

the thing took place in a publichouse. I may say that those members present who were then members of the Provincial Council, Mr. Rees, for instance, will know I had the whole business of the Council on my shoulders, and it was impossible for me to leave the Provincial Council while it was sitting. When they waited on me I told them I could not possibly see them except during the dinner adjournment. I dined at the old Club in Official Bay, and I took them down to my own dining-room, apart from the publichouse, and this transaction was gone into. You have seen this agreement, by which they agree to sell to the Government their interest in the Pakiri Block for £1,650. The £50 was an amount put on for Te Hamara. He was not a trustee, but was a relation by marriage and blood of the grantees, and they insisted on having £50 to give to him. Now, the two persons who were concerned on behalf of the Government in that transaction were Messrs. Brissenden and Nelson. If the Committee will go through Mr. Brissenden's correspondence they will observe as distinctly as possible that Mr. Brissenden knew exactly the position of the title. Besides, Mr. Nelson had put the land through the Court, and was aware at the time that Hori was only an applicant for an interest in the grant, and that his son was dead. Admissions of that kind will be found from the parties concerned. In this agreement I have again inserted, the Committee will observe, a provision that no personal responsibility was to attach to myself and Adam Clark. I told Mr. Brissenden at the time of the first negotiation for the sale of the land that I required statutory powers, and that until that power was perfectly straight I should do nothing to render me or my co-trustee liable to an action for a breach of my duty as trustee. In 1873, after Colonel McDonnell's agreement was signed, and on coming to Wellington to attend the House, I again saw Mr. McLeod, and reminded him of this necessity, of this alteration, and he said it had been provided for, and referred me to the Native Lands Bill before the House. I quote the clause. Sir Donald McLeod told me that was the provision made to enable Government to deal with minors. I was not satisfied, but he said he was advised it did contain sufficient power. Having that uneasy feeling, I put in this provision in the second agreement, to protect myself and co-trustee. I would like to explain further that my connection with the block, beyond being exceedingly troublesome and expensive, was very small indeed. Adam Clark, the uncle of the minor, is a man of very superior position and intelligence, and has lived for a number of years next door, I may say, to one of the principal Wesleyan missionaries north of Auckland. He is largely advised by him, and is a man of fair business capacity. The burden of maintaining, feeding, clothing, and educating this child was borne by Adam Clark, and he had also to pay £150 for the survey of his portion of the block. I did not interfere with the disposition of the funds. I allowed Adam Clark to do as he thought proper for the benefit of the child. From the time I became trustee until the time the matter had been settled by the Government agreement, I had been called upon scores of times to do things in connection with the property; surrounded as it was by European settlers, and being a long narrow strip, it was trespassed on by Europeans' cattle. I had to advise the Maoris, and insert advertisements in Maori and English in the papers, for which I had to pay, and have never been repouced. They came to my house, and I had to entertain them. For all these matters I have never charged, asked for, or received a single penny. I may say, further, that when McLeod was pushing Hori te More for his money, and issued a writ in the Supreme Court, I took up that writ, defended the action, drew pleas, and paid money out of my own pocket in order to take the necessary proceedings. If I had been charging in the matter as a lawyer, my bill of costs would have been £80 or £100. All that was done without fee or payment. We come now to the division of this money. The amount to be received was £1,650, £50 of which was to go to Te Hemara. Eight hundred pounds apiece was to be paid to the two grantees present. It was agreed that £800 was to be held back until the title was made good. Eight hundred pounds was to be divided amongst the two at the time. Fifty pounds had been paid the evening before to Adam Clark, and £50 to Hori te More. These amounts were taken out of the £800, leaving £700. Then, by an arrangement made by myself, they had to refund £150 apiece for the purpose of paying off Stannus Jones. Hori te More handed over his £150 at once. Adam Clarke handed over £100, and said "Let the other £50 stand until to-morrow; I will give it to you to-morrow." That £250 was placed in my hands, and I afterwards handed it over to Jones. Hori te More handed the balance of his money to Adam Clarke to take care of. I think Adam gave him back £25 or £30 out of it. Adam Clarke had then his own money and Hori's money, with the exception of this small sum. That being done, I went back to the Council. Next morning Arama Karaka waited on me with £300. That was £50 more than he was possessed of on the trust account. I went with him to the bank, and we lodged in the bank £300 to the credit of himself and myself, as trustees. The receipt-slip I took away myself. I observed, in the evidence given before the Frauds Commission, that stress is laid on the fact that I took away the slip myself. The account could only be operated upon by both, and therefore the taking away of the slip meant nothing. Before 1 o'clock in the day, Clark and Nelson came up to my office in the Provincial Secretary's room, and produced a cheque, which was signed by Adam Clarke for £200. I asked what the money was for. Adam Clarke said £150 of it was to recoup himself for the expenses of survey. I said, "That is right. What is the £50 for?" "To pay Stannus Jones." I thereupon signed the cheque, got the £50 for Jones, and paid it afterwards to Jones. That accounts for all the money in the bank except £100. I find there is still a credit of £80 in the bank. I observe that it is said that a cheque for £20 was sent by Arama Karaka to me, and cashed, and not accounted for. I may say at once that I have personally no recollection of anything of the kind. It may or may not have happened; but it is exceedingly unlikely it should have happened in 1874, and that from that time to this I have never received a single word or letter on the subject from Adam Clark. I may have affixed my signature to the cheque. If it be the case that the cheque was sent to me to be drawn on, the money went back to Adam Clark. It is a matter I cannot understand that I was never applied to by Adam Clark. That closes, as far as I am concerned, the finance transaction. I may say at once that of the whole amount I did not receive one single penny, although at the time I was entitled to have stopped from Hori te More at least £100, and had claims against Clark and the estate; but I purposely refrained from asking a single penny, because I was a trustee, and it might be said afterwards that I induced them to sell the land for the purpose of paying my private account. I

Mr. J. Sheehan,
M.H.R.

Nov. 8, 1877.