

and yet the Committee are asked to believe, and to hold, that this money was not applicable to the purchase of Native land which would afterwards be used to implement a solemn engagement of the Government. If the 11th clause was not meant to apply to lands which the Government should acquire with the vote which the House had given them, then I say it was a trick, and no Government should have offered such a stone in place of bread to a body of men who were dealing with them fairly and honourably. No parliamentary body could, I think, indorse such a view. I am sure that Mr. Ballance could not have considered that view when he put it forward. Sir Robert Stout tells us that the contract was invalid; and that, I think, is what was in Mr. Ballance's mind, and his recollection is at fault if he thinks there was any difficulty about finance. If he will consider what I say I believe he will see that clause 11 means what we contend, and that the vote for the purchase of Native lands was available to purchase Horowhenua. But all Crown land is acquired in the first instance from the Natives. Every acre of land which the Crown possesses has been acquired from the Natives. Some had been acquired before 1882 and some had still to be acquired. The vote of the House was there, and there was no difference in principle between the Forty-mile Bush land, which was land which had been acquired, and the Horowhenua, which was land which had still to be acquired.

*Mr. Cowan* : What about confiscated land ?

*Mr. Bell* : But that is only another example of the same principle. Every acre of land has been purchased from the Natives or been taken from them by Act of Parliament or confiscation. In either case you recognise the prior title of the Natives. Therefore there is nothing which, upon examination, will justify the argument that the 11th clause meant that the Government had to get a special vote for the purchase of this land. I do not think the argument will hold water. I should be prepared to be governed by the opinion of Mr. Ballance after he has given consideration to the argument I have submitted to the Committee, because I am sure it is unanswerable. Then, was there a limit of five years? Sir John Hall, Sir Harry Atkinson, Mr. Levin, and everybody else has agreed that the five years was not intended to define a limit, but expressed a time within which the Government would almost certainly acquire the land. Nothing really turns upon the question of whether money was or was not paid for the purchase of the Horowhenua Block within the five years, but I submit that Mr. Ballance is mistaken in his recollection about what was done in regard to the Horowhenua Block. Mr. Ballance is not really positive that the limit of five years was not in his mind.

*Hon. Mr. Ballance* : I said I did not remember the conversation, but it might have been true, as stated in the minutes of the interview.

*Mr. Bell* : Then, I will supplement that by referring to Mr. Levin's evidence, which, I think, does point to a different conclusion, and perhaps may lead Mr. Ballance to form a different opinion about what was done. In Question 297, last year's evidence, Mr. Travers asked Mr. Lewis, "May I ask you whether or not the negotiations were postponed in consequence of the limitation in the contract?" Mr. Lewis replied, "It would appear that that question would be more a policy question for the Ministry." Questions 298 and 299 and the answers are as follows: "298. Had you no instructions about the completion of the purchase before or after the five years with reference to the claim of the Company to the allocation? Had you no conversation with the Minister on the subject?—Not specifically, but reference has been made to the agreement.—299. Were not the negotiations for any part of the Horowhenua Block postponed in consequence of the existence of this clause?—I cannot say." "305. You cannot say that the Government desired to postpone the acquisition until after the five years?—I cannot say.—306. It was discussed?—There was a conversation about it. Not from that point of view. Necessarily the period has been referred to, but I could not say, nor do I think it right to say, what would be the policy of the Government." That is to say that, with reference to the Horowhenua Block, the Under-Secretary for Native Affairs admits that the limit of five years was referred to, and it probably was referred to as a reason for postponing the purchase; but I do not wish to rest upon any technicality of that kind, nor do I assert that there was what seems to be unintentionally suggested by a question put by me to Sir John Hall, a deliberate postponement. But I think the Government, in a laudable desire to defend the public purse, as Governments always do, made this limit an element in the question whether they should complete or postpone the completion of the purchase which they were making from Major Kemp. Then, there is this to be said, further: Mr. Ballance and Mr. Bryce both told us that they would not purchase at any sacrifice—that is to say, that the purchases were delayed by the competition, as they call it, of the Company. But, Sir, I hope the Committee will remember this: It was a matter of perfect indifference to the Government, though a matter of great importance to the Company, what price the Government paid for the land. The Government were not to give the Company 29,000 acres; they were to give us land worth £29,000. If they bought land worth £29,000 it was a matter of indifference to them, though of great importance to us, whether they got fifty thousand acres or five hundred acres. When the Government say they would not buy at any sacrifice it was not a sacrifice of their money. If they had bought at too high a price it would have been a sacrifice of our interests and not of theirs. Therefore it was not fair to say that the Government could not purchase because the price was too high. When the high price did not affect the Government all they had to do was to hand over the land at a valuation, and nobody could question that the valuation would have been whatever price the Government had paid. Therefore, as I say, it was of importance to the Company that the Government should pay a small price for the land, because the Company would get so many more acres for the £29,000, but it was a matter of complete indifference to the Government. That appears to be an answer to that argument. I have endeavoured, so far as I could, Sir, to summarise the evidence, and I have little to add. This Company has in every respect carried out its engagements. That is not denied. In fact, both of the Governments that have had to do with it admit that it has amply fulfilled every part of its contract. It is suggested that the Company has had land enough. What has that, I