

SESS. II.—1891.
NEW ZEALAND.

MINUTES OF EVIDENCE IN CONNECTION WITH PETITIONS

RELATING TO

THE NEW ZEALAND NATIVE LAND SETTLEMENT COMPANY,

VIZ., THE PETITIONS OF HEMI WAAKA AND OTHERS, H. E. JOHNSTON AND OTHERS, AND HENRY GREEN AND ANOTHER.

(For reports of Native Affairs Committee, *vide* pages 28 and 29 of I.—3.)

FRIDAY, 3RD JULY, 1891.

Mr. W. L. REES, M.H.R., in attendance and examined.

1. *The Chairman.*] The Committee is ready to hear any statement you have to make, Mr. Rees, on the subject of this petition?—To give a complete statement in detail of the various matters which enter into the history of the East Coast Native Land Company would be like going through several volumes.

2. *Mr. Carroll.*] If Mr. Rees would give the Committee a short statement explaining the several stages through which it has passed that would answer every purpose?—Yes; I will make a statement of the principal facts of the case; that, I think, will do very well. In 1878 the Natives on the East Coast were anxious to deal with their lands as tribes—not to sell or lease their land as individuals. After holding various meetings they asked Wi Pere and myself to act with and for them, and they vested, I think, about 400,000 acres in trust in committees of their own, to work with Wi Pere and myself. Wi Pere and myself were to act, as a sort of trustees, with the committees named in the deed of trust for dealing with those lands. After this was done, at an expense of about £10,000, these lands were conveyed—about 400,000 acres. But the Supreme Court decided that the Natives had no power to convey land in trust—that such a mode of dealing with land was not conveyed within the powers of the Native Land Act; so that the whole expense of the preliminary arrangements was useless. The Natives then, under my advice, determined to form an association or company with Europeans, who were to find all necessary means, and to which association the Natives were to assign their lands for the purpose of settlement—that is, throwing open their land, with good titles to provide for settlement. The company was formed. Among the provisional directors were Hon. Major Ropata (who is a member of the Legislative Council), Colonel Porter, Wi Pere, and several others living in the district. A party of settlers was brought out by Mr. G. M. Reed in 1880, and in 1881 the first batch of settlers arrived in the colony. One of these was a gentleman who is at present a member and President of the Wellington Chamber of Commerce—Mr. Duncan. These were people possessing ample means to settle on these lands. But the Native Land Court refused to do anything; they refused to subdivide the land so that titles could be given in conformity with the arrangements that had been made between the Natives and these settlers. This party waited in Gisborne for three months, attending on the Land Court day after day, as well as the Native owners; but the Native Land Court declined to do anything. At last they separated, some going to Auckland, some to Wellington, and the rest to other places. A Bill was then brought into Parliament called the East Coast Settlements Bill, to enable Natives to have parliamentary sanction to give their own title by law to intending settlers. That Bill fell through. It was opposed. It was therefore impossible to get anything done. The company was then enlarged so as to enable a number of Europeans—more than those who had first joined—to subscribe £100,000 of capital, which was thought necessary to carry out the object of settling these lands. The Natives assigned the land to the extent of from 180,000 to 200,000 acres. In furtherance of this object, nearly £100,000 was expended. About £15,000 was paid to the Government by way of Native-land duty and stamp duty; nearly £20,000 was spent in surveys and other costs of that nature, together with the expense of Natives attending the Court; various expenses on subdivision for legal costs and interest on money. The whole of the costs, as I have said, came to about £100,000. During the next two or three years—from 1880 to 1883–84—the attempts, all of them attended with expense, to get from the Native Land Court good titles under the existing state of the law were incessant. A Bill was introduced in 1883 (I think it was in 1883) to enable the company to make an arrangement with the Native tribes. That Bill was opposed by the then Native Minister (the Hon. Mr. Bryce) saying that if this Bill were to pass the government of the North Island must be handed over to this company. That Bill was withdrawn. It was not

intended to say that there was anything wrong in the Bill itself, but that it gave too much power. Such was the nature of the opposition to it. Mr. De Latour was in charge of the Bill. In the meantime the expenses of attending the Native Land Courts in the district, for the purpose of completing, or trying to complete, titles, were very great. Moneys were also expended by the company in improving the properties in various ways. Added to all these, the sudden cessation of the demand for land between 1881 and 1887 helped to delay the progress of the company. Even on the titles which it had completed, large sums of money had been advanced by the company for surveys of blocks and in arranging with the committees of the different Native owners. These moneys had to be raised by subscriptions paid by European shareholders, or loans raised upon mortgages, which heaped up interest against the company. At length it was arranged that Wi Pere and myself should proceed to England, with the view of raising money and obtaining colonists in England for this land. I may state that this was in 1878; but up to that time the work of trying to complete titles under the terribly complicated Acts in force—Acts which were always changing—had been incessant and always expensive. We went to England, Wi Pere and myself, a mortgage having been given over the whole of the properties of the company, for the purpose of arranging the debts then due. The whole of this property had been assigned to the company by the Maoris for that purpose. We were proceeding with our work in England, and I believe we would have been successful in obtaining sufficient money to pay off the whole of the mortgage debts, to improve parts of the property by the sale and leasing of other portions of the property, and to bring into the colony numbers of colonists; but, owing to a telegram—mainly owing to a telegram which was sent to England by Sir H. Atkinson, then Premier—which telegram was read in the House of Commons, and published in all the English newspapers, our hopes of success were completely destroyed. The present position, then, is this: There are large areas of valuable land which would be—if they were cut up or offered for public lease or sale, every acre—I truly believe, taken up without loss of time, proper reserves of course having been made for the Natives upon the land. Now, under this mortgage the Government have been petitioned by both Maoris and Europeans in the district, as well as all the local bodies, for some years past praying that the Government should take over these lands and cut them up with a view to settlement, first making reserves for the Natives upon them.

3. *The Chairman.*] Have proposals been made to that effect?—Yes, for years; all the public bodies in the district—the Town Council of Gisborne, the County Council of Cook, the Harbour Board; in fact, all the public bodies there—have approached the Government and the Houses of the Legislature on this matter, because they have recognised the immense importance of getting this district settled.

4. Is that since the company fell through which you went Home to form?—Since and before. In fact, you could get thousands of names to any petition for this purpose; and if the Government once took the land over and cut it up for settlement the lots would be taken up at once.

5. What is the nature of the arrangement into which you wish the Government to enter?—Simply that they should take over these lands and cut them up for settlement.

6. *Mr. Houston.*] They would be valued?—Certainly; they would be valued as lands are valued for the public works.

6. *The Chairman.*] The Government would take them over upon a valuation if they took them at all; that would be so?—The Government told me they would take them over. In fact, two Ministers came down to the district to see the land. There are two blocks, the Paramata Block and the Pakowhai Block, which were to be taken over with the sheep on them for £42,000. We could certainly have made them pay. But the Ministers employed Mr. Aitken Connell to value the land. Mr. Connell valued these lands at a ridiculously low figure. He valued one of these blocks at £10,000. Now, there was actually an offer of £20,000 for that block without the sheep. If it were cut up it would sell for £25,000. He valued the other—the Paramata Block—at £10,000. I am quite sure that block would be valued by any valuer in the district sworn for that purpose, when cut up, at £30,000. These two blocks, I am sure, with the stock on them and 10,000 sheep could be sold, or bring in interest at 6 per cent., for £60,000. I believe that the Government were afraid of the opposition they might meet with in this House. I think that was the sole reason of their not taking over these lands. When the Ministers came up and saw the Natives on the subject the Natives told them everything. In the main, what the Natives said was correct. Of course they exaggerated in one or two points. In the main, what they said was correct, but the facts were undoubted. The Europeans and the Natives worked together in perfect good faith. The former gave their money and the latter their lands for the purpose of inducing settlement. Scores of thousands of pounds have been paid with that object. But nothing has been done with the lands through the action of the complicated Native-land laws and the non-giving of any assistance by the Government or the Legislature, which they might easily and properly have given; and, through their acting rather as a hindrance, the whole of the money expended has been wasted or gone into the Government coffers. A sum of £15,000 was paid in duties alone, £20,000 for surveys, from £10,000 to £15,000 as the costs of Natives in attending the different Courts, in legal expenses of all sorts about £25,000, and £40,000* was expended in purchasing out the rights of Europeans who had partly completed their interests. The overdraft at the bank was £150,000.

8. There is more than that on account of overdraft?—More than that on mortgage. They have all the land mortgaged.

9. Do you know what is the extent of the land they have now—400,000 acres?—Not now; that was under the trust deeds, which were declared invalid; but all these expenses the Natives have had to bear. The Supreme Court held that the Natives did not hold a title according to European law; they were told they must deal with their lands as in the Native Land Act, but the Act did not recognise a trust deed; it merely gave power to sell or lease. Thousands, however, of the Maoris had signed, and every signature of a Native costs money. Then we had to do the whole thing over again.

* This is not nearly as much as was paid.—W. L. REES.

10. When the Natives went in with the Europeans, had the Natives titles to their lands then?—The Natives were owners according to Native custom; they had no European titles; they had to assign to the company. The great object was to get their titles under the control of a corporate body, which could, under parliamentary sanction, give good titles. If the law had not been altered something could have been done; or even five years ago, before all this mischief had been done, something might have been saved. But now the Europeans can hope to get back none of their money. The Natives must endure some part of the loss; that is also clear. Everything from the beginning to the end had to be repeated. The explanation of the Government was that they doubted the figures published in England, and that the object could not be achieved in the time we said. But if they had only stated that the Government were willing to assist in carrying out a proper system of colonisation, that by itself would have been a great help. We were treating with the English Government and several English people of great influence, with whom we could have made an arrangement under which £300,000 would, I believe, have been guaranteed at 3 per cent. But directly that telegram from Sir Harry Atkinson was published in the *Times*, and in all the leading English, Irish, and Scotch newspapers, the principal men who had gathered about us turned round on us and said, "Your own Government is against you." Now the money of the European shareholders is gone. The case is harder upon the Natives than the Europeans, although many of the Europeans have been almost ruined. The sole ground upon which the Europeans joined the company was for the purpose of a fair investment—that land might be acquired to be cut up for settlement—and this could have been done successfully. And at first the proposal seemed successful. But the Natives are now in this position: In no case have they received anything like value for their land. They have received some small advances.

11. It is stated in the petition before the Committee that £83,000 had been expended, and an additional liability incurred to the amount of £150,000?—Those figures in the petition are quite correct. If at any time during the last ten years, even up to two or three years ago, the Government or Legislature had undertaken, even under any restrictions whatever, to help, the thing would have been successful for both European shareholders and Natives; but there was a persistent resolution, apparently, to do nothing. Now the lands are liable to be sold; the company's interest is liable to be sold without any reserves whatever for the Natives.

12. The total liability is £241,168 11s. 8d.?—That might be reduced by the money, less the liability, on mortgages. But that is the liability to shareholders and mortgagees together. The money, however, of the European shareholders is gone without any fault of theirs. The land, if properly valued, even after reserves for the Maoris are taken out, would very much more than satisfy the mortgages; they would still bring in a handsome revenue if cut up and leased or sold for settlement.

13. *Mr. Houston.*] Do you know the extent of the land the company has now?—About 130,000 acres, under freehold tenure.

14. How do you get freehold tenure?—They obtained it out of the lands which were assigned by the Natives. The Natives had under covenant a right to take either shares of the company or the two-thirds net value of their respective lands when the company should have disposed of the land. In all instances, I should state, they had received some small amounts in cash; the owners of one block, for instance, received £1,000; of another, £800; of another, £500. In fact, in every instance where the Natives asked for cash they got it; but, knowing that the company was to sell or lease for them, many of them said, "We will not ask for any more; we will leave the balance till the land is sold or leased."

15. *Mr. Carroll.*] The bank holds this 130,000 acres against the liability of the company?—No; it is the Assets Company which holds them. The position is this: The company had advanced money to a very large amount for surveys of land the title to which is not completed. The real value of these advances would amount to £30,000; that is not included in the assets. Unless some one were empowered to get it, it could not be got. Thousands of Natives signed as I have stated. Money was paid to the Natives in all parts—in the Waikato, and right up the East Coast, at Rotorua, Wairoa, and, I believe, on one or two blocks in the Wairarapa—for the purpose of surveys. Advances were made to Natives to enable them to take their lands through the Court; also for taking over the interests of Natives in several large blocks, one block containing as many as 40,000 acres. If the Government took over or empowered some other bodies to take over these lands, and had assisted in furthering the object of settling them, all these titles could have been completed; the full value for these lands could have been obtained, which would recoup the expenses of completing the titles and repaying the advances. If the lands were taken at a valuation a great number of the Natives who have interests in them would allow other lands to become security for a portion, at any rate, of the money advanced. If the titles were made clear in that way Wi Pere's people, who are very large landholders in the district, and have made great sacrifice of their lands, would willingly allow of portions of the liability to fall on other lands—that is, if those lands were once utilised. But the late Native Minister (the Hon. Mr. Mitchelson), I am told, took up a very peculiar position. I am told he said that if the Assets Company obtained judgment against the Natives the Government would not advance money to put the Natives on the land. But I contend that the proper course would have been that the Government should take over the lands for settlement or give assistance to any Board that would do so for the same object—take over the lands on behalf of the Natives at a valuation.

16. *The Chairman.*] If they took over the lands, would they have to take them over on behalf of Natives and Europeans?—If the Legislature were to empower the Government, or, through the Government, would lend assistance to any Board on behalf the Natives, to take over these lands, cut them up for settlement—the time must come when these assets would be valuable, and something might be saved out of the wreck of interests. The Natives would be the first to consider; but something might also be saved for the Europeans.

17. What would the Assets Company be prepared to take?—They would only be entitled to £150,000; the other money is cash expended.

18. *Mr. Houston.*] That is gone?—Hopelessly gone.

19. *The Chairman.*] They could only claim £150,000?—I have no doubt that under a proper arrangement they might take less, for to get possession of all these lands there will be terrible litigation. Terrible hardships will be inflicted. All sorts of questions can be raised right and left—questions of law and questions of fact.

20. Where are these lands situated?—Mostly around Gisborne, and in different parts of the East Coast. [Witness pointed out several of the larger blocks on a map.]

21. Who valued these lands?—Mr. Aitken Connell, and a ridiculous valuation it is. He has valued some of the land at £2 an acre, for a great part of which £1 an acre annual rental can be got at any time. Another block he has valued as worth £1 15s. an acre, for parts of which £1 10s. an acre can be got under lease, and for the worst parts £2 as purchase-money. The average all round of the whole estate would bring in £1 10s. an acre.

22. Are the titles secured?—They are said to be completed, but titles may be said to be complete when they are only complete under the Native Land Act. That, also, might mean endless litigation.

23. But if the Government were to take these lands over there would still be litigation?—There could not be any litigation if they could get their titles by statute. It is parliamentary interference that has taken £80,000 out of the pockets of these people. Everything was perfectly *bona fide*; both parties—Europeans and Natives alike—have acted with wonderful good faith under their agreements. The Natives all through the North Island regard with considerable sympathy the position of the Europeans. They are waiting the result of this last experiment to see whether their lands can be handed over for the purposes of settlement. It is most cruel the manner in which the operation of the laws and the action of the Government have condemned these people to lose their property. The lands themselves, if taken at a valuation, cut up for settlement, proper reserves being made for the Natives, would be a public benefit. There are people now leaving the district who would remain if they could get land to settle on. They are only waiting now to see what may be the result of this last effort.

24. You say that the 130,000 acres would average £1 10s. an acre all round?—Yes, if properly cut up.

25. That would be £195,000?—I believe it will bring in good interest on the money they are valued at. The valuation of Mr. Aitken Connell was simply monstrous. Everybody laughed at it. We were in treaty for the Pakowhai and Paramata Blocks—one 8,000 acres and the other 5,000 acres—for £42,000. There were 10,000 sheep on them. The sheep alone would have paid the interest, being depastured upon the hills. The flat land would then have brought in a large surplus. If these lands were cut up and offered for lease or sale they would fetch half as much again.

26. *Mr. Houston.*] What was the area of land when the company was first formed?—One hundred and sixty thousand acres freehold tenure, 100,000 acres leasehold; the leasehold is a part of Mangatu Block No. 1. That leasehold has fallen through, because the company has not paid any rent. Wi Pere's people are the owners; they would be only too glad if the Government would take it over for settlement; the leasehold could be changed in that case to a freehold tenure. The Government may, perhaps, intervene so as to prevent any ultimate loss to the public. Very strong language, I am aware, has been used in condemnation of the action taken by the Government. If the Committee would not mind me making a suggestion I would urge that Parliament should be recommended to empower the Government either to deal with this matter itself on fair terms, or, if any Board should be created by Government under new legislation, the Government should assist such Board towards bringing about the settlement of these lands.

27. *Mr. Carroll.*] What is the present position? Is it not a fact that some of the titles are in dispute between the Native owners and the company?—Yes; in some cases they are disputing the titles. That, however, is a mere matter of law.

28. Would you express any opinion on the subject?—I am not prepared to give an opinion on that subject. Owing to the complicated state of the Native-land laws, through constant alteration, it is dangerous to give an opinion as to the position of Native land.

29. But you say that some of the titles are disputed?—Yes; but I think the Committee should bear in mind this fact: that where a deed is disputed that alone would be a strong argument with the Assets Company to strike downwards the amount they would require, so as to leave a less balance lying on the land.

30. Do you think there is a possibility of coming to an amicable arrangement between the parties all through?—Yes; I think that if the Government would step in and treat, the whole thing could be arranged. I do not say that the Europeans would get back all their money or the Natives all their land.

31. That must be give and take on all sides?—Yes; otherwise it cannot be done. If it were done it would be an immense boon to the whole district. The Chairman of this Committee knows the district well, and can corroborate what I say.

32. *The Chairman.*] Yes; the subject has been brought before me by the local authorities there. Has Mr. Rees any further information to give the Committee?—If the Government were authorised to deal with the matter they could meet as an umpire between all parties. The whole thing could be arranged either through the corporate bodies or by themselves.

33. *Mr. Carroll.*] Was there an attempt made by the late Government to deal with these lands?—Yes. In the Bank of New Zealand, in Auckland, Mr. Murray, Mr. Mitchelson, and myself to a certain extent agreed about these two blocks I have mentioned, but they were frightened at the low valuation made by Aitken Connell. They were also afraid of the opposition in the House; that is the long and the short of it. The ten thousand sheep would have paid the interest. The whole of the sheep would have been kept on the hilly side of the land; the whole of the flat land could be cut up for leasing and reserve. The whole thing was perfectly safe and sound. A compromise could have been made with the Assets Company for the other lands,

34. Was there not this involved in it: that the Assets Company would not reduce their claim; that they refused to reduce it?—I do not think they refused actually to reduce; they would not reduce to the low amount the Government offered. The Assets Company, I believe, had an offer of a larger amount.

35. *The Chairman.*] It appears to me to be a small price, if the average value of the land is what has been stated?—No doubt the Government would have to safeguard themselves under any arrangement which they might make. There would be a loss, no doubt, all round, but there would be no total loss.

36. *Mr. Taipua.*] Is it your wish that the Government should take over these lands and cut them up for settlement?—Yes, for this reason: that the Natives will save a portion of their land instead of its being sold under the mortgage. The Government or a Board, a corporate body, could settle the whole business. All parties would benefit, and considerable litigation would be avoided.

37. Do you think if the Government were to do as you desire, that would result in great loss to the colony?—No; because the Government would only take the land over at a valuation.

38. Do you think that the result would be favourable to the Natives of the districts where these lands are situated if the Government took over these lands?—Yes, I do.

39. *Mr. Kapa.*] Do you think the Maoris would obtain much benefit if the Government were to take over these lands, and in place of the company were to carry out the arrangement you have described?—The company (the East Coast Settlement Company) cannot carry out the arrangement, because the company has spent all its money; but the Government could partially do so.

40. Would the Government do as much for the Maoris as the company would have done?—It could not put them in as good a position as they had before, because the money has been lost; but this loss might be wiped off in the course of some years. The Government would be able to manage the land without the costs and other expenses that a European company would have to meet.

WEDNESDAY, 8TH JULY, 1891.

Mr. WI PERE examined.

41. *The Chairman.*] Will you make a statement to the Committee, as briefly as you possibly can, of the main features of the case?—I presume that Mr. Rees has stated most of the facts relating to this matter. I will simply supplement what Mr. Rees has stated by making a short statement. The object of handing over these lands to a company was to have them settled.

42. I wish to explain to you that Mr. Rees gave evidence regarding the company's land, and your petition is altogether on a different subject?—I wish to give evidence upon Mr. Green's petition, and afterwards give evidence regarding my own petition. Immediately after these lands were handed over to the company all sorts of trouble and difficulty cropped up. Many of these difficulties were caused by the state of the law. In spite of all the efforts made, this question is still in a very unsatisfactory state. The shareholders have received no benefit whatever, nor have the Maoris. On the other hand, the Natives have suffered very deeply on account of the loss of their land. No use has been made of the lands, which was the real object in handing them over to the company. The whole of the money raised by the company has been expended in paying salaries and meeting other expenses, but the Natives received no share, or only a very small portion. As these troubles went on increasing, Mr. Rees and myself determined to go to England. On arrival there, certain people consented to advance money to take these lands out of the hands of the bank. The negotiations were almost completed when a telegram was sent by the Premier of New Zealand, finding fault with our mission. The result was that the people who had promised to help us were afraid to do so, so we came back to the colony. I came to Wellington to see Sir Harry Atkinson, and remonstrated with him for sending such a telegram. I asked him who was to relieve my people if all their lands were taken. The Premier replied, that he would back up the Natives; he would assist them. I then asked him to cable to Mr. Rees, in England, withdrawing his first telegram. This was in the evening. He said he would cable next morning. Next morning I waited upon the Premier at his residence with a companion, when he told me that Mr. Rees had started for New Zealand four days previously; that it would be best now to wait till Mr. Rees arrived in the colony, when a settlement would be made. I sent a letter to wait on Mr. Rees at Hobart, asking him not to quarrel in any way with the Premier, as I had already interviewed him, and to leave the matter in my hands. Subsequently, the Native Minister (Mr. Mitchelson), and the Hon. Mr. Richardson came to see us at Gisborne. They inspected the lands in question, with a view to the Government taking them over. Eventually the Government went out of office, and I do not know whether anything further was done. I have just been informed that these lands will be offered for sale by the bank on this very day; but the bank has been requested to stay its hand for the present. I do not for a moment agree that the company has obtained all these lands properly. They have no right to some of the blocks; they have no legal right; and the company are responsible for the trouble which has come upon the Natives through their want of energy in making use of the lands handed over to them. Some of the lands are restricted; but on account of the desire of the Native owners to reap some benefit from these lands they handed them over, notwithstanding the restrictions. In spite of all these troubles, I am most anxious that a satisfactory settlement shall be made. I wish the Government to intervene and take these lands out of the hands of the company by making some arrangement with the company. I believe the Government could get the lands by paying a portion of the money claimed to have been advanced. I do not admit the correctness of the whole of the liabilities to the bank; they have been greatly exaggerated. When I say that I would like the Government to take the lands over I do not mean that the Government should acquire them entirely to the exclusion of the Natives, because these are the only lands owned by a great number of Natives. These blocks comprise the whole of their lands, and it was only on account of their desire to see them put to a good use that induced them to hand them over to the company. What I mean is that the Government should advance sufficient money to pay off the claim of the bank,

and any further sums required to bring the lands into profitable use, by which arrangement the Government could recoup themselves out of the profits. I will be prepared, on behalf of certain hapus of mine, to hand over other blocks of land as security, in order to strengthen the hands of the Government, lest they should fear that the security was not good enough to advance the necessary money on. I believe other Native owners would do the same. Notwithstanding the bank consider they should get a sum of £100,000, they are not entitled to anything like that amount; and, seeing that they have not got a legal title to much of this land, I believe they would take a very much smaller sum. I am in a position myself to cause the bank a great deal of trouble, and if I find them taking arbitrary measures to sell the lands I will consider myself free to oppose them. My earnest desire is that the Government shall take the matter up and out of the hands of the bank, and to act in concert with the Native owners. If nothing is done great sufferings will come upon the Natives. If the matter is taken up in the manner I suggest, then, I believe, good results will follow to all concerned. I shall not agree to the whole claim of the company being paid—that is, their claim for salaries and other expenses—because they did not fulfil the agreement made with the Natives who handed the land over in good faith. I have nothing further to say, because Mr. Rees has made a long statement. I firmly believe that if the Government took the matter in hand a satisfactory arrangement can be made, so that the colony will be benefited and the Natives saved from utterly losing their land. I think the Government are responsible, because they interfered with our mission to England, and prevented it becoming a success. It is not as though I went to England in an underhand manner, as I waited upon the Native Minister before starting, and explained the object of our mission, which he heartily approved of, and wished me success. I repeat again that if nothing is done by the Government a great number of Natives will lose their land.

43. Do you know Mr. Green, the petitioner?—I am not sure that I know the petitioner. I never knew until just now that they had sent a petition. I suppose the purport of the petition is that they be paid for their losses. The company never expended anything like the sum of £155,321.

44. *Mr. Kapa.*] Were you not a shareholder of this company?—I was a director of this company at first; but afterwards they took an entirely different course, in which I had no part, and ceased to act. At the time I speak of I did see small sums paid to the Natives occasionally. Being interested I could not take any money myself.

WEDNESDAY, 29TH JULY, 1891.

HEMI WAAKA in attendance and examined.

45. *The Chairman.*] If you have anything to explain or to add to your petition you are at liberty to make such statement or explanation?—The principal points are set forth in the petition.

46. Will you be good enough to state from the commencement the transactions mentioned in your petition?—Mr. Rees first appeared on the scene somewhere about or before the year 1878. He came to Poverty Bay district with Karaitiana Takamoua and called a very large meeting of all the Poverty Bay Natives to take place at Toroa, near Waerenga-a-hika. The object of Rees coming to the district was to give us his opinion with regard to the land-negotiations of Europeans in the district. Wi Pere stood up and explained the nature of the transactions which had taken place, Mr. Reed having bought some Native land there. Mr. Rees gave it as his opinion that land which had been paid for in spirits, in stores, and food gave no title; that the transaction was illegal. Another circumstance which he said made sales of Native land illegal was that the shares of the Native owners had not been subdivided. It was this advice of Mr. Rees which made the Natives of the district long to have him for their solicitor. Believing him to be a lawyer and a man of knowledge we thought that what he said was true. We did not hand over our land to him at that meeting. He called another large meeting at Wharaurangi and made the same speech. He called another meeting at a place called Te Kaiparo, where he made a similar statement to the Natives. The whole of the Natives became deeply impressed with what Mr. Rees told them, believing the previous sales were illegal. Afterwards, in the year 1878, Mr. Rees came to our settlement at Muriwai.

47. *Hon. Mr. Mitchelson.*] Is that near the Pakowhai Block?—Yes.

48. *The Chairman.*] That was in the early part of 1878, but he subsequently came by himself. He called a meeting of the grantees of Pakowhai Maraetaha, (adjoining Pakowhai), which is occupied by Mr. Woodbine Johnson. Te Kuri was another block. The Natives explained to Mr. Rees that all these lands were leased to Mr. Johnson; that his lease had to run for two years more. Mr. Johnson had bought several shares in Maraetaha, Pakowhai, and Te Kuri Blocks; also in a fourth and adjoining block called Tangotete. Mr. Johnson had paid for all these shares in cash. As I have already stated, the people all assembled to meet Mr. Rees, and he asked us to hand over the whole of these blocks for him to administer. He advised us to select seven of our number as a committee, including myself and others named in the petition. These were selected. For some time previous to this Mr. Johnson had been urging us to come to some amicable arrangement, and give him a piece of land in Maraetaha in satisfaction of his purchases in the four blocks. He thought that getting his land in one block would be better for us all, and would save trouble. Some of our people would not agree, but it was afterwards arranged that Mr. Johnson was to get a certain portion of Maraetaha, and so leave the other three blocks absolutely free for the Natives. The reason we agreed to hand over the land to Mr. Rees was because he stated that we would get it back. He told us that if we handed over the land to him he and Wi Pere would execute a covenant by which they were all to get back a portion of it. He told us that although we were handing the land over to him, yet the committee would retain the real authority over it; and that it would rest with the committee to lease it or put it to any other use. He made all these statements to the people assembled there. It was on account of these promises that all the owners signed an agreement handing over the land to Mr. Rees, he having clearly promised that the management would rest with the committee. All

the people agreed. Those who had given up interests in the Maraetaha Block asked to have shares in the other blocks as arranged. Under this arrangement 3,000 acres of the Maraetaha, called Te Kopua, which was in excess of the portion required to satisfy Mr. Johnson's claim, was to be handed back to us, and Mr. Rees also told us that Mr. Johnson would pay us £3,000 in addition. He did not explain to us that the £3,000 was for purchase of shares, but simply that it was part of the arrangement. Mr. Rees said that this money belonged to the people; that the committee must take it and place it in the bank; that they would get 6 per cent. for it; and that it would bring us in £180 per annum; but we never saw what became of the money.

49. *Hon. Mr. Mitchelson.*] Have you received any interest?—No; we have never received either principal or interest. It was then suggested that Mr. Johnson's interest in Maraetaha should be bought by us, he being willing to take £40,000 for land, stock, and everything else. We were agreeable to this arrangement. Mr. Rees said he could obtain the money from the bank. The agreement was entered into with Mr. Johnson. The money was to be paid to him in two years and a half, and in default of payment he was to keep the land. Subsequently Mr. Rees invited all the members of the committee to go to his office in Gisborne. He told us that the object of his sending for us was to execute a mortgage to raise £10,000 on the Pakowhai Block. I asked him what this money was for, and he replied that it was to provide for the sinews of war in carrying on the proceedings relating to the other blocks—Whataupoko, Kaiti, Mangatu, Paremata, Uawa, Mangaheia, and other blocks, which the company were negotiating for. Pakowhai, he said, was to be given for a security—a matter of form—that the whole of this money would be recouped to the Natives out of the other blocks. The Committee then agreed to his proposals, and signed their names.

50. Under the belief that Pakowhai was not to be responsible?—Yes; because we were told that all this money should be returned to us out of the other blocks; that Pakowhai would not be embarrassed. The moneys were obtained from the trustees of Reed's estate. The sole reason of our agreeing to this mortgage was that Mr. Rees positively told us Pakowhai was to stand free. We would never have agreed to it had we known that Pakowhai would be taken or sold. The committee do not understand how the company obtained possession of Pakowhai, because we never signed any transfer of it to the company.

51. Did not the Natives appoint Mr. Rees and Wi Pere sole trustees of that land?—Yes; we did appoint Mr. Rees and Wi Pere trustees, to act jointly with us, the Committee.

52. Was it not understood by the Natives that they were not to act without the consent of the committee?—Yes; they were appointed on the understanding that they were only to act with the consent of the committee. The two years and a half, at the end of which it had been arranged that Johnson would be paid, elapsed without anything being done.

53. *The Chairman.*] You state in the petition that the period was two years. You say, "An agreement was drawn up that £40,000 should be paid to Johnson at the end of two years." How is that?—I am not sure whether it is two years or two years and a half. In the year 1882 a relative—Hamiora Mangakahia—came to Gisborne. He told us that disaster would result to us from these negotiations with Mr. Rees; that we would lose our land. He had seen articles in the newspapers which made him believe that would be the result. It was about this time that our connection with the company ceased. We tried to find some way of getting out of our difficulty, and we brought an action against Mr. Rees and Wi Pere. Hamiora assisted us in preparing the case for the Supreme Court. The people collected £3000 towards the expense. We employed a solicitor from Auckland named Earl, and placed all the information in his hands. In 1883 he (Earl) came to Gisborne again, and he kept on until 1884. We could never understand why the case was not taken into Court; but, the whole of our money being exhausted, the case was never heard. In the year 1888 Mr. Rees and Wi Pere then suggested that they should go to England to raise the money, and they came to us to ask the committee's assent, explaining that if they should be successful they could set our lands free. We agreed, and signed a document authorising them to act on our behalf. Every one knows the result, or rather the want of result, of their going to England. We had great misgivings in authorising Mr. Rees and Wi Pere to act for us in raising money in England; but they were sure.

54. It does not matter now. You signed the agreement at all events?—Yes; I think I have touched on all the principal matters connected with this subject. The Maoris have never received one sixpence out of the £10,000 raised.

55. *Mr. Houston.*] What became of it?—I suppose it was spent by Mr. Rees and Wi Pere in travelling about. They went to England by steamer and travelled about. I placed 1,000 sheep on Pakowhai in 1883, but the company came and drove them off. In 1885 I again placed sheep on that land, but the company again drove them off.

56. *The Chairman.*] Were you a member of the company yourself?—No.

57. Were you not a shareholder?—No; nor did I receive any scrip.

58. *Hon. Mr. Mitchelson.*] In this Pakowhai Block, I understand, the Natives never got either money or scrip?—None of the owners in this block became shareholders in the company. They never received scrip nor any money.

59. *The Chairman.*] Or cheque?—No.

60. *Hon. Mr. Mitchelson.*] Do you say that neither you nor any member of the committee ever received any part of the £3,000 paid by Johnson, nor of the £10,000 raised under the agreement?—We have never received any portion of the £3,000 or of the £10,000. We do not know what became of it.

61. Have neither you nor any other member of the committee any knowledge what has become of the £3,000?—None of the committee know what was done with that money. We asked Mr. Rees over and over again to give an explanation how that money was spent. He never did so. Mr. Carroll will corroborate what I say about demanding an account of that money.

62. *Mr. Houston.*] Has anything been explained about the £10,000?—Nor was any explanation given us about this money. I never heard anything about it.

63. *Hon. Mr. Mitchelson.*] This £3,000 was trust money, the interest to be paid to the Natives?—Yes.

64. And the £10,000 on Pakowhai was, if I understand you, for laying a foundation towards freeing the other blocks?—That is so.

65. *The Chairman.* You have stated that Mr. Rees invited the members of the committee to go to his office and execute a mortgage to raise £10,000; that you asked Mr. Rees what that money was for, and that Mr. Rees said it was for “sinews of war” to carry on the proceedings for different other blocks?—Yes.

66. Will you explain what the “proceedings” which were to be carried on against those other blocks?—We supposed at the time it was to pay for surveys and other expenses connected with those other blocks. Some of these blocks—notably, Whataupoko had to be surveyed and sold.

67. Then, you did not understand it was for legal proceedings?—Mr. Rees may have had some such intention, but it was not explained to the Committee that any part of the £10,000 was to be used in legal expenses.

68. Then before you signed the mortgage you were satisfied that the £10,000 was to go in surveys and other expenses, was that it?—I understood that this money was to be used in carrying on other blocks—for laying down grass and otherwise improving them.

69. Did you think at that time that these lands were the property of the company?—I knew that the blocks were in possession of the company; that the Native owners had received scrip in Whataupoko and other blocks.

70. *Mr. Buckland.*] Did you know before you got there why Mr. Rees had sent for you to come to his office?—We had no idea what Mr. Rees wanted us for until we reached his office.

71. *The Chairman.*] Was this £10,000 advanced by the bank?—No, from Reed’s trustees; it was raised under the mortgage. We thought he wanted us in connection of some other matter; but when we got there we found it was to execute a mortgage on the Pakowhai.

72. *Hon. Mr. Mitchelson.*] Did you or any other member of the committee ever imagine that the £3,000 placed in the bank was to be expended by the company on the other blocks?—It was never supposed by any of us that this £3,000, or any portion of it, would be used by the company. We understood it was to be put in the bank. All we did was to count the number of years and the interest accrued for those years.

73. *Mr. Buckland.*] How do you know it is not in the bank now?—We have a suspicion that there is none of it in the bank now.

74. Are you a relation of Wi Pere’s?—Yes, I am a relation of Wi Pere’s.

75. *The Chairman.*] Was it Wi Pere or Mr. Rees that induced you to sign this mortgage?—Mr. Rees.

76. *Hon. Mr. Mitchelson.*] Did Wi Pere or Mr. Rees not tell you that that money had been expended in erecting bridges and making roads through the blocks—I mean the £3,000?—No; we were never told that by Wi Pere or Mr. Rees.

77. *The Chairman.*] Have there been bridges erected or roads made through these blocks?—The making of roads in Whataupoko Block was a different matter. A mortgage was raised on 3,000 acres at Te Kopua, in the Marataha Block, amounting to £1,600, which we were told was to be spent in building a bridge Whataupoko. We were told that the building of this bridge would recoup us the £1,600, and our 3,000 acres would be set free.

78. *Hon. Mr. Mitchelson.*] That is gone too, in the same way?—Those 3,000 acres are lost to us also. We were paid £80—that is, one year’s interest on the £1,600. We were told that the interest would be paid yearly; but no other money has been paid to us.

79. Was the committee formed by the Natives told by Wi Pere or Mr. Rees that it was their intention, as soon as they became trustees of the Pakowhai Block, they would hand over the block to the company?—When the arrangements were first made with Mr. Rees there was no mention of a company at all; but after we had all signed and appointed them trustees, then the company was raised—was got together.

80. Do you say no mention was made of the existence of any company?—No mention was made of the existence of any company at first; it was only when the talk about raising the £40,000 to pay Johnson took place that we heard about a company.

81. Why did you allow the £3,000 from Johnson to remain in the hands of Wi Pere and Rees? Why did not you and the rest of the committee take it into your own hands and deal with it yourselves?—Mr. Rees told us that the £3,000 was to be placed in the bank, and that we were to draw the interest at 6 per cent. We were under the impression that it was safe in the bank, and that the interest was mounting up.

82. When you found that the interest was not being paid, why did you not ask that the money should be refunded?—We never asked for it to be paid to us yearly; if we had asked we would perhaps have been told it was not available; however, we did not ask for it.

83. What was the inducement held out to you by Wi Pere and Mr. Rees for the purpose of leading you to appoint them trustees?—Are you asking the reasons which made us sign the agreement in the first instance or afterwards?

84. When you were asked to sign over the land, what was the inducement held out to you by Wi Pere and Mr. Rees to sign the agreement?—We were induced to sign the agreement handing over the land to Rees and Wi Pere because they told us that we could get the land back from Mr. Johnson; that full power and authority would be invested in the committee.

85. What was the consideration money for signing this deed of agreement?—Five shillings; that was the consideration money mentioned in the deed.

86. *The Chairman.*] Which you say you never got; that is stated in the petition; was it 5s. each?—I do not know whether it was 5s. a share, or whether it was 5s., but we never got it.

87. *Hon. Mr. Mitchelson.*] Will you tell us whether, in respect of the blocks now in possession of the bank, the Natives have received money or scrip?—I believe that in the case of Te Kopua Block

the owners never received any money or scrip, but I cannot speak with any certainty except as regards our own blocks.

88. Are there any other blocks in respect of which you want the Government to give you relief?—They are mentioned in the petition.

89. What is it the petitioners want? Is it that the Government should look into this matter and see if anything can be done to get back these lands for you and the other Native owners?—We wish the Government to see and consider these matters; to see if we cannot be paid honestly for our land, or to get some portion of it back.

90. *Mr. Carroll.*] You hope that the Government will give you some relief?—Yes. The proceedings in the Supreme Court failed for want of money to carry on.

91. *Mr. Kapa.*] How many times did you sign away land to Mr. Rees and Wi Pere?—Three times.

THURSDAY, 30TH JULY, 1891.

RANIERA TUROA in attendance and examined.

92. *The Chairman.*] There are two other petitions besides that of Hemi Waaka—namely, those of H. E. Johnson and Henry Green. We are taking these three petitions together. You are aware that Hemi Waaka gave evidence yesterday?—I do not see why I should give evidence as regards Hemi Waaka's petition. I came to give evidence about a separate block altogether—that is, about the Kaiparo Block. This was the first land that we handed over to Mr. Rees. It was in 1878, in March or April of that year, that Mr. Rees and Wi Pere called a Native meeting at Wairangahika, and asked us to give them this land (the Kaiparo Block) to take care of for fear that if it were left in the hands of the Natives they would sell or mortgage it, and the Native owners would suffer in consequence. Mr. Rees informed us that the mortgage which Mr. Reed had over the block was, in effect, illegal (rotten), because of the food, flour, spirits which had been advanced to the Natives.

93. *Mr. Carroll.*] The land was under mortgage at the time?—Yes; it was mortgaged to Mr. Reed. I should like to explain something that took place before this meeting. I will therefore make a short explanation. In 1876 I took exception to my wife having mortgaged this land; I disapproved of that, so I took possession of it, fenced it, and Captain Reed was unable to oppose me occupying the land. That was the position of affairs when this meeting called by Mr. Rees took place at Wairangahika. At that meeting Mr. Rees explained what steps ought to be taken with regard to this block. He told us that if the land were handed over to himself and Wi Pere they would put it to good use—that they would subdivide, sell, and lease different portions of it for the benefit of the Native owners. He told us that if this proposal were carried the money would flow into our pockets like water running out of a bucket. This statement made us consent to handing over the land (literally, “the words entered into our hearts, and made us think they were very good”), and a document was prepared and signed by the Natives handing over the land to Mr. Rees and Wi Pere. Subsequently they handed over the land to the company. Afterwards Mr. Rees suggested that a committee should be appointed to assist him and Wi Pere in administering the land. I was one of the committee selected. After the committee was selected Mr. Rees invited us to go to his office at Gisborne. He advised us to set apart a portion of this block for the purpose of leasing, so that we would be able to get money to carry on as regards the rest of the block. We agreed to set apart 60 acres for that purpose. This was done. (It was leased.) At the same time Mr. Rees told us that this Kaiparo Block should be given as security for the moneys that were to be raised to administer the other blocks, the property of the company. He proposed that a mortgage should be raised on the Kaiparo Block to build a bridge from the township of Gisborne across the river to the Whataupoko Block. I think the amount of money proposed to be raised by the mortgage of the Kaiparo Block was £3,000; but I am not quite sure. He said that after the bridge should be built, the Whataupoko Block should be cut up into sections and disposed of by auction; that this would recoup us for the money raised on Kaiparo Block (out of the proceeds of the sale). We, the committee, agreed to these proposals. The bridge was built, the Whataupoko land was disposed of, and occupied by Europeans. In 1883 the committee became apprehensive as to our position; we believed, or began to see, that we had injured ourselves. We then went to Mr. Rees's office in Gisborne, and asked him to give us accounts showing the amount of money raised on the Kaiparo Block. We wished to find out how much of the money had been expended in carrying on his office—that is, in payment of salaries and that sort of thing. We wished to get a statement of accounts, so that when we ascertained the amount due we could let a portion of the Kaiparo to pay this liability. He did not give us accounts; he gave us no statement at all.

94. Do you say that Mr. Rees had the management of the company then, or had it passed into other hands?—Mr. Rees was still managing.

95. *Hon. Mr. Mitchelson.*] That was in 1883?—But afterwards the management passed into other hands; at all events, we looked to Mr. Rees; he was the one we spoke to; he was our friend.

96. *Mr. Carroll.*] The one you were intimate with.

97. *The Chairman.*] He was the person you looked to. That is very much the same?—In 1886 Wi Pere and a Native named Te Peka Kerekere asked us to lease them a portion of the Kaiparo Block for three years. The committee agreed to that. That was the time when Mr. De Latour was managing for the company. Wi Pere asked for 100 acres to be leased to him. He got it. The lease ran for the time fixed, but we never obtained any money for either of these leases. We received no money from the first lease of 60 acres, nor from the second lease, although we were told we were to get an income from these leases. In the year 1888 a statement of liability was given showing the position of each block, this one included. We, the owners, then found that this land had been disposed of (killed).

98. *An Hon. Member.*] Sold?—That it had been handed over to the company, who disposed of it to the bank.
99. *Mr. Carroll* : Transferred to the company, and mortgaged by the company to the bank?—The owners of this block never received any money on account of it. With regard to some other blocks, it is stated that money was paid to the owners; but that was not so in this case.
100. *Hon. Mr. Mitchelson.*] Did you receive any scrip in the company?—No.
101. *The Chairman.*] What was the extent of that Kaiparo Block?—Three hundred acres, but it was subdivided.
102. Was that handed over to Mr. Rees and Wi Pere?—Yes.
103. What was the mortgage that Mr. Reed (Captain Reed) had on it?—I do not know the exact money raised on it, but I think it was £3,000 for building the bridge.
104. But before the bridge was built it was mortgaged to Reed?—I cannot give you the amount of Reed's claim, because it was for goods supplied.
105. *Hon. Mr. Mitchelson.*] Was it a mortgage or was it money advanced for goods?—The term used was "mortgage."
106. *The Chairman.*] How many grantees were there in this block?—There were, perhaps, between thirty and fifty owners.
107. Had these owners signed any document to Captain Reed supposed to be a mortgage?—All I know is that Mr. Reed advanced my wife five pounds' worth of clothes and goods, but I do not know whether she signed any mortgage in his favour.
108. You were not a grantee yourself?—No.
- 108A. Then, when you speak of attending these meetings of Mr. Rees, are you speaking of what others told you? If you were not a grantee, I presume you would not attend the meeting?—I thought you were asking me about the meeting held in Mr. Reed's time; but, in regard to the meetings with Mr. Rees, I attended those meetings.
109. *Hon. Mr. Mitchelson.*] Were you a member of the committee?—Yes; I was a member of the committee for that block.
110. *The Chairman.*] You represented your wife, who was one of the grantees?—Yes; I represented my wife and her relatives.
111. *Hon. Mr. Mitchelson.*] Did not the committee know that it was proposed to transfer this block and other blocks to the East Coast Land Company?—The committee understood from what Mr. Rees said that it was intended to hand over these lands to the company; but Mr. Rees and Wi Pere said that the land was to be given to themselves to take care of.
112. How could that be if they were going to hand over the land to the East Coast Land Company?—Mr. Rees told us that if we handed over the land to them it would be cut up into small sections and leased and farmed for the benefit of the Native owners.
113. *Mr. Carroll.*] At the time this block was handed over to Wi Pere and Mr. Rees, was there not a good deal of litigation going on in consequence of Reed's mortgages over these lands? Was there not a great deal of contention and fighting about it?—There was.
114. Who was acting for the Natives in the Supreme Court?—Mr. Rees.
115. Was it understood at the time the Natives handed over the Kaiparo Block to Mr. Rees and Wi Pere that they were to "fight off" or "clear off" Reed's mortgages from that block?—Yes, that is so.
116. Do you know whether they did it?—Yes, they did so.
117. *The Chairman.*] Did what?—Cleared off Reed's mortgages.
118. You say that in 1888 was the first time you knew the true position of the Kaiparo Block—when the accounts were shown to you?—Yes.
119. You then discovered that the company had mortgaged all the property that was in their hands to the Bank of New Zealand?—Yes.
120. And included in the list was Kaiparo?—Yes.
121. *Mr. Carroll.*] Was that the first time that you became aware that Kaiparo, that, in fact, all these blocks were singly and collectively liable for the whole of this mortgage?—Yes.
122. Were you not before then under the impression that each individual block had to carry its own proper share?—Up to that time we were under the impression that each block should bear its own liability, and no more.
123. Mr. Rees explained to you about the Whataupoko Block, to the effect that the liability to the Kaiparo Block was to be readjusted by the sale of the Whataupoko Block?—Yes.
124. And then you discovered that all these blocks, individually and collectively, were liable to the whole mortgage. Did the Natives make any proposition or suggestion as to the way of getting out of the difficulty?—We did.
125. Who was it represented the bank on that occasion?—I do not remember.
126. Was it Mr. Whyte?—Yes; Mr. J. B. Whyte.
127. What proposition did the Maoris make to him?—The Maoris said that each block should bear its own liability.
128. *Hon. Mr. Mitchelson.*] Did the Native owners join with the company in remortgaging all these properties to the bank, or did they join in the one mortgage?—No.
129. *Mr. Rees.*] The committees did; there were twenty meetings at least which the witness attended with others. (To witness) That was so?—Perhaps I do not understand the question.
- The Chairman* : The witness states that the Maoris did not join in the mortgage to the bank.
- Mr. Carroll* : The bank wanted to get a clear mortgage, and, for the purpose of getting that, when Mr. J. B. Whyte went to Gisborne the Natives were called together.
130. *The Chairman.*] That was about the time Wi Pere and Mr. Rees went to England?—About that time arrangements were made for Wi Pere and Mr. Rees to go to England; some Natives joined in the mortgage to the bank. I did not.
- The Chairman* : This man was not a grantee, and, of course, could not.

131. *Mr. Carroll.*] Full powers were given to the committees; he was a member of this particular committee he speaks of: do you remember the Maoris making any proposition to Mr. J. B. Whyte as to the way out of these proceedings?—

132. *Hon. Mr. Mitchelson.*] For the relief of the Natives?—

133. *Mr. Carroll.*] Apart from the suggestion that each block should bear its own cost?—I do not know; some of the Natives may have made offers.

134. Did not the Natives at that meeting say they were quite willing to make a sacrifice of land if the bank would make an equal sacrifice in money?—Yes.

135. What would you suggest now? Have you any suggestion to make? Have you any suggestion in your own mind as to what should now be done?—We think the Government should intervene if it is possible for them to do so. Then, if the Government think it is not possible, to give us a decided answer.

136. In what way do you think the Government should settle this matter? How should they act suppose they took this business over?—We think the Government might see its way to pay off the liability to the bank.

137. *Hon. Mr. Mitchelson.*] Do you know that it amounts to £140,000 or £150,000?—If it is so much, then the Government might see its way to resell a portion of the land.

138. *Mr. Carroll.*] Were not you and the other Natives willing, in 1888, in the presence of Mr. J. B. Whyte, to sacrifice half the land?—Yes; I have said so.

139. *Mr. Kapa.*] What amount of money was fixed as the liability of the Kaiparo Block?—I do not recollect the amount.

140. *Mr. Rees.*] In relation to the Kaiparo Block, there was a mortgage signed by the owners to Captain Reed?—Perhaps there was.

141. Had not the majority of the Native owners in that block sold also to Captain Reed?—The mortgage was a sale.

142. Besides the mortgage, were there not fresh deeds of sale to Captain Reed?—I do not know.

143. *The Chairman.*] You say they mortgaged to Captain Reed, and that Mr. Rees told them that Reed's mortgage was illegal: that is what you said?—Yes; I did say that.

144. *Mr. Rees.*] Did I not tell the Natives distinctly at their public meetings that the mortgages were illegal, where spirits, guns, ammunition, or things of that sort had been given as the consideration—they should dispute such transaction as illegal; but that where a proper consideration was given, such as food, I would not dispute such transaction, whether of mortgage or sale; but these things—spirits, guns, ammunition—were illegal?—Mr. Rees told us that in case of any mortgage where guns or spirits or goods had been supplied it was illegal.

145. Did I use the word "goods"? Was it not "where spirits, guns, and ammunition" were given?—Yes; you used the words "guns," "ammunition," and "spirits."

146. Do you remember the large public meeting which Karaitiana, Wi Pere, and myself attended?—Yes.

147. Did not the Natives request me to come from Napier to Gisborne in order to take the management of their lands in the Poverty Bay district?—It was Wi Pere who invited you.

148. Did not the invitation proceed from those who spoke at those meetings, not only Wi Pere, but from the Native chiefs?—I do not know that all the Native chiefs asked you at this meeting to come from Napier and take the management of their lands. I know that when you did come to Gisborne Wi Pere held a meeting at Wairangahika, which I and others attended; it was a very big meeting.

149. Were there not other meetings held in different places—large meetings?—Yes, there were.

150. Did not the Natives agree among themselves to act unitedly about their lands—not each individual by himself, but altogether—both in regard to lawsuits and the management of their land where there were no lawsuits?—It was agreed.

151. Did not the Natives agree that the necessary moneys for legal expenses, for surveys, for the necessary roads and bridges, or anything of that sort, should be raised in the best way it could be done for these purposes?—Yes; the Maoris did agree. I have already stated that in our own committee they agreed that the money should be raised on the Kaiparo Block.

152. Is it not the desire of the Maoris that the Government should intervene?—The Natives wish to get out of their difficulty.

153. Is it not the fact that many hundreds of Maoris will be injuriously affected if their lands shall be sold and the Government does not step in to their relief?—Yes, a great number of Natives will be injured—very deeply injured—many hundreds of them—if the Government do nothing to save their lands.

154. Will it not be a loss to some of the Maoris to the extent of all the lands they have? Will not many of them be landless if they should be forced off the land which they now hold?—Yes. I will give you a case—the case of this block Kaiparo. If nothing is done the Native owners of Kaiparo will lose everything they have; they have not another piece of land in the Poverty Bay district. Some of the Natives have only a quarter of an acre, others half an acre, some none at all. Some tribes, if these lands were closed to them, have other lands; but some have no other lands at all. If the Government do nothing these people will lose everything.

155. Will it not amount to this: that if the land is sold in this way these Natives will have to be absolutely forced off the land?—Yes; they would have nowhere else to go to.

156. Are there not a good number of these blocks on which the Natives are living and cultivating portions of the lands mortgaged or sold at the present time?—Yes. In regard to this very block that we are in occupation of, living on it, and cultivating it, I know it was sold to the bank the other day.

157. You are the chairman of the district Native committee of the East Coast?—Yes.

158. You know all the Native settlements from Wairoa to Waipiro?—Yes.

159. Now, on all the company's lands along the coast, are there not hundreds of Maoris settled on these very lands, with their cultivations and dwellings on them?—Yes.

160. *The Chairman.*] On the company's lands?—Yes.

161. *Mr. Rees.*] The Maoris would be, in the first place, anxious to get their homesteads and cultivations made reserves for them; that would be the first thing they would ask, would it not?—Yes.

162. In the second place, they would desire to get something, if possible, after their homesteads and cultivations were secured—some portions of the lands for themselves?—Yes.

163. Then, you would be content still to let a portion of the land go in order to secure the remainder?—Yes.

164. And Europeans, you think, would be likely to take up and pay a fair price either for purchase or lease of these portions if they were available, being outside the Maori homesteads and cultivations?—Yes; Europeans would be very glad to have these portions.

165. Is not the land of a first-class character, so far as the soil is concerned?—Yes; they are fat, rich lands; but of course they are no use in their present state, on account of the unhappy position of the conflicting titles.

FRIDAY, 31ST JULY, 1891.

HEMI WAAKA in attendance and cross-examined by Mr. Rees.

166. *Mr. Rees.*] Were you a grantee of the Pakowhai land?—I was not, but my father was a grantee. My mother was also a grantee.

167. How many owners were there in the Crown grant?—I think there were about twenty-nine.

168. How many out of the twenty-nine had sold?—I cannot say.

169. In respect of the £3,000 from Johnson, I want to ask you whether you know that either Wi Pere or myself ever received one sixpence of that money?—I do not know, because no account was ever furnished.

170. Do you remember, a little while from the time of the agreement being made with Johnson, Mr. De Latour and myself calling a meeting of the Muriwai Natives in order that we might come there with the accounts, and the Natives declining to attend that meeting, yourself among the number?—I do not know anything about that meeting. Had such a meeting been called, or had I known of such a meeting, I would gladly have gone to it, for it was my great desire to get the accounts. Another thing I was anxious to obtain was copy of the covenant agreed to for giving us the management of the land, and also copy of the agreement which we had signed. These I was most anxious to get, and copies of other documents.

171. Did you ever ask me for any such documents?—I did.

172. When?—In your office at Gisborne.

173. When?—Before the year 1882.

174. But what documents do you mean? State distinctly what documents you asked me for, as also what documents you wished me to give you?—The covenant which provided for handing back the land to the Natives; also a copy of the document signed by the Natives when they handed the land over to you and Wi Pere; also a copy of the agreement made with Johnson—that is, the agreement relating to the £3,000.

175. Who was the interpreter?—Edward Harris.

176. Are you not aware that a large amount of money was spent—first of all, by myself and Wi Pere; secondly, by the company—in regard to other lands of the Muriwai Natives, belonging to yourself among others?—I do not know that moneys were so spent. I explained to Mr. Mitchelson when he visited Gisborne that we had no idea how you and Wi Pere had expended the money. I had said as much to the committee previously.

177. You state in your evidence given before the Committee that the £3,000 was to be placed in the bank at interest—that that was a part of the arrangement. When was that said?—When the arrangement was made about purchasing Johnson's interest for £40,000.

178. Who said it?—You told us yourself.

179. Who was present? But first I would like this witness to be sworn, or I shall give evidence myself. This is a serious matter.

The Chairman: I shall consider what power the Committee has to swear witnesses.

Witness: This was said in a publichouse at Muriwai.

180. *Mr. Rees.*] Who was the interpreter?—I do not know who the interpreter was. Perhaps it was an interpreter from Auckland. I do not know the interpreter's name. You yourself told us that we would get 6 per cent. for the money.

181. In relation to this £3,000, do you know who received it from Johnson?—I cannot say that anybody received it but yourself, for there was no other person that had authority from us. You were acting for us at the time.

182. Are you not aware that the company took over the lands and received the greater part of the money from Johnson, with the consent of the Muriwai Natives?—I do not know if such was the case. The company appeared on the scene some time afterwards, not at the time when you and Wi Pere were trustees. There had been no company formed when the agreements relating to this land were entered into.

183. Did you not go through the accounts with Mr. De Latour in his office in 1888, before Wi Pere and myself went Home—in Mr. De Latour's, the company's office?—We did not; but about the time that you and Wi Pere went Home we asked for accounts, but they were not given to us. I asked for the accounts.

184. Do you mean to say you did not go through the accounts with Mr. De Latour in his office

in Gisborne—that you were not occupied two or three days going through the accounts in Mr. De Latour's office in Gisborne?—No; all I know is that about the time that you and Wi Pere went to England we again asked for accounts, which were not given us.

185. Before that time, do you mean to say that you did not go into Mr. De Latour's office and look at the accounts, in common with all the committees of the different blocks?—It is perfectly true that we had a meeting with regard to your going to England. I myself asked for accounts to be furnished to us, but they were not given to us.

186. Did you not see the books in the interpreter's office, and go through them with the interpreter, Mr. Albert McKay?—No.

187. Were not the owners, yourself amongst them, aware that this £3,000 was spent in the general work of surveys, legal expenses, and other things connected with the general work in which Wi Pere and myself were engaged for the Natives?—Seeing that no account was given to me, how could I say how the money was spent? How did I know how it was spent?

188. If Wi Pere and myself proposed to place the £3,000 in the bank, bearing interest at 6 per cent., so as to bring the Natives an income of £180 a year, how is it they have never asked for the money, or for the interest, until it was mentioned by you in Gisborne, for you must remember that it is twelve years since?—I have already stated to the committee that we did not make a demand for that money.

189. But I want you to tell the committee how it is that if you and the other Natives understood that this money was in the bank, with interest accruing, which you were to receive, that you have never asked for either principal or interest during these twelve years?—All I know is that we never made any demand for the money; it did not occur to us to demand it.

190. Was it because you and the Natives were well aware that the money was used with their consent for these general purposes—with your own knowledge?—No; that was not the reason. You know all about how the money was spent; I do not.

191. Did you not come to my office in Gisborne about six or eight months ago and get me to draw up a petition for you, to be signed by the Natives generally, about the company and the land?—I did not. The only petition that I know of is the one you prepared for the Natives to sign.

192. Did you not come and instruct me?—No.

193. Have you got that petition?—Raniera Turoa has the petition you drew up. Your son asked me where the petition was that had been prepared relating to the Kaiparo and Pakowhai. I said I had given it to Raniera and the Kaiparo Natives; but nobody had signed it at the time I gave it to them.

194. You say that you and several other Natives brought an action in relation to the Pakowhai Block?—Yes.

195. Did you say anything during that action of the claim you had against Wi Pere and myself? Did you say a word about our having received £3,000 and not accounting for it?—I do not remember.

196. Did not the Natives of the Pakowhai Block, after this £3,000 had been paid, say the bulk of the money was to be used for general purposes on the other blocks—on the whole of the blocks, in fact?—I have already stated so. I have explained that the £10,000 was to be expended in that way.

197. Were not these Natives two or three times before Captain Preece, the Trust Commissioner, going through the whole of these circumstances for two or three days together in the Trust Commissioner's Court?—Will you mention some circumstances that might call it to my memory.

198. Did not the Trust Commissioner refuse to certify, seeing that the other lands might not be able to pay?—I do not remember. No doubt you remember all the circumstances, but I do not.

199. Do you not remember—you yourself as one of the committee—being for two or three days before Captain Preece, and being examined about the conveyance of Pakowhai?—I do not know.

200. *The Chairman.*] But you must know whether you were before him or not?—I was never before him for two or three days.

201. Were you before him at all?—I remember going before him with regard to a protest against the mortgage of Kopua.

202. *Mr. Rees.*] Did you not sign the deed of Pakowhai to Reed's trustees as one of the committee?—I did sign the deed.

203. Did you not go before the Trust Commissioner on that signature?—As you are very persistent in asking me these questions, perhaps I did go before him, but I have no clear recollection of going before him on that occasion.

204. Who paid for the surveys of Maraetaha No. 2 and the surrounding blocks?—I do not know who paid for them.

205. Do not these lands belong to you and your people? Did you not get a certificate in the Native Land Court for them?—The land was awarded to us.

206. Do you mean to say you do not know who paid for the surveys?—I believe the company paid for the surveys.

207. Did they not pay for the surveys out of a portion of this money of Johnson's? Does it not belong to the same owners as Pakowhai?—You know exactly what was done with this money, because you know or saw the accounts. Had the accounts been given to me I could have said whether that was the case or not.

208. Let me ask you this: whether it was not a general understanding that both the £3,000 and the £10,000 were to be used and to be debited against the other blocks, and the money spent on them to be recouped from those other blocks?—That would have been perfectly clear had it been explained at the time, that the £3,000 was to be used for that purpose. With regard to the £10,000, it was explained that it was to be used for those purposes.

209. *Hon. Mr. Mitchelson.*] But not the £3,000?—It was never explained to me that the £3,000 was to be used for such a purpose, but explanation to that effect was made as regards the £10,000.

210. *Mr. Rees.*] As regards the £3,000, did you not understand that it was to be used for the same purposes as the £10,000, only having deducted from it whatever moneys were expended on, or charges made against, those other blocks, as in the case of Pakowhai—say, the charges against Pakowhai?—It was never explained that the £3,000 was to be dealt with in that manner; it was never stated that any portion of the £3,000 was to be spent on any other block; had it been so explained, it would have been clear.

211. Did the Natives supply any money, first of all, for the deeds or costs of settlement with Johnson?—No, we did not.

212. Or for surveys?—What surveys?

213. The Maraetaha, Kopua, and Pakowhai?—No; we gave no money for surveys.

214. Do you now know that Wi Pere and myself commenced an action against Johnson to compel him to fulfil his agreement?—You did.

215. Do you know that the costs of that on both sides, which we had to pay, amounted to over £600?—I do not know how much that action cost.

216. Now, going into the company's matters more particularly, the Pakowhai people have received nothing from the company, or from Wi Pere, or myself as regards their land—that land?—No.

217. Then, if the land be sold altogether without receiving any payment, they will lose their land?—Yes, that is so. The land has gone, and we have received nothing for it.

218. Do you know that the company, in good faith, believed they were helping to open the whole country for settlement; and was not that the reason the Natives allowed the land to go in the first instance, so as to enable the whole of the lands to be thrown open for the settlement of the people?—The real reason why we consented to sign the documents was because we were told that we, as a committee, would have the administration of these lands. We thought that under that safeguard, being Maoris, our lands would not be lost. Another reason was that we thought you would be able to carry out the suggestion made, of acquiring Maraetaha from Mr. Johnson. The Natives who still had shares in that block, as well as those who had already sold to Mr. Johnson, were most anxious to retain it. That was another reason why we signed. There were many other suggestions which you made at the time and which caused us to consider those proposals favourably, one of these being that the committee was still to have a voice in the management of the land. I was one of the committee selected by the vote of my people. I never had any wish or intention to injure my tribe. Now, notwithstanding thirteen years have elapsed since you first came to see us and arrange these matters, none of those favourable prospects which you held out to us have been fulfilled. On the contrary, we now ascertain that everything has ended in disaster; not one benefit has resulted. But before you came to see us, and our committees were set up, and you and Wi Pere got the management of the land, we were receiving a good income from our lands every year through the rents paid to us by Mr. Johnson. After the land was handed over we never received a single benefit. The result is lamentation and weeping and vain repining at what has occurred. This is why the Maoris in our district have sent a petition to this House, in the hope of obtaining some relief.

219. You say you received no benefit: do you remember me paying money to get you out of prison?—Will you explain?

220. Do you remember me having to pay £40 to get you out of prison, where you were placed on a judgment summons?—That is a personal matter that does not affect the owners of the land. I am speaking on behalf of the general owners of the land.

221. If myself and Wi Pere had your money, I ask you, how is it—and you are the only person who says this—how is it that for twelve or thirteen years no word was ever spoken to us about it?—You are quite right in asking that question; the people murmured among themselves, but I do not think that any demand was made on you.

222. Are you not aware that I was forced into the Bankruptcy Court through the liability I took upon myself in connection with these Maori lands; that my house and property, everything I had, were sold?—I did hear that you were made a bankrupt, or had to go to the Bankruptcy Court; but I never knew that it was on account of our lands.

223. On account of the liability I had taken upon myself for the Maori lands?—I do not know that that was the result, for you did not do a great deal for our lands after all; you never expended any money in the way of improving our lands; you never drained them, or fenced, them, or grassed them. It was we, the Native committee, who had to do all the works. The £3,000 and the £10,000 was more than sufficient to pay for all this.

224. Do you know that Wi Pere was at the expense of £4,000, which he had to borrow upon his own personal land, and which he now owes?—I do not know that Wi Pere ever incurred a debt of £4,000 when working on our behalf. He may have incurred such debt while dealing with his own and other lands, but not in dealing with ours.

225. You are right about the Pakowhai, but I am speaking about the general Maori lands?—I have confined my statement entirely to my own lands. I am speaking in regard to my own lands. Let the committees set up for other blocks speak in regard to them. I can only speak in regard to my own lands.

226. *The Chairman.*] There is one thing, witness, you do not make clear, with regard to the action you brought against Mr. Rees and the company: what became of that?—Our object was to smash up the company and recover possession of our lands.

227. It was not brought for a special sum, was it?—No, it was to break up the company; it was an attempt to get back our lands. As I have already said, I do not clearly understand why the action fell through.

228. Your counsel, I suppose, would have told you how it fell through?—We never got any explanation from our solicitor. I have my own suspicions about the matter.

229. *Hon. Mr. Mitchelson.*] You have said that the company was not formed while Wi Pere and Mr. Rees were trustees: do you mean that when they were appointed trustees the company had not then been formed?—I did say that when we appointed them the company had not been formed.

230. How long after Wi Pere and Mr. Rees were appointed was it that the company was formed?—I should say about three years.

231. If the committee had known that any portion of that £3,000 was to be expended for roads and bridges, would they have consented to it?—We would not have agreed; we never would have agreed to that money being expended on any other blocks but our own.

232. You say the committee were appointed to consult the trustees?—Yes.

233. Was the committee ever consulted as to the disposition by mortgage of Pakowhai or the further transfer to the company?—We were never informed that Pakowhai had been mortgaged until the time that Mr. Rees asked us to sign.

Mr. Rees: It was named in the body of the deed.

234. *Hon. Mr. Mitchelson.*] It was afterwards mortgaged?—We were never informed previously that it was the intention to mortgage Pakowhai; not until the day we were asked to sign our names to the mortgage.

235. *Mr. Rees:* Was there not power in the original deed given to the trustees, with the committee of course, for that purpose?—It is true that in the original deed power was given to the trustees to make use of the land—to subdivide it, or do anything with it after obtaining the consent of the committee.

236. *Mr. Carroll.*] To raise money on it?—Yes.

237. *Hon. Mr. Mitchelson.*] The committee were appointed and the duty was given to them to consult the trustees. I wish to ask you this: Did the trustees consult the committee? Were the committee consulted before the land was transferred to the company?—We were never consulted with regard to the disposal of the land except when we were asked to execute the mortgage. We knew nothing about it until we were asked to sign.

Mr. Rees: I understand that they knew all about the mortgage.

238. *Hon. Mr. Mitchelson.*] If this £3,000 paid by Johnson had been expended upon the several blocks, and various expenses were incurred in connection with them, at the time the money was about being so expended, was the Native committee interested made cognisant of the fact that it was being so expended?

Mr. Rees: They were questioned upon this, and the answer made was that they were quite aware of it. What Hemi says about the termination of the whole affair is quite true; but Europeans as well as Natives suffered.

239. *Mr. Carroll.*] When you handed over your land to Mr. Rees and Wi Pere, were they administering other blocks in the district?—Yes.

240. Afterwards, when you handed over the land to them as trustees, did they explain to you that they would transfer to the company?—We became aware that the trustees were going to transfer to the company when they told us they had failed to raise £40,000. It was then they informed us that they proposed to form a company.

241. The fact, then, is that you became aware of it when you became aware that they were not able to get sufficient capital, and you were told that forming a company would facilitate operations?—When the Maoris saw the result had been disastrous they sought other means to get back their land. They took every step they possibly could take up to the time of the meeting with Mr. J. B. Whyte, who represented the bank, in 1888.

242. *Hon. Mr. Mitchelson.*] Did the Maoris offer to give up half their land in the hope of saving the remainder?

243. *Mr. Carroll.*] The offer to the bank was that the bank would reduce its claim to half, in return for which you would give an equivalent in land?—We tried to get the bank to reduce their claim to one-half. I did not agree with the proposal to give up half our land. I was in favour of the other proposition, that our liability should be reduced to a half.

244. Seeing that the actions in Court, and all the negotiations, have failed, what do you think should be done now that every step taken has failed?—I think the Government should try to do something to make a settlement. That is why we petition.

Mr. REES, M.H.R., in attendance, and examined.

Mr. Rees: First of all, as regards this £3,000, neither Wi Pere nor myself ever had a sixpence of it.

Mr. Carroll: When a Native says that another person has had his money he very often means no more than that he holds that person responsible. It might be as well to ask Hemi Waaka what he does mean by the statement he has made.

Hemi Waaka: The meaning of my statement was that we hold Wi Pere and Mr. Rees responsible for that money, as they had the management of it. I included both in my statement alike in respect of the £3,000 and the £10,000. I am not able to say that they spent the money on their own persons, but I do say that the money was lost while it was in their hands—while they had the management of it.

Mr. Rees: I may state that I do not speak Maori, and do not understand it when spoken, so that any communication I have with Maoris is made through interpreters. My understanding about this £3,000 was that it was to be used for the work we had in hand—that is to say, the general work. I received from Johnson about £1,200. I am speaking from memory, for I have not my books with me. Had I known that any such statement as has been made by Hemi Waka was

to be made I would have had these books here, and would have brought witnesses to be examined before the Committee. As I have said, I received about £1,200 from Johnson. The company received the balance.

245. *Hon. Mr. Mitchelson.*] Was the money paid immediately?—None of it was paid immediately after the company was formed. The company, however, did receive the balance in Johnson's hands, £1,500 or £1,600. The money I received was used in legal expenses, in surveys, and various other expenses, not only on the Pakowhai and Maraetaha Blocks, but on other blocks. I may state that at this time I was engaged for the Maoris generally in litigation with the trustees of Captain Reed's estate—litigation of a ruinous character. There were several suits, criminal and civil, in which we had to bring witnesses to Gisborne, Napier, and Wellington by the score. In one case eight Maoris were committed for trial, to be tried here in Wellington. That was a forcible entry case. It was not in respect of the Pakowhai Block. I myself was sued for £10,000 by Reed's trustees for having started these suits. Of course I cannot at the moment give particulars of the accounts, for the reasons I have stated, but the money went for legal expenses, for surveys, roads, and a bridge across the Tareheru River. I do not believe that less than £12,000 was spent in these matters. The £1,200, or something from £1,200 to £1,400, that I received from Johnson went in that way. I never understood in the slightest degree but that that money was to be used for those purposes. The £10,000 was mostly shifted on to Reed's estate, or to other mortgages. It was not received in cash at all. There was £6,000 in one lot on Whataupoko. It is impossible for me to enter at a moment's notice into the whole of these accounts. It was not because we failed to raise the £40,000 to buy him out that our purchase of the Maraetaha Block fell through. We had the right to purchase by arbitration. We selected for our arbitrator Captain Tucker. Johnson chose his arbitrator, Major Pitt. It was commenced in due time. The object was to get the amount fixed above or below £40,000, for which we were to purchase Maraetaha. After the arbitration had begun Mr. Johnson withdrew Major Pitt, and said he would not go on with the matter. We brought an action in the Supreme Court to compel him to go on, so that we might fulfil the contract we had entered into on behalf of the Natives. The action went against us, because the Supreme Court held that they could not compel him to go on. The costs in that case on both sides came to more than £600. The law has been altered since that; but that is no use to us now. If the law had been then as it is at present we could have gone on with one arbitrator. But the law was not so then. When the £10,000 was borrowed on the Pakowhai Block it was borrowed for the same general purposes—viz., to enable Wi Pere and the committees generally to go on with the management of the different blocks, the understanding being that the other blocks were to repay the money thus expended on them. I would like the Maoris to remember this: that the Europeans have also suffered; they also paid their money—nearly £100,000; that is gone too. Everything seemed to be against us from the beginning. Of course, if I had known what would be the result I would not have advised the Maoris to go into that; but neither I nor the Europeans could foresee the results. The first time I ever heard that the Natives looked to me and Wi Pere for this £3,000 was when Hemi Waaka mentioned it in Mr. Mitchelson's presence at Kaiti. Then, I was anxious not to have any difference with the Natives. My own idea was at that time to get the Government to take the land over. That was my anxiety at that time. I said that in the main the statements made by Hemi were absolutely true. But I never understood that the Maoris held us responsible for that £3,000. I say again that the first I ever heard from Hemi or any one else about that £3,000 being deposited in the bank and interest accruing, was in the statement made by Hemi to Mr. Mitchelson at the beginning of last year—I think it was last year. As regards the loss of their lands to the Maoris, I feel that as much as the Maoris. As to Wi Pere, who, with me, advised the Maoris, he is anxious and willing to place a lot of his own land as additional lands available in aid of settlement of this matter if the Government will come forward and take these lands over. My anxiety, and Hemi knows, my anxiety has been to get the Government to take over these lands, taking other lands if possible, in order to make reserves safe for the Maoris for all future time. So far from me getting anything out of this concern, in 1884 I was placed in the Bankruptcy Court; the house I lived in was sold—a house that was given to me by Riparata. I do not know that it is of any use saying anything further; but I may state that Mr. De Latour and myself went to Murewai; we understood that full notice of our coming had been given to the Natives. We went there for the purpose of going through these accounts. That was in 1887, before Wi Pere and I went Home. I understood that the Natives kept away purposely. Hemi, however, says they did not keep away purposely. I may further state that in 1888, when the Natives assigned the power assenting to the mortgage, before myself and Wi Pere went Home, I understood that the whole of the committees had gone through the accounts of the different blocks in Mr. De Latour's office. I do not know that Hemi was there; but I saw numbers of the Natives there. Hemi says he did not see them. Of course I cannot say anything about that, as I did not see him personally.

TUESDAY, 4TH AUGUST, 1891.

WI PERE in attendance and examined.

246. *The Chairman.*] Having heard the petition read, have you anything to say in regard to it?—Is this why I was asked to attend this Committee?

247. Hemi Waaka has given evidence on two other petitions which we have here, but we are treating all three petitions as one. I would like to know whether you have anything to say in regard to the petition that has been read?—The lands mentioned in the petition were first of all leased to Mr. Johnson. During the currency of the lease Mr. Johnson purchased a number of shares. There was a good deal of trouble caused through Mr. Johnson not allowing the grantees who had not sold to go upon the land. The Europeans chased some Maori children, who had gone to gather peaches, to the water, so that the children were nearly drowned. Mr. Rees

then went to Gisborne. A meeting was called, and an agreement was entered into, under which Mr. Johnson was to obtain a portion of the block. A Native committee was set up, and it was arranged that Pakowhai was to be kept entirely for the Natives; also portion of the Te Kuri Block, Tangotete Nos. 1 and 2, and 3,000 acres in the Maraetaha, No. 1, called Te Kopua. In carrying out these arrangements the legal and other expenses were very heavy. At that time it was agreed that for a sum of £40,000 Mr. Johnson was to hand over the Maraetaha Block. I believe the payment of the money was to be made within three years. Within three years Mr. Johnson was called on to fulfil this arrangement, but refused. Two arbitrators were then appointed—Major Pitt to act on behalf of Mr. Johnson, and Captain Tucker on behalf of the Natives. The arbitrator acting on behalf of the Maoris simply requested Mr. Johnson to carry out his bargain. Considerable time was spent over this arbitration case. About this time Hamiora Mangakahia came to the district. This was in 1882. It was while the Maraetaha Block No. 2 was before the Court. Hamiora persuaded the Natives not to agree to the arrangement Mr. Rees and myself had made with them about all these lands. I heard that he went to Mr. Johnson and advised him not to fulfil his agreement. Mr. Rees and myself then took proceedings against Johnson to compel him to complete his bargain, but we lost that case. We were defeated, owing to the Natives taking part with Mr. Johnson against us. Of course, I am now speaking about the land in which Mr. Johnson was interested. We had made an arrangement with the owners and with the committee to get this land for them, and the real cause why we lost the action was because it was stated during the hearing that we were acting without consent of the Natives. Now, with regard to the £3,000, Mr. Johnson retained £1,500 of that sum on mortgage. He only paid £1,500 in cash.

248. *Hon. Mr. Mitchelson.*] What became of the other portion?—It remained on mortgage. He only handed over £1,500 until the company took over the lands; when the company took over the lands they received the balance (£1,500) and interest.

249. On whose authority was the money paid to the company?—I will come to that presently. Now, with regard to the £1,500 which I mentioned as having been paid over, I never saw that money at all. It was not paid over in cash to us in presence of myself, or of the committee, or of Mr. Rees; but I heard about it. I heard afterwards that a portion of that money was expended by Mr. Rees on a flour-mill at Pakowhai. Only a small sum was expended, because the mill was not completed. Mr. Rees, no doubt, has accounts showing how that £1,500 was expended. I know nothing whatever about that; but I heard also that a portion of it was expended in building bridges, preparing documents, and perhaps for legal expenses. However, he knows all about that. Now I will answer Mr. Mitchelson's question. Afterwards, when the lands were handed over to the company, they took over all agreements, liabilities, and authority over lands and moneys.

250. What had this £3,000 to do with the company?—I believe it was through the company taking over the whole management; that, therefore, they took over the balance of this money and the accrued interest.

251. Then, the Pakowhai people not only lost their lands, but they also lost this £3,000?—Yes; but a portion of this money was expended in paying for surveys of lands.

252. You say a portion was spent upon the erection of a mill: was the money that remained on mortgage paid over in cash to the company?—Yes; the company got that.

253. The interest on account of the mortgage: did that also go to the company?—Yes.

254. *The Chairman.*] Did the £3,000 belong solely to the Pakowhai Natives?—Yes; it belonged to the owners of Pakowhai.

255. *Mr. Mitchelson.*] The people in these four blocks, are they all one?—The people holding these four blocks were all one. This money belonged to them.

256. *The Chairman.*] It is in evidence that Mr. Rees and yourself were to hold this money in trust for these Natives, and that you were to pay them £180 a year interest for it?—That was not so, because it was arranged at the time that Mr. Johnson was only to pay over £1,500 out of the £3,000, the £1,500 balance to remain on mortgage. He had, of course, to pay interest for that. It is quite true that certain other blocks were to bear portion of the expense. These blocks were to recoup portion of the sums expended, for this money was spent in legal and other expenses connected with these blocks. Many other sums of money were so expended, including £2,000 of my private money, for which I was never paid back by the company.

257. Then it is not true that Mr. Rees and yourself got this £3,000?—No. I think the petitioner (Hemi Waaka) in saying this has made a mistake with regard to that. But, according to Maori idea the Natives would naturally look on us as being responsible, because we were the first to take the matter up; but I have already shown that £1,500 went to the company.

258. *Hon. Mr. Mitchelson.*] Hemi Waaka has said that it was agreed that a committee of five was appointed in respect of this dealing with the Pakowhai Block—that you were to confer with them, and that nothing was to be done without their consent?—Yes, that is so.

259. How does it come, then, that they were never consulted as to the disposition of this £3,000? I believe it was understood the committee had consented that the land and the whole of its administration should be handed over to the company. It was only when Hamiora came down that the committee separated themselves from us.

260. Was that after the whole thing had been done?—Yes; everything had been handed over to the company when Hamiora came.

261. You say the committee spoke of the land to be handed over, but you do not say anything about the money. I refer to the money?—I do not know whether it was agreed that the money should be handed over to the company. I was not present when the final arrangement was made. When they had got their documents prepared all I had to do was to sign my name. I know it was arranged that the land was to be handed over.

262. *The Chairman.*] Was Mr. Rees at this time acting as Hemi Waaka's solicitor?—Yes; he was acting as solicitor for the whole of the Gisborne Natives. There were about thirteen lawyers employed by Europeans and opposing Mr. Rees on this occasion. Some of these lawyers have since

become bankrupt. I have already stated that I spent £2,000 of my own money in addition to what was spent of the Pakowhai money. Riparata contributed a good deal of her own money in aid of the Natives fighting for their land in addition to what was contributed by the Pakowhai and other blocks. The expense of preparing documents was also very heavy, in some cases costing £600 in getting a single document prepared. Over £30,000 was paid to the Government by way of stamp duty and fees. The legal expenses were very heavy at that time. Part of the cost was owing to the complicated state of the law.

263. Hemi Waaka stated that he never got a sixpence, or his people, out of that £10,000. Mr. Houston then asked what had become of it.

Hon. Mr. Mitchelson: That answer applied to the £3,000.

Wi Pere: Perhaps it was a mistake of Hemi's.

The Chairman: Then Hemi said he supposed that it was spent by Mr. Rees and Wi Pere in travelling to England.

Wi Pere: There was no portion of the £3,000 or the £10,000 used by us in our trip to England. Both of these sums had been spent long before we went to England.

Hemi Waaka: I meant my answer to apply to the £3,000. My evidence was quite clear on that point. With regard to the £10,000, I stated that it was to be expended on the other blocks.

The Chairman: He stated afterwards that the committee never received any part of the £3,000 paid by Johnson, nor of the £10,000 raised under the agreement. His evidence was as follows: "We never received any portion of the £3,000 or of the £10,000. I do not know what became of it."

Hemi Waaka: We have not the least idea how these moneys were expended, because we never saw the accounts.

Wi Pere: With regard to the £10,000, I was at Rotorua when that was arranged. I was away for four months. When I returned it had been arranged between Mr. Rees and the committee that the sum of £10,000 was to be raised to be expended on Kareti and other blocks, Pakowhai to be held as a security, on the understanding that the money should be recouped out of those other blocks. The company took over these lands on that understanding. But I do not think the real amount was so large as £10,000. Mr. Rees knows all about it; perhaps it was only £5,000. Mr. De Latour tried to unite the committee, and invited them to meet again, but Hamiora Mangakahia prevented them, and they did not meet again to settle the difference. Subsequently the committee separated or withdrew from the company. The company took over everything, on the understanding that these moneys were to be expended on the other blocks, which were to recoup it. Eventually, through want of energy on the part of the company, none of these arrangements were carried out, and the interest was amounting up to a large sum. Great wrong was done to the Natives through the company locking up their lands, preventing them making any use of them. The bank did not advance any considerable sum on account of our visit to England.

264. *Mr. Carroll*: Was there not £5,000 arranged to be advanced by the bank?—The £5,000 advanced by the bank was for the purpose of paying interest.

265. The bank paid themselves their interest—that is, the interest due to the bank, and the Natives were charged with it?—Our return tickets cost about £130. I had to use a considerable sum of my own money in going to England.

266. *The Chairman*.] Do you know if the Natives were told whether any part of that £3,000 was spent in building bridges or in other works?—I heard that a portion of it was spent in building a bridge, to which I myself contributed £400.

267. Do you know whether the Natives interested in that £3,000 were made aware of that?—I believe the Natives were informed of that, because I heard Mr. Rees always say that Whataupoko was to recoup that money when sold; but when that block was sold none of the money due to the Pakowhai Natives was refunded, neither was any of my own money refunded.

268. *Hon. Mr. Mitchelson*.] It was Raniera who stated in his evidence that a portion of the money raised on his block was to build a bridge?—Yes; a principal portion of the cost of that bridge was obtained from the Kaiparo Block. I think the Government ought to pay for that bridge because they are charging rates on the improved value of the land effected by that bridge.

269. *Mr. Taipua*.] What do you say in reference to the petitioners statement concerning the meeting at Murewai?—The agreement drawn up at that time provided that we were to arrange with the committee for everything that was to be done relating to these lands. We had full authority under it to make any disposition of the land as arranged between ourselves and the committee. But for this agreement individual owners would have gone on selling their shares until the whole of the land should have passed away. The land was held under a joint tenancy. Our idea was to form a corporation, so that selling could only be carried out by the committee. I wish, in conclusion, to make a statement. It is on account of the trouble with this land that I wish the Government to come forward and assist the Natives.

270. *The Chairman*.] That statement is in this and the other two petitions?—But I wish to impress it more strongly on this Committee, in the hope of getting them to take a favourable view of this matter. Seeing that these are all very rich lands, I am sure that taking them over would entail no loss on the colony.

THURSDAY, 6TH AUGUST, 1891.

S. PERCY SMITH, Surveyor-General, examined.

271. *Hon. E. Mitchelson*.] Mr. Rees, in his evidence, has stated that the Government of which I was a member had arranged to take the Paremata and Pakowai Blocks, including the sheep grazing upon them, for the sum of £42,000; have you any knowledge of that?—I am not aware that the Government made any such arrangement.

272. Is there anything in the records of your office to show that the Government have agreed to any such proposition?—No, I am not aware of any.

273. Do you remember a letter containing an offer to dispose of either of the two blocks, including sheep, for that sum?—I remember the letter offering the blocks, but not for any sum.

274. You remember, Mr. Smith, a conversation between yourself and the late Minister of Lands upon the question of these blocks, which resulted in your going up to this district?—Yes, I do.

275. You remember what the Government had in contemplation in visiting the district?—Yes, I do. My object was to visit the district with the view of reporting to the Government as to the advisableness of taking some of the blocks, and as to the value the Government might be justified in giving for them.

276. And as to the suitability of the various blocks for the purposes of settlement?—Quite so.

277. Mr. Rees, in his evidence, states that the value placed upon the land by Mr. Connell was a ridiculously low one?—The fact is that Mr. Connell's valuation varied. Sometimes it was above and sometimes it was below the others.

278. Did you authorise the District Surveyor, Mr. Williams, to make a valuation prior to your visiting the district?—Yes, he was authorised.

279. You have the valuations of all these blocks?—We have the valuations of some—most of them, probably.

280. You have also the valuation made by Mr. Grant, who valued for the Property-tax Department?—Yes.

281. Have you any idea as to Mr. Grant's capabilities as a land-valuator?—I should say that he is a very capable man indeed.

282. Did you understand, Mr. Smith, that the Government at the time had in contemplation these valuations being made to enable them to come to a conclusion as to whether, the offer having been received, portions of these lands could be acquired for settlement purposes, and that after defraying the whole cost of the ground they would still leave a portion for the Natives?—Yes, I certainly did. The only object the Government had in going in for the land was to preserve the interests of the Natives. Certain lands were to be reserved in the interests of the Natives. It was only on that condition that the Government could consider the matter at all.

283. You considered the valuations of Messrs. Connell and Grant reasonable?—I certainly consider them reasonable. Evidence of that is to be found in the fact that the three valuations agree fairly well on the whole.

284. As far as my recollection carries me back they agree tolerably well with Mr. Williams's too?—I think so. I cannot trust my recollection, but I think they do not deviate very materially.

285. You think the prices as worked out by yourself were the utmost that the Government could give to carry out the object in view—to return a portion back to the Natives?—Yes; they were calculated with that view.

286. To give a larger sum would entail loss upon the colony?—It would have done, certainly.

287. Mr. Rees gave no evidence upon the valuation made by yourself; he only alludes to Mr. Connell's. But, seeing that we have other valuations which approximate to his, the statement he made cannot be borne out by fact. He states (Mr. Rees) that the Paremata Block, when cut up, would realise in the district £30,000?—Yes. None of the valuations go near that amount—none of the three. I do not think the statement could be sustained.

288. Are you aware that the Paremata Block at one time had been offered to Mr. Ormond by the company?—Perhaps I ought to say No. I have not a clear recollection.

289. You are quite clear that the price at which you recommended the Government to acquire the Paremata Block was the very utmost to enable the Government to cut it up and hand a portion of it back to the Natives after recouping the cost?—Quite clear.

290. And you are quite clear that the object the Government had in view was to conserve the interests of the Natives as much as possible?—That is the only reason I heard for the Government entering into the matter at all. It was simply to conserve the interests of the Natives.

291. I think you have stated that you consider Mr. Grant a capable valuator?—I consider him one of the most capable men in the colony. Questions of valuation are constantly coming before me as a member of the Government Insurance Board, and I look upon Mr. Grant as a capable valuator. That opinion is supported by people as competent to give an opinion as I am.

292. Was he not a valuator for the Property-tax Department?—Yes; and I think he is still.

293. Can you remember that a number of people were not quite satisfied with his valuations for the property-tax, and that Mr. Sperrey authorised a special valuation upon your report?—A special valuation was made, and that is the valuation I refer to when I say that the three valuations taken together come very close.

294. In your opinion, the valuation placed upon the blocks was not a ridiculously low one?—No; I do not think so. The fact is proved by his valuation being so near to the other two. In some cases they are in excess and in some cases less.

295. In your opinion, were the valuations put upon the Paremata and Pakowai Blocks very low?—I do not remember at the present moment what Mr. Connell's valuation was. I am under the impression that it did not differ very materially from the other two valuations; and I am quite certain that my own was not a ridiculously low valuation.

296. *Mr. Rees.*] Do you know, Mr. Smith, what Mr. Connell's valuation was for Pakowai?—His price in the case of Pakowai is about one-fifth less than the others.

297. What price is it?—£2 per acre for Pakowai.

298. Have you been on the block at all?—Yes, I have.

299. Can you form any idea as to the amount of flat land upon it?—I could not tell from recollection; from my notes I could. At a rough guess there may be from 1,000 to 1,500 acres.

300. Do you know the quality of the land?—I was able to judge the land by riding over it.

301. What did you think the land would sell for?—I dare say from £6 to £7, so far as the flat is concerned.

302. Would you be surprised at £1 an acre being offered for rent?—Yes, I should be surprised.

303. Do you know of any land equal to that in the Colony of New Zealand being sold for less than £12 per acre—equal in value to that land?—I cannot say that I remember at the present moment any.

304. Is the land not as good as at Poverty Bay or the Heretaunga Flat at Napier?—I do not think it is. That is the opinion I form of the ground—that it is not as good.

305. *Hon. Mr. Mitchelson.*] Do you not remember the instructions given to Mr. Connell, when sent to the district to make the valuation that he was to place a valuation upon the land—not for grazing purposes, but to enable the Government to cut it up and settle it?—Yes, that was so; to value the land for settlement purposes.

306. Not for speculative purposes?—No.

307. *Mr. Rees.*] Do you know the Paremata Block?—I have been on part of it.

308. Can you form an idea of the area of the flat?—I cannot say at a guess. I have my notes upon it. I had no idea of the scope of this examination, and am not prepared to say what is the area of the flat land.

309. May I ask what Mr. Connell valued that at?—Two pounds an acre. You will understand, of course, that it is the mean value of the whole block. The value of the flats would naturally be more, and the value of the hills naturally less.

310. Do you know the price at which the hill land in that position has been sold, both at Paremata and Pakowai?—I made some inquiries when down there, but I cannot charge my memory to say what the price was.

311. The hill lands sold for £2 an acre?—Some of it possibly.

312. The Paremata Block is situated at Tologa Bay, on the harbour, is it not?—It fronts Tologa Bay, and on the river.

313. On the other side of the river is the Government township of Uawa, is it not?—Yes.

314. *Hon. Mr. Mitchelson.*] You would be surprised that the Paremata Block had been offered to a gentleman at the exact price per acre that Mr. Connell has valued it by the company?—No; I would not be surprised after having been over it and knowing the three values put upon it.

315. You think yours a fair valuation?—Yes, I think so. You have my valuation before you. I consider it a fair valuation.

316. *Mr. Kelly:* All the valuations, I presume, are in the Lands Department?—Yes.

Captain RUSSELL, M.H.R., examined.

317. *Hon. Mr. Mitchelson.*] What I want is that you should state to the Committee what the Government had in view in entering into this question—in the matter of the Paremata and Pakowai Blocks?—All that I remember about it is from an interview which you invited me to go to with Mr. Rees on one occasion. Most of it, I think, was done before I joined the Government. But I remember meeting Mr. Rees with you, and a general discussion taking place as to how land might be obtained for settlement on the East Coast, as it was desirable to get land for settlement; and how it was possible to settle outstanding quarrels with the Natives.

318. Without loss to the colony?—Yes, without loss to the colony. I remember the difficulty was to obtain land that could be cut up for settlement at such a price that the Government could dispose of it to intending settlers, and make sufficient reserves for the Natives.

319. Without entailing any loss?—Yes, without entailing loss.

320. Do you remember that after the visit to the district the Government could not see its way to offer such a price for the land, as it would not enable it to recover the cost of cutting it up, and leaving sufficient land for the Natives?—Undoubtedly that opinion was come to. I remember that particularly, because I thought the valuation of the land on the Pakowai Block was rather low.

321. You do not think the Government stopped the negotiations because it was afraid of any action which might be taken in the House by the Opposition?—Oh no.

322. The evidence of Mr. Rees states that the Government did not go on with the negotiations because it was afraid of the Opposition. Was that the reason?—No, certainly not.

Hon. G. F. RICHARDSON in attendance and examined.

323. *The Chairman:* You have been asked to attend at the request of the Hon. Mr. Mitchelson, in order that you may answer a few questions in connection with the Native-land settlements on the East Coast.

324. *Hon. Mr. Mitchelson.*] I want you to state what object the Government had in view in consenting to our visiting the Native lands on the East Coast?—We went up to inspect these East Coast properties to see, if possible, that terms might be arranged by which the Government could acquire land for the purpose of settlement, and, at the same time, to make the necessary reservations for the Natives; in fact, our only object for interfering at all was on account of the Natives; we wanted to combine settlement with the Native interests. We personally visited a number of blocks and valued them.

325. Do you think the values placed on these lands by the Government valuers were ridiculously low?—No, I do not. The average price placed on the land was fair. The Government could not have paid more without entailing loss on the colony.

326. Was there much difference in the value placed on the lands by the Government and by the liquidators of the Land Settlement Company?—Yes; the margin of difference was so great that it shut out all chance of any business being done.

327. If the liquidators had been willing to accept a reasonable price, was it the intention of the Government to submit proposals to Parliament to acquire these blocks?—Yes; most decidedly it was. The Government considered the whole question after receiving the reports of the Surveyor-General, but, seeing no chance of dealing or making sufficient reservations for the Natives, they decided to make no recommendations to the House.

328. Then, it was not, as stated in Mr. Rees's evidence, that Government took no action on account of being afraid of the Opposition?—No; certainly not.

329. Do you remember our being told that the Paremata Block had been offered to Mr. Ormond at £2 per acre?—Yes.

330. How did the values we put upon the land compare with the values supplied by the Government valuers?—I forget the exact values we put on the lands, but I recollect there was very little difference between my own valuations and those of the Government valuers.

TUESDAY, 11TH AUGUST, 1891.

Hon. J. D. ORMOND in attendance and examined.

In reply to the Hon. Mr. Mitchelson, witness made the following statement: I was in occupation of the Paramata Block for six years, having bought the lease for the balance of a term. A short time before the lease expired the New Zealand Native Land Settlement Company offered to sell me the block, the price quoted being £2 per acre. After some deliberation I accepted, and agreed to give the price mentioned. The company had the land valued by two or three persons, one of whom, I think, was Dr. Pollen. When I accepted, the chairman of the company informed me that it was necessary to get the formal assent from the Natives. About three weeks elapsed when the chairman wrote me to the effect that the Natives had refused to give their assent. The transaction was in consequence declared off. I visited the district of Paramata within twelve months after the expiry of my lease, and the Natives interviewed me to explain the reason they would not consent to the sale, their reason being because they were not to receive any of the money themselves. But for this circumstance alone they stated they would have been quite willing to give their consent. At the end of my term I gave up the lease, and, as litigation was going on, I gave up all idea of purchasing the block. I consider the price (£2 per acre all round) was quite the outside value, and I certainly would not have given more. The block had a special value to me because I held a small run adjoining, which could have been worked in with it, and also because at the time I wished to get the property for the purpose of making provision for a son lately out from Home. The Paramata Block contains, roughly speaking, 7,800 acres, besides considerable reserves, which would, I think, increase the acreage to about 9,000. The frontage of the block, say, 3,000 acres—is a very good hill, but fit only for pastoral purposes, none of it being fit for the plough. Of the remainder of the land under offer, I should say about half could be ploughed. I consider the whole block a good one, but under present circumstances I do not think more than £1 per acre could be realised on it.

The Hon. Mr. Mitchelson here explained that Mr. Rees had stated in his evidence that if the block were cut up for settlement it would realise £30,000.

Hon. Mr. Ormond]: It is difficult for me to give an opinion, but I very much doubt if it would. The greater part is quite unfit to be cut up for settlement, being only suitable for sheep. No doubt some portions might be worked into settlements. (To Mr. Carroll): I should say the Maungahae Block is much better for settlement than Paramata. Of course, the Committee is aware that the best of Paramata was withheld from sale.

Hon. Mr. Mitchelson]: I understand the best portion of the Maungahae Block has been under offer at £1 per acre.

Approximate Cost of Paper.—Preparation, not given; printing (1,200 copies), £13 10s.

By Authority: GEORGE DIDSbury, Government Printer, Wellington.—1891.

Price, 9d.]

