

76. *The Chairman.*] You were formerly Minister of Lands?—Yes.

77. Did you know a Mr. Kemp Welch who came out from London?—I may have met him. I cannot recall the circumstance of meeting him.

78. Did he not have some transactions with you, as Minister of Lands, in connection with this block?—There were parties who applied to me, as Minister of Lands, in connection with this block. What their names were I could not at present say. There was one application came in to me, speaking from memory, to have the block purchased, and the application was referred to the only purchasing Department I presided over—the Land for Settlements Department; and I think the Land Purchase Officer or the Crown Law Officers advised that the Government could not use Land-for-settlement funds to purchase Native land, and I think the applicant was informed of that.

79. If there is any document—for instance, a letter from myself to you in regard to an offer made by Mr. Kemp Welch to sell the property to the Government—would that be on the file?—Yes, you should get that. Mr. Ritchie should have that, and my letter in reply. It was my custom, if I replied myself, to send a carbon copy of my reply along with the original letter down to the Department that was affected. You should find on the Land for Settlements Office's file that letter and any reference to the Crown Law Officers and their reply.

80. At that time it was Mr. Barron who was Land Purchase Inspector?—Yes.

81. Have you any recollection of the price at which Mr. Kemp Welch was willing to dispose of Flower's interest?—No, not from memory. My recollection is that it was a case where we had no legal power to purchase.

82. Have you any recollection in this direction: that the Land Purchase Inspector, Mr. Barron, took up the attitude that if the Government attempted to purchase the property they would land themselves in serious financial liability?—I have no recollection of that.

83. *Mr. Massey.*] You have personal knowledge of the fact that the freehold interest was purchased in the first instance by Mr. Herrman Lewis under Order in Council?—I understand so.

84. Then by Mr. Lewis it was sold to Mr. Mason Chambers?—Yes.

85. And by Mr. Mason Chambers to the present company of which you are chairman?—Yes.

86. As to the price, you have told us that the company paid Mr. Mason Chambers, in shares and cash, £85,000?—Yes.

87. Would you mind repeating the area which the company purchased from Mr. Mason Chambers?—46,000 acres, so I am informed.

88. Are you aware that Mr. Lewis purchased the whole block of 53,000 acres?—I understood he had purchased more than what was disposed of. I understood that he only disposed of the land outside of that occupied by tenants.

89. Then he apparently held this 7,000 acres for himself?—So far as I knew to the contrary.

90. The point, of course, is that in calculating the value of the block one would require to add the value of the 7,000 acres to the £85,000 which has been paid?—Yes, I see the point.

91. When did you say the company was registered?—18th March.

92. Are you aware that the sale to Mr. Herrman Lewis was not confirmed by the Maori Land Board until the 22nd March?—I understood that.

93. So that the company was really formed some time prior to Mr. Herrman Lewis receiving his title?—Yes. The option specified what would happen if they could not get the freehold. The leasehold was under option to us.

94. Does the company—I do not want to press this question—intend to develop the minerals in the block?—No decision has been come to about the minerals. At the present moment the Scenery Preservation Board has put a Proclamation along the river-bank for something like thirty miles, and the Engineer representing that Department is up there now with the surveyors setting out what portion inside this reserved belt they are going to retain. I came down after the Proclamation was issued and asked them to see that in taking land for scenic purposes they allowed access to the river from the farms that were being cut up, and they agreed to see that each section had a frontage to the river. In regard to the minerals, the directors have not considered the question at all yet.

95. They have not finally decided whether they will retain the mineral rights or not?—No; but the company is also a mining company, and our interests in the mine on the other side is a forty-years lease, and I presume that at the least we shall retain sufficient minerals to secure the working of the company. Might I mention a point which I forgot? In the telegraphed report of Mr. Massey's speech there is this paragraph: "Since then, he understood, a syndicate had been promoted to secure a further area of some 17,000 acres, making a total of about 70,000 acres. Why was this syndicate permitted to secure this large area? Why was not a sufficient area reserved for the use of the Natives? Not a single acre had been reserved for the Natives. Why was not the land submitted to auction or sold by tender? He intended to press for an inquiry as to how the land was allowed to pass into the hands of speculators."

96. Is that the Press Association report?—Yes.

*Mr. Massey:* The Press Association report was not correct.

*Witness:* We never purchased the freehold of any area of 17,000 acres.

*Mr. Massey:* That should be "leasehold."

*Witness:* But it is not correct even if you substitute "leasehold" for "freehold."

97. *Mr. Massey.*] Is it not correct that the company have purchased the coal-mine and 14,000 or 15,000 acres on the other side of the river?—No. I will explain. What we purchased on the other side of the river is a lease of forty-two years, and surface rights of 1,400 acres with the coal-mine on it. The remainder of a total block of 12,000 we have only the coal and oil rights over for forty-two years, but we have not the surface rights. So that we have the mineral and oil rights of an area of 12,000 acres for forty-two years, when the land reverts to the Natives; and we have the surface rights of 1,400 acres of that 12,000 acres.