

1908.  
NEW ZEALAND.

# VALIDATION COURT

(DECISION OF THE).

*Laid before Parliament pursuant to Section 11 of "The Maori Land Claims Adjustment and Laws Amendment Act, 1907."*

The CHIEF JUDGE OF THE VALIDATION COURT to the HON. the MINISTER OF NATIVE AFFAIRS.

SIR,—

The Validation Court (Chief Judge's Office).

I have the honour to forward herewith the decision of the Validation Court under section 11 of "The Maori Land Claims Adjustment and Laws Amendment Act, 1907," which is required under that section to be laid before Parliament.

I have, &c.,

JACKSON PALMER,

The Hon. the Minister of Native Affairs.

Chief Judge of the Validation Court.

IN THE VALIDATION COURT,  
HOLDEN AT GISBORNE.

In the matter of "The Maori Land Claims Adjustment and Laws Amendment Act, 1906," and of the East Coast Native Trust Lands Estate.

In compliance with the statutory provision in that behalf, the Court hereby submits for the consideration of Parliament the scheme of adjustment which it proposes to adopt in adjusting the equities between the beneficial owners of the respective blocks constituting the above estate. The full particulars of such proposed adjustment will be found in the formal findings of the Court, a copy of which is hereto attached as Appendix A.

The Court adopted, as the most convenient period for settling the accounts, the 31st March, 1907. The Commissioner's statutory balancing-day and the various accounts are adjusted as at that date. The Board went out of office in February, 1907, so that this date covers the whole of its management. However, in case it should be found necessary to restrict the adjustment to the date of the passing of the Act of 1906, the accounts have also been adjusted to that date.

The Court held its inquiry in open Court, commencing on the 20th July, 1908, due notice of the sitting having been given. Besides members of the Bar representing various groups of beneficiaries, a large number of Natives appeared; but it soon became evident that the latter could give no assistance to the Court, and after the first day they took no active part. After the Commissioner's accounts had been formally laid before the Court it was directed that they, together with a *pro forma* adjustment by the Commissioner on the balances as shown in such statement, should remain open for public inspection for a period of three weeks, so that every one concerned should have the fullest opportunity of examining them and objecting thereto. Any objections were to be made in writing and lodged with the Court. Formal objections were lodged by Mr. Lysnar on behalf of the beneficial owners of nine of the blocks. These objections principally referred to matters which had been anticipated and provided for in the proposed adjustment; and on the proposals being fully explained Mr. Lysnar expressed himself satisfied, subject to all credits to which the respective blocks were entitled having been properly given. Mr. Hutchison lodged an objection on behalf of the beneficial owners of Maraetaha No. 2A, Sections 2 and 3. No part of the bank's debt had been charged against these sections, and the other charges debited seem

on their face fairly chargeable, and nothing to the contrary was shown to the Court. Copies of the objections are hereto attached for the information of Parliament as Appendices B, C, D, and E. Those objections have been duly considered by the Court, and have been given effect to as far as can be justly done with the material at the Court's disposal. The suggestion in the objections that the land should be retransferred to the beneficial owners was considered by the Court outside its province, but a general recommendation upon such matters will be found later.

The Court, having disposed of the formal objections, felt that, although the trust estate accounts have been regularly audited and laid before Parliament in each year since 1902, it would only be right, in the interest of the mass of beneficiaries who were not represented before the Court, to have a full investigation of the accounts by an independent accountant. In order that this accountant should be outside the range of local influences, Mr. W. McCulloch, F.I.A., of Napier, who was highly recommended to the Court, was chosen for the purpose. He was instructed to make a thorough investigation of the accounts; carefully check the receipts and expenditure of the Board and Commissioner; verify the figures of the proposed allocation; ascertain (a) the total amount of bank debt paid, (b) the total amount of "other claims," treating as such all claims by or against the Trustees paid or provided by the Board or Commissioner, (c) the expenses of management, treating as such all outgoings paid by the Board or its successors and not included under (a) or (b); and, taking the award of the accountants under the Act of 1902 as a basis, and keeping in view the Court's decrees, to allocate and adjust the total amounts of (a), (b), and (c) respectively over the various blocks, as far as could be accurately ascertained; and the balance which could not be definitely fixed in this way to distribute over the blocks apparently liable, so as to make, as far as figures could secure it, a fair and equitable distribution of the burden. It is on the figures prepared by the Commissioner, and verified and approved of by the official accountant, that the adjustments proposed by the Court are based.

In a number of cases the adjustment could be made without difficulty, but in the majority of the cases the task was not so easy, and it is possible that some injustices have been unwittingly done. The Court in the first instance found that it could not go behind the accountant's award under the Act of 1902. This was made binding upon the Trustees (and the successors in title), and must be binding on the beneficiaries. Under the terms of the agreement embodied in the Act of 1902 the accountants were the persons who were entitled to say, and they did from time report upon, the amount chargeable upon the principal security and upon each specific security, and there was no right to challenge either the method or the result of such ascertainment. The Board or Commissioner having no information, the Court must adopt the awards as a starting-point. Where, however, it could be found upon decrees or other extraneous evidence that amounts so charged are really debitable either to the general trust or to some other specific block, they have been adjusted accordingly. Again, the Court has from time to time placed upon various blocks a charge as its share of the general liability. In most cases these were added to the bank's security as specifics, but in two cases at least, beyond the decree creating the liability, nothing was done. The Court considered that all these blocks should bear the burden imposed by the Court upon them. But the Court, while holding that it would as a general rule adhere to former decrees, intimated that, if it could be shown in any special case that to do so would be inequitable or work an injustice, it would consider the propriety of reopening the matter under its special jurisdiction under the Act of 1906. No such instances were shown or are known to the Court.

The Court has therefore placed on each of the blocks outside the group of what are known as principal-security blocks the following charges:—

- (a.) The amounts decreed by the Court;
- (b.) The amounts advanced for improvements, &c., according to the accountant's award under 1902 Act;
- (c.) Any special expenditure for the benefit of a block;
- (d.) Its apparently fair share of management expenses and other outgoings.

As there are no other blocks to be brought in, the balance of the liability, a sum of £75,039 12s. 9d., must necessarily fall upon the principal-security blocks. Some have been sold, and the Court sees nothing for it but in the meantime to place upon such blocks as were wholly sold the amount realised as being their share of the liabilities. The Pakowhai Block (in conjunction with some smaller blocks at present occupied by Natives) found, by sale of part of Pakowhai, some £27,253 2s. 6d., which the Court has allotted as the proportion of that group. This, then, leaves £21,690 3s. 7d. to be borne by Mangatu 5 and 6, Mangaokura No. 1, and Whataupoko, part G. On the latter the Court has placed a liability equal to its apparent value, and the balance it has divided proportionately between the remaining blocks. For the purpose of the adjustment, Mangatu 5 and 6, being adjoining blocks, equal in area, with only survey-line between, and practically one block, have been treated as one.

As to the method of adjustment, the following extract from the official accountant's report will show the one adopted: "Wherever it has been possible to do so, the various items have been earmarked and placed to the account of the particular block to which they belong: in regard to those items which it was impossible to allocate in this manner, such as salaries, office expenses, and that part of the legal expenses incurred for the general purpose of the estate, the proportion chargeable to each block has been allocated on the basis of a valuation of the various blocks, but this rule has been relaxed in some few instances where the equities of the case seemed to require it."

Whatever system was adopted was found to work hardship in some individual case; but the Court, after going into the matter carefully, came to the conclusion that the value basis, with the exceptions mentioned, was likely to work out most satisfactorily in the long-run.

It now remains for the Court to suggest how the adjustments made should be carried into effect. On the one hand there are blocks in credit to the extent of £24,298 6s. 5d., on the lines

laid down by the Court, while on the other hand there are blocks in debit to the extent of £38,936 17s. 5d. These are, of course, paper balances, worked out for the purposes of the adjustment. It must be patent that to allow the credit blocks to claim early payment of their balances would disorganize the whole estate. In the same way, to try and realise on the whole of the debit blocks in the immediate future would be unwise. Unless Parliament, after due consideration, suggests otherwise, the Court would submit that the amounts fixed by the Court should be settled as the final credit or debit balance of the respective blocks as at the 31st March, 1907, and that the Commissioner should effect a gradual realisation of the amounts chargeable against the various blocks, and a similar gradual extinguishment of the credit balances due to the other blocks.

Assuming the accounts to be finally passed, the Court would make the following suggestions:—

1. That, subject to such readjustment as may from time to time be found necessary, interest at 5 per cent. per annum should be allowed to or charged against the respective blocks until the credit or debit balance is extinguished by payment or some tangible security.

2. The present mortgages of £21,000 should be permitted to be continued or renewed, or fresh mortgages effected, over the same or other blocks for the purposes of the trust as the exigencies of the estate may require.

3. The Mangaheia No. 2 debit of £2,459 19s. 7d. has been already extinguished by the receipt of rents from that block.

4. Maungawaru No. 2, £5,001 6s., and Maungawaru No. 3, £1,044 10s. 3d., should be defrayed by selling, mortgaging, or leasing the respective blocks and applying the proceeds to the purpose. If on realisation there should be a surplus, this should be held for the beneficial owners of the respective blocks to be found by the Court (less the cost of ascertaining such beneficial owners).

5. Tahora No. 2, £482 19s. 11d., to be raised on mortgage either by itself or in conjunction with other money being raised by the Commissioner for improving that block.

6. Tawapata South No. 1, £5,190 6s. 2d.: There is already a mortgage of £6,000 on this block. The annual rents are £600—sufficient to pay interest and outgoings, and eventually provide for redemption of land. The mortgage should be continued or renewed from time to time, charging Tawapata South No. 1 with its fair share only. The details as to eventual redemption must be considered in conjunction with the present needs of the beneficiaries, and might well be left to the Commissioner's discretion.

7. Whangawehi No. 1A, £836 13s. 7d.: There is a mortgage for general trust purposes of £1,000 over this block. When convenient it might be transferred to this block for its own purposes, or a fresh mortgage raised at some later date, and gradually extinguished out of rents and profits. In the meantime the block can be charged with its fair share of the mortgage.

8. Whangawehi No. 1B, 1c, £2,231 7s. 4d.: The Commissioner should be empowered to sell, mortgage, or lease this block in order to eventually liquidate its indebtedness. The existing lease, which has seven or eight years to run, does not realise sufficient to pay the interest charges. The liquidation of the debt will either have to take place very gradually, and extend over a long time, or some special method will have to be adopted as the circumstances may justify.

9. Should there be any deficiencies on the realisation of any of the above blocks, it should be borne by Mangatu Nos. 5 and 6 and Maungaokura No. 1 Blocks in the proportions to be hereafter fixed by the Court. Any surplus as suggested should belong to the beneficial owners of the particular block.

10. Whataupoko, part G, £500: This is one of the principal-security blocks: it should be sold when convenient, and the proceeds credited. Any deficiency or surplus on realisation should be shared in fair proportion by Mangatu 5 and 6 and Maungaokura No. 1 Blocks.

11. Maungaokura No. 1, £1,324 7s. 3d.: This is one of the principal-security blocks, and should be sold, mortgaged, or leased, as may seem most expedient, to defray its indebtedness.

12. Mangatu 5 and 6, £19,865 16s. 4d.: This and the Mangaokura must inevitably bear the brunt of the burden, as well as the final deficit of the realisation of the other blocks. The Court's suggestion, as in the Mangaokura Block, is that the Commissioner should be empowered to sell, mortgage, or lease the block at his discretion. If it should be found necessary to sell, and on final realisation there should turn out to be a surplus, it might be paid to such persons as the Court should find equitably entitled thereto. If, however, there should turn out to be a deficiency, then it should be left to the Court to say on what blocks, if any, the deficiency is to be charged.

13. If the beneficial owners of any block indebted to the trust are prepared to find the amount of the debt, and take over the block with its liabilities, the Commissioner should have power to permit of this being done if he thinks it is in the best interests of the set of beneficiaries concerned or of the estate as a whole.

14. As it would be impracticable and impolitic to carry out all these suggestions at once, the formal authority to deal with any particular block in the way that the Commissioner suggests under the circumstances might be made the subject of a separate application to and order of the Court. Similarly any disbursement on account of the credit blocks could be authorised by the Court as funds become available.

15. So long as the trust continues, the Commissioner will require to annually adjust his accounts so as to distribute equitably over the various blocks under his care the cost of management and other outgoings. The Court or some other authority should be empowered to finally settle and pass such accounts and adjustments.

16. The powers and authorities suggested to be given to the Commissioner for the purpose of carrying the proposed adjustments into effect are intended to be in addition to any powers he may have, and should not lessen or minimise his statutory powers to deal with or manage any particular block.

In conclusion, the Court would like to specially mention and express its appreciation of the assistance given to it by the Commissioner (Mr. T. A. Coleman) in arriving at the adjustments proposed. The Commissioner is a chartered accountant. The special official accountant reported that the Board's and the Commissioner's accounts "have been well kept, on a system suited to the needs of the trust."

Dated at Gisborne, this 12th day of September, 1908.

By the Court.

R. N. JONES,

Judge.

The Validation Court of New Zealand.

#### APPENDIX A.

VALIDATION COURT, GISBORNE, THURSDAY, 10TH SEPTEMBER, 1908.

(Inquiry under Section 22, 1906.)

THE Court pronounced the following formal finding:—

Pursuant to the powers vested in it by section 22 of "The Maori Land Claims Adjustment Act, 1906," the Court, having made the inquiries directed by that section in open Court, heard all parties who claimed to be heard before it, and perused the accounts submitted by the East Coast Commissioner, and the report of the official accountant thereon, doth hereby determine as follows:—

A. The whole amount of the debt paid by the East Coast Native Trust Lands Board or the East Coast Commissioner to the Bank of New Zealand under its securities was the sum of £111,181 17s. 3d.

B. The amount of "other claims" against the Trustees paid or provided for by the Board or Commissioner was the sum of £21,087 5s. 5d.

C. The expenses of management, including all outgoings paid by the Board or Commissioner up to the 29th day of October, 1906, the date of the passing of the said Act, and not comprised under A or B, was the sum of £13,463 9s. 6d.

D. That the expenses of management as defined by C paid or provided for by the Commissioner subsequent to the 29th October, 1906, and up to the 31st March, 1907, the nearest statutory balancing-day of the Commissioner, was the sum of £4,338 6s. 4d.

E. That the proportion of the whole debt to the bank, of the "other claims" paid, of the expenses of management up to the 29th October, 1906, and of the expenses of management up to the 31st March, 1907, which the respective blocks ought, in the opinion of the Court, to properly bear, are set out in the schedule hereunder.

#### THE SCHEDULE.

No.	Name of Block.	Bank Debt.			Other Claims.			Expenses of Management to 29th October, 1906.			Expenses of Management to 31st March, 1907.			Total.		
		£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1	Mangaokura No. 1 .. ..	824	18	6	149	5	1	43	3	9	83	19	3	1,101	6	7
2	Mangatu Nos. 5 and 6 .. ..	12,373	17	6	2,238	17	0	647	15	4	1,259	8	4	16,519	18	2
3	Matawhero B, or 5 .. ..	293	0	6	52	19	0	15	7	0	..	..	361	6	6	
4	Matawhero No. 1 .. ..	1,814	9	7	328	0	0	94	17	0	..	..	2,237	6	7	
5	Motu No. 1 .. ..	1,708	1	0	307	17	0	89	2	0	..	..	2,100	0	0	
6	Okahuatui No. 2 .. ..	21,287	15	0	3,848	5	0	1,114	0	0	..	..	26,250	0	0	
7	Pakowhai .. ..	22,101	0	6	3,995	6	0	1,156	16	0	..	..	27,253	2	6	
8	Whataupoko D, Section 67 ..	48	13	0	8	16	0	2	11	0	..	..	60	0	0	
9	Whataupoko, part G. .. ..	405	10	0	73	6	0	21	4	0	..	..	500	0	0	
10	Mangaheia No 2D .. ..	2,676	18	7	674	7	1	2,232	3	9	339	13	11	5,923	3	4
11	Maungawaru No. 2 .. ..	4,421	13	6	71	10	0	76	6	6	46	7	6	4,615	17	6
12	Maungawaru No. 3.. ..	736	18	11	87	9	0	96	5	0	59	12	6	980	5	5
13	Maraetaha No. 2, Section 4 ..	10,291	9	3	219	7	11	586	4	10	107	17	3	11,204	19	3
14	Maraetaha No. 2A, Sections 2, 3 .. ..	..	..	..	166	17	4	170	1	4	17	2	4	354	1	0
15	Maraetaha No 2, Section 3 ..	..	..	..	164	19	11	89	17	5	52	4	0	307	1	4
16	Maraetaha No. 2, Section 6 ..	..	..	..	216	3	0	302	8	2	172	5	1	690	16	3
17	Moutere No. 2, Section 1 ..	297	2	7	24	10	0	12	9	3	5	17	8	339	19	6
18	Mangapoike No. 2 .. ..	..	..	..	1,651	19	3	1,307	12	7	216	13	10	3,176	5	8
19	Nukutaurua and Moutere No. 1 .. ..	..	..	..	195	4	2	..	..	..	2	17	0	198	1	2
20	Paremata .. ..	16,809	13	11	705	13	11	1,889	18	2	223	7	5	19,628	13	5
21	Tahora No. 2 .. ..	2,210	16	9	4,805	10	6	2,426	19	5	1,420	13	9	10,864	0	5
22	Tawapata North No. 1A .. ..	2,511	10	8	155	6	7	73	17	11	23	12	5	2,764	7	7
23	Tawapata North No. 2, Sub-division 1 .. ..	2,511	10	8	155	15	7	70	0	6	21	19	2	2,759	5	11
24	Tawapata South No. 1 .. ..	5,209	15	5	581	11	10	609	17	10	171	10	5	6,572	15	6
25	Whangawehi 1A .. ..	703	0	1	60	11	2	187	10	5	55	11	11	956	13	7
26	Whangawehi 1B, 1C .. ..	1,949	1	4	147	17	1	197	0	4	57	12	7	2,351	11	4
		111,181	17	3	21,087	5	5	13,463	9	6	4,338	6	4	150,070	18	6

F. The Court hereby declares that it would in its opinion be a fair and just adjustment of the equities between the beneficial owners of the respective blocks to *prima facie* assume that each of the said blocks is indebted to the trust estate in the total amount set out in such schedule against the said block as its share of the total liability of £150,070 18s. 6d., as at the 31st March, 1907: Provided, however, that, in case any of the blocks numbered 10 to 26 fails from any reason to realise or provide the amount so charged against it, such deficiency (if any) should be added proportionately to the liability of the blocks Nos. 1, 2, and 9, sometimes known as principal-security blocks.

G. Inasmuch as certain of the said blocks and other blocks added in relief have found more money than they are justly entitled to provide on the final settlement of accounts, it is hereby, following the said adjustment of liabilities, declared that the following blocks are entitled to credit as against the trust estate as at the 31st March, 1907 (inclusive of allowance of interest to that date), in the amounts following:—

	£	s.	d.
1. Maraetaha No. 2, Section 4	5,450	4	5
2. Maraetaha No. 2A, Sections 2 and 3	4,210	16	5
3. Maraetaha No. 2, Section 3	1,715	8	6
4. Maraetaha No. 2, Section 6	2,161	10	7
5. Moutere No. 2, Section 1	109	8	6
6. Mangapoike No. 2	345	11	5
7. Nukutaurua and Moutere No. 1	2,115	2	9
8. Paremata	7,318	6	4
9. Tawapata North 1A	415	0	8
10. Tawapata North No. 2, Subdivision 1	456	16	10
	£24,298	6	5

H. As certain of the blocks set out in the schedule indebted to the trust estate as aforesaid have already contributed (or may be assumed to have done so) all or portion of their share of the indebtedness to the trust estate, it is hereby declared that the final balances (subject to increase if necessary of the principal-security blocks, Nos. 1, 2, and 9) equitably chargeable against the various blocks still remaining in the Commissioner as at the 31st March, 1907 (inclusive of an allowance for interest on the adjusted accounts at 5 per cent. per annum to that date), are as follows:—

	£	s.	d.
1. Mangaokura No. 1	1,324	7	3
2. Mangatu Nos. 5 and 6	19,865	16	4
3. Whataupoko, part G	500	0	0
4. Mangaheia No. 2D	2,459	10	7
5. Maungawaru No. 2	5,001	6	0
6. Maungawaru No. 3	1,044	10	3
7. Tahora No. 2	482	19	11
8. Tawapata South No. 1	5,190	6	2
9. Wangawehi No. 1A	836	13	7
10. Wangawehi No. 1B, 1c	2,231	7	4
	£38,936	17	5

I. The mortgages of £21,000 raised upon the under-noted blocks are declared to be liabilities incurred on behalf of the trust estate as a whole, the blocks on which they are raised being only entitled to contribute in equity their respective share of the debt as above set out (with interest at 5 per cent. per annum till payment).

	£	s.	d.
1. Mangaheia 2D	11,000	0	0
2. Paremata	3,000	0	0
3. Tawapata South 1	6,000	0	0
4. Whangawehi 1A	1,000	0	0

The Court, in accordance with section 11 of "The Maori Land Claims Adjustment and Laws Amendment Act, 1907," will prepare a scheme for presentation to Parliament showing the adjustment proposed in accordance with its findings.

#### APPENDIX B.

IN THE VALIDATION COURT,  
AT GISBORNE.

In the matter of "The Native Lands (Validation of Titles) Act, 1893," and of the Paremata Block; and in the matter of the accounts dated the 20th day of July, 1908, filed herein.

TAKE NOTICE that upon the hearing and investigation of the above-mentioned accounts the Native owners of the above block will claim, *inter alia*:—

1. A refund of the original advance of £3,000 made by the said block (and charged against it) to aid the general trust estate, together with interest thereon at the rate of 6 per cent. per annum to date of payment, and all costs incidental thereto.

2. A refund of any moneys paid out of the proceeds of Paremata (whether from sale of land or otherwise howsoever) which is in excess of the ascertained proportion of the block's fair and

correct quota of indebtedness under the general trust estate, also the payment of any costs and expenses incurred by the Native owners in connection with any of the matters arising out of the matters herein.

3. After liquidation of the block's quota of indebtedness as aforesaid, that the residue of the block be transferred back to the Native owners found to be entitled thereto.

Dated this 20th day of August, 1908.

W. DOUGLAS LYSNAR,  
Solicitor for the Native Owners,  
as per appearance.

To the Registrar of the Validation Court and the East Coast  
Native Trust Lands Commissioner, or his solicitor,  
J. W. Nolan, Esq.

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#### APPENDIX C.

IN THE VALIDATION COURT,  
AT GISBORNE.

In the matter of "The Native Lands (Validation of  
Titles) Act, 1893," and of the Mangaheia No. 2D  
Block; and in the matter of the accounts filed  
herein, and dated the 20th day of July, 1908.

TAKE NOTICE that upon the hearing and investigation of the above-mentioned accounts the Native owners of the above block will claim, *inter alia*:—

1. That the general trust estate shall discharge any encumbrances on the said block in excess of the ascertained proportion of the block's fair and correct quota of indebtedness under the general trust estate.

2. Payment to the Native owners entitled thereto of the balance of rents collected, after payment of interest and any other lawful charges incidental to the block's correct proportion of indebtedness under the general trust estate, and any costs and expenses incurred by the Native owners in connection with the said encumbrances or the said application.

3. After liquidation of the ascertained proportion of the said block's indebtedness under the general trust estate as aforesaid, that the whole of the land be transferred back to the Native owners entitled thereto, subject only to any existing leases against the same.

Dated this 20th day of August, 1908.

W. DOUGLAS LYSNAR,  
Solicitor for the Native Owners,  
as per appearance.

To the Registrar of the Validation Court and the East Coast  
Native Trust Lands Commissioner, or his solicitor,  
J. W. Nolan, Esq.

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#### APPENDIX D.

IN THE VALIDATION COURT,  
AT GISBORNE.

In the matter of "The Native Lands (Validation of  
Titles) Act, 1893," and of the Tawapata North  
No. 1, Tawapata North No. 2, Tawapata South,  
Nukutaurua, Moutere No. 1, Moutere No. 2,  
and Whangawehi No. 1 Blocks, all situate at  
Te Mahia; and in the matter of the accounts  
dated the 20th day of July, 1908, filed herein.

TAKE NOTICE that upon the hearing and investigation of the above-mentioned accounts the Native owners of the above blocks will claim, *inter alia*:—

1. That the balance of unpaid purchase-moneys for the sale of the Nukutaurua and Moutere No. 1 Blocks, in terms of the several decrees and orders of this honourable Court made in the premises, and of the agreements between the parties, together with interest thereon down to date of payment, and costs incurred by the Native owners consequent upon the non-payment of the said purchase-moneys, be paid to the Native owners entitled thereto.

2. Regarding the balance of the said Mahia lands (other than the said Nukutaurua and Moutere No. 1 Blocks) included in the decrees, which were vested in the Trustees of the general trust estate, that all encumbrances and charges made against the same in excess of each respective block's share of the general indebtedness of the trust estate shall be paid and the said lands discharged from such liabilities, including any costs and interest which may have been incurred incidental thereto.

3. After liquidation of each block's quota of indebtedness as aforesaid, provision be made for transferring back the lands to the Native owners entitled thereto.

Dated this 20th day of August, 1908.

W. DOUGLAS LYSNAR,  
Solicitor for the Native Owners,  
as per appearance.

To the Registrar of the Validation Court and the East Coast  
Native Trust Lands Commissioner, or his solicitor,  
J. W. Nolan, Esq.

## APPENDIX E.

IN THE VALIDATION COURT,  
GISBORNE.

In the matter of "The Maori Land Claims Adjustment and Laws Amendment Act, 1906," and the other Acts affecting the same; and in the matter of the two blocks of land known as Maraetaha No. 2A, Sections 2 and 3 (each containing 2,541 acres 1 rood 10 perches).

TAKE NOTICE that Wetini Rikirangi, Puraro Timo, Horomona Turoa, Hapeta Haraki, Tame Auahi, Te Kerehi Tari, Hemi Tutapu, for themselves and the other beneficiaries of the said lands, by the undersigned their solicitor, do hereby (without prejudice to their right to have the sale of the said lands by the East Coast Native Trust Lands Boards set aside) object to the said lands being charged with any portion of the debt to the Bank of New Zealand or any other claim purporting to be made under the provisions of "The East Coast Native Trust Lands Act, 1902," or the amendments thereof, or otherwise, save only the expenses of management of the said lands; that as to such expenses they object to those expenses charged against the said lands in the accounts filed herein by the East Coast Commissioner, and claim to be heard in respect of such expenses.

Dated this 17th day of August, 1908.

To the Registrar.

Solicitor.

Memorandum for H. Carr, Esq., Registrar, Validation Court, Gisborne.

*Maraetaha No. 2a, Sections 2 and 3.*

PLEASE express my obligations to the Judge for his courtesy in adjourning this matter until the 27th.

I am not aware what exactly is the procedure to be followed with reference to the preparation of the "scheme" which the Court has been empowered to submit to Parliament next session. The jurisdiction appears to be special. I supposed that the opportunity previously given and now kindly extended in the above case, was merely for the lodging of notice of objections.

My notice was certainly very general. I should desire to make it as precise as possible, if precision at this stage be considered the proper course. As far as I am aware the only "charges" at present made against the above lands are—

	£	s.	d.
(1.) Surveys	36	5	6
(2.) Advertising	22	9	4
(3.) Sale-expenses	13	12	6
(4.) Salaries and management	107	11	6
(5.) Legal expenses	72	11	0
(6.) Rates	101	11	2
Total	£354	1	0

The beneficiaries object to items (2), (3), and (5) as being (unless it be some detail as to legal expenses) connected with a sale of the lands which the beneficiaries claim to have been illegal, and which they are taking steps in the Supreme Court to challenge; while as to (4) the beneficiaries object (without prejudice to their contention as to the illegality of the sale) to the amount charged, while admitting that some amount is properly chargeable for administration.

I cannot define the objections to these items more precisely without having the full details of the respective amounts before me, and these (as far as I know) have not yet been filed. Even if I were personally to attend the Court at the present stage I could not define the objections otherwise than indicated by the former notice and this memo.

My former, and more formal, notice contemplates other and more important "charges" being made against the above lands, and, if those now under consideration are all that will be advanced, the accounting will be of a comparatively simple matter. Perhaps the above objections may, as far as they go, be recorded, and at some future date which may be arranged a more formal appearance may be made by me. It is probable I will be in Gisborne next month, when I would take the opportunity of attending at your office.

Wanganui, 24th August, 1908.

G. HUTCHISON.

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