

Native Land Act, 1909. Mr. Skerrett also suggested that if the Government agreed to this course it would be relieved from all claims by the Natives or the lessee upon the Assurance Fund."

Agreed to.

"13. On the 5th December, 1909, the Government resolved that an Order in Council should issue in accordance with Mr. Skerrett's application, being influenced by the fact that this arrangement would secure immediate settlement of the Mokau-Mohakatino Block in small areas."

Agreed to.

"14. Formal application was then made, on behalf of the Natives and the lessee, for the issue of an Order in Council, under section 203, and also for the consent of the Native owners of the land, to a sale to the lessee of their interest for the sum of £25,000 cash."

Agreed to.

"15. These applications were dealt with in strict accordance with the Native Land Act and the regulations made thereunder, and finally the Natives agreed to the sale of their interest, and an Order in Council was issued permitting the sale to take effect."

Agreed to.

"16. For the purpose of this sale, a fresh valuation of the block was made by the Valuation Department at the instance of the Maori Land Board, and the value of the whole estate was certified to be a little over £40,000."

Agreed to.

At the request of the Committee, Mr. Massey made a statement setting out the facts relating to this matter which he thought called for inquiry.

Mr. Massey's statement is as follows:—

"Mr. Massey: I had thought it would not be necessary for me to make a statement, seeing that the statements I made at Auckland and in the House have practically led up to the inquiry being held. However, I have committed to writing a statement of the position as it appears to me, and with your permission I propose to read it:—

"(1.) The Mokau-Mohakatino Blocks, consisting of 53,000 acres of land, were leased by Mr. Joshua Jones from the Native owners for fifty-six years from July, 1882.

"(2.) With the object of providing sufficient capital to develop the property, Mr. Jones mortgaged his interests to an English firm.

"(3.) In course of time the mortgagees foreclosed, and the property was sold in New Plymouth by order of the Registrar of the Supreme Court, and was bought in by the representatives of the mortgagees.

"(4.) The mortgagees, having become the owners of the leasehold interests, sold such interests privately to Mr. Herrman Lewis.

"(5.) Mr. Herrman Lewis mortgaged the property to the English firm from whom he had purchased it, or their representatives, for the amount of the purchase-money or thereabouts.

"(6.) Messrs. Findlay and Dalziel were solicitors for Mr. Herrman Lewis, and mortgagees of that individual's interest to the amount of £1,000.

"(7.) Mr. Herrman Lewis apparently approached the Government, through his solicitors or otherwise, and the result was that an Order in Council was issued so as to enable him to purchase the whole block from the Native owners, by so doing avoiding the provisions with regard to limitation of area in the Native Land Act, 1909.

"(8.) A meeting of 'assembled owners' was held at Te Kuiti, and an offer was made by Herrman Lewis to purchase the freehold. His offer was declined. Another meeting was held, and adjourned; and at the adjourned meeting it was decided to accept £25,000 in cash, and £2,500 worth of shares in a company to be formed, for the freehold of the land. That works out to 10s. 4½d. per acre; and it has been stated that the meeting was not properly representative of the Native owners.

"(9.) A meeting of the Executive was held on the 15th March of this year, the Hon. James Carroll presiding, when it was agreed to authorize the alienation of the land referred to by Order in Council. A meeting of the Maori Land Board was held at Te Kuiti on the 22nd March, when the sale was confirmed, but the *Gazette* with the Order in Council was not published until the 30th March, or a week after the sale had been confirmed by the Maori Land Board.

"(10.) The company does not propose to part with its mineral rights to the new settlers, so that, with the other blocks of Native land in the same locality the leases of which are held by the company or members of the company, they will possess what will practically amount to a monopoly of the coal-bearing areas on the west coast of the Taranaki Provincial District."

"Your Committee finds that the statement of the Government above referred to contained in parliamentary paper G.—I correctly sets out the facts relating to the Government's association with this transaction.

Agreed to.

The Committee then adjourned until Thursday, the 19th day of October, at 10.30 a.m.