Native will say anything you like if you only ask him in that way. The last evidence is that of Niniwa, which I have only just received, and have had scarcely time to look at. But she makes some extraordinary statements—amongst others, that she had no title when she signed the lease. That, of course, is absurd, because her signature would not have been taken if she had no title. She has honestly paid her debt.

6. She was in the deed?—She was. She says she did not come in until 1895. That cannot be so or she would not have signed.

7. In answer to question 45, on page 19, she says that she was not in the title?—It is not likely that my solicitor would have taken her signature if she was not in the title.

8. *Hon. J. Carroll.*] Are you prepared to say she was an owner?—I can only take the fact that her signature is here. She honestly paid her debt, and that I take as proof that the others should do the same. There is a vast amount of unfounded statements in this evidence, but I do not think it is necessary to take up the time of the Committee in referring to them. In conclusion, I may say that I shall only be too happy to give every information in my power. There is nothing to cast the slightest discredit on me in the whole transaction; and, such statements as have been made with regard to me having been published, I think it is only fair that in some form or other my defence should also be published. In my whole lifetime I have never been subjected to such imputations as have been cast against me with respect to this transaction, and I feel that I have been very hardly used. Of course, the passing of the proposed Bill in the form in which it is at present could only be justified by there having been absolute fraud on my part, and I can assure the Committee that if it were passed with that idea it would be more painful to me than the loss of my money. Of course, I object also to retrospective legislation. Whatever my rights may be under the law it would be a monstrous thing to take them away except in the case of real fraud.

9. *The Chairman.*] When you began to make these advances, was it your desire to buy the land?—No, I never desired to buy the land.

10. The advances which were made before you began to estimate the value of the land and to give instruction to your solicitor as to the limit to which he was to go; what were they? Had they relation to the debts by the Natives to which you referred as being in existence?—When this agreement was signed we had a meeting with the whole of the Natives, and went into the accounts quietly, and each Native signed an acknowledgment that the debt was incurred. That was put into the agreement, and all signed that. It was made up of various amounts.

11. The advances you made were at their earnest request?—Yes.

12. And to enable them to pay off debts they owed to other people?—Yes, mainly.

13. What was done with the money you advanced to them beyond their requirements to pay their debts?—Well, partly on the expenses of survey, and in law costs in connection with subdivision, which, I must say, are almost criminally great. Then, in the case of Piripi, as I have explained, he bought land and a house at Greytown. I cannot say positively how the money was spent, but I should say it was fairly well used. Of course, Natives will use money in a reckless manner sometimes.

14. Was the rate of interest 8 per cent.?—The rate is 7 per cent., with a penal clause if not paid within a certain time.

15. As a matter of fact you state that you only charged 7 per cent.?—Only 7 per cent. till 1893. The debts which I sold in 1893 were these: [See Exhibit B.] The covenant I then entered into, after reciting these debts, goes on to provide that they shall be taken over as part of what I sell, subject to my getting the mortgages complete in accordance with the agreement. Then, I am prohibited under this covenant from making further advances to the Natives, with the exception of those for surveys. There was a survey I had to pay for immediately afterwards, and which was divided among the people, which cost, I think, £239 19s. 11d. In addition to this there were some other amounts, particularly in the case of Piripi, who was to give other security if called upon.

16. It has been stated that the alteration made by the Act of last year by the insertion of the word "mortgages" was made at the request of a solicitor in Wellington—either Mr. Loughnan or Mr. Morison—and, according to the Hon. Mr. Smith's evidence, I think Mr. Loughnan was your solicitor: is it so?—No. I think Mr. Smith's recollection is wrong as to who made the suggestion to him. I think it was Mr. Morison.

17. Mr. Smith had an interview with one of them, and one of them suggested that the word should be inserted to make the matter clear; can you tell us anything on that point?—I am glad to have an opportunity of giving evidence on that question, because it will make this matter quite clear. An extraordinary doctrine seems to have been laid down that any one of the public finding an Act of Parliament which affects his interest in any way is not to be at liberty to go either himself or through his solicitor and suggest an amendment. Why, it is done every day; and I should

like to know if it were not done how are Acts to be amended in any other way? What occurred in this particular case was this: Mr. Morison was not my solicitor in any sense, but he saw me in connection with a transaction with Niniwa. He was acting as her agent, and in that capacity he came in contact with me. I chanced to mention the difficulty I was in in not getting the mortgages under the section of the Act of 1895. This was merely in casual conversation, and he said, as he read the Act, he thought it would cover my right to mortgage. He said that it was clearly intended to do so, but that there was a doubt, and it should be removed. I put the matter into the hands of Mr. Buchanan, as representative of my district, and, in several ways, did what I could to have it pointed out in Parliament that this clause required amendment. What occurred with Mr. Morison was simply this: He chanced to meet me in the club. I was just going to the Wairarapa. He was not my solicitor. He said to me, "There is a Native amending Bill now before the House, and I think that clause you mentioned to me might be amended; you should look into it and see that it is done." I said, "I am just going off and cannot attend to it, will you attend to it?" I remember the conversation perfectly well. He then said something to this effect: "I do not want to do that; it looks as if I was coming to you to get some business." I said, "Not at all, it is not a matter of business in that sense, but will you watch the Bill?" Surely any individual has a right to do that. Surely one is not to be blamed for taking such action as that. My contention is that that word was put in there simply and entirely to make clear the intention of Parliament in 1895. If Mr. Morison intended in any way to smuggle this clause through, what would he have done? Would he not have gone to some member of Parliament who had no knowledge of Native affairs and got him to do the smuggling? But, instead of that, he goes to the Hon. Mr. Smith, who is an expert in Native legislation, and who is not a man likely to be humbugged or to do anything hastily. He looked into the matter carefully, and then brought the amendment forward, and it was considered by the House and by the Government and by the Law Officers, and was ultimately passed. And yet it is suggested in this proposed Bill that that is not only to be repealed as to the future, but also as to the past. The effect of that in my own case, in two or three instances where mortgages have been signed, would be that they would be absolutely null and void. There have been mortgages signed some months ago under that clause, and if the Bill now before Parliament passes as it stands they will be defeated.

18. *Hon. J. Carroll.*] Then, the giving of this mortgage to Te Ama and Sinclair transfers your rights to them?—Yes; my position is this: that as soon as I get the mortgage completed I hand it over to them and I get nothing in the way of land.

19. *Hon. T. Kelly.*] With regard to these sums of money advanced by you, I understand that you got the leases signed before you advanced the money?—The leases were signed by the principal men before.

20. Then, you are sure as to the leases?—Yes; there were some smaller owners who signed later.

21. These leases went before the Court?—Yes; and were certified to by the Judge.

22. Then, you were simply investing this £7,000?—It may be said so. It was an investment, but I may say that it was done to help these Natives.

23. Did you make inquiries in each case in respect to the larger sums as to what the Natives were going to do with the money?—As far as possible. My instructions to my agent were to do so. I had always urged that everything should be done to prevent these Natives wasting their money.

24. How much of this was for debts owing by the Natives at that time?—I cannot say exactly. The whole thing was done through my solicitor.

25. I understand that the Natives were constantly being pressed by their creditors for money owing before you advanced the money?—Yes; but I have no knowledge of the details; I simply gave general instructions to my agent to keep the money back as tight as he could. When once the Natives signed the agreement there was an understanding that they should have 6s. 8d. an acre, with a claim to receive money up to that amount, and when some got it, of course others did.

26. Did any of the borrowers invest the money well with regard to themselves?—I think I have said that I do not know the particulars of how they invested the money. But, as I have said, there is land and buildings in Greytown, and then there were the different costs in connection with their lands. It is very sad to think of the amount they have to pay out before they can get their titles. My experience is that the Natives are unmercifully fleeced in the Court under the present law. They cut up these lands in a way which often makes the portion allotted to each Native absolutely worthless by itself.

27. *The Chairman.*] How?—Of course, if a man has a small share in land running over five miles of mountain, each part is so narrow that it is quite worthless.

28. *Mr. Duncan.*] Who is responsible for surveying the land and cutting it up in that way?—The Native Land Court. They take a pair of parallel rulers, run them over the map, and mark out each man's portion in that way.

29. *Hon. T. Kelly.*] Then most of this money went to pay their debts and law-expenses and surveys?—I should say so.

30. Did you inform the Natives, or did your agent tell them before they signed the agreement to mortgage, that there would be no foreclosing?—No, it was clearly explained to them that, if they got into debt, the land must go.

31. Before the Act of 1894 you were advised that you could legally enforce the mortgage?—Yes.

32. Were you in a position up to 1894 to have these mortgages executed?—Well, I had to give a year's notice, and that notice had not expired until about the time the Act was passed.

33. I want to know whether in 1894 you were in a position to legally enforce these mortgages?—If I was not, and if my lawyer did not take care to protect me, then I should lose my money.

34. Were you of the opinion that you were in that position?—I have not the slightest doubt about it, from the fact that when Te Ruihi's mortgage, which was obtained under the same circumstances, came before the Trust Commissioner he confirmed it. As the others were executed in the same way they must be good also.

35. By this agreement you could, after the expiration of the twelve months' notice, enforce the mortgages?—It was only when I sold to Te Ama and Sinclair that I became aware of this difficulty. While it was in my hands I could have enforced them.

36. You sold in 1893?—Yes.

37. Then they took the responsibility?—Yes; with the exception of my getting the mortgages completed.

38. Did you covenant to give them a good title?—I did; but if the law prevents me I do not know whose loss it would be. I shall contend that it will be theirs.

39. Clause 11 of the Act of 1895 puts you into that position, notwithstanding the passing of the Act of 1894?—It put me into a position by which I could have sold the land. There is no doubt about that. The lawyers are doubtful as to whether it put me into a position to enforce the mortgage. Some say not, but others say I could. I had private information, however, that it was no use bringing it before a Judge of the Native Land Court—that he would not allow it to be confirmed.

40. *Hon. J. Carroll.*] You waited until the amendment of the Act of 1896?—Yes.

41. And acted under legal advice?—Yes.

42. *Mr. Graham.*] We have an important statement on the first page of this evidence with reference to the acreage of the land, which statement you say is absolutely wrong?—Yes.

43. You gave one example of this being wrong by referring to the second item, in which the rent is put down at £38, and you say you believe that should be £56: can you supply the Committee with a correct statement of the matters of which you say this is an incorrect statement?—I cannot give a correct statement of the debts due, because they are kept by Te Whaiti and Sinclair.

44. As to the rents and interest?—That I can hardly do. There are two leases. My lease was taken on the rents as stated for the whole block. Te Whaiti and Sinclair had another lease. I think their inducement was to give the Natives rather more than I did; but I have not seen that lease, and cannot speak positively.

45. This statement purports to give important information, but you say that it is entirely wrong. It would be necessary to show how that would be?—Yes; the acreages are all wrong.

46. If you are in a position to state that this statement is entirely wrong, cannot you inform the Committee how it is wrong? You have given one instance, cannot you give the others?—I do not suppose you can get that now. The accounts might give the information—I cannot. Te Whaiti and Sinclair have them.

47. How do you know this statement is absolutely incorrect?—The acreage is incorrect.

48. Can a correct statement of the acreage be given?—Yes; I think I have that here.

49. Have you got it made out in the same way as we have it here?—Those on the printed paper are all wrong. The names even are wrong. I do not know what they have been about. Here is Piripi te Maari, his acreage is 2,440 instead of 3,980; his rent is £44 6s. 8d. instead of £48. Then Hemi te Miha, his acreage is 3,192 instead of 3,390, and his rent is £56 6s. 10d. instead of £38 5s. 7d. Te Koro's acreage is 1,340, and his rental is £23 12s. 4d. instead of £24 11s. 5d. Te Ngaere's acreage is 265, and her rental is £5 2s. 10d. instead of £3 5s. 6d.

50. Can you now give particulars as regards the remaining columns—I mean those showing the rent, the debt, and the interest?—I cannot give that, but the statement with regard to the interest is wrong. It is not 8 per cent. That is only so far as the rent does not cover it. The rent should come off that. As far as it is paid by the rent it should be 7 per cent.

51. I think you said the advances on these lands were only such sums as the rental would pay interest on?—Yes; with the security, instead of paying 7 per cent., they could get the money at 4½ per cent. and pay me off.

52. What is the total amount of your advances?—The advances are partly mine and partly Te Whaiti and Sinclair's.

53. What is the total amount between the two, excluding Te Ruihi?—I have not a statement up to date, but I think the position is about this: that, excluding Te Ruihi, the advances were about £5,500. I have mortgages signed for £1,338, and £71 in addition. This has to come off the £5,500. The amount unsigned is probably about £4,000, and the amount signed for about £3,500.

54. You said you were willing but not anxious to make advances to the extent of 6s. 8d. an acre?—Yes.

55. How much have you advanced?—Excluding Te Ruihi and others who have signed mortgages, about £3,500. The advances would be a little over £4,000.

56. That would mean to the extent of about 7s. an acre, which is increased by the accumulated interest to about 10s. an acre?—I have explained that there were other sums I had to pay, for surveys and other things.

57. It would be correct, then, to say, with the interest and law charges it is increased to 10s. an acre?—Yes.

58. At what do you estimate the present value of the land?—I have not seen the land for some time, but I should think it is worth about 15s. an acre now.

59. As I understand you, it would be easy for these people to raise the money?—About three-fifths of it would be required.

60. If your claim is 10s. an acre, that represents two-thirds of the full value of the land, and appears to represent a large percentage to obtain on mortgage. That is the full value of the amount you have advanced up to date, and that would be fair mortgage?—Yes; the rents amount to about 4½ per cent. The full rents are about £234.

61. So that if the interest were reduced to 4½ per cent. it would take the full amount of the rents to pay the interest?—Yes.

62. So that the Natives are in a very awkward position?—Yes.

63. If you charge 7 per cent., and the Natives could get the money at the lowest rate of interest, it would be the best thing for them to get it in that way. The present rents do not half pay the interest. If they can get the money at a lower rate of interest, are you willing they should do so?—Yes; but at the time they got this money they had a difficulty in getting money. Any one could have summoned them and got a charging-order on the land.

64. Was it to pay their debts they wanted this money?—Yes; largely.

65. You gave us one example of how a Native expended a portion of the money advanced: was not that for the purpose of buying land to make a home?—Yes; but there were many other purposes for which they required money.

66. *Hon. J. Carroll.*] Will your agent be able to satisfy the Committee as to the particular sums he paid on your behalf to release the Natives from their debts?—I do not know that he will. Of course, he was contented to get their signatures to the amounts advanced. The agreement showed in column each amount he advanced, whether it was £100, or whatever it might be, and that was acknowledged before two witnesses.

67. Will you be in a position yourself, or will your agent, to show how much was paid for the debts they owed?—It is doubtful. He will give any information he can. I know nothing or very little about it.

68. I think you assume in a general way that had you not taken this mortgage the creditors would have taken steps against the Natives?—That is so.

69. *Mr. Graham.*] Was this money advanced because of the great pressure put upon the Natives for debts owing by them?—Undoubtedly, that was the main thing.

70. I think you said that if the present Bill were passed it would be no benefit to you, as you have transferred the property?—I should still be bound to do what the law would prevent my doing, but how far I should be responsible for not doing it I cannot say.

71. If the law prevents you doing what you have undertaken, how would those who bought from you be affected?—It would most likely lead to a lawsuit.

72. You said you agreed that the whole of the purchase-money should remain on security of the land?—Yes.

73. Then you are really the owner still?—They are paying it off, and I am quite satisfied with the security. Of course, if this Bill were passed it would affect me, as it would lead to a lawsuit.

74. As this £18,000 is still owing to you it would affect you very materially, because you are really the owner of the land. How much is still owing?—The bulk of it.

75. How much?—It is nearly all owing.

76. Consequently, you are primarily the interested person?—Except that my security is quite good.

77. Have you got it?—It does not affect the lease, and they have the freehold, and I have the mortgages from these Natives as a guarantee that they will carry out the contract.

78. I think that would show that the law would affect those who bought, and not you?—It would be a matter which would have to be settled by a lawsuit.

79. You lent the whole of the purchase-money—£18,000—to the persons to whom you have agreed to sell the land: therefore the estate owes you the whole of the security?—Yes; but it would be a question of law as to whom the loss should fall upon.

80. I hope you will be able to give a statement as against that which has been furnished to the Committee, with regard to the rents and so on. We should be able to put it against this, to show where it is inaccurate?—I cannot give the figures, because I have not got the books.

81. The figures are essential to show where this statement is incorrect?—I have not got any since 1893.

82. *Hon. J. Carroll.*] I understand you to say that your first lease terminated in 1891?—Yes; in May, 1891.

83. But in 1889 you proceeded to get a new lease from the Natives?—Yes.

84. For a further term of twenty-one years?—Yes.

85. What was the rental you were giving the Natives under the first lease?—That was in the happy days, when we were paying a very low rental. I think it was about £36 a year.

86. Then, in the new lease what rental did you covenant to pay—that is, the new lease, the one now existing?—I have already given that. It varies from £450 to £550, increasing by £50 a year for each seven years. The country then had got into a very bad state. It had become "*tawhino*," which those acquainted with native lands will understand. But it has passed through that state and is very much improved now.

87. What were the Natives owing you at the time you obtained this new lease?—I have already said about £800.

88. Did you think at the time that the rental you had to pay the Natives was ample security for that £800?—The rental? How could the rental be security?

89. That is to say, they owed you £800, and the amount which you were to pay them each year for rental would be ample security for that £800. You had no anxiety that you would lose that £800?—Oh, no. It was only when they wanted further money that I saw it was necessary to secure the £800 as well as the other. There is a misconception with regard to the matter. Though that was the rent fixed, it was on the assumption that the whole block would be 25,000 acres. When Te Ama got his block the rent was made proportionate.

90. At the time you were endeavouring to get this new lease you were opposed by Te Ama?—Yes.

91. When did he come in?—About the beginning of 1890, after I had obtained the principal signatures in 1889.

92. You had not completed your new lease at the time?—I had not got the whole of the signatures.

93. I think you said that, as an inducement to the Natives to secure their signatures to the lease, your opponents promised a higher rent?—I understood their rent was somewhat higher.

94. Was it about this time that you thought it desirable in your own interest that you should have an agreement to mortgage from the Natives?—That was not till the 16th December, 1890, or a year afterwards. It was on the 23rd December, 1889, that the leases were signed.

95. It was a year after the leases were signed, but it was not a year after Te Ama came into competition with you?—I do not know. It is impossible to say what he was doing. He was working quietly, and I only got hints as to what he was doing.

96. You then felt it necessary to secure yourself by a deed of mortgage, through their action?—Not through their action, but because the Natives wanted further money. Then I felt it necessary to secure myself in respect to the existing advances as well as the further money they wanted.

97. It seems they did not apply to you for further advances until a year after signing the lease?—I think some of that amount of £800 of which I have spoken must have been obtained between those intervals. In fact the bulk of it; that is, the interval between their signing the lease and my getting the mortgages. A good deal of that £800 was obtained in that interval.

98. Then, before you obtained your new lease the Natives practically owed you nothing?—I do not say that. There was always a current account between us.

99. Something owing to you?—Yes, something trifling. There would not be much before that, but still it was a debtor and creditor account of rents and amounts advanced, and one could not say exactly where one commenced and the other ended.

100. What interval was there between 1891 and such time as the liability reached £7,000?—The amounts I gave you in the covenant to sell then reached £4,500. In speaking of £7,000 you take in Te Ruihi's mortgage, which should be left out altogether. You have to deal with £5,000 and not £7,000.

101. When did their liability reach the amount of £5,000?—On the 1st July, 1893, when that account was made up. Then, immediately subsequently to that I paid £239 for surveys.

102. Now, tell us the result of the attempt on your part to get a new lease. Did you succeed in getting the whole of the Natives' signatures to the lease?—The whole of which signatures?

103. You were endeavouring to get a lease of the 23,000 acres?—I did not get the whole in. Te Ama got the others.

104. They also failed to get the whole of the signatures?—Yes.

105. How did you adjust the matter?—It became tremendously involved. It came before the Supreme Court here, and they spent two days over it, and then gave it up and said the parties had better settle it between themselves. It was so complicated that it was impossible to disentangle it. We felt it never could be disentangled, and the Judge said we had better settle it between us. Before that, my rival said I must get off his land, and I said I could not do that until he showed me which was his.

106. As a settlement you handed over the interest of these Natives, their debts, and your leasehold rights, and every interest you had in the land to your opponents?—Yes; everything. I offered to buy from them or to sell to them in order to settle the thing. I was tired of the whole thing, and I said I would lend them the whole of the money to buy it.

107. You said in your evidence that they did not pay a sixpence, and that you advanced the whole of the purchase-money?—Yes. Perhaps I am not entitled to say that they had not a sixpence, but they did not pay me a sixpence.

108. And you took from them a mortgage over the whole lot?—Yes; over the stock and over the freehold, and over their own undivided shares in the block, as a guarantee for the performance of the agreement.

109. In advancing that £18,000 was that the value you placed on the estate at that time?—That was the value we arrived at. I was considered to have sold it cheaply to them. It has turned out a good bargain for them. I said I had to take something less in consideration of their having an undefined claim. I sold them some 17,000 sheep and cattle besides, and it seemed to be a fairly low price.

110. You drew the particular attention of the Committee to the date of the new lease?—Yes.

111. Has that point any special significance?—I wished to show that, as I was accused of advancing money in order to get the leases signed, it could not be so, because the leases were signed before the advances were made. The agreement to mortgage was made by the Natives on the 16th December, 1890, and you have it distinctly that that was to secure existing debts due to me and to save myself from the position that if they did not mortgage to me they could do so to anybody else; and, instead of taking the usual mortgage-right I agreed to give them a year's notice.

112. Have you a copy of that agreement to mortgage?—I have the original.

113. Are you prepared to say that all the Natives who signed that memorandum of agreement were owners of the land at the time they signed?—So I am advised. One has to trust to one's solicitor.

114. You cannot say so of your own knowledge?—No; I could not say so. You could search the register. I do not imagine that he would take a signature which was not registered, and it was only those who signed the document.

115. Are you certain; because Niniwa, in giving her evidence, distinctly stated that she did not sign the lease, because she was not the owner of the land; but she signed the agreement to mortgage. She stated that, although not an owner, after agreeing to take the money from your agent, she did not draw the whole amount at one time, but went several times and drew various

sums, and each time she affixed her signature to a document which was plastered all over with stamps. I see that is practically correct, so far as she is concerned, for her name is here on the document several times.?—Yes; that would be so. Of course, that has been paid off, and there is no question about it.

116. Can you tell the Committee whether there are other signatories to this document who have paid off any of the amounts opposite their names?—Only Niniwa and Heremaia. Heremaia is dead.

117. Then, with the exception of that amount paid off by Niniwa, all the amounts that are set down here are included in the agreement to mortgage?—Of course, every amount is put in this agreement to mortgage, and the names of the Natives owing are on it.

118. Almost all these amounts in the aggregate are charged against the land?—Yes; the land is proposed to be charged with them, *plus* any further advances.

119. Even if there are signatures of Natives appearing on this document as having drawn money, who are not legal owners of the land?—Of course, if they are not legal owners they could not be asked to sign the mortgage.

120. You said that if the Bill which we are dealing with now were to pass, it would ruin the Natives; that they are far better off under present conditions: will you explain that?—I say so, because I believe they could borrow money at a cheaper rate and pay this off. I believe that if the Government are desirous of helping the Natives they could facilitate it, and there would be no loss. The Government could assist them to borrow the money to pay off these debts. The rents would pay the interest to the end of fourteen years. The rents would then be considerably larger than they are now, and they could gradually pay off the principal out of the accumulating rents. Of course, these people cannot expect to have money and to spend it, and then to be relieved entirely from the penalty of paying it.

121. Then you would agree if the Government, even by introducing necessary legislation, assisted in placing the Natives in a position whereby they could borrow money and pay off their liability?—Yes; not only so, but I would be happy to facilitate it in every way.

122. You would not object?—It is my suggestion. It would be very simple, and the land is absolute security to any one advancing the money, because if the thing comes back into my hands I must pay the rent. It is a large transaction, but I consider it a first-class security.

123. Up to the present time has the rent been sufficient to pay off the interest?—No; the interest is at 7 per cent. My suggestion would be that these Natives should be allowed to pool this land instead of dealing with it singly, and that they should mortgage it as a whole. Then the land would be sufficient security. I think there is some power to do this under the Native Committees Act, some power to appoint Committees, but it would require some slight amendment. If there is a real desire to save the Natives, I have no hesitation in saying they could be absolutely saved and my rights at the same time preserved.

124. You would be satisfied with that?—Perfectly.

124A. To put the Natives into a position to borrow the money?—Yes; my desire is as strong as anyone's to help these Natives out of their difficulties. I have a true friendly interest in them.

125. But as long as things are left in the present position, that they have to pay 7 per cent. on their liability, the rent is not sufficient to cover that and they must go to the wall?—It is so. I very much regret it. I always contemplated that they would pay me off, and Mr. Hone Heke is trying to arrange that—but there are difficulties.

126. Mr. Hone Heke is the author of this statement to which you object as incorrect; acting on behalf of the Natives he made an abstract of their case?—You can see that the general tenor of that letter is incorrect. I should be most happy, if you put me in communication with any one acting on their behalf, to do everything I possibly could to help in the matter.

127. You said something about the Natives being in the position of having other lands for their maintenance: can you speak so accurately and positively in regard to all these Native owners?—I have a schedule here [See Exhibit C] which will show that some of them have a very considerable amount. Piripi has a variety of blocks, and his sons, who are the principal movers in this matter, have a very nice property. I think they sheared twenty-five bales of wool the other day. They have also an undivided interest in Waikekeno. Hemi te Miha's executors have one block of 430 acres in Hawke's Bay which I am told is worth £4 or £5 an acre. It is in the Waimarama Block, and would probably be worth that. Heta Hemi and others have land.

128. You think the Hemi family have sufficient for their maintenance?—Yes.

129. And the representatives of the Maari family?—Yes.

130. You can speak with confidence of those two families?—This is a statement prepared for me by my solicitor. I cannot put it in as absolutely correct, but it is the best evidence he could get. That does not seem to agree with the statement that they would be landless.

131. They have pieces of 8 acres, 10 acres, 40 acres, and 22 acres not worth much, and there is a large family of them?—My claim is against the executors, and I did not know that I should have to show that the descendants have land.

132. You stated, in a general way, that they had land?—Yes.

133. Are you in a position to tell us what this land which is the subject of this inquiry is carrying now in the way of stock?—I see Aporo says that 27,000 sheep were shorn this year, but that cannot be so. I think about 18,000 were shorn, according to my last information. When I had that land I had merinos on it; but the present people have half-bred Lincolns, which shows what a great improvement there has been in the land. I am told they have had a remarkably good clip, and are doing very well.

134. What is the recognised difference between merinos and half-bred Lincolns as regards profit?—The profit on the latter would be double. With three or four years there with merines I made absolutely nothing out of the place.

135. I understand you to say that your lawyer assured you that your agreement to mortgage before 1894 was perfectly legal?—Yes; and I have taken advice on it since, and other lawyers have told me exactly the same. They never seemed to have any question as to it, and cannot imagine that there could be any doubt, for when one mortgage went before the Court, which was on exactly the same footing, it passed without question.

136. When did your agreement go before the Court?—That is a point which I overlooked. So far as this agreement being used to induce the Natives to sign the lease, I have a distinct recollection that those who signed this agreement asked me not to tell the others. So, obviously, it was not used with that object. They did not want Te Ama's party to know anything about it.

137. When did you get them to sign the proper mortgage?—They have not all signed. Of course, if there was a proper mortgage signed there would be no difficulty.

138. I understood that one was signed?—Te Ruihi signed one in 1893, and some others this year, under the clause in the Act of 1896.

139. How many more?—Two more; Hemi and Heta te Miha.

140. You succeeded in getting three to execute the mortgage under the clause in the Act of 1896?—Two under that clause and one before.

141. There remain how many yet to carry out the contract?—I think, about six. There are two small amounts which we decided not to mortgage, hoping they would be paid off. We found the expenses were so heavy that I decided not to take mortgages in those cases.

142. *Hon. W. C. Walker.*—You explained to us that you sold to Sinclair and Te Whaiti in 1893?—Yes, on the 1st July, 1893.

143. And one of the conditions was that you were to advance no more money to these Natives?—Except for the purpose of surveys.

144. Have Sinclair and Te Whaiti been advancing money to the Natives?—Not that I know of.

145. It must have been a rather sudden wrench to these Natives who were in the habit of coming to you and drawing this money?—They have got over it. Many people have to experience that. They have got on in idleness.

146. You have no knowledge that Sinclair and Te Whaiti are advancing money?—I am satisfied they are not.

147. So that the total liability is £5,000?—I cannot say absolutely, but I am as certain as I can be that it is so.

148. *Mr. Carson.*] Do I understand that this particular amendment was inserted in the Act of last year for your special benefit?—No, I cannot say that.

149. But for the benefit of anybody else?—It probably would be; but it was not for me to inquire.

150. It was for you to protect your own rights?—I ask what other step I could have taken but to represent to Parliament that it was necessary?

151. Did you know of any other persons whose rights would be taken away by this amendment?—I did not know.

152. It is only a personal matter?—It is not a personal matter. Any one else in the same position as the man who is affected by the law is the one who wishes for an amendment of that law. I know of one case in which money was recovered in consequence of the Act of 1895.

153. *Mr. Monk.*—Would it be necessary to pass legislation to enable the Natives to borrow money to pay you off?—I think it would be necessary. I am in the position of having notice from Sinclair and Te Whaiti to complete their mortgages, and therefore you see by the letter from Mr. Izard that he asked the Natives to complete them. I can go on under the law as it stands; but it will be hard on the Natives, and a slight amendment of the law would put them in the position of being able to borrow money at a lower rate of interest, and that could easily be done. That is what I am most anxious to see.

154. I want to understand why it is as you have transferred your interest why not the Government do the same. You have already transferred to these persons?—Yes.

156. What is to prevent the Natives borrowing under the Advances to Settlers Act at 5 or 4½ per cent.?—I think that is a matter which Mr. Carroll could answer better than I can. The Native law is in such a complex state that any one would be afraid to lend money to them. The money can only be got through a Government department, and I think that would require special legislation, but if there is a desire to help the Natives there would be no difficulty about that. As a matter of fact, many money-lenders will not lend money on Native securities.

157. I want to be clear on the point with regard to the inaccuracy of this statement of acreage and so on which is before us. It does not affect your legal position in one way or the other. It does not matter whether there are inaccuracies in this statement; that does not affect your position?—No; I only wished to show that it was wrong to state that I had advanced money in order to induce the Natives to sign the lease. I do not attach any other importance to that statement.

158. With regard to the money which was advanced to Niniwa, I understand from the Maori evidence that, as she was the only child and was declared the heir, she must have her father's property. She took the money, £51, for herself, and about £70 for her father, although at the time she had no legal title to the land, but it was known that she would have that right. Is that so?—Of course, my solicitor must have been satisfied of the fact that she would have the land so as to be entitled to get the money.

159. I should like to be clear on that point, because I think it is an improper transaction to advance money under such circumstances?—It would be a risky transaction; but it was a matter which I left entirely to my solicitor.

160. With regard to the date when Niniwa received the money and the date when her father died and she became heir, I understand that the new lease was made in 1891, and, according to Niniwa's statement, she was not then an owner, as her father did not die until 1894. How did the lease become valid under those circumstances; can you give the date?—I will do so.

161. *Hon. J. Rigg.*] I would ask Mr. Pharazyn to look at question and answer 161, when Aporo is under examination: "Then, the Natives went and got money at various times when it suited their convenience?—This was how it was done: Mr. Pharazyn's agent would say to a particular Native, 'Let me see, this is so-and-so.' He would then say to him, 'Come and sign this lease,' and then he would go and sign it and get money." You say that is incorrect. Is it so?—It is incorrect. I have been looking at my book and find that there was only one advance at the time of the signing of the lease.

162. Will you look at 162: "Each time a man borrowed money he was required to sign an agreement to lease?—Yes; I know three persons who went up and signed the lease, and immediately afterwards the agreement to mortgage." Is that correct?—Of course, I do not know whom he means. Some of the smaller ones may have signed simultaneously. Two or three very small owners came in afterwards; but I do not think that is correct.

163. I understood you to say in your evidence that the lease and the agreement to mortgage were never signed at the same time?—No; the lease was signed by those who signed the agreement later, and others, in 1889. Some of the smaller ones may have signed later on. I have not got particulars of that. The object of this question was to show that I was giving them money as an inducement to sign the lease. Well, that was not so. Of course, my agent would not give them money until they signed the lease, as there would be no security.

164. I understood that you asked them to sign the agreement to mortgage; would the mortgage not have been sufficient?—Yes; but he would not give them any money until they signed the agreement to mortgage.

165. Really you obtained their signatures to the lease and to the agreement to mortgage as security for the money advanced?—Necessarily. I would not advance to those who were not my landlords.

166. Would you say that it is incorrect when he says that he saw three Natives sign one document after the other?—I think it is incorrect. As far as I can get anything from the leases it could not be so.

167. You say you sold everything to Te Ama in July, 1893—that is, stock, including sheep and cattle, and book-debts, which was the interest you had under the mortgage; what was the consideration?—£18,000.

168. And you lent him that £18,000 to pay for the interest you were making over to him?—Yes; that is as the lawyers put it.

169. What value was put upon the stock?—The whole thing together, not in detail, was of that value.

170. At what did you value your stock?—I cannot remember now. The whole thing was taken as a going concern.

171. Did the value of the stock amount to £18,000?—No; there was a good deal of freehold, about £5,000 of book-debts, and the agreement to mortgage. The stock would probably be valued at £4,000 or £5,000.

172. Can you give us an idea of the value of the lease you made over?—I put that down as very little. I remember now that the lease had not long been obtained, and I put very little value on it, perhaps about £1,000. Being in possession was, of course, of some value, but it would not be much.

173. Would you look at the letter of the 7th October, on the first page, from your solicitor, in which he says, "Mr. Charles Pharazyn has no desire to take this action against you, but he has been pressed by Mr. Sinclair and Te Ama (Iraia te Whaita) to get this done, and if you do not do it, then proceedings will be taken as stated above." Would you explain what that means—that you had been pressed by Te Whaiti?—I think I have explained that very fully. He had the right at any time to give me notice to get this mortgage completed, as I had sold my rights to the agreement to mortgage, and they required me to carry that out. As soon as I got that formal notice I was obliged to give the Natives notice.

174. When you sold to Te Whaiti you took a mortgage over the whole land and everything to secure yourself?—I could not take a mortgage over lands belonging to the Natives; I took a mortgage over my own land, conveyed to them my own homestead, and I took a mortgage over that land in which Te Ama and his brother had shares. As they had no money to give as a guarantee for the carrying-out of the bargain, it was arranged that they should give me a mortgage over their land to carry out the contract to pay this £18,000.

175. I am asking for information on the subject because I do not understand it. These persons had no money, and you advanced them £18,000; what security did you get?—It was a technical handing-over of the £18,000. That is the way the lawyers put it. They buy this property from me for £18,000, which is the nominal amount they have to pay.

176. But then you wanted some security?—They gave me security on my freehold and a bill of sale over the stock, and they mortgaged back my own leasehold to me. My position is this: that we could not ascertain our respective rights, and I got this advantage: that if they failed to carry out the contract the property came back to me without disputes. That was sufficient for my purpose, and there was also the freehold of their property.

177. Do Te Ama and his partner who borrowed this money own your freehold and leasehold and the other estate in their own right?—Yes; it was a partnership between a Maori and a European.

178. There was sufficient security for you?—Yes; and it was a good way to get out of a

serious difficulty. It was well for both parties. They got a very good bargain, and they have been paying the interest on the money.

179. Then, in compelling them to complete this mortgage it was for the advantage of Te Whaiti and Sinclair?—Yes, it was.

180. Do you derive any advantage directly or indirectly by the completion of this mortgage?—If I failed to get this mortgage completed, then the amount would have to be written off. My contention is that if I failed because my security was bad I should have to put up with it, but if legislation steps in to interfere, then it is a question who will have to lose.

181. In forcing them to complete the mortgage you are acting in your own interest as much, if not more so, than in the interest of Te Ama?—For myself I should be in no hurry, but should probably be content to wait; but directly they pressed me I had to do it. I wish to impress on the Committee that I have no interest in the land. That goes absolutely to Te Whaiti and Sinclair, so that it is not a question of trying to get land for myself, which has been imputed to me.

182. As far as I understand the position is this: that previous to this arrangement with Te Ama you had an interest in certain parts of the land and Te Ama had the rest, but under the present arrangement you have an interest in the whole?—Yes; an interest in the whole of that area, and if they failed to pay me, then I should have an interest in the whole. But I am satisfied that they will carry out the bargain, and do well under it.

183. I understood you to say that the rents under the lease would pay interest on the debt at 4½ per cent., but not 7 per cent.?—Approximately.

184. Therefore the interest exceeds the rent?—Yes.

185. Were you aware at the time you were lending these sums of money that the interest on the money would be more than the rents would satisfy?—6s. 8d. an acre was the outside amount to be advanced. I had never intended to reach that, but they were in such difficulties that they did get up to that amount, and then the survey charges and other charges came in, which increased the debt still more.

186. But were you aware that the amount you would have to pay as rent would not be sufficient to pay the interest?—Well, gradually that became the position; but, as I say, I was forced into it from their extreme necessity to get money.

187. Did you lend any more money after that?—No; in 1893 I was absolutely barred from doing so. Te Whaiti and Sinclair insisted on this clause barring me from doing so, and I said, "This is a clause I like, because they cannot come and get more money from me."

188. Did you point out to the Natives at any time that the interest on the money was greater than the amount of the rent?—Oh, yes; I constantly impressed on them that they must not get into debt. There was the case of this woman who was dying.

189. *Hon. J. Carroll.*] What she drew only affected her own interest?—Yes; that is so.

190. *Hon. F. Arkwright.*] Would you tell the Committee how you think your interest has been affected by the different changes in the law? You say after you got the leases signed you had already advanced £800 or £900 and wanted security?—Yes; up to the time of signing the agreement.

191. The agreement to mortgage was signed on different dates extending over three years; that was before 1894?—Oh, yes, long before that.

192. In 1894 the Native Lands Court Act was passed, and section 121 read as follows: "Nothing in this Act contained shall render nugatory any power of sale in any existing mortgage, or under any existing decree, judgment, or charging order, or prevent the completion of any existing contract for the sale, lease, or purchase of land, but the same shall have effect as if this Act had not been passed." It says nothing about any existing agreement to mortgage?—No.

193. Then, on the passing of this Act your agreement to mortgage became invalid?—Yes.

194. In 1895 there was another Act passed, clause 11 of which provides: "Nothing in the Act contained shall operate to defeat or prejudice any right or remedy which, but for the passing of the Act, any person might or would have against land owned by a Native in respect of any debt or liability incurred by such Native prior to the passing of the Act, but such right or remedy may be exercised as fully and effectually as if the Act had not been passed." You say that you had advice that that reinstated you in your rights?—That was not the opinion of my own solicitor, but I had reason to know that that opinion would not be acted upon. It was in the same year, or in the previous year, that another solicitor whom I consulted said that it would; but I knew as a practical man if I went before the Court it would not be sanctioned.

195. Then your agreements were still invalid?—Still that section 11 gave me power to sell the land if I wished to take advantage of the Act.

196. *Hon. J. Carroll.*] You could prove your debts in open Court?—Yes; but I did not wish to take that step. I wanted to get back into the original position.

197. *Hon. F. Arkwright.*] You got the Bill of 1896 amended, by the insertion of the word "mortgages"?—Yes.

198. That puts you back into the position in which you were before the passing of the Act of 1894?—Yes.

199. Now, if the Bill which we are considering becomes law, your agreement to mortgage will have the same validity as it had in 1895?—No. If the Act of 1896 is now repealed it will show that it was not the intention of the Legislature that agreements to mortgage should be valid. The amendment of 1896 was inserted to show the intention of the Legislature in 1895.

200. I think the Courts do not take into consideration the intention of the Legislature?—Well, it might be very strongly argued at all events. The passing of the Act of last year shows the intention.

201. If this Bill passes, it will show that it is the intention of the Legislature to undo the mistake it made last year?—I should say it would show it was the intention of the Legislature to undo me with respect to my rights.

202. Leaving aside the intention of the Legislature, which is doubtful, the passing of this Bill would put you back into the position in which you were in 1895?—No; I do not think so. It would materially affect my position.

203. I speak as far as regards the agreements to mortgage signed before that?—It would render void the mortgages I have had signed since.

204. But under your agreement with Te Ama you were bound to get these mortgages signed? —Yes; but if this Bill were passed they would be made void, because they are not yet registered. In fact, it does not matter, because it renders everything done under that Act nugatory. I got other deeds signed under the Act of 1896.

206. Yes; but under your agreement with Te Ama you had to get the mortgages signed in any case?—Yes; I had to if I could.

207. As far as you could under the law as it stood before the passing of the Act of 1896?—No; these mortgages were in 1897.

208. But you would have had to get them signed even if the Act of 1896 had not passed?—No; it would have been useless, because the Judges would not have consented.

209. When were they signed?—Some time during this year. I do not know the exact time.

210. Was it not quite lately?—It was before any of this agitation began at all.

211. *Mr. Duncan.*] What was the value of Te Ama's portion of this property; what right had he in the property at the time of the arrangement?—He had some freehold in it.

212. The property was sold to him for £18,000, and you stated that he had his right as a guarantor?—He had his right as a tenant of the remainder of the blocks, some 10,000 acres, and his right in the freehold. His share and his brother's were about 1,000 acres each. Some of them were successors to other blocks. It is almost impossible in Native matters to find out where the ownership is. Te Iraia te Whaiti had 900 acres in one block, and 172 in the other, equal to 1,072 acres, and his brother Hoani had the same, so that would be 2,044 acres. These shares they mortgaged to me as a guarantee that they would carry out the purchase.

213. They had a lease of 10,000 acres?—About 10,000 acres.

214. Was that at the same rent?—It was a little higher, I think. They took it as a portion of the whole land.

215. What value is put on that 2,044 acres? Admitting these people did not carry out the agreement, what was the security outside?—It is impossible to say. Do you mean, supposing the lease came back to me?

216. Yes?—It is impossible to say.

217. If you were offering it for sale, what price would you put upon it?—These must be taken altogether.

218. You could not work one portion by itself?—No.

219. Did you offer them anything to withdraw and leave the whole matter to you?—Yes; I think I did.

220. Can you tell the amount?—No; I remember making some proposal, but I do not know that it came to an actual offer; but I was so indifferent. I was tired of the place, and I knew that if they got cheap labour they could work it better than I could, and I was willing to carry the arrangement out. I see here that Niniwa must have been in the title, as she is shown in this paper which I have as owning 150 acres when the advance was made to her in 1891. She must have had a separate title. Heremaia, the father, had 200 acres, and she had 150 acres, so she must have been in the grant, as she is shown in the schedule.

Hon. J. Carroll: She (Niniwa) was very positive that she was not.

221. *Mr. Duncan.*] Had he stock on this land previous to the arrangement?—No.

222. Was the land previously stocked?—Yes; it was all mixed with my holdings, and you could not tell which was which.

223. Was the land surveyed since then?—Yes; about that time.

224. If the survey assigned a portion to each person, would it not then be possible to know what the security was?—No. This curious point cropped up: I took undivided shares in the 17,000 acres. The Court did not deal with them. The Court proceeded to divide this block among the different owners. I said that was all very well as far as the leasehold went. When my lease expires they will be entitled to separate leases; but my lease covers the undivided interest in the whole thing, and obviously the Court cannot cut out a part, and apply the order to the tenant for that particular part during the term of the lease. That would lead to great complications.

225. They go to the expense of a survey?—The Court required a survey before it would give the titles. The titles would be in that form, but subject to my lease until it expired.

226. That seems to be taking the money from the Natives for nothing?—That is constantly being done by the Court. If any one takes land from the Natives and protests against a survey, it is no use—they would have it.

227. How many sheep did you hand over at the time you sold them this land for £18,000?—I think it was 16,000 or 17,000 merinos; 16,000, I think, it was in the contract.

228. What did you value them at at the time?—I have already been asked that; I cannot separate the values.

229. But, approximately, what would they be worth—7s. a head?—No; I think the stock—sheep, cattle, and horses—were put down at £4,000 or £5,000.

230. Then the actual security you had amounted to this freehold, and the right to the freehold that they held?—Yes; my own freehold came back to me by way of security, and the right to the lease and stock.

231. How long was the agreement to stand? For how many years, before you could foreclose? —Which agreement?

232. The agreement under which you gave this £18,000. When they purchased you say they

paid no money; was there not some time within which they were to pay? When did that terminate?—They paid £500 a year off the principal.

233. Was there no date fixed? When does the lease end?—In 1912. I think they must pay the balance of the amount in 1909.

234. *Mr. Morrison.*] You say that this £18,000 is to be paid off by annual payments of £500, and any balance left is to be paid off in 1909; is that so?—I speak from memory.

235. In the event of Te Ama and Sinclair not being able to pay these annual amounts, could you foreclose at once?—Yes; with the usual conditions.

236. What are the conditions with regard to foreclosing?—I suppose three months' notice; I cannot say from memory.

237. In the event of Te Ama and Sinclair not being able to meet this £500 which is required annually to pay off the capital amount, then by giving them three months' notice you could foreclose and seize the freehold, the leasehold, the stock and all?—Yes; but there is no chance of that.

238. *Mr. Duncan.*] What amount of interest do they pay on this £18,000?—7 per cent., the ruling rate in 1893.

239. *Hon. T. Kelly.*] You called special attention to the date of the leases, which, I think, was executed on the 23rd December, 1889; why did you call attention to that?—Because it was stated that this money was given to induce the Natives to sign the lease, whereas the money was not given until 1890.

240. Can you supply the Committee with a copy of the lease?—Yes.

241. Are there more leases than one?—Yes; there are three leases.

242. Under what Act before 1894 did you obtain lawful authority to lease and mortgage?—I am not lawyer enough to say that. I think my answer to that, which I have given twice already, is simply that they were all on the same footing. One of these mortgages came before the Court and was sanctioned, but, if that ought not to have been sanctioned, then the others were bad.

243. In what year?—30th September, 1893.

244. Who was the Judge?—It was Mr. J. C. Martin, acting as Trust Commissioner. It was under the Act under which there was free-trade in Native lands.

245. You say you could have enforced the agreement before 1894?—Yes.

246. Could you do it now?—Yes; I am advised that I could, as the law now stands.

247. Some of the Natives who are named in the title got their names inserted in 1889, although after the land was dealt with by the Court in 1870?—Yes.

248. Do you know of other Natives who are not named in the title who were registered in the Court under "The Native Lands Act, 1867"?—No, there are no others.

249. There is power given to the Judges, in fact it is a duty imposed upon them, to put them in the register under section 17 of "The Native Lands Act, 1867," after inquiry on their own motion. Have you ascertained whether there are any who are entitled to be registered in that way?—Yes. That is how Te Ruihi got in.

250. Are you aware whether any Native owners were registered in the Court besides those in the grant?—No, I should think none.

251. Are you aware whether there are any Natives beneficially entitled who are not named?—No, I should say not. I had all to do with it when it was first brought forward under the Act in 1870, and it was then very carefnlly investigated.

252. *Hon. J. Carroll.*] At the time you obtained the second lease, in 1889, had the land then been brought under the Equitable Owners Act?—No, I think not.

253. Could you state when it was brought under that Act?—One must have a very good memory to answer such a question as that. I am afraid I cannot tell.

254. Then, you took your lease over the whole land?—Over the undivided shares. You will see, if you look up the lease, that is the form in which the lease was taken.

255. When they signed the agreement to mortgage to you, was that over the whole block?—No; it had been divided.

256. Between 1889 and 1890?—Yes; it must have been divided.

257. Had any surveys been actually made at the time?—I think the surveys had been completed at that time, but not paid for.

258. Completed in 1890?—No; I did not pay for these surveys until July, 1893. I think the surveys must have been made in 1892. The respective acreages were allotted, but the surveys not made.

259. But the allocation of the interest is only between the original grantees?—Yes; that was the first action.

260. Was that subsequent to the subdivision to the original grantees?—No; it must have been prior to that, because the acreages were not disturbed afterwards.

261. Can you tell how many new owners were included in the title by the action under the Equitable Owners Act?—Only Te Ruihi Aporo.

262. Of course, you are aware that in the original title there were only ten grantees, or less, in each block?—Yes.

263. I notice in the contract to mortgage more than ten signed as being owners?—They were owners in different blocks. That covers the three blocks.

264. You cannot say positively when these surveys were completed?—No; I think it must have been in 1892, or about that time. I went to England in 1892—it must have been 1891. That was the actual survey when the land was apportioned by the Court, of course, on paper.

265. The actual surveys in conformity with the order of the Court, and the subdivisional orders of the Court have been carried out?—Yes; not in all cases. They have in the Kawakawa Block, but I do not think in all the cases.

266. You mentioned one mortgage which had been before the Trust Commissioner, and he had attached his usual certificate?—Yes.

267. And you contend that all the other mortgages must be good owing to that fact; have you that mortgage here?—No.

268. Can you produce it at any time?—I can. I see here I have a note about the survey, mentioning January, 1892. The conditions were exactly the same in that mortgage.

269. The Trust Commissioner's certificate was of this value: that it was found as the result of inquiry that the moneys had been paid, but not in spirits or ammunition?—Yes; those are the conditions.

270. But it did not confirm a title?—No.

271. It was simply to show that the mortgagor had received the consideration?—Yes.

272. As regards Te Ama and Sinclair, have they paid over the £500 a year as by the agreement?—No; that did not begin at once. They had two or three years first. They had not to make that payment in addition to the interest. They have made one or two payments.

273. Were these matters of the leases and mortgages ever taken before the Native Land Court?—The leases, of course, were confirmed.

274. Before what Judge?—Judge Butler, I think.

275. What was the object of taking them before the Court?—To confirm the leases.

276. As between yourself and Te Ama?—No, they could not do that. They were divided leases, and the Court would not do it, but said, "You must settle your disputes between yourselves."

277. *Hon. T. Kelly.*] These two leases were certified by the Court in December, 1894?—Yes; very often these leases are a long time before they go before the Court.

278. And this other lease was signed by the Trust Commissioner on the 8th of June, 1892?—Yes, the Kawakawa one. That is the main lease.

279. *Mr. Monk.*] You told the Committee that you were advised that you could not enforce your agreement under the Acts of 1894 and 1895, and had to wait till the law was amended?—Yes.

280. So that if this Bill is passed repealing the amendment made in 1896, you will be in no worse position than you were then?—I have already said it would put me in a worse position; it would render void the two mortgages I have got. I was not advised that I could not enforce the mortgage under the Act of 1895, but that it was doubtful.

281. You say that Mr. Morison was not your solicitor; was he acting in conjunction with your solicitor in regard to the Act of 1895?—No.

282. You admitted that he acted at your request in regard to the Act of 1896?—I explained that he having suggested that this amendment might be introduced, I simply asked him to watch my interests.

283. Then, to the extent only of the two mortgages, it would detrimentally alter your position in that way?—Yes.

284. In what respect?—I think it would give an interpretation to the Act of 1895 adverse to me. It would make a point certainly against me, which, as it was, was only doubtful. As I have explained already, also, it would be absolutely ruinous to the Natives if this Bill passed.

285. With reference to the young woman to whom the money was advanced, was she of age?—Yes, she was.

286. The negotiations which were conducted in 1893 were perfectly legal, were they not?—What negotiations?

287. Did you not make the agreement to mortgage in 1893?—No. It was in 1890.

288. It was subsequent legislation, then, which made them illegal?—Yes.

289. *Hon J. Carroll.*] When you say your transactions were perfectly legal, you only say what you were advised by your lawyer?—I have this further, that another mortgage of the same nature was passed by the Trust Commissioner.

290. That only amounts to his being satisfied that the money was paid, and that you did not give ammunition or spirits?—I do not speak as a lawyer.

291. In your own mind you were satisfied they were perfectly legal?—Yes, and I was also so advised by my solicitor.

292. *Mr. R. McKenzie.*] Are Te Ama and Sinclair, to whom you sold the property, acting as your agents?—No; they are absolute purchasers.

293. Have they kept the books since 1893?—As proprietors they necessarily keep books, but not as my agents.

294. You said your books were not posted up to date?—No; they could not be. I have not kept any accounts since the date of the covenant.

295. You have said that money was advanced to the Natives by your agent; how was that money paid?—I gave him a cheque from time to time as he wanted it.

296. Did you satisfy yourself as to the expenditure?—Yes, of course; but part of the time I was in England.

297. Will your books or your agent's show that expenditure?—He contented himself with paying the bills as they came in.

298. Did he not make entries in your books to show how the money was expended?—He gave me a general summary of it from time to time.

299. I want to know how that thousand pounds which you advanced to the Natives was paid?—Here is one, "Te Kooro, £2 15s.," and a number of small amounts of that kind, summing up on this paper to about £600. I left it to him to get the signatures from time to time on the deed of agreement.

300. You told us that £5,500 altogether was advanced to these Natives. I do not want portions or fragments of that amount, but something to show how the whole of the amount was expended?—Here is a document which shows sums up to £4,000, which is the bulk of it. My

agent would receive a cheque for £100, or whatever he wanted to pay off the tradesmen, but he would not put the separate amounts into his books; he would enter the total of the transaction. He would not keep a record of the bills paid, but would charge the Natives with the total amount, and they would sign for it.

301. You told us this was paid in hard cash?—Yes.

302. It would not be in hard cash if he paid the tradesmen's accounts?—It was paid for them.

303. I only want to see whether we cannot put this matter on the footing of an ordinary business transaction. I do not know anything about Native transactions. I only want to know whether we cannot get something in the form of an account showing the whole transactions up to the transfer to Te Ama?—My book shows that. If a Native went to Mr. Izard and said, "I want £50 or £100—there are summonses out against me," then Mr. Izard would pay the whole of the amounts, and debit the Native with the £50 or £100. He does not keep an account of the details. Probably what he would do would be to draw the £50 in cash, pay the debts, and give the Native the balance. He could tell you the particulars to a certain extent.

304. *Hon. J. Carroll.*] He would take a receipt for the amount?—The deed of agreement is the receipt.

305. *Mr. Graham.*] If he did not get a receipt for each particular sum he paid for the Natives some one would be responsible, and they might have to be paid over again?—He would have the receipts, I expect. But he may have destroyed them; it is so long ago—it is six or seven years ago, and I do not think he would have many of them. Of course, the proof of the money having been paid is the Natives' receipts.

306. *Hon. J. Carroll.*] Who was acting as your interpreter?—Mr. Hutton.

THURSDAY, 2ND DECEMBER, 1897.

Mr. H. STRATTON IZARD examined.

1. *The Chairman.*] You are and have been for some time acting as solicitor for Mr. Charles Pharazyn?—Yes.

2. You acted as agent for him in relation to obtaining leases and advancing moneys to certain Natives in connection with three blocks of land—Kawakawa, Te Kopi, and Matakitaki?—I did.

3. Is it the case that before Mr. Pharazyn began to negotiate for the second lease the Natives were indebted to him?—To a certain extent they were.

4. Can you say to what extent?—To the extent of £700 or £800.

5. At what date was there an agreement entered into to grant him a new lease?—Somewhere in 1889, I should say. The negotiations were first entered into then.

6. The first lease had not then expired?—No; not till 1891.

7. Mr. Pharazyn finally succeeded in getting a lease arranged for over a certain portion of these blocks?—Yes; somewhere about 11,000 acres.

8. Was that the full extent of the second lease?—Yes.

9. Is it true that certain of the Natives who were owners of these blocks applied to him for loans?—Yes, quite true.

10. Did Mr. Pharazyn or his agent offer loans of money to these Native owners without being applied to by them for loans?—No; not at all. The Natives again and again solicited Mr. Pharazyn to make advances—that is, as far as I know personally—and I say so because once or twice these Natives approached me first and I declined, and sent them on to Mr. Pharazyn, and Mr. Pharazyn refused in many cases to make advances in the first instance.

11. At what time was that?—It would be in 1890.

12. Did you receive instructions from Mr. Pharazyn about advancing money to those Natives who wanted to borrow from him?—Yes.

13. What was the nature of the instructions?—I may say that Mr. Pharazyn refused a great many times, but at last he agreed to advance moneys to certain Natives to the extent of 6s. 8d. an acre, calculated on the area of their shares in these three blocks. I was instructed to prepare the necessary document, an agreement to mortgage, and it was drawn out and signed from time to time by the various Natives who had borrowed money. This agreement, at the request of the Natives, was never taken before the Trust Commissioner. Mr. Pharazyn agreed to that, but against my advice.

14. What was the reason the Maoris desired that it should not be taken before the Trust Commissioner?—Because they did not wish that the other Natives in the neighbourhood and their own relations should know that they were borrowing money.

15. But, practically, all were borrowing money?—No; only a few.

16. How many borrowed money, and how many were owners?—I have papers which will show that.

17. How many owners were there in the grant?—There were ten in Kawakawa, the same number in Matakitaki, and four or five in Kopi.

18. Some were in three blocks?—Yes.

19. How many men in all were interested?—There would be about eighteen.

20. What proportion of these took loans?—I think it was twelve.

21. Did these men take up to the full 6s. 8d. an acre agreed to be advanced on the areas to which they were entitled?—All except one, and she died.

22. Did any of them obtain from you or from Mr. Pharazyn more than 6s. 8d. an acre advance?—One, Piripi. Mr. Pharazyn made a special advance outside what he had instructed me to advance. I do not say to absolute pounds shillings and pence that the advance was 6s. 8d. an acre, but in no case did it exceed that by more than £5 or £10.

23. *Hon. J. Carroll.*] Can you give us the names of the twelve?—There were Piripi te Maari, Hemi te Miha, Kooro te Ruakirikiri, Hohepa te Whanga (also called Hohepa Aporo), Ropoama Meihana, Ani Pikonoa, Ngaere Hemi, Haromi Otene, Heta Hemi, Heremaia Tamaihotua, Kaitea te Maari, Rina Ihaka, and Niniwa Heremaia. I see there are thirteen instead of twelve, and these are all registered in the Court order.

24. What amount in the whole was advanced?—About £5,000, I think. There was about £800 advanced by Mr. Pharazyn before it came into my hands.

25. Is that included in the £5,000?—Yes.

26. Can you give us a list of the advances made to each one of these persons whose names you have given?—I can.

27. Will you kindly do so some time to-day?—Yes; I shall be happy to do so.

28. At what rate of interest was it advanced?—Seven per cent., with a penal clause making it 8 per cent.

29. *The Chairman.*] Will you read the clause in the deed relating to the reduction?—Yes; it is this: "Provided always and it is expressly agreed that if and so often as the mortgagors shall, on or within thirty days after any of the dates hereby appointed for payment of interest, pay or cause to be paid to the mortgagee interest after the rate of seven pounds per centum per annum he, the mortgagee, shall accept the same in lieu of the before-specified rate of interest at the rate of eight pounds per centum per annum, but without prejudice to his right to require payment of interest after the higher rate for any half-year in which interest shall not be paid within the time specified."

30. What was the current rate of interest at the time?—I could not say. It would be something about that.

31. Was that adopted as the rate because it was thought to be the rate of the day?—I could not tell you.

32. Did the Maoris object to the rate of interest?—No; not at all.

33. Were the advances made in cash?—Yes; in hard cash.

34. Mr. Pharazyn mentioned that you took over certain debts that they had and paid them?—Yes; that was done constantly. Large sums of money were paid away by me on that account. have here some duplicates of the vouchers for a good many of them.

35. *Hon. T. Kelly.*] What was the total amount?—It is impossible to say. I have here vouchers for over £1,000; but I could not give you the total amount, because sometimes the Natives took the vouchers away after the debts had been paid.

36. *The Chairman.*] Will you tell us the plan you adopted to get acknowledgment from the Maoris for the amounts you gave them as advances?—Yes.

37. You made these advances in instalments; one Maori has told us that she took money on several occasions: did she sign for that on each occasion?—Yes. Sometimes in the case of bills from storekeepers they gave orders on me for the amount and requested me to pay it, and I did so. If they gave orders on me for, say, £50 I would pay them, and when next they came to the office I would render a statement of the amounts paid on their account; they would see that it was correct, and then I would get a receipt for the amount I had paid away.

38. Are you aware that it was for the purpose of paying their debts that they borrowed money?—Well, I know in a general way. At that time the Natives were putting large blocks of land through the Native Land Court, and there were the expenses of surveys in connection with the Court, and there were also their agents who had to be paid, and many expenses. Very few of the Natives conducted their cases themselves, and they had to pay very heavy fees to the kai-whakahaeres or agents to conduct the cases. I know myself, personally, that considerable amounts went to pay solicitors and agents engaged in the case of the Wairarapa Lake.

39. When you obtained the first signatures to the contract to mortgage as a security for the sums you had advanced, did you explain the nature of the deed to them?—The interpreter did in my presence, and I explained it myself; but, of course, that is of no use, because I explained it in English, and it has to be explained in Maori. But the interpreter explained it. I know a certain amount of Maori, and could tell what the interpreter was saying, and most of these Maoris knew English quite well.

40. Were they aware of the nature of the mortgage?—I should say they were.

41. Had you instructions to encourage them to borrow?—None whatever; quite the contrary.

42. What was the nature of your instructions?—My instructions were to advance certain moneys if they wished to take the money; but also not to allow them to draw all at once. If they did the money would very soon be gone, and they would be without money again; and there were also heavy expenses in litigation and other things at the time. Of course, as I live at Greytown, and pretty close to Mr. Pharazyn's place, I saw him again and again, and all his instructions were not in writing; but I should like to read a letter from him to me, dated the 26th January, 1891, which will show the nature of his instructions.

"Memorandum from C. Pharazyn, Longwood, to H. S. Izard, Greytown.

"Re *Advances to Natives.*

"26th January, 1891.

"Hohepa te Whanga: He has more than exhausted his original 430 acres at 6s. 8d., and cannot as yet register his title to the 850 acres to be conveyed by Piripi. This is a good reason for not advancing further as yet. He must only have a few pounds to meet any emergency.

"Te Kooro and Ropoama are drawing too fast. Only let them have a *little* for any pressing purpose.

"The limit of 6s. 8d. per acre will have to cover all advances and expenses and any interest which may be in arrear, so I do not wish them to *approach* that limit at present. I am pledged to find survey-money and expenses for big block, so must reserve a large margin for this.

"C. PHARAZYN."

That was written while these advances were going on.

43. Did the law at that time permit them a legal and binding undertaking to execute a mortgage?—Yes.

44. You are quite clear about that?—Of course, I can only state my own opinion. In the years 1890 and 1891 it was the general opinion among all lawyers that Natives could give a proper agreement to mortgage, and therefore execute a deed of mortgage.

45. At the same time that you were negotiating for Mr. Pharazyn for a fresh lease, were there not rival applicants for leases?—Yes.

46. In what year?—In 1889, 1890, and 1891.

47. And these rival negotiators succeeded in getting certain portions leased to them?—Yes. Mr. Pharazyn got a certain portion, and Te Ama and Sinclair got the balance leased to them.

48. We have been told that difficulties were experienced by the lessees in consequence of the insufficiency of the number of signatories and other difficulties after these leases had been granted: can you explain the nature of the difficulties?—The main difficulty was that Te Ruihi was admitted by certain Natives to be a Crown grantee in the Kawakawa Block, and prior to this they had executed a deed of lease to Mr. Pharazyn. It was our contention that, whatever land they gave, this portion was bound by the lease to Mr. Pharazyn. In the meantime she executed a right to lease to Te Ama and Sinclair.

49. Was this brought before the Court?—Yes; but arrangements were made and Mr. Pharazyn gave way, and as Te Ama and Sinclair wished to take up the land they came to an agreement whereby Mr. Pharazyn sold out all his interest to them.

50. He sold his interest to them, and what besides?—His own freehold, the stock, the plant, this agreement to mortgage, and the mortgage he had at that time from Te Ruihi Aporo.

51. Can you tell us how much this purchase on the part of Sinclair and his partner amounted to?—I think it was £18,000.

52. Can you tell the separate amounts?—I cannot tell the separate amounts; but the price was fixed at the land-tax valuation of the freehold portion of the land, and the stock at the current rates, and Mr. Pharazyn added something for his right as holder of the lease. I do not think I have the details, but the total amount was, I think, £18,000.

53. Have Sinclair and Te Ama acted on their contract and made payments when they became due?—Yes; they have. For the first few years they had not to pay any of the capital but only the interest, but now they are paying back the principal at the rate, I think, of about £500 a year.

54. Is it your opinion that this land will be able to keep up the payments?—Well, I think that is a very hard question for me to answer. I should hope that it would, and I am sure Mr. Pharazyn hopes so.

55. Is the rental high or low, or a fair rental of the value of the land?—It is understood to be a fair value. It was assessed by Mr. John Russell, a gentleman who has a large area of land adjoining the block. He was appointed arbitrator, and he assessed it at a value which was satisfactory to both parties.

56. What was the currency of the lease?—It was for twenty-one years from 1891.

57. Then it has fifteen more years to run?—Yes.

58. Is it your opinion that when the time expires of the current lease the rental will probably be very much increased?—I should say it would, because the present occupiers are going in for large improvements, and Mr. Pharazyn's lease stipulated that so much should be expended in bush-felling, scrubbing, and so on. I think that as much as £200 or £250 is being expended yearly in improvements in the Kawakawa Block.

59. You are satisfied that the security was good at the time it was given?—Yes. Of course I cannot speak as to the intrinsic value of the property. That was a matter for Mr. Pharazyn to consider. I did not have to advise him as to whether he was making a good bargain or not.

60. *Hon. T. Kelly.*] When were the negotiations for the leases finally settled?—They passed the Trust Commissioner in 1893.

61. When were the first signatures by the Natives obtained?—The first signatures were obtained in 1889. The bulk of the signatures for this block was obtained in December, 1889.

62. What was the acreage?—I should say about 9,000 or 10,000 acres. I could not say exactly. It would probably be 8,000 acres or more that were signed for then.

63. How much did Mr. Pharazyn obtain of the whole?—About 11,000 acres.

64. And the remaining 13,000 acres were negotiated for by the others?—Yes.

65. Were the leases signed before the advances were made?—I have not got the leases, but some of the signatures were given in 1889, before any advances were made. I know for certain that 10,000 acres were leased before an individual owner obtained any advance under the present agreement.

66. If Mr. Pharazyn obtained the bulk of the leases before he made advances, what was the object of making advances from his point of view?—I do not know. I believe it was more to help the Natives than anything else. As I have already told the Chairman, the Natives approached me again and again, and asked me to get Mr. Pharazyn to make them advances, because they were exceedingly hard-up at that time.

67. You understood it was for the benefit of the Natives to make the advances?—I suppose so. I certainly do not think it was any advantage to Mr. Pharazyn, for he was sick of the whole matter, and again and again he said he wished he had not to make these advances to the Natives.

68. You said that you advised Mr. Pharazyn that the Natives could execute a mortgage before the passing of the Act of 1894?—Yes.

69. And why was not the mortgage executed?—Because, in the first place, the year's notice under the agreement to mortgage had to be given to the Natives before they were required to execute the mortgage, and that year's notice was not given until March, 1893.

70. Under what act was this authority given to Maoris to mortgage before 1894?—I could not state. I do not think there is any direct authority in any Act. I may say that I have looked into the matter since I saw the report of the debate in *Hansard*.

71. You advised him that he could legally get this agreement signed; surely you knew the authority?—It was from the whole tenor of the Acts.

72. *The Chairman.*] Practically, the absence of prohibition?—Yes; it is as you put it.

73. *Hon. T. Kelly.*] There is no Act expressly stating it could not be done? There is none prohibiting it as far as I know, and the Natives themselves have executed these mortgages, and the Trust Commissioner has passed them without objection. It was the Trust Commissioner's duty to see that the provisions of the various Acts were properly carried out.

74. How did the passing of the Act of 1894 affect Mr. Pharazyn?—That would affect him very much, because it rendered unenforceable valid agreements to mortgage.

75. How?—The general tenor of the Act, and the section which prohibited all dealings by Europeans with Native lands.

76. Assuming that the Act of 1896 had not been passed, and the Acts of 1894 and 1895 were in operation, what remedy would Mr. Pharazyn have then?—Only his ordinary remedy as between debtor and creditor. Under the Act of 1895 he might have had power to enforce the mortgage, but he would have had to take it before the Supreme Court, and heavy expenses would be involved. I advised him that he was not in a position to do that. He might have had that further remedy, but he would not test it.

77. Had these Natives any other property besides this land that he could have taken?—I do not know. They might have had horses and stock; but, of course, if we had sued the Natives and obtained a charging-order against them we could have sold the land.

78. Could you have done that in 1895?—I think so.

79. If he could obtain a charging-order and sell the land, of course his agreement to mortgage would be effective?—It would be; but as the Acts of 1894 and 1895 rendered the mortgage invalid, then the only relation between Mr. Pharazyn and the Natives was that of debtor and creditor, and to enforce his remedy he would have to sue the Natives, and obtain a charging-order from the Supreme Court, and sell the land by order of the Sheriff.

80. Did you advise him not to do that?—Yes.

81. Then, I presume he could still do that?—Yes; of course, that is only my opinion.

82. *Hon. J. Carroll.*] From what Court would he get the charging order?—From the Supreme Court.

83. *Hon. T. Kelly.*] That is your opinion?—Yes.

84. Do other lawyers agree with you in that?—I believe so. I have not consulted them, but Mr. Pharazyn has consulted others, and he says that their opinion is the same as mine.

85. Did you inform the Natives, or did any agent inform them for you, that if the debt was not paid the land would not be sold?—No, I never informed them that.

86. The statement has been made to the Committee by the Natives that they were informed that the land would not be sold; is that so?—Oh, no. The agreement to mortgage was fully explained to them both by myself and by the Interpreter, that on receiving a year's notice they must give a proper mortgage, and that in default of payment, of course, the land would be taken.

87. You say they were benefited by this arrangement?—Yes; Piripi bought land and a house in Greytown, and got other interests in the Unokakite Block, and he was able to purchase a large and very valuable section in the Moiki Block, which he afterwards sold to Mr. J. C. McKerrow, and made a very good profit out of it.

88. Did other Natives benefit in that way?—I do not recollect just now.

89. Assuming these rents are not sufficient to pay the interest on the money borrowed, unless they have other resources, then the land under the original agreement would be ultimately sold?—Yes; but of course it was contemplated that they would be able to pay the difference between the rate of interest and the rents.

90. *Mr. Graham.*] You said the rate of interest charged to these Natives was 8 per cent. reducible to 7 per cent. on prompt payment?—Yes.

91. You were manager for Mr. Pharazyn in this matter and know the particulars?—Yes; up to the 1st July, 1893.

92. You were also probably aware that the rent was not nearly sufficient to pay the interest?—That is so.

93. Have the Natives paid anything beyond the rent held back from them towards the interest?—No; with the exception of one who has paid off her share both principal and interest.

94. But none of the others have paid anything beyond what the rents would liquidate?—No; I do not think so.

95. The debts owing appear to have largely increased, the rent amounting to only one-fourth of the interest?—Yes.

96. Practically the interest charged has been 8 per cent., has it not?—While the money transactions were in my hands 7 per cent. was the only amount debited to them. Since then I understand that 8 per cent. has been charged since the property got into the hands of Te Ama and Sinclair.

97. Do you know whether the present amount of claim against the Natives includes interest at 8 per cent.?—Only since July, 1893.

98. As a matter of fact only 7 per cent. was charged to them up to that date?—That is so.

99. The advances were made to the Natives in cash?—Yes.

100. You do not mean that it was all paid to them in cash, or that the payment was made in cash as far as Mr. Pharazyn was concerned, and you paid the Natives and the people to whom they owed money?—Yes; that was the way.

101. Did you take receipts from the individuals to whom the money was paid?—Yes.

102. Are you not able to produce those receipts?—No; not all. I have receipts for about £1,000.

103. Out of how much?—Out of about £5,000. I do not say that all the £5,000 was paid by me for debts, because the Natives would take the money from time to time and pay themselves.

104. You took receipts from them for whatever they received?—Yes.

105. Now, in keeping this, as a matter of book-keeping would you not keep an account of what you received from Mr. Pharazyn, and how you paid the money out to others?—Yes.

106. Therefore, your debtor and creditor account of the whole transaction would show the payments?—Yes.

107. Have you that statement?—No; he only statement I have is one showing how the Natives came in and drew money from me.

108. That is to say, when you took a receipt from them for £100 or £1,000, or whatever it might be, you paid away so much on their account to people to whom they owed it; would your cash-book show that?—I have not got it here.

109. Is it in existence, and could it be produced?—Yes. I would have brought the books down but they are a rather heavy weight, and I did not know they would be wanted; but, if the Committee desire it, I can give details of the whole lot while it was in my charge.

110. I asked you, because the question was put the other day and it was said that it was impossible?—No.

111. You have an account of the money you received from Mr. Pharazyn, and to whom it was paid?—Yes; I can give you full details of that.

112. Then you can, while showing exactly the total amount of the advances made to the Natives, give as well what was advanced to each Native?—Yes.

113. That is satisfactory, because we were led to suppose that the money was advanced without taking receipts, and that nobody could tell us how it was done; you can tell us?—Yes. I was not aware that such a statement was made, and I am glad to be able to say that I can supply the information.

114. With reference to the mortgage, you are satisfied that the Natives understood it?—Yes.

115. That the interpreter explained it to them?—Yes.

116. You are satisfied that it was thoroughly explained to them?—Yes, I am perfectly satisfied.

117. I ask this particularly, because there were two Natives before the Committee who distinctly stated that it was not explained to them, and that the non-payment of the money did not mean that they would lose their land?—I should like to know who they were, because I think I could explain that.

118. They were the only two Natives who have been examined by the Committee?—Can you give me their names?

119. They were Aporo and Niniwa.—Well, Aporo gave evidence on behalf of his wife, and she is quite accustomed to sign mortgages. Not only was the agreement to mortgage explained to her, but since that a proper mortgage from Mr. Pharazyn has been signed by her. Mr. Pharazyn advanced her money to buy a house in Greytown, and she has paid that off. She also borrowed money to buy a section of land down the valley, for which she gave a mortgage. I do not know whether it was ultimately sold, but proceedings to foreclose were taken, and she must thoroughly understand what a mortgage is.

120. *Hon. J. Carroll.*] When Mr. Pharazyn entered into negotiations for the second lease, did he endeavour to get a lease from the Natives for forty-two years?—For twenty-one years, with the right of renewal at a different rent to be assessed.

121. Did the Natives object to having a renewal?—Some did, but some did not.

122. You endeavoured to get the lease for forty-two years?—Yes.

123. At the time the new lease was signed in 1889, you say the grantees owed Mr. Pharazyn something like £800?—Yes. I am not quite clear as to the figures, because I was not aware of how much they owed at the date of the execution of the deed until he gave me instructions to include it in this agreement to lease. He might have advanced something in the time which intervened between the signing and the other advances which I have referred to. I cannot tell you.

124. I think Mr. Pharazyn says the money was advanced during that interval?—I do not know.

125. The account was sent in by Mr. Pharazyn to you when you were in charge with instructions to include it?—Yes; the amount debited by Mr. Pharazyn was included in the amount for which they signed.

126. At the time the lease was taken by Mr. Pharazyn I believe the three blocks had not been subdivided?—No.

127. Was he to take a lease on their undivided interest over the whole three blocks?—Yes.

128. When this memorandum of agreement was drawn up and signed in the following year, had these lands been subdivided by the Court?—Yes; they were subdivided in July, 1890, I think. It was between the date of the leases and the date of the agreement.

129. Was it that the interest of the owners had been defined by the Native Court but not the actual individualisation of the grant?—No; there was no plan prepared except that the blocks had been indicated. Say, for example, that Kawakawa is divided into three blocks, some of the Natives were put into No. 1 block, not by actual survey but by assessment, but the individual interest in each section would not be located on the grant. The Kawakawa Block was subdivided in the Court subdivision, but not into each Native's individual share.

130. Can you tell me when the subdivisional orders made by the Court were confirmed?—I think it was in July, 1890.

131. I mean when they actually got on to the register?—I cannot tell you that.

132. Was the survey made in 1890?—Yes, I think so. Mr. Pharazyn paid for nearly the whole of the surveys.

133. You know nothing, then, about the advances made by Mr. Pharazyn represented by the £800 referred to?—No.

134. Do you know anything of the circumstances under which that was given to the Natives?—No; except what Mr. Pharazyn has told me. It was a question of account between him and his landlords. He would sometimes advance to pay pressing debts or something else.

135. He would advance against the rent?—Yes; under the old leases. They did not expire until 1891.

136. Still, the new lease was under negotiation in 1890?—Yes.

137. Perhaps taking the two together, taking the old lease and the prospect of a new lease, he would advance on that?—Of course, I could not answer an inference like that.

138. Did Mr. Pharazyn consult you as to the advisability of getting an absolute mortgage from the Natives?—He consulted me several times about it.

139. How is it he did not go in for a direct mortgage in the first instance?—Simply because he would have to take it before the Trust Commissioner, and register it and so on, and it was the express wish of the Natives that nothing should be known of what was going on; that the other Natives should not know it.

140. What other Natives do you mean?—The other Natives in the Wairarapa. Hemi and Piripi told him to say nothing about it.

141. Then, can you say the question of the mortgage was discussed between your client and yourself?—Oh, yes, frequently, and it was done in this form to keep it from the other Natives.

142. Could you take it from that that the Natives had an objection to an absolute mortgage?—No, for the agreement to mortgage showed that they did not object to an absolute mortgage, but the objection was to the other Natives knowing that they were borrowing.

143. They objected in the first instance to the lease, which would give a right of renewal to Mr. Pharazyn for twenty-one years?—No; only some of them.

144. Well, some of them; but owing to that the completion of the lease was not persevered in?—No. Some of the Natives signed the lease with the renewal clause in it.

145. There were objections?—Yes.

146. After that they expressed objections to a direct mortgage being given to Mr. Pharazyn?—Yes; for the reason given by me, that they did not wish it to be known by the other Natives. Therefore an agreement to mortgage was drawn, which would not be published, and it was their request that it should not come before the Trust Commissioner, and consequently it could not be registered. If it had been it would have been known by the other Natives through the *Kahiti*.

147. At the time this memorandum of agreement was being signed by the different Native owners, was it not a matter of public notoriety?—There was the memorandum of agreement, and those who were signing it were to get money. I could not answer that question.

148. There was no secrecy about it?—No; there was no secrecy about it, but I do not think it was a matter of public notoriety.

149. What I cannot understand is that those in the neighbourhood and their own relatives should not know what was going on?—Yes; but they would not know what each Native borrowed.

150. Were they taken separately? I see on the first page that Piripi, Hemi, Te Kooro, and Hohepa all signed on the same day?—Very likely; but they may not have signed at the same time.

151. It was not impossible for the Natives to know what each of the others was doing?—It was not impossible.

152. Then, as you say the interpreter was directed to perfectly inform and make clear to each signatory the effect of signing that deed, was that if the money was not paid it would mean an absolute loss of their land?—Yes; that a mortgage would be required which would contain a clause that the land would be liable for the money.

153. They knew that perfectly well?—Yes; perfectly well.

154. At the same time they objected to a direct mortgage, on the ground that they did not wish the others to know it?—Yes. At that time it would have been possible for Mr. Pharazyn to take a direct mortgage.

155. The Natives contend that they did not mean this as an absolute mortgage—taking their statement for what it is worth—that they signed this memorandum of agreement, but did they know that if they did not pay in three years their land would go?—Of course, and the memorandum of agreement proves the Natives to be wrong, for there is no mention of the payment within three years. After the lapse of three years is the time when the rent can be applied towards the payment of principal.

156. One of the Native witnesses was frank enough to say she knew the nature of the memorandum. It was told her by the interpreter and those in charge that if she did not pay off in a certain time she would have to give a mortgage?—Yes.

157. You say you can give us the amount drawn by each of the mortgagors?—Yes.

158. You are certain you told them at the time they signed the memorandum of agreement, and as each one signed the memorandum, that the interest on what they owed would exceed the rent they would receive?—I have not said that. Of course it depended upon the amount of money they received. For instance, Piripi or Hemi might only take £100, and I was to advance to the extent of 6s. 8d. an acre.

159. Then, if you advanced to the extent of 6s. 8d. an acre, that in itself would mean that the aggregate amount on interest they would owe would be more than they would receive for rent, and you did not explain that?—No. They knew their own area, the amount advanced, and what the rent would be. They knew all that distinctly. They asked me over and over again the amount of the rent and other things. I do not say that I answered in the exact words put by you, but I discussed with the Natives several times what the interest would be, and what would be the amount of the rent. When the agreement was signed there was no mention of the matter, because it was not known how much they might take.

160. Did Te Ama and his partner come into the field as rivals to Mr. Pharazyn before this memorandum of agreement was decided upon?—That is rather a hard question to answer. I do not know exactly when they came into the field. I cannot tell you now. I should say it was about that time; perhaps rather before that even.

161. Mr. Pharazyn said in his evidence that they offered a higher rental, and that perhaps it was an inducement to get the lease—a higher rental than he offered to give to the Natives. Is that so?—That is so, and they are now paying the Natives who signed their lease a higher rental.

162. Do you know whether Te Ama and Sinclair are well off? Are they wealthy people?—I cannot say. Te Ama is the owner of certain land, but whether it is mortgaged or not I cannot say, and Sinclair is the son of an old Wairarapa settler, and I presume he is in good circumstances.

163. I mean if you can tell us if they had means enough at the time to engage in a lease from the Natives—whether they had sufficient means to advance on the value of the land to the Natives up to the extent of 6s. 8d. an acre?—I could not say.

164. According to the evidence, Sinclair and Te Ama compromised with Mr. Pharazyn?—Yes.

165. When did that come about?—In 1893.

166. On whose suggestion, could you say?—I could not say. I think it arose over the question of fighting the case. We were going into the Supreme Court, and I think it was then that a compromise was arranged. I rather think it was Mr. Pharazyn who offered to sell for a certain figure; and yet I am not sure. No, I think it was the other way, and they asked Mr. Pharazyn whether he would sell all his rights to them.

167. The effect of that arrangement is this: we understand that Mr. Pharazyn has transferred all his rights in his lease, his freehold, his mortgage, and all the debts owing to him, to Te Ama and Sinclair for £18,000; is that correct?—Yes.

168. And that they re-mortgaged to him, giving the same as security for the amount?—Yes; and in addition Te Ama's mortgage of his freehold.

169. And whatever equities or rights the Natives may have to redeem the property, or otherwise, have all been transferred over to the other party?—Yes; the only interest Mr. Pharazyn has now in the property is the mortgage back to him. He is interested in guaranteeing these mortgages, for if the mortgages are not obtained he will lose his money.

170. We have had it in evidence that under the present condition of things it is only a matter of time, seeing that the interest exceeds the rent, when their land will ultimately be sold?—Yes. I have seen it also stated in a letter in *Hansard* that the Natives there are landless. That is not true at all.

171. On that point you have given some evidence. Now, with regard to the Maari family, Piripi is dead?—Yes.

172. How many descendants has he left?—Seven or eight.

173. What lands are there now left for them; I see there are the 2 acres in Greytown, then there is their interest in 48 acres in the Okoura Block. Do you know whether that is under lease?—No; I do not think so, but it might be under lease.

175. Then there is Tauanui Block, 8 acres, and Pirinoa Block, 52¾ acres?—That is leased to McDougal.

176. Do you know the rent?—No. Of course, there are his shares in the Pukenaki Block, 1, 2, 3, and 4. There are large interests there. I have not made any search in the matter, but from my own knowledge I can say, since the date of his signing the agreement to mortgage he has sold other lands.

177. Was not that principally to pay off the money he had received?—Not at all; he is interested in other lands as well.

178. Now, if the Natives paid off the £5,000 which they owe under the mortgage what would be their relations with Te Ama and Sinclair?—They would be landlords drawing the rents.

179. Whatever arrangements there may be between Te Ama and Sinclair and Mr. Pharazyn, that could not affect these Natives under the contract to mortgage?—Oh, no; it could not possibly do so, because Mr. Pharazyn has assigned his rights under the lease and under the agreement to mortgage, so that if the mortgage was paid off the land would be free to the Natives, and Mr. Pharazyn and his assignees, Te Ama and Sinclair, would pay the rents direct to the Natives.

180. How would that affect the transaction between Mr. Pharazyn and Te Ama and Sinclair?—The amounts of these mortgages would be paid off, and the interest also. It would be much better for Te Ama and Sinclair.

181. You think it would suit all parties if it were possible to put the Natives in a position to pay Mr. Pharazyn, including the transaction with Te Ama and Sinclair?—I should say it would not be to their detriment. They ought not to object to it. It would be fair all round, and then there would be less book-keeping if nothing else.

182. *Hon. Dr. Grace.*] Have you been solicitor for Mr. Pharazyn in all these transactions?—Yes.

183. Can you tell me whether Messrs. Morison and Loughnan have acted as his solicitors at all in the transaction?—Not at all that I know of.

184. You are therefore cognisant, as far as a solicitor can be, of all the relations between the Natives and Mr. Pharazyn?—Yes. I have never seen Messrs. Morison and Loughnan, or conferred with them, or written to them, in regard to these transactions.

185. *Hon. Mr. Swanson.*] I gather from your answers to Mr. Kelly and Mr. Carroll that all these transactions between the Natives and Mr. Pharazyn were strictly according to the law at the time?—Yes.

186. Is it pretended that the Maoris were over-reached?—I never heard it suggested by anybody until I read it in the *Hansard* debate.

187. The Maoris were in their right to give the security over the land in which they had shares?—Yes.

188. *Hon. J. Carroll.*] Of course, you have seen the letter in the documents before us?—I could see that the dates being all wrong it might mislead many honourable members.

189. *Hon. J. Rigg.*] When you were authorised to advance to the extent of 6s. 8d. an acre at 7 per cent., were you not aware that the interest would exceed the rent?—I would have been aware of it, but I do not know that it had ever been calculated at the time. I knew what the rents were and the amounts. I believe I knew the amount of interest.

190. Did you ever work it out yourself?—Yes.

191. Did you point out to the Natives that the interest would be in excess of the rent?—I could not say, but my impression is that I did not do so.

192. *The Chairman.*] The Natives would have borrowed much more than to the extent of 6s. 8d. if you had let them?—Certainly. There were two Natives who were very angry with me when I shut down the advances.

193. *Mr. Carson.*] Was 6s. 8d. the limit?—That was the utmost limit to which I was allowed to go.

194. *Mr. R. McKenzie.*] Was that the full limit?—Yes.

195. But you advanced to the extent of 10s.?—Not that I know of.

196. Did Mr. Pharazyn?—He advanced more to Piripi. He had a special advance, which was absolutely secured on other lands.

197. Would Mr. Pharazyn advance without your knowledge?—Not without my knowledge.

198. So up to the present all the advances were to the extent of 6s. 8d.?—Yes, and the accumulated interest and the extension to Piripi, who had £500 on another property.

199. Did you advise that the agreement to mortgage could not be enforced when the amendment was made in the law in 1895?—I advised that it could not be legally enforced as regards obtaining a mortgage on it.

200. In reply to Mr. Carroll you said that none of the Natives received money at the same time?—What I said was that, as far as I remembered, no two Natives signed the document at the same time. Two might come in and get money at the same time.

201. The inference was that this was a private transaction?—Yes. And it was understood that the Natives did not want it known that they were drawing money. Piripi and Hemi often came in and asked that it should not be made known to the other Natives in the district. They drew money together, and I have often had other Natives waiting in the ante-room while I was settling with those in my office.

202. Did they sign before witnesses?—Yes.

203. *Mr. Monk.*] Did you think it your duty, either in equity or professionally, to inform these Natives that the rents would not cover the interest on the advances?—No, I did not think it my duty either equitably or professionally to do so. It was perfectly impossible at that time to tell the Natives, because it was not known how much they would draw.

204. As the money was borrowed by instalments, you had no conception until the ultimate highest sum was reached as to how far the interest would overlap the rent?—Several drew money between the date of signing the agreement and the 18th May, the date of the half-yearly interest becoming due. At that time they would be informed of the amount of interest and the rent. Then, in the process of drawing up to the full amount, they were informed by myself and the interpreter of how much they owed for interest.

205. That would not happen until there was a statement of accounts between what they were to receive and what they were owing?—No, that would not take place till May.

206. You mentioned twelve months' notice: was that under process of law, or by arrangement with the Natives?—Arrangement with the Natives.

207. It was out of kindly consideration for the Natives, and it became intercepted by an Act of Parliament—that is to say, by the delay you granted to the Natives your power to mortgage was intercepted by an Act of Parliament?—Yes; while we were obtaining the mortgage it stopped it.

208. If there had not been this considerate compromise with the Natives, giving them twelve months' notice, you would have been able to obtain the mortgage?—I do not know that it was so. We could have taken the mortgage immediately on the lapse of the year. Between the date of the expiry of that notice in March, 1894, and the passing of the Act of 1894, we could have pushed the matter; but Mr. Pharazyn's instructions to me were not to proceed to extremes in acquiring this mortgage. Afterwards Mr. Hone Heke took the matter up, and we hoped that he would arrange this matter between them, but delay occurred and nothing could be done.

209. Even if the indebtedness of Te Ama and Sinclair is reduced by the amount of this mortgage, Mr. Pharazyn will be better to the extent of the property owned by Te Ama?—Yes.

210. What is the value of that property? He said that in addition to this land there was some private land of Te Ama's?—No, only his interest in the run.

211. The freehold interest?—Yes; that is mortgaged to Mr. Pharazyn.

212. *Hon. F. Arkwright.*] You say that the Act of 1894 rendered Mr. Pharazyn's agreements to mortgage invalid?—As far as obtaining a proper mortgage.

213. It is your opinion that the Act of 1895 did not give them any additional validity?—No; although I think it was intended. But there are no express words in that Act which would do it.

214. Then the Act of 1896 made them legal again?—Yes.

215. That conferred a benefit on Mr. Pharazyn?—It put him in the position he was in before 1894.

216. In so far it was to the disadvantage of the Natives?—But the contention is that the Act of 1894 was against Mr. Pharazyn.

217. Under Mr. Pharazyn's agreement with Te Ama he had to hand over to him the agreements already signed?—Yes.

218. And he had to get the signatures to the mortgage?—He had to obtain a proper mortgage.

219. They did not all sign the agreement?—They all signed.

220. These mortgages were not of any validity before the passing of the Act of last year?—He got other mortgages after the Act of 1896 was passed. Te Ruihi gave a mortage prior to the Act oi 1894, and we obtained a proper execution of the mortgage on Hemi's estate and from Heta Hemi this year.

221. When did this agreement with Te Ama take place?—In 1893.

222. Do you remember when these last two mortgages were signed?—Four or five months ago; perhaps nearer the beginning of the year, about March.

223. *Mr. Duncan.*] When the Act was passed in 1894, did Mr. Pharazyn make any claim against the Government for altering the law to his detriment?—Not that I know of.

224. Nor in 1895?—Not that I know of.

225. And yet he was aware that it would interfere with his mortgage?—I think in 1894 he was in England.

226. But you were acting for him?—Yes; but I did not interfere.

227. Had you a power of attorney?—No.

228. You had no instructions to make representations to the Government with respect to the alteration in the law?—No.

229. It seems strange. You say you had a legal right at that time, and the law took that right away. It seems strange no notice was taken of it?—Of course, I cannot say. I was only acting according to my instructions from Mr. Pharazyn.

230. You were instructed by Mr. Pharazyn how to proceed?—Yes.

231. Did he not ask you about getting the law altered back again?—No.

232. In the agreement with Te Ama, does that give a full list of the turnover for the £18,000?—No; it simply recites what was the arrangement for the sale and purchase of certain things.

233. It does not put any value on them?—No.

234. Are you aware of what value Mr. Pharazyn's own block would be? How many acres had he?—About 1,000 acres. I am only speaking from memory.

235. Is that owned by Mr. Pharazyn?—It is his own freehold.

236. Is that handed over to Te Ama?—Yes. Of course, all the station-buildings are on that piece.

237. They are only the ordinary station-buildings, workshops and so on. Is there a large dwelling-house?—No, not very large; I do not suppose it is worth much; but there is a good woolshed.

238. That would be pretty well worth £1,000?—I suppose it would be.

239. What is the value of the horses?—I could not tell you that at all.

240. I just want to see what was handed over when they became indebted to Mr. Pharazyn for £18,000?—I could not give the value.

241. *The Chairman.*] One of the witnesses in referring to the signing of the lease gave this evidence: "Then, the Natives went and got money at various times when it suited their convenience. This was how it was done: Mr. Pharazyn's agent would say to a particular Native, 'Let me see, this is so-and so.' He would then say to him, 'Come and sign this lease,' and then he would go and sign it and get money." Was that the case?—I do not think there is much truth in that statement, considering that the signatures of the Natives who owned most of the land were obtained to the lease before any advances were made. No advances were made by me on account of Mr. Pharazyn until a year afterwards. The only ones who may have had something were two small owners, who had £20 each.

242. It is not true?—Oh, no!

243. *Hon. T. Kelly.*] You said that about 3,000 acres were being negotiated when these advances were made?—About that.

244. And the negotiations for this were going on when the advances were being made?—Yes.

245. This deed was signed on the 16th December, 1890. When does the money under this become due?—Not till seven years from the date of the execution of the mortgage.

246. Then there is no time fixed for this to be due?—Except that we are asking that the mortgage shall be for seven years from this year.

247. I understand you cannot insist upon that?—Not if this Bill passes.

248. Can you insist now?—Yes, under the Act of 1896.

249. What are the total amounts advanced under that deed; I make it out £3,900?—It is more than that. I have a statement of the amount of advances under that deed. I think it is about £5,500.

250. The Natives said they owed about £7,000?—Yes; it is something like £7,000, including Ruihi's mortgage, which is for £1,600.

251. You have security for three of these mortgages under the 1896 Act?—We have only security for one. We have to get the assent of the Native Land Court.

252. Would there be any difficulty?—None if we were to apply now, because they have sufficient land.

253. What is the amount of these three?—£3,500.
254. Out of the £5,500?—£3,500 secured.
255. That leaves £2,000 still not secured?—Yes.
256. That is the total amount borrowed by the thirteen you have named?—Yes.
257. Could you give the amounts owing by those thirteen Natives, and the rent and other particulars?—Yes; I can supply the total advances, the total acreage, the total rent, and the total interest. [See Exhibit E.]
258. Between March, 1894, and the coming into operation of the Act of 1894 you could have secured yourselves if you had thought fit?—Yes.
259. Why did you not do so?—Because we did not know that Act would be passed, and did not hurry. The Act of 1894 was a surprise to Mr. Pharazyn, who was not pressing the Natives.
260. *Hon. J. Carroll.*] I see in this memorandum of agreement that some of the signatures were witnessed by Justices of the Peace?—Yes.
261. That was required by the law, or else that it should be by a solicitor?—Yes, at that time that was the law.
262. The law at that time required that the attesting witness had to be satisfied that the Native signing understood what he was signing?—Yes. You will see by the certificate that it is so.
263. Can you tell me whether any of the attesting witnesses asked the Natives whether they knew that they were liable for the advances up to 6s. 8d. an acre and that the interest would come to more than the rent?—I cannot say that. I know that the attesting witnesses were thoroughly satisfied that the Natives understood the full nature of the document. I do not know that they put it in the words you have used.
264. Was there any explanation as to what they were liable for if they drew up to 6s. 8d. an acre?—Yes, that was given. They were always asking me to what amount they could borrow.
265. Upon that there was nothing further said, to your recollection, that in the event of their drawing to 6s. 8d. the liability for interest would be greater than the rent?—In some cases I recollect I estimated what the interest would be. I worked it out; but I cannot say that it was compared with the rent. It is seven years ago now.
266. I notice that in some of these cases you appear as the attesting witness?—Yes.
267. At the time you were acting as solicitor for the mortgagee?—Yes.
268. Is it quite right that you should appear after that?—I only appear as attesting witness to the receipt of money.
269. Yes; but there is a concurrence right through all this document, from the first signature to the end, between the mortgage and the receipts, and your name appears as attesting witness—that is to say, you fill the double position of solicitor for the mortgagee and attesting witness to the mortgagor?—No, I do not appear as attesting witness to the signatures to the mortgage, but as attesting witness to the signatures to the receipt for a certain sum of money. There is a great deal of difference.
270. There is a relationship which you can hardly well rupture?—Of course, it would open up the whole question as to the capacity in which the solicitor would be incapacitated.
271. The legislation has always been that those connected in any way with a principal in a Native transaction should not appear in any other capacity?—Yes; but this is as to the receipt of money. It is merely that the two appear on one document.
272. From your knowledge of the Native-land laws could you tell us whether, in your opinion, the Natives are in a position, if they wished to raise money to-morrow at a low rate of interest, to pay off the indebtedness to Mr. Pharazyn? Could they do so, and give security over the land in the present state of the law?—That is a question I cannot answer. The question of what the Natives can borrow is one of the most complicated things, but I think under the present law they could not do it.
273. Supposing they had no relations with Mr. Pharazyn. Mr. Pharazyn comes in under the agreement to mortgage executed in 1890, and that gives him a status, and he claims under that status; but supposing he were out of the question, could the Natives at the present time mortgage their lands?—I should say not under the present law, but I believe that with machinery provided it could be done.
274. If the Natives desired to-morrow to raise money to pay off Mr. Pharazyn, could they do it?—I believe it could be done under certain circumstances, for certain Natives have already raised loans with Government permission.
275. You think it could be done without legislation?—I think it could be done without legislation. Hamuera borrowed a big loan through the Public Trustee within the last year. I do not pretend to say how that has been done.
276. He assigned the land to the Public Trustee?—That would not affect the question of legality. I cannot pretend to say how it was done, but it has been done. I wish to explain that when Niniwa was giving evidence she said she was able to borrow from me or from Mr. Pharazyn on land which she did not possess. The position was this: that by the order of the Native Land Court certain acres were adjudged to Heremaia, her father, and by the same order he was directed to convey 150 acres to Niniwa. That conveyance was made, and on the strength of that the money was advanced.
277. *Hon. T. Kelly.*] Can you tell the date?—I cannot give the date, but it was before the advances.

FRIDAY, 3RD DECEMBER, 1897.

Mr. HONE HEKE, M.H.R., made a Statement and was examined.

1. *Hon. J. Carroll.*] Do you know anything of this matter between Mr. Pharazyn and certain Natives, generally known as the agreement to mortgage their interests over the Kawakawa, Te Kopi, and Matakitaki Blocks to Mr. Charles Pharazyn?—Yes; I know something about it.

2. I believe you represented the Natives in the matter with a view to bringing about a settlement between them and Mr. Pharazyn?—Yes.

3. Can you give a short statement to the Committee as to the nature of the negotiations and the position of the parties?—Somewhere in 1895 I was approached by one of the owners in these blocks. She was not then an owner, but she was afterwards admitted as successor to one of the original owners. I refer to Niniwa Heremaia, who was admitted as successor to her father, Heremaia Tamaihotua. I was approached by her with a view to trying to bring about a settlement of all her difficulties; not only this particular matter, but other matters in which she was concerned after the death of her father. Amongst them was her difficulty with regard to the Matakitaki Block, in which she was in 1895 or 1896 admitted as an owner. She gave me an idea of her difficulties. She told me her father had obtained moneys from Mr. Pharazyn, and she herself had also obtained some, and she wanted to pay off any money that her father or herself owed. On the 9th April, 1896, I wrote to Mr. Izard, Mr. Pharazyn's solicitor, asking him to submit to me an account of all that Niniwa and her father owed. I got a reply from Mr. Izard giving the account, and after a little delay I and Mr. Edwards, now a Judge of the Supreme Court, managed to pay off both liabilities. After that I was approached through her by a good many of the Natives interested in these three blocks under consideration by the Committee, to try and bring about an arrangement, as they were not in a position to pay off the moneys they had obtained from Mr. Pharazyn. Therefore they called upon me to try and bring about an arrangement between Mr. Pharazyn and themselves, and also the third party, who were known as Sinclair and Te Ama. I wrote to Mr. Pharazyn, and he came down and saw me, and we had a chat. That was in 1896; and after a little conversation I told Mr. Pharazyn what I thought of doing.

4. Can you give us the date in 1896?—I can hardly give you the date; but I gave my proposal, which is set out in the papers, to Mr. Seddon the other day. I do not know whether you have it before you.

5. *Hon. W. C. Walker.*] Can you not say approximately the time of the year?

6. *Hon. J. Carroll.*] Was it before or after the session of 1896?—It was while the House was sitting that we talked the matter over. However, I submitted the proposal to him, and it reached him, and he noted down a few suggestions. Then, after doing that, he came back and placed it in my hands personally, and we talked the matter over. I agreed to his suggestions, and he agreed to the proposal placed before him; and then, to our disappointment, the interests of the third party, Sinclair and Te Ama, came in, which was the stumbling-block between us regarding the adoption of the proposals. After that I wrote a letter to Te Ama and Sinclair asking them, if possible, to come and see me and try to arrange matters as to the position of the Natives who were liable to Mr. Pharazyn for certain sums of money. I was fortunate enough to get one party down, Te Ama. I met him with Niniwa and a son of one of the original owners at the Thistle Inn, and we discussed this matter. In reply to me, Te Ama said he could not give me an answer until he got back and consulted his partner, and he urged upon me the necessity of submitting to him the proposals that I had submitted to Mr. Pharazyn. This I did, but unfortunately I did not register the letter in which I sent them. I waited for some months, and, not getting an answer, I thought the letter must have gone astray, or that they had seen the letter and refused to give me a reply. However this was, on Mr. Pharazyn coming to me and asking what was the cause of the delay, I told him I had been waiting a reply from Te Ama and Sinclair regarding the proposals I had submitted to him. After further delay, a few months ago the Natives urged upon me the necessity of bringing the matter to a head. Therefore I submitted another letter to Te Ama and Sinclair. I think you have that letter before you. I took the precaution of registering that letter, and it duly reached the parties, but I found out later that it was forwarded to their agent, Mr. McFarlane, Native interpreter and land agent at Greytown. As he was acting for them he was the party to see me, and it was only a few days before the present session opened that he came down to Wellington and saw me at the Occidental Hotel regarding this matter; and, in reply to my letter, he said he was informed by his clients that they could not agree to what I suggested. Therefore I was blocked, and could not go any further. After I received their intimation I wrote back to the Natives who asked me to try and bring about an arrangement between the parties. I wrote on the 22nd October, 1897, placing the whole case before them from the outset, when I was asked to go into the matter, until the time when I was informed by Sinclair and Te Ama's agent that they refused to go into the transaction.

7. *The Chairman.*] To whom was this letter sent?—To Arapata te Maari, son of one of the original owners and lately accepted as successor to his father. I recited everything that took place from 1896 to the time Mr. McFarlane gave me the final answer from Sinclair and Te Ama to the suggestions. That reply was, in fact, that they could not agree at all to the proposals which I had submitted to Mr. Pharazyn, nor to the suggestions which I had set out in my letter to them. That meant that my arrangement with Mr. Pharazyn could not go on any further, because they were in the way. Therefore I wrote to the Natives interested, telling them the exact position, also informing them that, as I could not help them, and as the law was entirely against them, I saw no other course than to tell them their position. I did not feel that I could continue, as a difficulty which I could not remove had come in the way, and asking to be excused from taking any further interest in the matter. That is all as far as that phase of the question is concerned. My knowledge of the matter under consideration by your Committee is this: that several Natives interested in the three blocks had obtained money from Mr. Pharazyn or his agent on the security or apparent security of an agreement to mortgage. A lease of this property had been arranged by Mr. Pharazyn with the Natives, and apparently he had already obtained the signatures, or perhaps I should rather say he was entering into negotiations with the Natives for signatures, to the lease. The interests of the Natives were then thoroughly understood by Mr. Pharazyn through his solicitor, Mr. Izard. The rental due to each Native was also understood. The agreement to mortgage notified in effect that after giving twelve months' notice to the Natives interested who had obtained

money from him they were then to execute a legal mortgage to him. Time went on, and it appears, after searching through some of the Native Land Court records, that Mr. Pharazyn, through his solicitor, had obtained the signature of Ruihi Aporo, an owner in some of these blocks, to a legal mortgage. That is, fulfilling the agreement to mortgage which he had already submitted to the Natives when they obtained the moneys from him. Others of the owners, although receiving notices calling on them to complete the legal mortgage, had not done so. The reason for their not doing so I do not know, but the notices to complete a legal mortgage were sent to some of the Natives on the 26th March, 1893. Since then, up to the time I was approached by one of the parties, several of the Natives had not signed the legal mortgage, and when they came to me and asked me to assist in bringing about an arrangement between themselves and Mr. Pharazyn I made it my business to search up the records of the Native Land Court, and try to find out the true position of the parties who had asked me to assist them. In searching the Native Land Court records I found out the interest of each individual Native to the different blocks, and I also found out the rental to which each individual Native was entitled. In comparing these together I set it out on paper, and submitted this to them, pointing out the serious position they were placed in. That information is to be found in the schedule to the letter of the 24th August, 1897. That schedule sets forth the individual interest of the owners, their indebtedness, the area each one was entitled to, the interest each of them had to pay, and the excess of the interest over the rental. I do not think there is very much of an error in that statement, as I got it from the records of the Native Land Court. I do not think there is any error at all. In drawing their attention to the serious position in which they were, I placed before them the case in this way: that the only course open to me was to approach Mr. Pharazyn, as I had already stated, and getting him to agree to certain proposals so as to enable them to retain the lands not for their own benefit, but for the benefit of their descendants, and by doing that enable them to work off the liability which they or their parents had incurred to Mr. Pharazyn. They agreed not to repudiate the liabilities which their parents had incurred or those which they had themselves incurred. Knowing that I had failed in trying to bring about an arrangement between the parties, they informed me of their intention of appealing to the Government to try and get them to assist in bringing about an arrangement which would bring about what I have already stated; that is, saving the land not for their own personal benefit, but for their descendants, and of adopting a system which would enable them to pay off whatever liabilities they owed to Mr. Pharazyn. At their request I drafted a letter for them on the 24th August, 1897, from verbal material supplied, which was signed by them and sent to the Hon. Mr. McKenzie, Acting-Premier, and the Hon. Mr. Carroll. This was while the Premier was in England.

8. *Hon. J. Carroll.*] You have said you made search through all the official records of the Native Land Court to find out the position of these Natives. In doing so, did you find them with ample land in their possession for their maintenance or otherwise?—Well, I found out both. I found out, for instance, Niniwa Heremaia had ample land. I also found out that others had not ample land. However, I did not raise that point.

9. These were involved in this case?—Yes.

10. Shortly, what was the gist of your proposals to settle this question between the Natives and Mr. Pharazyn?—It was this: that Mr. Pharazyn should agree to the abolition of the lease by the Natives to himself, that he transfer to the Natives all the stock running on these blocks, these to be secured to him by a mortgage over the whole property, including the liabilities which the Natives had already incurred with him.

11. In other words, you endeavoured to bring about the arrangement that had been concluded between Mr. Pharazyn and Te Ama?—Oh, no!

12. On the same lines?—Yes, on the same lines.

13. Not affecting Te Ama's land?—There was no talk about him and Sinclair until we had gone some way into the matter. My idea was that the Natives should take over the whole of the stock, and give Mr. Pharazyn a legal mortgage over the whole of the property and the stock, including their personal liabilities which are now asked to be paid by Mr. Pharazyn, and to get the Natives to incorporate themselves into a committee which should control the management of the land and the stock. I urged upon them the necessity of being economical in working this; that they should work for nothing, and that all profits accruing from the management of the property and stock was to be placed into a sinking fund, and by doing that they would gradually pay off their mortgage to Mr. Pharazyn. This Mr. Pharazyn agreed to with a few suggestions, one being that he should have the right to appoint a manager. With these few suggestions I agreed, and then both of us agreed to the general arrangement; but when the matter was submitted to Sinclair and Te Ama they did not agree, as I have already stated, and that is what brought about what is now before you for consideration.

14. They did not care about substituting the arrangement they had with Mr. Pharazyn for the one proposed?—No.

15. Did Mr. Pharazyn intimate at all that he would reduce the rate of interest if your proposal were carried out?—No.

16. Was Mr. Pharazyn willing that there should be a reduction?—Well, not until we were prepared to sign a legal mortgage.

17. Was he prepared to do it then?—He was prepared to discuss it. I was not requested to go so far as that. I told him that if we agreed to certain arrangements, then the question of reducing the interest could be arranged.

18. When the Natives approached you on this matter and solicited your assistance, did they say that they wished to save the land?—Yes; and they also said that they had no desire to repudiate their liabilities to Mr. Pharazyn.

19. Did they account to you at all in any way as to how they got into this position?—Yes, they did. Of course, it was in the nature of an allegation—an allegation which I could not accept,

myself. I told them at the time, "Of course you may make an allegation. I do not know whether there is any truth in it. That is a matter to be proved." The allegation is something to this effect: that their parents and some of themselves were coerced into incurring this liability to Mr. Pharazyn, in this way: While Mr. Pharazyn or his agent was endeavouring to obtain a lease to the property——

20. *Hon. T. Kelly.*] When was that?—I do not know.

21. In what year? Dates are important?—I do not know—I was not hunting up the leases—but it must have been in 1889 or 1890. They say that while Mr. Pharazyn's agent was negotiating for the signatures of some of the Natives to the leases, a second party came up in their midst, and that party was Te Ama. He was also endeavouring to get some of the Natives to sign a lease of the same blocks as those Mr. Pharazyn was after. The Natives were continually saying that it was in consequence of this; and Mr. Pharazyn, being apparently afraid that the Natives would be taken by Te Ama to sign his lease, he got his agent to open an account and inform the Natives that whoever of them wanted money should call and get it. That brought about the creation of this liability to Mr. Pharazyn. This is the nature of their allegation. Of course, regarding the allegation I have no knowledge, and I did not go into that phase of the question at all.

22. That is simply what they told you?—Yes.

23. *Hon. J. Carroll.*] You say you wrote a letter to the Premier on the subject: were you asking the Premier to take action in the matter?—No; I drafted the letter for these Natives. They thought it better to appeal to the Government for assistance.

24. *The Chairman.*] They signed it?—Yes. They gave me the gist of what they wanted to submit to the Government, and in that letter they set out this allegation I have already referred to. That is the letter to the Acting-Premier, the Hon. J. McKenzie, which is before you.

25. *Hon. T. Kelly.*] You stated that you searched the records of the Court with regard to the indebtedness of these Natives?—Yes.

26. It appears in the evidence that there were thirteen of these who borrowed money. Can you give a statement of the names of the Natives, the amounts they borrowed, and the rate of interest they have to pay on the loans they are owing?—I think that is stated in the schedule to the letter which was sent in.

27. Only a portion of it. I want the names of the thirteen Natives, the amounts that each borrowed, the acreage that each was entitled to in the blocks, and the interest?—I may tell the Committee that I was not acting for the whole lot of the Natives. I was asked by the representatives of Piripi, who are now his successors in the Kawakawa Block, and by Niniwa, who had been admitted after the others came in. I did not set out in schedule form what was the nature of the liability of some of these Natives.

28. You could not give us the whole?—No.

29. *Hon. J. Carroll.*] Perhaps Mr. Heke could give us some information with regard to this amendment which was put into the Act of 1896?—Well, regarding that, my only knowledge is this: that I did not see the amendment introduced in our House. The Bill passed our House without it, but when it returned to our House, after being sent to the Legislative Council, they had introduced the amendment.

30. *The Chairman.*] That is, the introduction of the word "mortgage?"—Yes; and knowing of these things, it struck me of a sudden that this must do damage. So I crossed over from my seat to Mr. Seddon and urged the necessity of disagreeing with the amendment. I did not persist in what I did, but merely mentioned the fact to him. He merely shook his head and would take no notice; but apparently he did afterwards, for in an explanation to the House he said he asked two officers of the Government what effect the word had, and he was informed by the two officers that it had no particular effect, but was simply to make things a little more definite.

31. *Hon. T. Kelly.*] Did you take any action to get it removed?—That was my only action.

32. You did not move an amendment?—No, I did not take any other active steps.

33. *Mr. Graham.*] With reference to the tabular statement here of the names of the debtors, their rents, interests, and so on, you said you got these from the records of the Court?—Yes; I got the acreage from the records of the Court, and I got the amount of the liabilities from Mr. Pharazyn's solicitor, Mr. Izard.

34. If, then, there is any mistake with regard to the amounts, is it his mistake?—I am not prepared to say that. However, I got the amount of the liability of each person from him, and worked their position out.

35. Did you take that down in writing yourself, or did he give it to you in writing?—He gave it to me in writing.

36. Then it is correct, approximately at all events?—Yes; if there is any error in it at all it must be slight.

37. If Mr. Izard says that table is incorrect he is wrong?—It is hard to say, but if there is any error at all, it is only slight.

38. If Mr. Pharazyn said it was generally incorrect you could not agree to that?—No.

39. It was a general statement; and then he pointed out the case of Hemi te Miha, in which the rent is put down at £38, and Mr. Pharazyn said it should be £56; and then in reply to other questions he could not give any other specific examples?—If it was £56 it would not improve the position of the Natives much.

40. Generally, you believe it to be correct?—Yes.

41. You got your information from authentic sources?—Yes.

42. *Hon. J. Rigg.*] Were you the first person as far as you know to bring under the notice of the Government these matters you speak about?—Yes; but I might explain that the Government was not suggested by myself but by some of the Natives, and when they expressed a desire to ask the Government to assist them they asked me to draft a letter for them, and, having gathered from

them the drift of what they wished to say, I drew out the draft, which resulted in the letter to the Acting-Premier.

43. Did you suggest to Mr. Seddon that he should bring in a Bill to repeal the word "mortgage" inserted in the Act of 1896?—Yes.

43A. Did you call attention to the case of the Piripiri Block, and suggest that it might affect that?—I think I did.

44. Then this legislation is introduced on your suggestion?—I do not say that. I think the whole thing is brought about by the letter and a deputation introduced by Wi Pere and myself to the Premier.

45. Would the repeal of the word "mortgage" be a fair way of settling this matter as regards all the parties?—I do not think it would. The repeal of that word would only place Mr. Pharazyn in the position of suing the Natives for their liability as a personal debt, which he could do, and by process of law he could get a charging-order from the Court against each individual.

46. We understand that; but this is the point: You say it would not be fair to all parties to repeal the word; why then did you suggest to Mr. Seddon to repeal it?—It is this: The introduction of the word "mortgage" gave Mr. Pharazyn a course of procedure which would enable him at once to compel the Natives to sign a legal mortgage, whereas if the word were not there he would have to take the usual course of suing the Natives for the amounts as a personal liability, which is a different thing. It would throw him back into the position in which he was placed by the Act of 1895. Under section 11 of that Act he had a right to sue the Natives for the personal liability.

47. We quite understand the position if the word is repealed; but what I am anxious to know is this: Would you advise the Committee to recommend that the clause in the Bill under consideration should be passed? Would you recommend the repeal of the word "mortgage"?—I would advise the Committee to suggest that the word "mortgage" should be eliminated from the Act of 1896, and I would further suggest that, as Mr. Pharazyn is quite willing that an arrangement should be made securing to the Natives the interests in their lands, but making provision for the repayment of the liabilities which their parents and some of themselves have incurred, that should be arranged for.

48. Would you suggest the passing of a Bill with that clause as it is and a proviso in the direction you suggest?—Yes.

49. *The Chairman.*] Saving Mr. Pharazyn's interests?—Yes, and the Natives'; also, by providing some means for the repayment of their liabilities and the retention of their landed interests.

50. Is it your opinion that Mr. Pharazyn's position had been detrimentally affected by the passing of the Act of 1894?—Yes; that debarred him from having any recourse at all to obtain repayment of moneys lent to Natives.

51. And the passing of the Act of last year put him back to the position he occupied when he lent the money?—The passing of the Act of 1895 gave him the right to sue the Natives for the money lent, and by the insertion of the word "mortgage" in the Act of 1896 it placed him in the same position he was in in 1893.

52. That is to say, the passing of the Act of last year put him back into the position he occupied when he lent the money?—Yes.

53. *Mr. Monk.*] Would you suggest that this legislation should be absolutely retrospective?—Yes, although it is open to that construction.

54. If the Bill under consideration is retrospective, do you agree with that?—In this case, entirely.

55. That it should have the effect of destroying transactions that were entered into, *bonâ fide*, between Europeans and Natives—for if retrospective that must be its effect?—It is retrospective, but it does not deprive Mr. Pharazyn of any right of recovery.

56. That is not the question. Supposing there are other transactions of which we have no knowledge which were entered into *bonâ fide*—small transactions where there is a mortgage—do you believe in legislation which will destroy the satisfaction of that amount retrospectively?—Your question is a most difficult one if I am to be forced to reply in the negative or the affirmative, and therefore requires me to explain. Any money lent to a person by another before the passing of the Act of 1894 was placed in the same position by the passing of the Act of 1895, section 11. Therefore, they were not deprived of their right to recover. They were deprived of that right by the Act of 1894, but it was reinstated by the Act of 1895. They were in the position of suing for the repayment of the moneys.

57. There is an ambiguity recognised by the lawyers in section 11 of the Act of 1895?—No.

58. It was so, as is shown by the introduction of this amendment, which was introduced to make absolutely clear what was the intention of section 11 of the Act of 1895?—That might be; but the position, in my opinion, is that section 11 was clear enough in this: that it enabled any person who lent moneys to Natives to sue them for the repayment of those moneys.

59. The doubt came in in this way: If a Native owed, say, £100, it was doubtful whether the person had the alternative of obtaining judgment against him and getting a charging-order when he had a mortgage?—Regarding that, there is no doubt about it. Section 11 is clear. Supposing a man lent £100, section 11 of the Act of 1895 gives that person a clear right to enforce repayment of that debt; but if that £100 was given to the Natives on the security of an agreement to mortgage of certain interests, that was where the doubt arose—whether the Natives could be compelled to sign a legal mortgage by virtue of the agreement.

60. *Hon. J. Carroll.*] Was not the Act of 1895 retrospective in this way?—Yes, because it travels back and repeals part of a former Act.

61. For instance, the Act of 1894 shuts down upon all transactions between private persons and Natives?—Yes; upon agreements to mortgage.

62. Then there was a provision in the Act of 1894 providing for incomplete transactions such as agreements or contracts to sell or lease, but there was no provision in it for agreements or contracts to mortgage?—There was no provision for the completion of agreements to mortgage.

63. All mortgages other than registered mortgages were left out of the Act of 1894?—Yes.

64. Then the Natives were established in their rights in certain loans which had been the subject of agreements to mortgage previous to 1894?—Yes.

65. Then the Act of 1895 made further provision that Native lands were to be liable for debts which they owed?—Yes. Section 11.

66. In short, the Natives were liable, and their lands were liable, for the debts they owed?—Yes.

67. Are you aware that in the Act of 1895 no provision was made with regard to agreements to mortgage?—No provision was made.

68. They were not referred to at all?—No, not at all.

Mr. Heke: May I say a few words as far as Mr. Pharazyn is concerned? During our conversations and attempts to bring about an arrangement, Mr. Pharazyn has always expressed his full desire to accept the arrangement which was set out in my proposals to him. Then, regarding the notices which were sent to the Native owners not very long ago, he gave me to understand that it was not he himself who was enforcing or compelling the Natives to sign a legal mortgage, but it was Te Ama and Sinclair. I thought it was only fair for me to state that, as far as Mr. Pharazyn is concerned.

69. *The Chairman.*] That you came to the conclusion that he was sincerely desirous of seeing the Natives fairly treated?—Yes. He expressed himself that if a provision could be made to secure to the Natives their interest in the land and for the repayment of the liabilities to him he would be perfectly satisfied.

MONDAY, 6TH DECEMBER, 1897.

Mr. G. B. DAVY, Chief Judge of the Native Land Court, examined.

1. *The Chairman.*] I suppose when last year the Bill, an amendment of which is now before this Committee, was before the House your attention was drawn to it?—Well, I drafted most part of that Bill myself.

2. I refer now particularly to clause 23. By that clause the law which had been in existence up to that time was altered by the insertion of the word "mortgage" after the word "lease," and I wish to ask you whether you were consulted after the word "mortgage" was inserted as to the effect it would have?—I could not say that I was consulted upon it.

3. Was your attention drawn to it?—Mr. Sheridan brought a copy of the Bill to me. I think it was on the last day of the session, and my attention was drawn to the alterations that had been made in it. My attention was more particularly drawn to another section. That is the only section I can remember my attention being drawn to. The interview between us was not long, and I cannot recollect whether my attention was drawn to the section to which you refer. I know that it was drawn to another section which has nothing to do with this one.

4. Then you gave no opinion as to what effect the insertion of the word "mortgage" would have?—I have no recollection of saying anything about that. It was a very hurried interview. Mr. Sheridan came into my office. It was in the very last days of the session, and there was barely time to make any alterations at all.

5. Is it the case that by the legislation of 1894 in respect to Native land purchases it was not open to Natives to enter into contracts to execute legal binding mortgages on their property?—Yes.

6. They could do so previously to the Act of 1894, but the Act passed in that year altered that condition of things?—Yes, as to all future time.

7. And the Act which was passed in 1896, by inserting the word "mortgage" in the clause saving incomplete transactions, put the Natives back into the position which they held before the legislation of 1894?—Yes; that is as regards agreements made before the Act of 1894.

8. We have had some evidence as to dealings with a block called Piripiri in Hawke's Bay, the leases of which were granted to Rathbone and Mathews, and we have been told that that case, so far as it is disputed, is at present before the Court?—Yes.

9. In your opinion, has the Court at present power to deal with that case?—The case is at present before the Supreme Court on a case submitted to it by the Native Appellate Court, and I think the Supreme Court has sufficient power to deal with it.

10. Mr. Sheridan informed us that in his opinion this clause 2 of the Bill which we are considering is unnecessary, because the Courts have at present power to deal with such cases; what I want to elicit is whether this clause 2 is necessary?—I do not approve of the clause.

11. On the ground that it is retrospective?—On the ground that there must be some finality in these things. If confirmation by the Court is not to be final, and the transaction has to be registered, then the Land Transfer Department will have to go over the whole inquiry again. There must be finality sooner or later if the land is to be brought under the Land Transfer Act, so that the Registrar can give a title. I think that clause which it is proposed to repeal was inserted with a view to the operation of the Land Transfer Act, and to enable the District Land Registrars to register transactions on which the Court had given a decision. It is all done in open Court, after notification in the *Gazette*, and so forth, so that there can be an appeal within a certain time. There are facilities for appealing, but when the time for appeal is past there ought to be finality—either that or the Court is not fit for its work.

12. *Hon. T. Kelly.*] Before "The Native Land Court Act, 1894," came into operation, had the Natives full power of mortgaging their lands?—It was considered a little doubtful.

13. I think you said they had power?—Well, at one time it was forbidden, but the practice grew up again.

14. Was that under the Native Land Act of 1888?—I cannot say at the moment; but the Act which forbade them doing it was repealed, so that they went back to the old position.

15. I see by "The Native Land Act, 1888," section 4, provision is made that, subject to the provisions of "The Native Lands Frauds Prevention Act, 1881," and the amendment Act, 1888, Natives may alienate or dispose of their land, or any share or interest therein, as they think fit. Does that give them full power to mortgage their lands?—Yes. I believe mortgage would be treated as alienation. Of course, that Act was repealed afterwards.

16. Was this the law up till 1894?—Yes; until the Act of 1894 came into operation.

17. You think that under that section the Natives had the power?—I think they would have the power under that section.

18. The Act of 1894, it is understood, absolutely put a stop to all private dealings with Native lands?—Yes, for the future.

19. There was a saving clause in that Act, section 121, which protected agreements for sale or purchase, but not agreements to mortgage. In what position would a person be who had lawfully obtained an agreement to mortgage before the Act of 1894 came into operation—what would be his remedy after that?—He could not sell the land under that provision. There was power given to enforce existing mortgages, but there was no provision with respect to agreements to mortgage. They were not protected, and a person could not enforce his agreement.

20. Does the Act of 1895 give a person any means of acquiring this power?—No.

21. Does not clause 11 of that Act give the power?—No; that only relates to obtaining judgments by ordinary course of law, and enforcing the payment of a debt in that way.

22. Had a person so placed any power to go to the Supreme Court and ask for a judgment-order?—He might treat it as an ordinary debt, and take it to the Supreme Court for judgment.

23. Supposing the Supreme Court assented, would the land be liable for the debt?—It might have been made so.

24. And the land could be sold?—Yes; he might get a charging order on it.

25. Then, practically, he would get what he wanted?—Pretty much the same thing.

26. With regard to section 2 of the Bill which is now before the Committee, it proposes to repeal the 13th section of the Act of 1895 from its initiation. We have had it stated in evidence that a lease of certain land in the Piripiri Block was given contrary to the provisions of the Native Frauds Prevention Acts of 1888 and 1889. If that be true it would be an illegal lease; but that subsequently the persons who obtained the lease applied to the Native Lands Court, under section 13 of the Act of 1895, and obtained a confirmation order; was that the case?—Yes; that is so.

27. If the allegation is correct that the lease was illegal, would not that be validating an illegal transaction?—I do not think so. I do not think this section 13 went to the length of validating such transactions. It simply said that the confirmation order shall be conclusive evidence that the transaction was not in contravention of any of the provisions of the Acts of 1894 and 1895.

28. In fact it did not give power to validate unlawful transactions?—I do not think the section gave such power.

29. It would be open to appeal to the Supreme Court?—Yes. That is my opinion.

30. Then the whole case could be gone into from the beginning before the Supreme Court?—Yes, as regards non-compliance with the provisions of other Acts before those of 1894 and 1895.

31. Then, if the lease was wrongfully obtained it could not be registered?—I think not; and if I were District Land Registrar I should refuse to register it.

32. I understand the District Land Registrar of Auckland refused to register this lease?—And quite right too, if he did so; but I do not think it is in his district.

33. The contention is that other District Land Registrars have not refused in similar cases, and therefore a person who had obtained a lease illegally would be secure in his title?—I think all the District Land Registrars would refuse, and if they had any doubt about it they would refer to me, because I am Registrar-General as well as Chief Judge, and I should certainly advise them not to register in such cases until the Supreme Court had decided otherwise.

34. Do you know the blocks in the Wairarapa district called Kawakawa, Te Kopi, and Matakitaki?—I do not know anything about them.

35. When lands were inquired into under "The Native Lands Act, 1865," were not the number of names placed in the title restricted to ten?—Yes.

36. But under "The Native Lands Act, 1867," the Court was to inquire as to the rights of those who had beneficiary interests in the lands outside the ten whose names were inserted in the title?—Yes.

37. And under that Act they were inserted in the title?—Yes.

38. Has that been the practice of the Native Land Court?—Yes, in a great many cases.

39. That is, to insert the names of those who, being interested in the land, have not previously applied to the Court?—Yes, in many cases; but in many others the Court has not done it.

40. Then, in many cases those beneficially interested in the land were practically deprived of their rights?—Yes, in a great many cases.

41. That was the remedy before "The Equitable Owners Act, 1886," was passed?—Yes.

42. Did that Act restore the position of those who had not been placed in the original titles?—I cannot say. In many cases the Natives did not apply, and in many others they were shut out of the operation of the Act.

43. Then the ten put in acted as if they were the sole owners?—Yes; but if even only one share was sold they were put outside the operation of that Act.

44. Is not the provision of "The Equitable Owners Act, 1886," carried on in section 14 of the Act of 1894?—Yes; it is very nearly the same thing.

45. That is, the Governor in Council could issue an order instructing the Court to inquire into the claims of those who were outside the original ten put into the grant?—Yes.

46. Do you think that sufficient?—No. Unless they bring it under the notice of the Court, or apply for an Order in Council to inquire into their claims the chances are that they would not be dealt with.

47. That is to say that, unless these Natives apply, it is likely they will lose their land altogether?—Yes.

48. Is it not any person's duty to see after the rights of these Natives?—No; until they make application themselves nothing can be done. You are speaking of past cases, of course. At present we put in the names of all owners that can be ascertained.

49. I see there was a block dealt with lately in which ten names were put in the grant, but afterwards that number was increased to 120: Does not that show the necessity for inquiry when the whole block is inquired into?—Yes.

50. Do you think that at the present time the Native owners not named in the original title are sufficiently protected?—Yes; if they look after their own interests. It depends upon themselves. I may say that they are ready enough now to bring forward these questions, although they were not some years ago—they are almost too ready now.

51. *Hon. J. Carroll.*] As a matter of fact, many were left out of a title in the old days who should have been included?—Yes.

52. *Hon. T. Kelly.*] Could you get the names of the Native owners of the three blocks in the Wairarapa to which I have referred, who have signed the agreement to mortgage, the amount which each Native has borrowed, the acreage of land which each owns, the rent which each owner has received and which he is entitled to?—I have not seen the evidence, and do not know to what blocks you refer; but the particulars could be got from the Court records, or Mr. Sheridan could give them to you.

53. *Hon. J. Carroll.*] Under the Act of 1888 the Natives had power to alienate their land by sale or by mortgage: Could they do so in contravention of the Land Frauds Prevention Act?—No.

54. The power to alienate by mortgage grew up as the result of practice, as I understood you to say?—The construction put upon the section read just now was that of over-riding previous prohibitions.

55. Then from 1873, we will say, until 1888 mortgages were forbidden?—Speaking from memory, there was a period during which they were forbidden. They were distinctly forbidden at one time.

56. They crept in after that date?—Yes, through the wording of subsequent Acts.

57. The Act of 1894 shut down on all private dealings with Native land subsequently?—Yes.

58. And although it made provision for contracts between Natives and Europeans as to the sale and purchase of Native lands, it did not do so in regard to agreements to mortgage?—Yes; they were not mentioned.

59. Was that position relieved in any way by the Act of 1895?—Not as regards agreements to mortgage; only as regards the recovery of debts by the ordinary process of law.

60. Could debts recoverable in that way be made chargeable on the land?—Yes; by charging-order by the Supreme Court.

61. Was there not power given to the Governor in Council to intervene?—Not in cases of that kind. Of course there is the general power given under the Act of 1895 by Order in Council to suspend the provisions of the Act of 1894 in respect to any land.

62. But might not the Governor in Council interfere with the sale of a block of land under a charging-order?—No; he could not stop it.

63. In the Piripiri case you say that as a means of getting at some finality the clause of the Act of last year should not be repealed by the 2nd clause of the present Bill?—It should not be repealed, because I hold that it only applies to breaches of the Acts of 1894 and 1895. There are a great many requirements under those Acts which have to be fulfilled. Under the 117th section of the Act of 1894, and under the provisions of the Act of 1895, a person cannot purchase who holds more than the statutory quantity of land already, and there are other provisions of a like nature.

64. Then a confirmation order, as it affected the position before 1894, was conclusive?—I consider it was only conclusive as it regards breaches of the Acts of 1894 and 1895. I do not consider that it had anything to do with breaches of Acts previous to 1894. It would be conclusive, for instance, in the case of a person purchasing that he not got more than the statutory quantity of land; otherwise the District Land Registrar would have to go into the whole question again before he could register.

65. "Dealings prohibited by any law for the time being in force": that does not refer to any law in force at the time the contract was entered into?—What is exactly the operation of that clause is now one of the questions before the Supreme Court in the Piripiri case, and I cannot say what the opinion of the Court may be.

66. Is that the principal point before the Court?—Yes. It is quite possible that, even if that clause should be repealed, the Court would hold that a confirmation order was conclusive. Some lawyers think that the section is merely declaratory of the law—that, even if that section were repealed, the Court would hold the same as at present.

67. Have you any reason to believe that there is a diversity of opinion among the profession as to the reading of that law?—Yes.

68. Do you know of any other cases besides that of Piripiri which would be affected by section 2 of this Bill if it were to pass into law?—Yes, there are other cases which have passed through under the same circumstances; but this is the only one that any trouble has arisen out of. All the Judges of the Native Land Court are not equal to going into these conveyancing matters, and no doubt some cases have passed through that should not.

69. Then it is possible that there could be a misreading of section 13 of the Act of 1895 by the Judges of the Native Land Court?—I do not think that section would affect their action one

way or another. I think some of them have not been aware of that provision in the Native Lands Frauds Prevention Act about the twenty owners. Some of them have missed that point, either through forgetfulness or through not having gone into it. I think that has been the principal thing.

70. What confirmations they have given, though affected by the conditions and terms of the Lands Frauds Prevention Act, they have passed in ignorance of the provisions?—Yes; either that or through forgetfulness. What they concern themselves most about is the equity of the transaction, and not these technical questions. They overlook them sometimes. The law has been altered so often that one has to look at the date of each transaction to know what the law was at the time.

71. You think, then, it is the duty of a Judge, when considering whether he should give a confirmation order, to take into consideration the laws in force at the time of the transaction?—Yes; undoubtedly.

72. In fact, it is required by the Act?—Yes, it is required by the Act.

73. You were not aware, as I understand you, at the time, of the amendment which was read into the Act of 1896?—Only in the way I have said. In a hurried way Mr. Sheridan showed me a copy of the Bill. Of course I did not take it as official, because Mr. Sheridan has no function to refer such matters to me. It was more a conversational matter than anything else.

74. When you drafted the Bill, you had no instructions to make any provisions in respect to agreements to mortgage?—I had not. At the same time, I may say that if my attention had been called to that alteration I should not have had anything to say against it. It is a matter of policy; there is no question of law in it.

75. If that amendment was not read into the Act of 1894, the only remedy a person would have would be under the Act of 1895?—Yes; under section 11.

76. They could recover debts owing by Natives?—Yes.

77. And by a process making the debt chargeable on the land?—Yes. But in that case the Court would not give its judgment without going into the merits of the case, I refer, of course, to the Supreme Court.

78. The mere proof of debt would not warrant a charging order?—Very likely the Natives would not turn up to dispute it, and then probably it would have gone on an *ex parte* statement. The chances are that the Natives would not have appeared to defend.

79. *Mr. Monk.*] If I understand you rightly, any person taking an agreement to mortgage from the Natives in the year 1893 would be within his legal rights?—I think so.

Mr. SHERIDAN, Native Land Purchase Officer, further examined.

1. *The Chairman.*] While the Bill of 1896 was before the House, was your attention drawn to the insertion of the word "mortgage"?—My attention was drawn to the whole of the amendments generally. What occurred was this: The Bill, on the same day that it passed its third reading in the House of Representatives, was sent up to the Legislative Council, and it was read a second time *pro formâ* at once. Under ordinary circumstances it would have gone before the Native Affairs Committee next day. However, late the same evening I got either a note or a message from Mr. Williams (Chairman of the Native Affairs Committee of the Council) to say that the Bill was coming before the Committee at half-past 7 o'clock or 8 o'clock, and that he would like me to be present, and asking me to attend. By the time I got down to the Committee the Bill was passed right through with all the amendments. Mr. Williams gave me a copy of the amendments, and asked me to look through them and let him know if there was anything to which his attention should be drawn, as he would have to move any amendments in the Council next day. I took all the amendments to the Chief Judge of the Native Land Court next morning, and we went through them all. Some of them were entirely new clauses, and others were alterations in the clauses sent up by the House. This amendment was in a clause sent up by the House. It was not an entirely new clause, but the word was inserted by the Council.

2. *Hon. W. C. Walker.*] Not in the Native Affairs Committee of the Council?—Yes.

3. Oh, no?—Yes; it was among the amendments made by the Native Affairs Committee of the Council.

4. Not in the Native Affairs Committee?—I am under the impression it was. The Chief Judge looked through all the clauses, and he looked at this one, and did not see anything objectionable in it.

5. *The Chairman.*] Did he tell you so?—Yes. I called his attention to it. I asked what it meant. There was very little time; not more than an hour altogether to go through the matter. However, when I went to see Mr. Williams again the Council was in Committee, and the Bill was finally passed. The Chief Judge, in going through the amendments, drafted two or three alterations. He looked at all the alterations. He objected to the alteration made in the date extending the time for winding up the Validation Court, and there was also a new clause inserted in the Bill in relation to the Tamaki Block, and he drafted a proviso which he considered should be added to it. I then took the amendments to the Premier, as the Bill had passed. He was crowded out with business, and there was a very poor chance of seeing him. I think it was the last day of the session. I also gave him the further amendments suggested by the Chief Judge. At first he said they had better stand over, as he had not time to go through them. I understood this to mean that the Bill might be dropped. However, I put them before him, and he took them to the Conference, and had the amendments suggested by the Chief Judge of the Native Land Court included.

6. Leaving that question on one side for a moment, will you look at clause 2 of the Bill which is before the Committee? I think you told us the other day that this clause 2 was quite unnecessary, alleging that the Supreme Court had full power to deal with questions arising under it, and which were met by this; and, in fact, that there was litigation going on with regard to the Piripiri Block?—What I said, or intended to say, was that the Piripiri Block was the first case which

drew attention to this clause. I said that, as far as the Piripiri case was concerned, it did not matter much about legislation, because the question was taken into the Supreme Court, and would be decided there. But as to the propriety of the clause generally I did not express any opinion.

7. *Hon. T. Kelly.*] We have it in evidence that you stated that the clause sought to be repealed is a wrong clause, and ought to be repealed?—That is so.

8. That it is a monstrous clause, and ought to be repealed?—Well, not monstrous, but an obnoxious clause. It is an improper clause.

9. Because it gives power to the Native Land Court to validate illegal transactions?—Yes.

10. *The Chairman.*] Then, if the Chief Judge says that it is not objectionable, because there is a necessity for finality somewhere, you do not agree with him?—No. If you read the clause you can see from it that a confirmation order might be obtained by false evidence, and there is no remedy beyond providing that the person giving false evidence can be prosecuted.

11. Is not that the case with regard to all legal proceedings?—I do not know.

12. *Mr. Monk.*] There is no power to remedy an injustice done to persons through false evidence?—That is so.

13. *Hon. T. Kelly.*] This reference to the Chief Judge of the Native Land Court was not an official reference, was it? It was simply a conversation between you?—Yes; a conversation only.

14. And he supported the clause from the point of view that it would lead to finality?—Of course there was no time to consider the clause carefully. I could not decide at a moment's notice what the effect would be; neither could he.

15. I should like to ascertain the date of the first lease of the Piripiri Block to Guy and Rathbone?—December, 1886.

16. And the term?—Twenty-one years.

17. Then, it will expire in 1907?—Yes.

18. I understand it is the second lease which is now being contested?—Yes.

19. Which was partly executed?—Yes.

20. It is now before the Supreme Court?—Yes.

21. As to the validity of the deed?—Yes.

22. Do Guy and Rathbone appear in the deed?—They have been transferring from one to another until it is very difficult to tell who are in it. I think the firm was Guy and Rathbone, and then it was Rathbone and Mathews. I believe the names in the original lease were William Rathbone and Duncan Guy.

EXHIBITS.

EXHIBIT A.

SIR,— 11, Featherston Street, Wellington, 22nd November, 1897.

We have the honour to ask on behalf of Messrs. Rathbone and Matthews, of Waipawa, lessees of the Piripiri Block, that our Mr. Morison be heard on their behalf on clause 2 of the Bill now before the above Committee.

The reasons for this application are: (1.) The clause is clearly retrospective. (2.) A case has been stated by the Native Appellate Court for the opinion of the Supreme Court on the rights of Messrs. Rathbone and Matthews to have their lease confirmed. This case will be argued as soon as the business of the Supreme Court will permit the Judges to reach it. (3.) In addition to large sums of money paid to the Natives, our clients have paid hundreds of pounds of stamp duty to the Crown in respect of the leases at which clause 2 is directed. (4.) Messrs. Rathbone and Matthews have made sub-leases of part of the Piripiri Block. We have, &c.,

MORISON AND LOUGHNAN.

The Chairman, Joint Committee on The Native Land Laws Amendment Bill,
Parliamentary Buildings.

House of Representatives,
24th November, 1897.

GENTLEMEN,—

I have the honour, by direction of the Chairman of the Native Land Laws Amendment Bill Committee, to acknowledge the receipt of your letter of the 22nd instant, requesting that your Mr. Morison might be allowed to be heard on behalf of Messrs. Rathbone and Matthews before the Committee. I am instructed to inform you that your application was not entertained by the Committee, though, of course, your Mr. Morison, having been summoned as a witness, will have an opportunity of tendering evidence on matters to which the clauses of the Bill are directed.

I have, &c.,

G. F. WOOLDRIDGE,
Clerk of the Committee.

Messrs. Morison and Loughnan, Solicitors, Wellington.

SIR,— 11, Featherston Street, Wellington, 22nd November, 1897.

We have the honour to ask that our Mr. Morison, acting on instructions from Mr. Pharazyn, may be permitted to appear before the above Committee to watch the proceedings on Mr. Pharazyn's behalf.

The reasons for this application are: (1.) That the facts and the law of Mr. Pharazyn's position are apparently entirely misunderstood by those who have spoken in favour of the Bill in the House of Representatives. (2.) The measure is retrospective, and takes away not only Mr. Pharazyn's rights under the amendment of the Act of 1896, but, by placing a legislative construction on those clauses of the Acts of 1894 and 1895 which were intended to preserve rights in existence when the Act of 1894 was passed, deprives him of the obvious contention that the amendment in last year's Act was strictly unnecessary, though it made quite clear what may be said to have been previously doubtful. (3.) Mr. Pharazyn is charged with fraud, and ought to have an opportunity of hearing what his accusers have to say, so that he may be enabled to reply.

We have, &c.,

MORISON AND LOUGHNAN.

The Chairman, Joint Committee on the Native Land Laws Amendment Bill,
Parliamentary Buildings.

House of Representatives,
24th November, 1897.

GENTLEMEN,—

I have the honour, by direction of the Chairman of the Native Land Laws Amendment Bill Committee, to acknowledge the receipt of your letter of the 22nd instant, and to inform you, in reply, that before your letter reached the Chairman a resolution had been passed by the Committee that witnesses should not be allowed to be present or to be represented by counsel during the examination of other witnesses. The Committee has, however, decided to allow Mr. Pharazyn and yourselves to have a printed copy of all evidence taken by it previous to his and your own examination.

I have, &c.,

G. F. WOOLDRIDGE,
Clerk of the Committee.

Messrs. Morison and Loughnan, Solicitors, Wellington.

EXHIBIT B.

[Handed in, Monday, 29th November, 1897.]

THIS DEED made the 22nd day of October, 1894, between Iraia te Whaiti, of Turanganui, in the Provincial District of Wellington, in the Colony of New Zealand, Native, and John Sinclair, of Burnside, near Martinborough, in the said provincial district, farmer, carrying on business together in co-partnership as sheep-farmers under the style of "Te Whaiti and Sinclair," who with their and each of their heirs, executors, administrators, and assigns are (unless the context requires a different construction) hereinafter termed "the mortgagors," of the one part, and Charles Pharazyn, of Longwood, Featherston, in the said provincial district, sheep-farmer, who with his heirs, executors, administrators, and assigns is (unless the context requires a different construction) hereinafter termed "the mortgagee," of the other part:

Whereas the mortgagee has lately sold to the mortgagors his estate and interest, both freehold and leasehold, in the Wataranga, Te Kopi, Kawakawa, and Matakitaki Blocks (which said blocks are hereinafter called "the Wataranga run or sheep-station"), consisting of certain freeholds and leaseholds and live-stock, together with certain Native mortgage securities:

And whereas such Native mortgage securities consisted of a deed of mortgage, dated the 7th day of September, 1893, made between one Ruihi Aporo of the one part, and the mortgagee of the other part, whereby the said Ruihi Aporo conveyed by way of mortgage to the mortgagee certain lands, being parts of Kawakawa No. 2 and Matakitaki No. 2, as a security for the payment of £1,600 and interest: And also a memorandum of mortgage of even date with the said mentioned deed of mortgage made between the same parties, whereby the said Ruihi Aporo mortgaged certain lands, being part of Te Kopi No. 1, to collaterally secure the same sum of £1,600 secured by the last-mentioned deed of mortgage: And also an agreement dated the 16th day of December, 1890, and made between certain Natives—to wit, Piripi te Maari, Hemi te Miha, Hohepa te Whanga, Ropoama Meihana, Te Kooro te Ruakirikiri, Te Ngaere Hemi, Ani Pikinoa, Haromi Otene, Heta Hemi, Heremaia Tamaihotua, Keitia Maari, Rina Ihaka, and Niniwa Heremaia—of the one part, and the mortgagee of the other part, whereby the parties of the first part agreed to execute to the mortgagee, whenever called upon so to do by the mortgagee, and on receipt of one year's previous notice in writing, valid mortgages over their lands at Kawakawa, Matakitaki, and Te Kopi:

And whereas the sum of £4,579 15s. 1d. was lent to the parties of the first part in the last-recited agreement under the said agreement, as follows:—

		£	s.	d.
To Piripi te Maari,	the sum of	1,391	7	2
Hemi te Miha,	"	1,115	13	10
Hohepa te Whanga,	"	448	19	9
Ropoama Meihana,	"	364	16	4
Te Kooro te Ruakirikiri,	"	450	15	8
Te Ngaere Hemi,	"	88	7	8
Ani Pikinoa,	"	307	14	2
Heremaia Tamaihouta,	"	67	14	7
Keitia te Maari,	"	21	6	1
Rina Ihaka,	"	21	6	1
Haromi Otene,	"	188	0	0
Niniwa Heremaia,	"	51	0	8
Heta Hemi,	"	62	13	1
		£4,579	15	1

And whereas, by instruments of even date herewith, the said recited mortgage, memorandum of mortgage, and agreement, and the sums secured by the same, were signed by the mortgagee to the mortgagors:

And whereas the last-recited mortgage, memorandum of mortgage, and agreement are hereafter referred to as "the Native securities," which term shall include any mortgages executed in pursuance of the said recited agreement:

And whereas at the treaty for such sale and purchase the mortgagee agreed to lend to the mortgagors the sum of £18,179 15s. 1d. (being the purchase-money thereof), and further advances as hereinafter mentioned, on the security of certain deeds of mortgage (including mortgages of the above-recited instruments of assignment), as set out and described in the schedule hereunder written:

And whereas at the said treaty it was arranged that such of the provisions, agreements, or terms of the sale and purchase which could not conveniently be incorporated in the deeds effecting the sale and purchase, and securing the unpaid purchase-money, should be expressed in a mutual deed of covenant:

Now this deed witnesseth that, in pursuance of the said agreement, and in consideration of the premises, the parties hereto do hereby mutually covenant and agree one with the other as follows:—

1. The mortgagee shall not, while the said sum of £18,179 15s. 1d., and further advances as hereinafter mentioned, or any part thereof, shall be owing by the mortgagors to the mortgagee, make any advance to any of the Native owners (except the said Iraia te Whaiti or to the firm of "Te Whaiti and Sinclair") for the time being of those blocks of land situate at or near Cape Palliser, in the said provincial district, and called or known respectively as Te Kopi, Kawakawa, and Matakitaki; and shall not directly or indirectly purchase from the said owners any estate or interest in the said lands: Provided always that nothing hereinbefore contained shall prevent the

mortgagee from purchasing, as the mortgagors' agent, any share, or estate, or interest in the said lands belonging to any Native party to the said "Native securities," but only then if such share, estate, or interest shall be submitted to public auction under any power of sale contained or implied in any of the said "Native securities."

2. If the mortgagee at any such sale as aforesaid shall become the purchaser of any such share, estate, or interest, the mortgagee and all other proper parties shall, at the cost and expense of the mortgagors, execute or cause to be executed to them or to one of them, as they may direct, a conveyance or transfer thereof, and the mortgagors shall at their own cost execute in favour of the mortgagee a mortgage of the freehold so acquired, which mortgage shall in all respects be a collateral security with the deeds of mortgage set out in the schedule hereunder written; and all moneys paid by the mortgagee in purchasing the same shall be, and be deemed to be, a further charge on the lands described in the mortgage securities set out in the said schedule, in addition to the said sum of £18,179 15s. 1d., or the amount for the time being so owing, and the mortgagors shall pay to the mortgagee interest thereon from the time or respective times of the same having been paid at the rate of £7 per cent. per annum.

3. If, whenever the mortgagors or either of them purchase (by private contract or at public auction) any freehold shares, estates, or interests which may be subject to the above-recited "Native securities," then, and in that case, the mortgagee shall either execute to the mortgagors at their own cost a release of his interest (if any) in the said land so purchased, or join in any conveyance or transfer thereof to the mortgagors, as the case may require; and the mortgagors shall at their own cost execute to the mortgagee a mortgage, as in the last paragraph mentioned, of the freehold of the land so purchased.

* * * * * * * *

8. On payment to the mortgagors or to the mortagee of any sum or any part thereof secured by any of the "Native securities," such moneys shall, if paid to the mortgagors, be forthwith paid by the mortgagors to the mortagee (or if paid to the mortagee shall be forthwith applied by the mortgagee) in reduction of the amount then owing on the security of the said mortgage securities as set out in the said schedule.

9. That the mortgagee delivered or sent in accordance with the said recited agreement (one of the "Native securities") written notices to each and all of the Native parties to the said agreement on or before the 26th day of March, 1893, requiring them to execute mortgages in pursuance of the said agreement.

10. The mortgagee shall, notwithstanding his assignment of the "Native securities" to the mortgagors, immediately on the execution hereof, take all necessary steps and proceedings (and shall diligently prosecute the same) to obtain good and valid mortgages for the moneys so advanced by him and owing under the agreement mentioned in the last-preceding paragraph (such mortgages to include any advances made, survey moneys paid by the mortgagee on behalf of any of the Native mortgagors, and interest owing from the 1st day of July, 1893, to date of execution thereof), and shall obtain a Trust Commissioner's certificate to the same; and such of the costs of the mortgagee as he may lawfully recover from the Native mortgagors under the said "Native securities" shall be added to the said principal sum of £18,179 15s. 1d. as a further charge as hereinbefore provided, and the mortgagors shall pay interest to the mortgagee on such further charges from the respective dates of advancing such further charges until repayment thereof.

10A. The mortgagee shall, on his obtaining a Trust Commissioner's certificate to any good and valid mortgage obtained by the mortgagee in pursuance of the covenant last hereinbefore contained, assign the same on demand of the mortgagors at the cost of the mortgagors, who shall at their own cost in all things execute in favour of the mortgagee a valid mortgage over the said assignment of mortgage debt as a collateral security to the mortgagee, in addition to the securities hereinafter mentioned in the schedule hereto.

11. Whenever default is made by any Native mortgagor in executing a good and valid mortgage in pursuance of the said agreement, one of the said "Native securities," or in payment of any money due under the said "Native securities" or any of them, or in observance or performance of any of the covenants, agreements, or conditions contained or implied in any of the said "Native securities," then, or in any of the above cases, the mortgagors may in writing require the mortgagee forthwith to procure the execution of a good and valid mortgage, or to collect or get in the principal moneys and interest due by such Native mortgagor under the said "Native securities." If, at the expiration of six months after the date of the service of the above-mentioned requisition (and such service may be effected either personally or by posting a registered letter addressed to the last known place of residence of the mortgagee), the mortgagee has not procured execution of a good and valid mortgage, or obtained the principal and interest moneys due and owing as the case may be, then, and in that case, a sum of money equal in amount to that advanced to the particular Native in respect of whom the said requisition has been served shall be (but subject to its ultimate recovery as hereinafter mentioned) deducted from the said principal sum of £18,179 15s. 1d., or the amount for the time being remaining due, and interest shall cease to run on the amount so deducted, and the mortgagee shall refund to the mortgagors the interest that the mortgagors shall have paid to the mortgagee since the 1st day of July, 1893, upon the amount so deducted, and the mortgagors shall pay to the mortgagee the rent reserved as from the 1st day of July, 1893, to the particular Native by the deeds or instruments of lease made between the particular Native (whose mortgage debt is in question), with or without other Natives, of the one part, and the mortgagee of the other part (and which same deeds have been transferred by the mortgagee to the mortgagors).

12. On payment by the mortgagors to the mortgagee of such rent as aforesaid, the mortgagee shall pay over the same to the Native in respect of whose interest the same rent is reserved, or

shall (in the event of his not paying over such rent) indemnify the mortgagors against all actions, claims, suits, demands, and costs in respect of the non-payment of such rent, the intention being that the mortgagors shall make no loss nor incur any damage by paying the said rent to the mortgagee instead of to the Native in respect of whose interest the same has been reserved by the said instruments of lease.

13. The mortgagee shall at his own cost in all things, and as the agent of the mortgagors, upon the service of any requisition as aforesaid, take all necessary steps and proceedings to enforce the execution and completion of a good and valid deed of mortgage, or the payment of the principal and interest due, or the observance or performance of any covenant or condition under the said "Native securities" by any Native mortgagor; and the mortgagor shall diligently prosecute all such necessary steps, proceedings, and remedies, provided that nothing herein contained shall prevent the mortgagors (until they serve or cause to be served upon the mortgagee the requisition hereinbefore mentioned) from taking such remedies as they may think fit or be advised, at their own cost, against any of the Native mortgagors who may owe money under the said "Native securities" for the recovery of any principal or interest, or in respect of any breach or non-observance of any covenant, condition, or agreement contained in the said agreement or the pursuant mortgage.

14. If, after any sum has been deducted from the principal sum of £18,179 15s. 1d. as hereinbefore mentioned, the mortgagee shall ultimately be successful in recovering the amount of any of the Native mortgage debts, or part thereof, secured by the said "Native securities," such part of the principal and interest as may be recovered shall be credited to the mortgagors, and the same principal amount as is credited shall be added again to the principal sum of £18,179 15s. 1d., and form part thereof, and the mortgagors shall cease to pay rent to the mortgagee on such sum, and shall pay to the mortgagee a sum equal to interest on such sum at £7 per cent. per annum from the 1st day of July, 1893, to the date of their ceasing to pay rent, after deducting all rent that may have been paid in lieu of such interest as hereinbefore mentioned.

* * * * * * * *

THE SCHEDULE ABOVE REFERRED TO.

Date.	Nature of Document.	Parties.	Land affected.
22nd Oct., 1894	Instrument by way of security over stock	Te Whaiti and Sinclair to C. Pharazyn	Watarangi, Kawakawa, Te Kopi, and Matakitaki Blocks.
22nd Oct., 1894	Mortgage of freeholds	Te Whaiti and Sinclair, first part; Iraia te Whaiti, second part; C. Pharazyn, third part	Watarangi, and undivided interest in Kawakawa No. 2 and Matakitaki No. 2.
22nd Oct., 1894	Mortgage of leaseholds	Te Whaiti and Sinclair, first part; Iraia te Whaiti, second part; C. Pharazyn, third part	Kawakawa and Matakitaki Blocks.
22nd Oct., 1894	Mortgage of assignment of Te Ruihi Aporo's mortgage	Te Whaiti and Sinclair to C. Pharazyn	Undivided interest in Kawakawa No. 2 and Matakitaki No. 2.
22nd Oct., 1894	Mortgage of assignment of mortgage debts	Te Whaiti and Sinclair to C. Pharazyn	Undivided shares in Te Kopi, Kawakawa, and Matakitaki Blocks.
22nd Oct., 1894	Mortgage by way of guaranty	Hoani te Whaiti, first part; Te Whaiti and Sinclair, second part; C. Pharazyn, third part	Undivided interest in Kawakawa No. 2 and Matakitaki No. 2.
22nd Oct., 1894	Memorandum of mortgage of leaseholds	Te Whaiti and Sinclair to C. Pharazyn	Te Kopi Block.
22nd Oct., 1894	Memorandum of mortgage	Iraia te Whaiti and others to C. Pharazyn	Undivided interest in Te Kopi No. 3.
22nd Oct., 1894	Memorandum of mortgage by way of guaranty	Hoani te Whaiti and others to C. Pharazyn	Undivided interest in Te Kopi No. 3.
22nd Oct., 1894	Memorandum of mortgage of assignment of Te Ruihi Aporo's memorandum of mortgage	Te Whaiti and Sinclair to C. Pharazyn	Undivided interest in Te Kopi No. 3.

IRAIA TE WHAITI.

Signed by the said Iraia te Whaiti, after the above deed had been read over and explained to him by a licensed Native Interpreter, when he appeared perfectly to understand the same, there

being a statement in the Maori language of the effect of the said deed certified as correct by a licensed Native Interpreter indorsed hereon, and also plans of the lands referred to in the said deed delineated hereon before the execution hereof: And we, the undersigned, hereby certify that the said Iraia te Whaiti signed this deed in our presence on the 22nd day of October, 1894: And that we are neither of us concerned in the transaction to which this deed relates.

HUGH MORISON,
Male adult, Sheep-farmer, Glen Morden.

C. W. HORNBLOW, J.P.,
Cabinetmaker, Greytown N.

JOHN SINCLAIR.

Signed by the said John Sinclair in the presence of—R. WARD TATE, Solicitor, Greytown.

EXHIBIT C.

[Handed in Monday, 29th November, 1897.]

STATEMENT OF SOME OTHER LANDS HELD BY NATIVES CONCERNED.

		A.	R.	P.
Piripi te Maari (deceased)	Okoura Block (Kohonui, Section 5A.	48	0	0
"	Okoura Block No. 2	20	0	0
"	Okoura Block No. 6	2	0	0
"	Pukengaki Nos. 1, 2, 3, and 4 ...	...		
"	Tauanui Block	8	0	0
"	Pirinoa Block	52	3	0
"	Sections 103 and 106, Greytown ...	2	0	0
The Successors of Piripi te Maari (deceased)	Pirinoa Block (each share) ...	22	0	0
(In addition to succeeding to above lands of Piripi's and also undivided interests in Te Umu Umu, Waikekeno, Whaurauranga, Pahaoa Reserve, Pukaroro, and Taherewhahine.)				
Hemi te Miha (deceased)	Turanganui Block	22	0	0
"	Whakatomotomo Block	92	0	0
"	Waimarama Block	420	0	0
"	Okaikau Block	80	0	0
Te Ngaere Hemi	Pirinoa Block	26	1	0
"	Kohunui Block	8	0	0
"	Tauanui Block	1	0	0
Heta Hemi	Pirinoa Block	26	1	0
"	Kohanui Block	8	0	0
"	Tauanui Block	1	0	0
Te Ngaere Hemi and Heta Hemi are entitled as Successors of Hemi te Miha (deceased), in equal shares, to	Turanganui Block	22	0	0
	Whakatomotomo Block	92	0	0
	Waimarama Block (one-third share of)	420	0	0
	Okaikau Block (one-third share of) ...	80	0	0
Ani Ratima	Pirinoa Block	26	1	0
"	Kohunui Block	8	0	0
"	Tauanui Block	8	0	0
Hohepa Aporo (Te Whanga)	Pirinoa Block	66	0	0
"	Kohunui Block	8	0	0
"	Tauanui Block	8	0	0
Rapoama Meihana	Hurunui-o-rangi Block	...		
"	Pahaoa No. 10	48	1	0
"	Akura Block	...		
"	Ngaipu Block	...		
" as successor to Haromi Otene (deceased) in	Pahaoa Block	48	1	0
Te Kooro te Rua Kirikiri	Te Umu Umu Block	...		
"	Waikekeno Block	...		
Keitia te Maari	Turanganui No. 1 Block	16	2	0
"	" No. 2 Block	2	3	0
"	" No. 3 Block	2	3	0
Rena Ihaka	" No. 1 Block	16	2	0
"	" No. 2 Block	2	3	0
"	" No. 3 Block	2	3	0
Keitia te Maari and Rena Ihaka are also entitled as successors, in equal shares, of Roko Piro (deceased), to	Kawakawa Block (one-third share in)	1,000	0	0
	Turanganui Block (one-third share in)	100	0	0

EXHIBIT D.

[Handed in Monday, 22nd November, 1897.]

NAMES OF ORIGINAL GRANTEES.

Te Kawakawa No. 2002.

1. Hemi te Miha (in all three blocks).
2. Maraea te Toatoa (in all three blocks).
3. Raniera te Iho (in two blocks).
4. Roka Piro.
5. Teone Whaiti.
6. Te Koro te Ruakirikiri.
7. Riria Tauhinu (in two blocks).
8. Hiu te Miha.
9. Piripi te Maari.
10. Karauria Hape.

Matakitaki No. 2003.

9. Piripi te Maari.
10. Karauria Hape.
11. Heremaia Tamaihotua.
*1. Hemi te Miha.
*2. Maraea te Toatoa.
12. Ihipera Turakirae.
13. Ani Pikinoa.
*7. Riria Tauhinu.
14. Hohepa te Whanga Aporo.
15. Tiopira Tahana.

Te Kopi No. 2, No. 2698.

*1. Hemi te Miha.
*3. Raniera te Iho.
*2. Maraea te Toatoa.
16. Katarina Wharekura.

EXHIBIT E.

Re KAWAKAWA and other Blocks.

DEAR SIR,— Greytown, Wairarapa, 6th December, 1897.

Herewith I forward you schedule showing the acreage, yearly rent, amount of mortgage and interest thereon of twelve Natives in the Kawakawa, Te Kopi, and Matakitaki Blocks.

This return is made up to the 31st July, 1893, on which date Mr. Pharazyn handed over the accounts to Te Ama te Whaiti and J. Sinclair. Since that date the accounts have been kept by those latter gentlemen; but the last column in the return, in italics, shows the total debt of each Native on the 18th November last, as made up by Messrs. Te Whaiti and Sinclair. Interest at 8 per cent., reducible to 7 per cent., has to be calculated to arrive at the interest payable yearly by each Native.

I trust that my delay in forwarding this information has not caused any inconvenience to the Committee; but since my return from Wellington I have not had time to prepare it before. If the Committee require anything further, I shall be pleased to give them any information that may be necessary.

Yours, &c.,

The Clerk, Native Land Laws Amendment Bill Committee, House of Representatives, Wellington. H. STRATTON IZARD.

Name.	Acreage in Kawakawa Block.	Yearly Rent.	Acreage in Matakitaki Block.	Yearly Rent.	Acreage in Te Kopi Block.	Yearly Rent.	Total Acreage.	Rent.	Mortgage on 1st July, 1893.	Interest.	*Mortgage Amounts on 18th Nov., 1897.*
	Acres.	£ s. d.	A. R. P.	£ s. d.	A. R. P.	£ s. d.	A. R. P.	£ s. d.	£ s. d.	£ s. d.	*£ s. d.*
Piripi te Maari	2,000	34 17 0	490 0 0	9 9 8	..	..	2,490 0 0	44 6 8	1,391 7 2	95 3 0	*1,814 5 1*
Hemi te Miha ..	2,000	34 17 0	430 0 0	8 6 6	762 0 0	13 3 4	3,192 0 0	56 6 10	1,115 13 10	76 16 4	*1,405 3 8*
Te Kooro te Ruakirikiri	1,200	20 18 2	140 0 0	2 14 2	..	..	1,340 0 0	23 12 4	450 15 8	31 4 4	*562 1 2*
Hohepa te Whanga	850	14 16 2	430 0 0	8 6 6	..	..	1,280 0 0	23 2 8	448 19 9	31 0 10	*548 4 1*
Ani Pikouoa ..	500	8 14 2	425 0 0	8 4 6	..	..	925 0 0	16 18 8	307 14 2	21 7 0	*366 19 9*
Ropoama Meihana	800	13 18 10	215 0 0	4 3 2	..	..	1,015 0 0	18 2 0	364 16 4	24 10 4	*453 6 4*
Haromi Otene..	800	13 18 10	215 0 0	4 3 2	..	..	1,015 0 0	18 2 0	188 0 0	13 3 2	*210 7 2*
Ruia Ihaka ..	..	..	..	..	62 2 0	1 1 8	62 2 0	1 1 8	21 16 1	1 9 6	*21 6 1*
Keitia te Maari	..	..	..	..	62 2 0	1 1 8	62 2 0	1 1 8	21 16 1	1 9 6	*21 6 1*
Heta Hemi ..	..	..	159 1 20	3 1 8	..	..	159 1 20	3 1 8	62 13 1	4 6 4	*95 10 9*
Te Ngaere Hemi	..	..	265 2 20	5 2 10	..	..	265 2 20	5 2 10	88 7 8	6 2 8	*98 4 11*
Te Ruihi Apero	2,900	54 13 0	172 2 0	3 6 8	189 3 0	3 5 8	3,262 3 0	61 5 4	1,600 0 0	112 0 0	*1,961 9 7*

EXHIBIT F.

SIR,— 11, Featherston Street, Wellington, 6th December, 1897.

I have the honour to acknowledge your note of the 3rd December, informing me that the Committee does not require my evidence.

With reference to clause 2 of the Bill, my clients will be deprived of their rights if it be allowed to pass. The *Hansard* reports show that the clause was introduced to affect retrospectively the rights of Messrs. Rathbone and Matthews under their leases of the Piripiri Block.

With reference to clause 3, I would point out that the *Hansard* reports show that it has been suggested that I in some way or another procured the passage of the amendment sought to be

repealed, either by concealing from the Hon. W. C. Smith the facts of the case sought to be remedied or by misleading him as to such facts. It is hardly fair to me that such an imputation, though, of course, absolutely without foundation, should remain unanswered, and I trust that, unless the Committee is satisfied and prepared to find that there is no ground for the suggestion, I shall be permitted an opportunity of appearing before the Committee and offering myself for examination.

I have, &c.,
C. B. Morison.

The Chairman, Native Land Laws Amendment Bill Committee.

EXHIBIT G.

Memorandum for the Chairman, Joint Committee on Native Land Laws Amendment Bill.

With reference to my statement before the Committee that mortgages by Natives were at one time prohibited, I should like to explain that what I referred to was section 4 of "The Native Land Act Amendment Act, 1878 (No. 2)," repealed by "The Native Land Court Act, 1886."

Geo. Davy, Chief Judge.

Native Land Court (Chief Judge's office), Wellington, 9th December, 1897.

EXHIBIT H.

Explanatory of Exhibit E.

	£	s.	d.
Total debts, 18th November, 1897, as shown in statement ...	7,561	0	8
Deduct debts, 1st July, 1893, as shown in statement ...	6,061	19	10
Increase in debts since 1st July, 1893	£1,499	0	10

This increase includes—paid for surveys, £239; law costs and sundries (?) interest not covered by rents (?)

					£	s.	d.
Total debts, 18th November, 1897 ...	...	...	...	...	7,561	0	8
Less mortgage from Te Ruihi ...	...	£1,961	9	7			
" " Hemi te Miha	...	1,405	3	8			
" " Heta Hemi	...	95	10	9			
					3,462	4	0
Amount for which security is required	...	...		...	£4,098	16	8

10th December, 1897.

C. Pharazyn.

Approximate Cost of Paper.—Preparation (not given); printing, (1,400 copies), £38 4s. 6d.

By Authority: John Mackay, Government Printer, Wellington.—1897.

Price 1s. 3d.]