

proportion of the value wrongly credited to the lessee in the assessment contained in the Government valuation. I have worked out calculations, and will submit figures which I suggest should be a basis for distribution of the purchase-money.

In regard to the question of terms on which the agreement is based, I may say that an Order in Council has been signed and will be gazetted this morning. The Order in Council has been issued under section 203 of the Native Land Act, 1909, and has the effect of permitting Lewis, as lessee, to purchase the whole area notwithstanding the limitations contained in Part XII of the Act.

On behalf of the lessor I have undertaken the arrangement embodied in the agreement—namely, that he shall within three years, or within such further time as the Board may grant, subdivide and sell the land in such areas as will conform to the limitations contained in Part XII above referred to. In order that this provision may be enforced we desire that the Board shall, as agent of the owners, under subsection (6) of section 356 of the Act, execute an agreement for sale, which agreement it is proposed shall provide that the land shall be transferred, personally and not impersonally, to Mr. W. H. Bowler in trust to enforce the provisions as to subdivision, and, subject to that provision, in trust for the purchaser. The agreement further provides that the fee-simple of these blocks shall be sold to Herrman Lewis for £25,000 and £2,500 worth of shares, the purchase-money to be payable and the shares to be transferred within three months; that, on payment of the cash and allotment of the shares, the land shall be transferred to Mr. Bowler, on the understanding that, as it is cut up and sold, he will execute transfers to the respective purchasers, and that if it is not sold within the prescribed or extended period referred to in the agreement, the Board will have power to strictly enforce the rights conferred upon it thereby, and may proceed to deal with the area in the same manner as though it were Native land vested in the Board in pursuance of the provisions of Part XIV of the Native Land Act, 1909.

To protect Mr. Bowler's own position it is intended that provision shall be made that before the transfer is executed the purchaser (Lewis) shall enter into a deed of covenant, prepared at his expense, and approved by myself, indemnifying the former from any obligations under the trust. The agreement further provides that the Board and the purchaser may appoint a person in place of Mr. Bowler for the holding of the title, in which case the latter will undertake to transfer the land to such person when required to do so.

It may be necessary to give security against this land for purposes of finance in order to enable roading, surveys, &c., to be undertaken, and the agreement contains provision enabling this to be done, and for roads to be dedicated, so long as the requirements do not in any way defeat the terms of the trust in which the land is held for subdivision and sale.

A further provision is embodied in the agreement to the effect that if details of the agreement are found not to work satisfactorily the Board and the purchaser may modify the terms of the agreement so long as the modifications are consistent with the terms of the resolutions passed by the meetings of assembled owners.

*The President* intimated that he had received a letter from Mr. Joshua Jones, of Mokau, notifying him that he (Mr. Jones) considered that he had rights in respect of this land, and referring to recommendations made by Select Committees of both Houses of the General Assembly.

*Mr. Dalziel*, in reply, stated that Mr. Jones's position was as follows: He was the original lessee of the blocks. His leases had been mortgaged to Flower, who had foreclosed, and the leases were now vested in Lewis. They were registered on the Provisional Register under the Land Transfer Act. Jones had taken steps in the Supreme Court to prevent Lewis from dealing with these leases on the ground that he (Jones) was equitably entitled to the leases, but the full Court had decided that Jones had no interest whatever in the leases.

In regard to any recommendations made by Committees of both Houses, Mr. Dalziel pointed out that if the recommendations alleged to have been made had been made the Government had given an indication of its view of the position by issuing an Order in Council permitting Mr. Lewis to acquire, as lessee, the fee-simple of the land.

In reply to a question by the President as to what effect the resolutions to sell, if confirmed by the Board, would have on any litigious rights which Mr. Jones might have in regard to his leases, Mr. Dalziel stated that the leases would not merge in the freehold unless Lewis was equitably entitled. He was prepared to take confirmation on the understanding that the action of the Board does not in any way prejudice any claims that Mr. Jones may have against Mr. Lewis in regard to the leases.

On the subject of other lands, valuations, &c., Mr. Dalziel intimated that valuations had been made, and he will immediately be able to supply particulars of same. He also hoped within the course of a day or two to be able to supply a detailed list showing other lands of each of the Native owners, and asked that a decision be given by the Board conditionally upon his statement being verified to the effect that the Order in Council under section 203 of the Act of 1909 had been issued, and that the Natives would not, by virtue of the alienations, be rendered landless within the meaning of the Act.

*Extract from same Book, page 54.*

*Mr. Dalziel:* I hand in list showing the other lands of the owners, so far as we have been able to ascertain. Except in case of Ngarongo Mate, I will be able to supply information as to the other lands of all the owners within fourteen days. (Afterwards stated that Ngarongo has a large interest in Pukenui 2D No. 7.)

Board decided to confirm resolutions in each case—agreement not to be signed until certified list of other lands produced and Order in Council under section 203, 1909, gazetted.

(Certified as a correct extract from Board's minute-book.—W. H. BOWLER, President, 24/8/11.—JOHN HARVEY, Clerk, Native Department, Wellington.)