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# RANGI KEREHOMA COMMISSION.

REPORT OF COMMISSIONER.

*Presented to both Houses of the General Assembly by Command of His Excellency.*

Christchurch, 26th April, 1918.

To His Excellency the Governor-General of New Zealand.

MAY IT PLEASE YOUR EXCELLENCY,—

In obedience to your Commission, issued under the Commissions of Inquiry Act, 1908, and dated the 22nd day of December, 1917, directing me to inquire and report into the circumstances connected with the declaring of one Rangi Kerehoma to be a European, and particularly as to whether the Public Trustee or any officer, servant, or agent of the Public Trust Office was concerned in the application of the said Rangi Kerehoma to be declared a European, and further as to whether the Public Trustee or any officer, servant, or agent of the Public Trust Office was connected with the disposal of, or other dealings with, any portion of the estate of the said Rangi Kerehoma either before or after he was declared to be a European, and, if so, was the Public Trustee or any such officer, servant, or agent guilty of any neglect or dereliction of duty with regard to the said Rangi Kerehoma, I have the honour to state that I have held such inquiry, and now beg to report as follows :—

When I opened the Commission Mr. Morison, K.C., appeared with Mr. Hoggard, instructed by Mr. Hornsby, M.P., who had formulated certain charges which he desired should form the basis of the inquiry. Sir John Findlay, K.C., appeared for the Public Trust Office, with Mr. Von Haast; and Mr. Skerrett, K.C., with Mr. Crombie, for Chennells.

The charges as formulated by Mr. Hornsby were as follows :—

“That William Boyce Chennells, while agent of the Public Trustee at Masterton, was guilty of neglect or dereliction of duty with regard to Rangi

Kerehoma, to whom the said William Boyce Chennells was in a fiduciary relation as such agent as aforesaid, inasmuch as—

- “(a.) The said William Boyce Chennells induced Rangi Kerehoma to lease and sell certain lands known respectively as Ngawakaakupe No. 4 (Mangahuia), Ngawakaakupe No. 2B (Tablelands), to members of the family of the said William Boyce Chennells at a gross undervalue and upon disadvantageous terms, and procured such lease and sale without seeing that the said Rangi Kerehoma was separately and competently advised :
- “(b.) The said William Boyce Chennells, in order to procure and facilitate such sale as aforesaid, induced or assisted in inducing the said Rangi Kerehoma to be Europeanized, well knowing that the said Rangi Kerehoma was not fit or competent to manage his own affairs :
- “(c.) The said William Boyce Chennells induced the said Rangi Kerehoma to execute in favour of the said William Boyce Chennells a power of attorney containing a provision for the remuneration of the said William Boyce Chennells upon an extravagant basis, which remuneration the said William Boyce Chennells subsequently deducted from moneys of the said Rangi Kerehoma passing through his hands :
- “(d.) The said William Boyce Chennells, notwithstanding that he had power under such power of attorney to collect rents, arranged that the Public Trustee should collect the rents of the said Rangi Kerehoma's lands, with the result that the said Rangi Kerehoma was charged double commission for the collection of his rents.”

I propose to give a short and concise history of Kerehoma's connection with the Public Trust Office.

The Public Trustee was on the 9th day of December, 1890, appointed, under the Maori Real Estate Management Act, the trustee for Rangi Kerehoma, then a minor of about two years of age. He was entitled to large areas of land, which were administered by the Public Trustee during his minority, and which in the course of time, during his long minority, became very valuable. He came of age on the 9th July, 1909. There were then accumulated funds to his credit amounting to £36,475, besides the valuable landed estate.

During the whole period of Rangi's minority one William Boyce Chennells was the Agent of the Public Trust Office at Masterton, and as such received the rents from the Mangahuia Block, which was a valuable portion of Rangi's estate. Chennells was a land agent at Masterton.

As Rangi grew to manhood he proved to be irregular in his habits, and it seemed to be quite apparent that he was not fit to manage his own affairs, especially where he had to administer a large and valuable estate and to have the control of so large a sum of money. The then Native Minister, Sir James Carroll, who was also Minister in charge of the Public Trust Office, and the then Public Trustee, Mr. Poynton, seemed to be satisfied as to this, and they induced Rangi to execute a deed of trust settling a sum of £25,000 upon the Public Trustee in trust to pay the income thereof to himself for life, and after his death according to provision.

The residue of the cash in hand was paid to Rangi through Chennells, as Agent for the Public Trust Office, and the former forthwith commenced to spend money lavishly. He even tried to secure a loan through the Office of a further £3,000, but the Office very wisely demurred to this, and the loan was not granted.

In January, 1910, very shortly after Rangi came of age, he gave Chennells a power of attorney, authorizing him to collect rents and make payments. Notice of the revocation of this power of attorney was given on the 22nd April, 1915.

In March, 1914, it was decided to abolish the agency at Masterton, and presumably thereafter Chennells ceased to act in any way for the Public Trust Office.

On the 12th April, 1913, Rangi was Europeanized under the Native Land Act, the effect of this being that his land was released from all restrictions and became capable of being disposed of as freely as European land. He states that he was advised to do this by Chennells, who told him that he would obtain certain privileges. Chennells gave him the usual papers to sign. The necessary recommendation was made by Judge Gilfedder in these terms:—

In the Native Land Court of New Zealand, Wellington District.—In the matter of section 17 of the Native Land Amendment Act, 1912, and in the matter of an application of Rangi Kerehoma to be declared a European.

To the Under-Secretary, Native Department, Wellington.

At a sitting of the Native Land Court held at Wellington on the 19th day of February, 1913, the merits of the above application were inquired into. I am satisfied that the applicant Rangi Kerehoma, who is a Native man, twenty-five years of age, has a competent knowledge of the English language, and is possessed of educational qualifications at least equal to the Fourth Standard as prescribed by the Education Act, 1908. He is possessed of real and personal property worth at least £60,000. Of this there is in the hands of the Public Trustee a sum of £25,000, the applicant being entitled during his life to the income arising therefrom.

I recommend that an Order in Council be issued declaring the said Rangi Kerehoma to be a European.

Dated at Hastings, this 10th day of March, 1910.

M. GILFEDDER, Judge.

Following this recommendation an Order in Council was issued on the 12th April, 1913, declaring Rangi a European.

Very shortly after this Chennells and a solicitor named Beard, who had conducted the proceedings in the Native Land Court at which the Europeanization recommendation was obtained, appear to have taken steps to obtain an interest in the land owned by Kerehoma, and each of them did obtain it in the names of certain members of their respective families. With the details of these transactions this Commission is not concerned.

Certain proceedings have been taken in the Courts arising out of these dealings, and some restitution has been made and a settlement arrived at.

There is not the slightest doubt that Chennells used his position as Agent for the Public Trust Office, and was enabled by such position to further his designs on Kerehoma's property, and it was because of his connection and standing with the Office that he was finally enabled to carry out what can only be described—look at it how you will—as a very gross fraud. As, however, has been pointed out by counsel, I am not empowered to try Chennells on any criminal charge, and beyond stating the facts in connection with his position as Agent for the Public Trust Office I have nothing further to do with him.

So far as the declaring of Rangi to be a European was concerned, it is quite clear that it was part of the scheme to enable Chennells and others to more easily carry out their designs on Rangi's property.

I have absolutely no doubt whatever that Rangi should never have been Europeanized. It was the first application of the kind to come before the Native Land Court, and the seriousness of the step does not appear to have been fully appreciated by the Court, which seems to have been impressed very largely by the solicitor, Beard, who appeared in support of the application and who was himself a subsequent party to the fraudulent dealings with Kerehoma's land. Kerehoma himself admits that he should not have been Europeanized, and that he did not understand the effect of the order. The Court was misled throughout the proceedings, and the true facts of the position deliberately concealed. A very few minutes' conversation with Kerehoma would have convinced the Court beyond any shadow of doubt that Kerehoma's case was not one in which such an extraordinary power should have been exercised. And it is passing strange to me that, with the knowledge that was generally possessed of Kerehoma's habits and qualities, the application was not blocked by the officials of the Native Office, as could undoubtedly have been done.

I most sincerely hope that this scandalous case will have the effect of inducing the repeal of the highly dangerous provision contained in section 17 of the Native Land Amendment Act, 1912. Once the order is made there is no power of revocation, and very serious mischief and wrong may result. I strongly recommend the Government to take this matter into very serious consideration.

It is quite clear to me that no one connected with the Public Trust Office outside Chennells was aware of or in any way was a party to the Europeanization of Kerehoma. I am also able to say with certainty that no one connected with the Public Trust Office outside of Chennells was connected with the disposal of, or had other dealings with, the estate of Rangi Kerehoma, nor can I find that any such officer was guilty of any neglect or dereliction of duty with regard to him.

Towards the close of the inquiry I received a telegram from Mr. Hornsby, M.P., to the following effect: "Regret no other course open to me but to retire from the Commission and request my counsel, through you, do the same. Was promised full inquiry, but blocked by counsel."

As I have previously stated, Mr. Morison had filed, before the Commission opened its proceedings, the charges that are embodied in this report, that were made by Mr. Hornsby. I cannot imagine why Mr. Hornsby makes the assertion that he was promised full inquiry but was blocked by counsel. Every tittle of evidence that was brought forward by Mr. Morison on behalf of Mr. Hornsby I admitted, and I have set out the result in this report. If the statement to the effect that Mr. Hornsby was promised a full inquiry refers to the Government, I naturally have nothing to do with it; and most certainly any objection to the scope of the Commission should have been taken at the commencement of the inquiry, and not left to the very end. I take it that my clear duty is to report to Your Excellency on my finding, even although Mr. Hornsby at the last moment withdraws from participation.

I have the honour to submit herewith the notes of evidence taken by me, and to remain Your Excellency's most humble servant.

Given under my hand and seal, this 26th day of February, 1918.

H. W. BISHOP,  
Stipendiary Magistrate and Commissioner.

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