

“(6.) Messrs. Findlay and Dalziel were solicitors for Mr. Herrman Lewis, and mortgagees of that individual's interest to the amount of £1,000.

“(7.) Mr. Herrman Lewis apparently approached the Government, through his solicitors or otherwise, and the result was that an Order in Council was issued so as to enable him to purchase the whole block from the Native owners, by so doing avoiding the provisions with regard to limitation of area in the Native Land Act, 1909.

“(8.) A meeting of ‘assembled owners’ was held at Te Kuiti, and an offer was made by Herrman Lewis to purchase the freehold. His offer was declined. Another meeting was held, and adjourned; and at the adjourned meeting it was decided to accept £25,000 in cash and £2,500 worth of shares in a company to be formed, for the freehold of the land. That works out to 10s. 4½d. per acre; and it has been stated that the meeting was not properly representative of the Native owners.

“(9.) A meeting of the Executive was held on the 15th March of this year, the Hon. James Carroll presiding, when it was agreed to authorize the alienation of the land referred to by Order in Council. A meeting of the Maori Land Board was held at Te Kuiti on the 22nd March, when the sale was confirmed, but the *Gazette* with the Order in Council was not published until the 30th March, or a week after the sale had been confirmed by the Maori Land Board.

“(10.) The company does not propose to part with its mineral rights to the new settlers, so that, with the other blocks of Native land in the same locality the leases of which are held by the company or members of the company, they will possess what will practically amount to a monopoly of the coal-bearing areas on the west coast of the Taranaki Provincial District.”

Your Committee finds that the statement of the Government above referred to, contained in parliamentary paper G.-1, correctly sets out the facts relating to the Government's association with this transaction.

As to Mr. Massey's statement of the position, it correctly sets out the facts therein referred to and is in agreement with the statement of the Government except as to three minor matters:—

- (1.) In clause 7, it is suggested that the limitation provisions of the Native Land Act were avoided by the issue of an Order in Council, whereas in fact the Order in Council was issued in accordance with such limitation provisions.
- (2.) The statement in clause 8 to the effect that the meeting of Native owners therein referred to was not properly representative was disproved.
- (3.) The statement in clause 10 to the effect that the company, or members of the company, will possess practically a monopoly of coal-bearing areas on the west coast of the Taranaki Provincial District was disproved.

The only additional facts which the Committee deems it necessary to refer to are that the lessee finally acquired the interest of the Natives in the blocks for the sum of £25,000 in cash and the sum of £2,500 in fully paid-up shares in a company having a capital of £100,000, formed to acquire the Mokau-Mohakatino Block and other properties.

Mr. Herrman Lewis, the lessee, sold all his interests in the Mokau-Mohakatino blocks (excepting an area of 7,000 acres, which are subject to certain sub-leases) to Mason Chambers for the sum of £71,000 in cash and £4,000 in fully paid-up shares in the company. The company purchased from Mason Chambers, paying in cash and shares in its capital the sum of £85,000.

The sum paid to the Natives for their interest in the land was greater than the actuarial value of the interests of the Natives burdened with the leases, assuming the purchase-money obtained by the lessee to be the true value of the block.

Suggestions were made before the Committee reflecting upon certain departmental officers concerned in this transaction, but your Committee is satisfied that these suggestions were entirely disproved.

Your Committee recommends that the report, together with the minutes of the proceedings and a copy of the evidence taken, be laid upon the table of the House and printed.

WM. T. JENNINGS, Chairman.

19th October, 1911.