

61. What will be the position supposing the company does not fulfil the agreement?—The company has got three years to survey the land and road it and place it on the market.

62. And what is the position supposing it does not?—The Board has the right then to extend the time for, I think, two years, or to say it will not allow any further time, and take the work in hand themselves, and complete the surveying and roading.

63. Will you tell the Committee how the land is going to be handed back to the Board for them to cut it up?—The trustee has got to do that, on receiving instructions from the Board. The Board has simply to satisfy itself of each transaction as each block is sold—that is, as to area.

64. What I want to find out is, what will happen if the Board finds out that the Company are not doing what they agreed to do?—The Board will simply step in and go on with the work—or, rather, Mr. Bowler will under his deed.

65. Where will he find the money for doing that?—They will have got sufficient work done, no doubt, before that period expires to permit of completion. The proceeds from the first part will be sufficient to carry out the other.

66. But supposing the company goes into liquidation?—Well, that will hardly affect the trustee, I presume.

67. Where will he find the money, if the whole of the work is thrown on to him?—From the proceeds of the first lot of land.

68. But supposing no land is sold?—There is going to be some sold before three years are past. You mean if the company goes into liquidation at once?

69. Yes?—Of course, that is hardly probable. I can see no trouble arising from that.

70. As far as you know, all the matters connected with this transaction are very unusual? There is no other case of the kind?—I do not know of any other case similar to the Mokau one.

71. Have you any further correspondence on your file with regard to cutting up the block?—No.

72. *Mr. Massey.*] In arriving at the value of the land, do you know whether the minerals were taken into account—the coal and lime, and so on?—I should say they were not.

73. Your Department and the Valuation Department simply looked at the land from an agricultural or pastoral point of view?—The Valuer-General, I presume, has valued the land from that point of view only. There is no valuation, as far as my Department is concerned, except my own knowledge of the block; and from my own knowledge I am satisfied that the whole block is not worth £70,000 when roaded and surveyed.

74. How can you reconcile that with the fact that a number of practical men have purchased the greater part of the block on a valuation which would really mean £100,000 for the whole block?—Well, time will prove which is correct. I am satisfied my opinion is right, and I presume they are satisfied theirs is.

75. Still, if the minerals are there, as has been stated, in all probability the men who have purchased the block will come out of it with a good profit: do you not think so?—How do the minerals affect the company?

76. I am asking you. The company have surely purchased the minerals, have they not?—The company have placed the whole of this block, under a trust deed, in the hands of Mr. Bowler, who will sell the block. He will sell the minerals and everything. The company have nothing more to do with the minerals than Mr. Lewis had, as far as the trust is concerned.

77. Yes, but Mr. Bowler in that capacity acts for the company. It is his business to dispose of the block as instructed by the company, subject to the provisions of the law with regard to limitation: is not that the position?—Yes.

78. So there is really nothing to prevent members of the company from buying, say, blocks of 3,000 acres each if they feel so inclined?—Well, of course, the Board has to decide whether they can take it.

79. And the President of the Board is the trustee, who is—indirectly, perhaps—receiving a salary from the company?—That is the position. It does not affect the mineral rights at all, as far as I can see.

80. You do not know that the mineral rights belong to the company?—They are part and parcel of the land, and as each subdivision is sold it is understood any minerals that may be in that subdivision belong to the purchaser.

81. Even if the purchaser happens to be a member of the company?—If he can make the declaration required and hold the land.

82. Are there any residential conditions in the Native Land Act regarding land sold under the limitation-of-area provisions?—There are under Part XIV, but in this case I presume it is a matter for the Board to decide. If they decide that residential conditions are necessary, they can be enforced. The Board, I think, have the right under Part XIV to enforce that.

83. And if they think residential conditions are not necessary?—They can waive them.

84. Do you know anything of the appointment of Mr. Skerrett by the Government to act in connection with the disposal of this land?—No.

85. Have you no correspondence as between the Department and Mr. Skerrett?—No.

86. I think you told Mr. Herries that no advances had been made to the Natives, as far as you were aware, on account of the intended purchase of the land by the Government?—That is so.

87. You do not know of any reason why the Government should not have purchased this block, do you?—I do not know that there is any reason why they should not have done it.

88. It was known to you that the Natives were willing to sell?—No, I did not know it.

89. You may have heard it, though?—No, I cannot say I have heard it. The first I heard of selling was when that letter dated the 20th September, 1910, of Mr. Skerrett's was sent to me from Cabinet.

90. Do you know the section of the Native Land Act which allows the Government in such cases as these to take over the leasehold interests at a valuation?—Yes.