

understand the light in which we regarded these rents. They were originally collected by Ministerial authority, and placed to a separate fund, which was held at the disposal of the Minister for Native Affairs. It is true that after the action was commenced the sum then in the Treasury was, I believe, a sum precisely similar to the amount which was paid by Mr. Stafford, I think, to Mr. Macandrew, on his personal undertaking that, in the event of the case being decided against the Superintendent, the money should be refunded to the General Government. On behalf of the Natives, I and Mr. Izard always regarded the Government as being responsible for the back rents. In the event of the case having been decided finally in favour of the Natives in any Court, the Natives could not have applied to Mr. Macandrew for a refund of the money paid to Mr. Macandrew. That was the light in which we regarded it, and naturally it did not appear to us that the sum was to be taken into consideration in the compromise to be made with the Superintendent in respect of the action against the Crown grant.

213. You say that, in the event of the Natives winning their case before the Supreme Court, they would have had a good claim against the General Government for the rents?—Yes. I want you to observe that I hold their claim was against the General Government and not against the Superintendent of Otago for the back rents. I wanted to call your attention to that, because there seemed some doubt on the mind of the Committee as to whether Mr. Izard and myself, in not calling attention to this further claim of the Natives, were acting in strictly good faith. I have no doubt on the subject myself.

214. But as a matter of fact the Natives lost?—No, as long as the case is before some Court or another, it is neither gained nor lost, until it is decided by the highest Court of Appeal. If it had then gone against the Natives, they would have thoroughly and utterly lost their case; but it was defendant and not the plaintiff who proposed a compromise and made a payment to compromise the case. We consider, therefore, that we won the case.

215. Supposing there was no power of appeal to the Privy Council, then the case would have gone against the Maoris?—Yes.

216. Did you ever become acquainted with the proposition on the part of Mr. Macandrew to submit the matter to arbitration by a regular submission bond?—I have no recollection of it.

217. The submission bond was never submitted to you?—Never, so far as I can remember.

APPENDIX.

No. 1.

MEMORANDUM between Mr. VOGEL and Mr. IZARD.

Mr. IZARD and Mr. Vogel conferred together with a view of agreeing to a compromise in respect to the Princes Street Reserve which Mr. Izard could recommend to his clients and to Mr. Mantell and which Mr. Vogel could recommend for acceptance to the Superintendent of Otago and others concerned on behalf of the province.

It was agreed between them to recommend the following compromise:—Out of moneys paid to the Provincial Government the Superintendent of Otago to pay to Hon. Mr. Mantell and Hon. Mr. McLean, if he will act, or, if he refuses, to a second person, to be appointed by Mr. Mantell, the sum of £4,650, and the sum of £500 to the General Government to refund an advance lately made to Mr. Mantell; the said £500 to pass to the credit of the Reserve Account, from which it was advanced. No refund to be made by Natives in respect of advances made to them for the purposes of the suit.

In consideration of the Superintendent making the said payments of £4,650 and £500, all proceedings on behalf of the Natives to be stopped, and the present action to be discontinued; each side to pay its own costs; Mr. Izard to telegraph to England to stop the appeal on payment of the above amounts. Mr. Izard to co-operate in staying proceedings as early as possible, and to aid, if necessary, in perfecting title.

J. VOGEL.

No. 2.

Mr. IZARD to Mr. TOPI PATUKI.

DEAR SIR,—

Wellington, 22nd November, 1872.

I have been endeavouring to make a compromise with regard to the claims of yourself and your tribe to the Princes Street Reserve.

It is the best bargain I can make, and is approved of by Mr. Mantell. I do not think that the Maoris are entitled to anything less, in strict justice, than the whole of the land, but we must consider the chances of their success in the suit that you have commenced. Before it could be brought to a conclusion a very long and expensive litigation would have to be gone through, and one that might not result in the Native claims being established. If the suit failed, the Natives would get no part of the land at all.

Considering all these points, I recommend that you should agree to the terms I am about to mention. They were settled in a long interview between Mr. Vogel and myself, and have been submitted to Mr. Mantell, who agrees with me in thinking that the best thing to do is to accept them.

The terms of agreement, of which I send a copy, amount substantially to this, viz.:—The present suit to be stopped, and each side to pay its own costs. The Provincial Government of Otago to pay to Mr. Mantell, and Mr. McLean, if he will consent to act, the sum of £4,650, and to pay to the