

The object of the Act is, by clause 3, to postpone the bank's power of sale for two years, at which time its power to sell will be absolute. That is the settlement between the two parties. At present, of course, they can sell the land on Friday, but they will be open to litigation the end of which is not easily discernible. Then, another thing the Bill does, by clauses 4, 5, 6, and 10, is to make the titles indefeasible beyond all question, and it proposes to put an end to all present or future litigation, so that confidence may be established between borrower and lender. Now, at this point I may explain that the difficulty the trustees or the Natives have been in all along was in redeeming any of these blocks owing to the atmosphere of doubt surrounding the legality of the titles. They could not prevail upon or induce any lending body to lend them the money upon the security which they had to offer, because the titles were considered insecure. It was not a negotiable security—a security that any lending body could lend on—and we found that fully demonstrated everywhere and every time we applied as trustees to raise the necessary funds to relieve these blocks. Whether rightly or not, from a legal point of view, I do not know, but there was always a cloud over these titles which prevented us satisfactorily and successfully obtaining money to pay off the debt. Well, declaring by Act that these titles shall be made indefeasible not only suits the bank, but suits the Natives equally well.

88. *The Chairman.*] When you say “we,” you mean the trustees?—I mean the Natives; they can put a solid security before any money-lending institution. Then it relieves the present trustees from the trust. That is a desirable thing, because, although I endeavoured to be relieved of these trust responsibilities for years, it was a question how it could be done—where the power was to do it. The trustees were always in this position: they were trustees responsible to the Natives that the lands were being administered in their interest, and yet at the same time they had no voice whatever in the management. The bank were in possession and managing, and according to the decree of the Court the bank were declared to be mortgagees in possession and had to account for everything (which they had failed to do). This Act is also a relief to the bank in this respect. We make no claim whatever in our agreement against the Bank as to their position as mortgagees in possession. The Validation Court is preserved—or, rather, is directed—here to determine the rights of the Natives between themselves and to decide what lands ought equitably to contribute by way of strengthening the present securities. This touches now on the question raised by Mr. Fraser and referred to by Sir W. Russell, as to the continuance of the Validation Court. I may make it clear if I explain the position of the different blocks involved in this case. First of all there are the original blocks held under the Land Transfer Acts by the trustees, subject to the whole amount of the indebtedness due to the bank. They were known as the “completed blocks.” Then by arrangements afterwards, as explained by Mr. Bell, when those matters were discussed before the Validation Court it was decided that other blocks which, owing simply to their legal position at the time, were not included in the mortgage should be added. That is to say, they were brought in to help bear a part of the general liability by having specific sums allocated upon them by the Validation Court. These were held by the above trustees under the decrees of the Validation Court, subject to alteration and other Acts as might be determined by that Court. Then there were other lands brought under the Validation Court voluntarily by the Natives which the bank had nothing to do with, and upon which the Validation Court made decrees. These lands are also held in trust by Wi Pere and myself and other trustees. These are the blocks referred to in this Act that the Natives can bring in as additional security. The Validation Court kept its power of administration in its decrees, and everything required to be done in regard to these blocks must first be submitted to the Validation Court and be approved of by that Court. So the reference here to other lands and to the Validation Court is obvious and unavoidable. The Validation Court in this Act was not introduced with a view to extending its power or enabling it to deal with new matters. It is only asked to deal with matters within its jurisdiction at the present time. If the Maoris agreed, in order to facilitate matters, in raising money to pay off Paramata and these other blocks, they can pledge these lands as collateral security, subject to the consent of the Validation Court, in order to satisfy any lending institution they appealed to. These lands are subject to the decrees of the Validation Court now, and they are subject to trusts all more or less in affinity with the general trust. I quite agree with Mr. Bell that these special blocks can be relieved, Paramata and Mangahera especially. We have been powerless, as I have said before, to raise any money in the past to pay off the indebtedness on these special blocks, and without any Act such as is proposed we should always be in the same position. With this Act, and two years in which to do it in, I believe the Natives can better their position, and make safe one or two of the more valuable blocks in the series of blocks that are now subject to mortgage. From a public point of view it is very necessary that this Act should pass, because it will unloosen the meshes in which they have been tied up, and cause them to be thrown open. Portions will have to be cut up and sold, portions will have to be leased, and possibly other portions worked. This Bill will be to the benefit of the Natives. It will be in the interests of the bank, because of the improved chances of its getting its money, and the fact of the titles being made indefeasible and all future litigation stopped. This must put them in a much better position than that which they now hold. It will be certainly in the interests of the trustees, who will be relieved of this trust and the responsibility attaching thereto. And last, but not least, it will be a great boon to that part of the colony, because of the impetus it will give to settlement.

89. *Sir W. R. Russell.*] Does this Act relieve the trustees of any responsibility for any errors of omission or commission?—It relieves them entirely, though I do not think they were liable.

90. Trustees ordinarily are, are they not?—Ordinarily, yes.

91. And do you know whether this Bill does relieve them or not?—Yes; it relieves them of the very onerous position they have been placed in.

92. Ordinarily, I think, the trustee merely administers an estate, and the ward has an action against him if anything goes wrong?—Yes.