block of very much larger acreage than this block of Ngatihira-one being 1,800 acres and the other 150, and both being in valuable positions, one not so much so as the other, but still of considerable value—what I told the Natives I would do was this: I would advise them to see whether they could not agree to an arrangement to exchange, based upon the valuation either of the whole of the block, or, if not so, that of such a part as would be equivalent in value, by a valuation made by valuers appointed by Government or by the parties concerned to settle. They put the question to me at the time, whether or not this would be destroying the agreement that had been come to before. I said "No," I did not think it would. I meant their considering this would not prejudice the position-that was what I meant. They would not give me any answer the first day I saw them, but they fixed to come in either the next day or the day after that and give a definite answer. They came in as appointed, and they said they had considered it and absolutely declined, but that they would adhere to the arrangement made with the Government. The reason they gave was: in the first place they did not want to break through the agreement they understood they had made, and, in the next, that the people interested in Wharerangi were not the people concerned in Ngatihira. I wrote out, in their presence, a telegram to Mr. Bryce, telling him the result of the interview; and I may say I pressed them over and over again to think otherwise, but they declined, and at last I wrote out a telegram. I would not telegraph what they said, that it was a determined reply, but that they had declined it now I did not hear any more of this matter until last session, and then I heard from them from time to time. They came to me-Tomoana and other Natives who came down here on this matter—and told me they were in communication with the Government about it, and they told me what was going on, mainly about possible exchanges with this Wharerangi Block. Nothing, I under-stood from them, was done during last session about it; and the next I heard was: I met Tomoana one day on the railway platform at Hastings, and he produced a telegram from Mr. Hall, the Premier, to him. The telegram, in effect, was that Government had failed to make any arrangement with Mr. Sutton, and told the Natives it was now for them to deal with Mr. Sutton, with whom rested further action in the case. Tomoana asked me what that meant? I told him I did not understand the telegram. As far as I understood it, I did not see how the Government could have sent such a communication to him. I asked Tomoana then, when he had last heard from Mr. Bryce about this matter, and he said that for some time past Mr. Bryce had had nothing to do with it, that Mr. Hall had for some time had charge of the dispute. I had had no communication at all from the Government, as to their altered action in the matter, of any sort or kind. After that communication to Tomoana, the Natives came a good deal to me just about that time—Tareha and others—and asked me whether I thought Government should withdraw in that way from the arrangement. I said I did not under-stand at all how Government could do so. I saw the Natives again several times after that. They came to me, and they told me Government was still going on with the negotiations with them about the exchange of Wharerangi and Ngatihira, after this telegram, and that Captain Preece, the Native Officer, was conducting the matter. At last, one day, I heard of Mr. Sutton, with the Sheriff's officers, going to Omaranui and getting possession of the place. The Natives saw me about that afterwards, and asked me about it-asked me what they could do, and so on, and my advice to them was to petition Parliament on the subject. They told me at the time-I am not sure if it was not on the very day the place was taken possession of, but at least it was within a day or two-that they had met Captain Preece, and had then been in communication with him about the exchange. A little while after Mr. Sutton had got possession, Tareha came into Napier, and let me know he wanted to see me, and I went to see him. He went, first, over what took place between us when I was advising them to make the first concession to the Government. He asked me, as he proceeded with each point, as it occurred, whether it was right, and I agreed. He then said to me that they had agreed to that course upon my advice. He said I had, from my past association with them as representing the Government in former times, and that, being left to them, as he put it, in place of McLean, their old friend, that they had relied upon the advice I gave them—that they had acted upon it; and he wound up by saying to me that through taking my advice he had sacrificed his people, and that I had handed him over to his enemy, Sutton. Those were the words he used. He finished by saying he had nothing more to say to me. I can state to the Committee I never felt so humiliated in my life as when I had that communication made to me. I never saw him again. He died about a fortnight afterward. I think that completes all I know about this matter. Anything I have heard of it since has been from hearsay

77 Mr. Sheehan.] You have been for many years in public offices in Hawke's Bay ?--Yes.

78. Besides being the head of the Provincial Government of Hawke's Bay for some years you also held the position of Agent for the General Government in that district  $^{9}$ —Yes. It was in that capacity I meant I had been in communication with the Natives so much.

79. As such, of course, this matter came before you, and required your very gravest consideration ? Yes; it came in various ways before me.

80. Did you ever, from your own knowledge of the facts, make out what you thought would be a fair settlement of the difficulty between Mr. Sutton and the Natives. Or, to put it more plainly, what would you-if the opportunity came for a settlement-what would you think would be a fair settlement of the difficulty ?- The exact form of settlement recommended by the Committee in its resolution, with which I entirely agreed.

81. Did I understand from the evidence which you have given, at the time possession was taken by Mr. Sutton under the Order of the Court, that the negotiations were even then actually going on between the Government and the Natives ?-The Natives told me at the very time negotiations were going on, either on the very day or the day before the seizure. That I only know from what they told me.

82. Was it on that occasion that Tareha expressed himself to you that you had deceived him?-Yes.

83. There was one matter not brought out. I put the question in the interests of both sides. Was Mr. Sutton aware of the nature and extent of the negotiations?—That I am not aware of; I had understood he was present with Mr. Bryce when the Natives were communicated with. I understand you refer to that occasion you are talking about now, just before the seizure.

84. Yes?—That is the time I mean. 2—I. 2B.