

No. 27.

CERTIFIED COPIES OF MINUTES *re* MOKAU-MOHAKATINO ON THE TWO OCCASIONS ON WHICH SAID BLOCK WAS BEFORE THE BOARD.

Extract from Waikato-Maniapoto District Maori Land Board's Minute-book, No. 5, page 262 et seq.

6/1/11.

Mokau-Mohakatino 1F, 1G, 1H, and 1J: Application for recommendation under section 203 of the Native Land Act, 1909: Proposed purchaser—Herrman Lewis.

Mr. Dalziell: Mr. Lewis is the lessee of the four blocks. He desires to purchase the freehold from the Natives. He has negotiated with some of the principal owners in regard to the sale, and it is suggested that the whole area be sold to him for £25,000. The area can only be profitably utilized if dealt with in one block, and cut up and roaded and then disposed of in small sections. The subdivisional surveys and roading will be expensive, and will take some years to do. It is necessary that the consent of the Maori owners of each block (in terms of Part XVIII of the Native Land Act, 1909) be obtained to the proposed sale. The question of the allocation of the purchase-money is one for the consideration of the owners themselves. If the proposed sale is agreed to, Mr. Lewis will pay over the purchase-money immediately. If the owners will not sell, the lessee proposes to go on working the land under his lease. I understand that some of the owners dispute the validity of Lewis's leases, but these leases are on the Land Transfer Register, so that we maintain that they are good. If there is any invalidity the Natives may have a claim against the Government. The land can be more profitably worked as a freehold than as a leasehold, hence the present proceedings. The last Government valuation shows the land to be worth £32,000, but the owner's interest is worth less than that amount, owing to the existence of the lease: probably about £16,000 would represent the value of the owners' interest.

Mr. Dalziell then read a copy of his letter of the 17th December, 1910, to the President of the Board, setting out the position in regard to the land, which letter reads as follows:—

I enclose herewith application for an Order in Council under section 203 of the Native Land Act, 1909, in respect of Blocks 1F and 1G, Mokau-Mohakatino district. The applicant is the lessee of the blocks referred to in the application, and questions have been raised as to the validity of his leases by the Native owners of the said blocks, who claim that such leases should never have been placed upon the Land Transfer Register. Proceedings have been commenced on behalf of the said Native owners to have the said leases set aside, or in the alternative to obtain compensation from the Land Transfer Assurance Fund, and in the event of the leases being set aside it is plain that the lessee would have a claim upon the said fund for compensation. In order to determine the disputes referred to, the lessee is endeavouring to purchase the interests of the Native owners in the said lands, with the object of cutting up and disposing of the land in areas complying with the limitation provisions of Part XII of the Native Land Act. It is impracticable, however, to carry out this proposal unless the land is vested as a whole in the lessee, and it is accordingly suggested that he should be authorized to buy the Native owners' interest, conditionally, however, upon the same being transferred to your Board on the understanding that titles may only be called for by the lessee in accordance with Part XII of the Native Land Act. If this arrangement is carried out no claim can be made on the Assurance Fund, and the subdivision of the blocks into the areas prescribed by Part XII above referred to will be assured.

Mr. Skerrett: I act for the principal owners of the land, and desire to explain the position which I take up. These lands were leased between 1882 and 1889. The lease of No. 1F contained covenants *re* minerals and *re* the working of the land by the lessee. Rentals reserved by all the leases are very small. The owners obtained, through Pepene Eketone, an opinion from me in regard to these leases—that was in December, 1909. I then felt compelled to differ from the report of the Stout-Palmer Commission (G.-11 of 1909) except in one respect—*i.e.*, in regard to the opinion that the covenant *re* minerals was not valid. Mr. Jones and his assignees have paid £100 per year to the Natives in lieu of compliance with this covenant. The position is that the Supreme Court could compel the lessee to comply with this covenant, failing which it could cancel the lease. But the procedure is a very troublesome one. [Mr. Skerrett explained procedure to the Natives present.] I have advised Pepene that the other leases were wrongly put upon the Provisional Register, and that the lessors had either a claim for relief or for compensation from the Assurance Fund. The procedure necessary in this direction would also involve the Natives in very expensive litigation. I am of opinion that the best thing, in the interests of the Natives, is for the land to be sold at a fair price, but I refrain from expressing an opinion as to what is a fair price. But if the Natives are satisfied that the present offer is a fair one, I would advise them to sell and so save themselves expensive litigation. If the owners sell the land in small parcels they are bound by the provisions as to limitation of area contained in Part XII of the Act, and must themselves undertake subdivision and roading. Mr. Lewis will complete the payment of the purchase-money in three months, failing which the contract for sale, if entered into, will be void. The contract, of course, cannot be signed until an Order in Council has been issued, and the resolution to sell, if carried, is confirmed by the Board. When the Government had under consideration the purchase of the land, some six or seven months ago, a valuation of it was made. It is again to be valued. I am informed that the purchase-money offered will exceed the value of the interests of the lessors and non-lessors; but, if such should not prove to be the case, the purchase-money will be increased accordingly, so that the owners are assured of getting the full Government value. The owners also know that matters in connection with the block are further complicated by the claims of Mr. Joshua Jones. Mr. Jones is probably mistaken in his claims, but his continual agitation confuses the position so far as both the lessee and the owners are concerned. When Mr. Lewis has paid the purchase-money he is bound to subdivide the land and to dispose of it within three years. He cannot call for a transfer of it to himself, but only for a transfer of the separate sections to his purchasers. The Board will have power to extend this period of three years at its discretion, but if Mr. Lewis makes default in selling the land as provided, the Board will have power to sell, to deduct commission and expenses, and to pay over the balance to him. Some of the owners signed the leases to Mr. Jones; some did not. It will be necessary