

*The Chairman:* Would it not be better to take our shorthand-writer's transcript of it? [Report handed to witness.]

*Witness:* Yes. Mr. Ngata said this: "I think we can boil the issues in this matter down to practically two, and I should like you to confirm them, if you agree, Mr. Massey. The first is that in issuing the Order in Council the Government committed a breach of the public interest." And Mr. Massey answered "They did something which was detrimental to the public interest." Then Mr. Ngata said "In the second place, the transaction was not in the interest of the Native owners?" and Mr. Massey replied, "I am also of that opinion; but I do not want in any way to limit the inquiry."

*Hon. Sir J. Carroll:* Mr. Massey added a third issue.

*Witness:* The third, I think, is rather an extension of the others.

*Hon. Mr. Ngata:* This is it: "The Government should have purchased the property themselves instead of allowing others to come in."

*Witness:* That is really involved in the first one. Mr. Massey very properly limited his statement before the Committee to these questions, with, however, the rider that if anything else developed he should be permitted to take advantage of it. Mr. Bell was called as a witness on these statements made by Mr. Massey, but whereas Mr. Massey has refrained from making any suggestion which in any way reflects upon the private individuals concerned in this transaction, Mr. Bell's statements were largely made up of matters which do seriously reflect upon these individuals. I should like therefore to reply in detail to the statements he has made. In the first place he said that Mr. Skerrett was not employed by the Natives but by the Government. That I know to be incorrect.

17. *The Chairman:* Would it not be well, in connection with a statement made by a gentleman who is absent, that we should call a member of his firm?—I am speaking of my own knowledge now. I shall limit my remarks to matters that are within my own knowledge.

18. But Mr. Skerrett's firm are here, are they not?—Yes. I was going to suggest that, for there is another question in which they are interested. But I know as a fact from Mr. Skerrett that he was employed directly by the Natives and not by the Government.

19. You see my point: if a member of Mr. Skerrett's firm confirms that statement of yours, it is strengthened?—You are quite right. I was coming to that directly.

20. *Mr. Massey:* You mean that Mr. Skerrett was employed by a section of the Natives?—No. You will remember that Mr. Bell said Mr. Skerrett was not really employed by the Natives at all: that he was employed by the Government to advise the Natives.

21. I am putting it to you myself, apart from what Mr. Bell said. I put it to you that Mr. Skerrett was employed by a section of the Natives only, and not by the whole of the Natives?

*Hon. Mr. Ngata:* The sections developed later. There were no sections then.

*Witness:* I think you are not correct there, Mr. Massey. I think you will find that it was at a later meeting that Pepene had a quarrel with some of the Natives. Up to that time he was acting for them all. Mr. Bell came into it, you will remember, in December. Mr. Skerrett was first instructed early in 1910. My second point is that Mr. Bell said that at the first meeting there was an overwhelming majority against the sale. This statement is not correct. There was, in fact, a majority in favour of the sale of the principal block, 18—the only one as to which the title was in any way defective; and the total area comprised in the blocks concerning which the resolutions were carried was 31,000 acres out of 53,000. In the third place, Mr. Bell said that Mr. Skerrett had informed him that he had retired from the matter in favour of Mr. Bell after the first meeting, and Mr. Bell told you that he had confirmed that statement by reference to Mr. Skerrett's office. Now, I have the authority of Mr. Skerrett's firm for telling you—and if necessary Mr. Blair, of that firm, will appear to tell you—that far from Mr. Skerrett retiring from the matter—

*The Chairman:* If you pursue that line, Mr. Dalziell, I shall probably later on have to allow questions about it which otherwise I should rule out. I suggest to you that you allow Mr. Blair himself to answer that question.

*Hon. Sir J. Carroll:* The witness says he has the authority of the firm for his statement.

*The Chairman:* I think it is better for a member of the firm to be here.

*Witness:* The Committee will require confirmation. But I should like to point out that this arises from a statement which Mr. Bell was permitted to make, but which should really have come from Mr. Skerrett's office. I mean that Mr. Skerrett's firm should then have been asked to appear and make this statement, instead of Mr. Bell.

*The Chairman:* It is open for Mr. Blair or some other member of Mr. Skerrett's firm to be called, if they wish.

*Witness:* That is the position. Mr. Blair told me that I could make use of his statement to me, and that if the Committee desired it he would attend and confirm it. I also know this: that after Mr. Skerrett left New Zealand I arranged with Mr. Blair and Mr. Bell, as you will see from these telegrams, to consult their mutual convenience in arranging a date for the second meeting. Mr. Bell was aware—he will not deny it—that Mr. Blair was also going to attend this meeting on behalf of the other section of the Natives. That was as late as the 16th February, Mr. Skerrett having left early in January.

22. *Hon. Mr. Ngata:* Mr. Bell says that, in his reply to you, on page 28 of the printed evidence, "I recall now that when you were trying to arrange a date, Mr. Blair's convenience was consulted"?—Yes. I have no doubt that Mr. Bell had forgotten. The fourth statement made by Mr. Bell which I wish to refer to is that the Natives were misled into the belief that they must either raise £800 or sell, whereas their proper alternative was to hold on. I should like to suggest, with all respect to Mr. Bell, that this is pure imagination. There was never any question of holding on without litigation, as far as I am aware. All but four or five of the Natives were anxious to sell if they could not set aside the leases.