

have said, the Commission had no jurisdiction at all to inquire into the validity of these titles, and I suggest that it should not have done so, for the reason that it was impossible for the question to be fairly tried unless the parties interested in the leases were afforded the chance to produce evidence going back to the date of the execution of the leases, and this they had no opportunity at all of doing. Now, the findings of this Commission are important. As to Block 1F, the Commission found that a considerable number—about twenty, I think—of the owners had not signed the lease. The Commission also said that the lease was illegal. They said that, assuming it to be legal, it was liable to forfeiture, because the covenants in it had not been properly performed. With regard to the other three blocks, 1G, 1H, and 1J, the Commission found that all of these leases were void; they should never have been registered; and, notwithstanding the protest on the part of the representatives of the lessees, the Commission also suggested that this defect had not been cured by the terms of the Land Transfer Act. As to those findings, I should like only to say this: with regard to the signatures to the lease of 1F, it was plain that a mistake had been made, and that in fact the owner of every interest had signed the lease. That has since been proved conclusively. With regard to 1G, 1H, and 1J, both Messrs. Bell and Skerrett, who have been employed on behalf of the Natives, said that in their opinion these leases were wrongly registered, but they both advised—and there can probably be no doubt at all—that the effect of the provision of the Land Transfer Act was to make the title of the leases absolutely good in the hands of Mr. Lewis. They also advised that the lease of 1F was good, in their opinion, subject to the right of the Natives to take proceedings for forfeiture. So that we have the authority of two eminent K.C.s for saying that the only defect in these leases is the question of the breach of covenant with regard to 1F. And it is very important at this stage to note this: that the Chief Justice said—and, of course, on this matter he was expressing his view as to the proper exercise of the discretion of the Supreme Court—that in his opinion the Court would relieve once from forfeiture. He said that in the report of the Commission. So you have there the opinion of the Chief Justice to the effect that, although the lease might be liable to forfeiture on account of the breach of the covenant, nevertheless the Court would relieve from forfeiture, and permit the lessee to have an opportunity of fulfilling the terms of the covenant in the future. Prior to this there had been some negotiations with the Natives with a view to their putting a price on their property.

8. *Mr. Herries.*] Could you give us the date?—I could not be sure: it was before they heard the report of the Commission, at any rate. Prior to the report of the Commission being published, negotiations had taken place between Mr. Lewis and the Natives, in which the Natives said—in fact, they wrote him—that they were prepared to sell at £15,000.

9. Could you say what Natives?—Andrew Eketone, I think, it was. They were shown, apparently, by some one the report of the Native Commission, and then they came to the conclusion that they would not sell for £15,000, and said so. On the 14th July, 1909, I wrote a letter to Messrs. Carlile, McLean, and Wood, the Hawke's Bay purchasers' solicitors, which explains how matters stood at that time: "14th July, 1909.—Messrs. Carlile, McLean, and Wood, Solicitors, Napier.—Without prejudice. *Re* Mokau.—Dear Sirs,—Mr. Lewis has handed to us your letter to him of the 8th instant. This is a very complicated business, and we have been endeavouring to so arrange that litigation (which, if commenced, must necessarily be complicated and expensive) may be avoided. Mr. Lewis has done nothing in the way of releasing his transferors from any liability they may be under in respect of the transfer to him. The whole question has been allowed to stand pending negotiations which are proceeding for arrangement with the Natives for the disposal of the Mokau Block. We were hopeful that these negotiations would have resulted in a settlement of the whole trouble ere this, but, owing to the postponement of Parliament, the matter has been again delayed. The Natives are anxious to come to some fresh arrangement with regard to the blocks, and we have been in negotiation with them and the Hon. Mr. Carroll with a view to the arrangement of terms agreeable to the Natives and our client. Mr. Carroll is very desirous of having the block cut up and disposed of in small areas, and there seems every prospect of an agreement which will be satisfactory to our client, and also Mr. Campbell's clients, being come to before Parliament meets. We have no doubt that Mr. Campbell would release any claim he may have against the moneys lying in Messrs. Moorhouse and Hadfield's hands without waiting for the final disposal of the blocks. The question between your clients and Mr. Campbell's clients as to the moneys on deposit with Moorhouse and Hadfield seems to us to be one in which Mr. Lewis is not directly interested. Mr. Campbell does not claim in any way through Mr. Lewis, but under an independent undertaking given by him to Moorhouse and Hadfield. The claim your clients have against Mr. Lewis is, we understand, one either of specific performance of the agreement, or for rescission of the contract. If your clients are entitled to rescind, then, no doubt, they are entitled, so far as Lewis is concerned, to recover the money from Moorhouse and Hadfield, but Moorhouse and Hadfield, before paying you, have no doubt to consider the question of their undertaking to Campbell. In the circumstances it would seem best to allow matters to rest for a while in the hope that some satisfactory arrangement can be made with the Natives. We hope your clients will see their way to agree to this course.—Yours truly, Findlay, Dalziel, and Co." That was in July, 1909. Shortly after this Mr. Jones lodged a fresh petition. We could not induce the Government to move in the matter, because they were desirous of having this question determined before they would interfere at all. I then took up fresh negotiations with Mr. Treadwell. These continued on for a long while. A letter that I have here from Mr. Treadwell, dated the 18th December, 1909, will show you that we were negotiating at this time: "Wellington, 18th December, 1909.—F. G. Dalziel, Esq., Solicitor, Wellington.—Dear Dalziel,—*Re* Mokau: It is evidently desirable that we should get legislation in any event this year. Possibly it may be the case that we may not be able to fix up the contract before Thursday. I have therefore made some alterations in the proposed clauses, and send you a copy. These alterations can do no harm, and would enable us, if