9. *Hon. Mr. T. Duncan.*] Will there be any limit to the price? He may place a price on it that would leave it there?—That could not do him any good, because he cannot get any title—cannot mortgage it; because the only right he will get under the Order in Council will be the right to take conveyances to suit purchasers, within the limitations of the Land Act, 1909: he will have no right himself to mortgage. I do not suppose it is possible to put a limit on the price, because obviously he is paying £25,000; he is liable for £40,000 more, and wants to sell the land as an ordinary commercial transaction.

10. *Mr. Dillon.*] Where does Jones come in with you? You ignore his right entirely?—I must do that, because these people have a Land Transfer title; and are we to lose this advantageous offer of £25,000 because Jones and Lewis cannot agree upon their rights?

11. Could not some arrangement be come to for the benefit of Jones?—We shall not give Jones anything out of our £25,000. He has got no claim on us. Jones has no claim against the Natives, and it would be very unfair to us, if this arrangement, which is an advantageous one—that the Natives should be blocked from carrying it out because of the disputes between Jones and Lewis. Of course, the Chairman promptly put his finger on the weak point—on my suggestion that whatever advantages accrue to Lewis could be attacked in a Court of law. How is the matter going to be settled? Are the unfortunate Natives never to be able to get the full value of their land? I submit that some one must "grasp the nettle," and that the Committee should not allow my clients to be prejudiced by further delay.

12. *Mr. Macdonald.*] In your opinion, Mr. Lewis is a mortgagee, and the Natives are practically the sole owners of the land?—Yes.

13. *The Chairman.*] Has any suggestion been made as to the advisability of offering Mr. Jones some solatium?—I do not know what has been done.

Mr. Dalziell: Negotiations took place twelve months ago or more, in which various offers were made and not accepted. Since then Mr. Lewis has not been a free agent. The mortgagees have been coming on him for £25,000 since then, and Mr. Lewis has had no chance.

14. *The Chairman* (to Mr. Dalziell).] Was it fair for Mr. Macarthy to come in?—Unquestionably. What he said to Lewis was, "Pay me. If you do not, give me some more security."

15. And then he asked for a further mortgage, and he gave one for £25,000?—Yes.

16. The position is that after he lends a certain sum on certain security he asks a further security of £25,000?—The same amount.

17. That amounts to £25,000?—Yes.

18. There was no actual cash advanced by the mortgagees?—He said, "I do not want the actual cash: I want security."

19. *Mr. Hindmarsh.*] I should like to ask Mr. Skerrett, was it proposed to get any security from Lewis?—He has got to put the land in the market in three years.

Mr. Dalziell: I want to make it perfectly plain that Mr. Lewis's only object in negotiating was to bring things to a conclusion as speedily as possible. He has a claim either to the lease or against the Assurance Fund.

20. *The Chairman* (to Mr. Dalziell).] Would you be prepared to state the nature of some of the offers to Jones to cease?—It took various forms: it was partly cash, partly coal, and partly a subdivision of the profits. I do not remember the exact details, there were so many forms in which it was put, but on one occasion the offer was that the mortgagees should be paid, the Natives should be bought out, that Mr. Lewis should get £5,000 cash, and that the balance should go to whichever of the parties the arbitrators determined was entitled to it, as between Jones and Lewis.

21. In any of the offers made was it suggested that Mr. Jones had any legal right?—Two agreements were drawn up in which it was expressed that Jones made claims which Lewis refused to admit.

22. All of these offers were made, of course, subsequent to Lewis coming into the matter?—Yes.

23. (To witness).] You suggest, Mr. Skerrett, that the lease secured by Jones was not fairly secured from the Natives?—Yes.

24. But that Mr. Lewis could still buy the property notwithstanding that fact?—Because he has got a Land Transfer title, which we have got to upset.

25. Yet that same lease was purchased by Flower, and that was mortgaged to Lewis?—What would be sold by the Natives is the reversion upon the lease.

26. How long have they got to go?—Thirty years to go. What we sell is the reversion. We take the £25,000, and we are out of it "bag and baggage."

27. And the fee-simple will be owned by Lewis?—Yes, because he owns the reversion.

(No. 8.)

Mr. Hindmarsh: This address of Mr. Skerrett's has opened up new matter altogether. I think the Committee ought to know that Mr. Jones did attempt to form this company and work the minerals, but the Maoris prevented him.

The Chairman: You are now making a statement that Mr. Skerrett should hear.

Mr. Hindmarsh: I do not think so. Mr. Skerrett takes up the position that, whatever happens, the Maoris are right—that they can claim from the Assurance Fund or turn Lewis off the property. However, I would suggest to the Committee that they need not take that into consideration at all, except in so far that they must recognize that the country is vitally interested in the settlement of this case, and that it may be that the public will have to find some £30,000 or £40,000 to pay the Natives compensation out of the Assurance Fund.

The Chairman: Not if this is agreed to.

Mr. Hindmarsh: But that is all dependent upon Mr. Lewis financing the matter. If he cannot, what is the position? As Mr. Skerrett warns the Committee, if the matter is not soon settled, they must go to the Court. If it is held that this land was illegally brought under the