

ment he obtained from Mr. Flower's executors a transfer of the leases for the consideration of £14,000, and at the same time gave back to the executors a mortgage for the same amount. That transfer is dated 12th June, 1908, and it was registered on the 23rd July, 1908, I, of course, having nothing to do with the preparation or registration of that transfer. Shortly before he came to me these Hawke's Bay people had searched the title of the leases, and their solicitors had come to the conclusion that the title was not perfect—they did not suggest that it might not be good, but suggested that there was some doubt about it—and they refused to go on with the transaction. In reply to the suggestion made by Mr. Jones that Mr. Lewis was merely a dummy, I should like to say that the sum of £700 was paid in cash by the Hawke's Bay people to Mr. Lewis, and the sum of £4,300 was lodged with Messrs. Moorhouse and Hadfield, solicitors, in Wellington, on account of purchase-money. That sum of £4,300 has been lying in the hands of Messrs. Moorhouse and Hadfield ever since, because Mr. Flower's executors claim it from them, and also because the Hawke's Bay people claim it. Messrs. Travers, Russell, and Campbell acted for Mr. Lewis in this matter of the transfer, and the reason he came to me was on account of this doubt as to the title, and as they were acting also for Mr. Flower's executors he wanted some independent advice. Mr. Lewis wanted to force the Hawke's Bay people to buy. They had deposited this money with Messrs. Moorhouse and Hadfield, who had given an undertaking to Messrs. Travers, Russell, and Campbell that they would hold it for Mr. Flower's executors; so that there were three parties to a dispute, and I arranged with the other two parties—that is, Messrs. Travers, Russell, and Campbell, and the Hawke's Bay people's solicitors (and all this will tend to show you the complications existing in this matter)—that matters should be allowed to stand as they were without prejudice to anybody's interest, in the hope that we might be able to make some arrangement with the Natives by which the land should be cut up and disposed of, and all parties get their moneys out of it. The first thing I did was to write—after looking into the matter, which took time—to the Native Minister. On the 29th September, 1908, I wrote to the Native Minister asking that the Native Commission—which then consisted of Sir Robert Stout and Mr. Ngata—should deal with the matter, and advise upon the question whether some arrangement which would be beneficial to the Natives could not be arrived at, so that the block could be sold, and both the Natives and the lessees be paid out. It, of course, was a matter of very great advantage to the Natives—we looked at it in that light, at any rate—to have the lands sold, because they had given the leases, which had yet some thirty years to go, for which they were receiving practically a nominal rental, and the lessees were prepared to give up something if they could get the matter disposed of immediately. Mr. Lewis had purchased it merely as a speculation, and did not want to occupy the place for thirty years. He preferred to sell it, and it occurred to me that it would suit the Natives as well as him to have it disposed of. On going into the matter with Mr. Carroll there seemed to be difficulties in the way that might require legislation, and, as the Committee of the Legislative Council had then heard Mr. Jones's petition, and made a recommendation upon it, in view of the probability that the Government would not, in view of this recommendation, care to interfere in the matter as between Mr. Jones and Mr. Lewis, I thought the quickest way out of the difficulty was to go to Mr. Treadwell, who I knew was acting for Mr. Jones. I saw him, as he says, on the 10th October, 1908—at any rate, it was about that date that I saw Mr. Treadwell first. Now, the attitude I have always taken up with reference to this matter is that it will suit Mr. Lewis to facilitate the fullest inquiry into Mr. Jones's claims. You see, to a lawyer it does not matter—in fact, it might be the best way out for Mr. Lewis—if Parliament interfered and took away his title, because he could then come down on the Assurance Fund and claim compensation, which would be a very substantial sum. At any rate, I have always taken up the attitude that we would help Mr. Jones—I have taken this attitude up with Mr. Treadwell—to obtain a Royal Commission, because we should the sooner be able to settle all these troubles between Mr. Flower's trustees, and the Hawke's Bay people, and Lewis. Mr. Treadwell has told you that he had an interview with Dr. Findlay. Before having that interview we drew up a form of agreement under which it was proposed that the difference between Mr. Jones and Mr. Lewis should be referred to a Commission, the members of the Commission to be agreed upon by the parties. Now, it was after drawing that agreement, and for the purpose of having it carried into effect, that I went with Mr. Treadwell to the interview with Dr. Findlay; but the conclusion we both came to was that it was improbable that the Government would appoint a Commission, and we then discussed the question of referring the matters in dispute to arbitration, and drew up another memorandum of agreement having the object of referring this question between Mr. Jones and Mr. Lewis to arbitration. However, that agreement was not completed, and the negotiations fell through. The parties could not agree to terms, and it was not gone on with. As these negotiations fell through, I again approached the Native Minister, and asked that the Native Commission, which was still sitting, should consider the matter, and make some recommendation as to what was best to be done in the interests of the Natives. Of course, you will understand that the Native Commission had no authority whatever to do anything except to make a recommendation in the matter, and their recommendation could only be carried into effect by legislation; also, of course, as Mr. Jones was not on the register, he had nothing whatever to do with the matter before the Commission, which could only be concerned with the registered owners of the leases. The result of that Commission was not very satisfactory to us—in fact, it was entirely unsatisfactory to us. Instead of making a recommendation that the Natives should be allowed to sell or lease, the Commission suggested that the Jones titles which Mr. Lewis had acquired were defective, and Chief Judge Palmer, who was a member of that Commission, suggested to the District Land Registrar at New Plymouth that a caveat should be lodged.

*Hon. Mr. R. McKenzie:* On behalf of the Natives?

*Mr. Dalziel:* On behalf of the Natives. Since then there have been many negotiations—I do not think I need enumerate them—between Mr. Treadwell and myself; but none of them have