

granted by the Natives in the years 1882 and 1889 for the term of fifty-six years, so that at the present time a period of over thirty years of the term has yet to run. It is no doubt within your knowledge that litigation has been pending in respect to this property for many years past, and that in consequence practically nothing has been done in the way of settlement of the lands. The present owners of the leases are now, however, in a position to deal with the land, and as they cannot conveniently go into occupation themselves, they are willing to join with the Natives in any scheme which would facilitate the immediate settlement of the blocks in small areas. It has occurred to us that the course which would most efficiently facilitate the settlement of the block would be for the Native Commission to report upon the block, and for the property to be dealt with by the Maori Land Board under the Native Lands Settlement Act, 1907. There would probably be no difficulty in arranging for the reservation out of the block of so much of the land as the Commission might think necessary for the occupation of the Natives. It might, however, lead to considerable complication between the Natives and our clients if any of the balance is required to be disposed of by lease; and the simplest course, therefore, would be to amend the provisions of section 11 of the Native Land Settlement Act, 1907, so that it would be left to the Governor in Council, on the recommendation of the Commission, to permit any part of the land to be sold. It is also possible that the provisions of section 22 of the Native Land Settlement Act, 1907, providing for residence upon lands disposed of, might be found detrimental to the successful realization of the property, and our clients therefore desire that, if possible, the Governor in Council should be given authority to dispense with this condition if it is deemed desirable to do so. All that is necessary for the purpose of giving effect to this proposal is the insertion of a clause in any Native Land Bill which may be passed by the House during this session, modifying the provisions of sections 11 and 22 above referred to. This clause might take the following form: '(1.) Whereas it is desirable that the settlement of the Mokau-Mohakaitino Block No. 1, subdivisions 1F, 1G, 1H, and 1J, should be facilitated: Now, it is hereby declared that it shall be lawful for the Commission referred to in section 2 of the Native Lands Settlement Act, 1907, to make inquiry affecting the said lands and report thereon, and thereupon the said lands or any part thereof may, with the consent of the lessees thereof, be brought under the provisions of the said Act in manner provided by section 4 thereof, provided that the provisions of sections 11 and 22 of the said Act may be modified to such extent as to the Governor in Council may seem fit. It is also hereby declared that any such Order in Council may provide that the Board shall not dispose of the said lands in manner provided by the said Act, but may, with the consent of the lessees of such lands, grant leases thereof in substitution for the existing leases upon such terms approved by the Governor in Council as may be agreed upon between the Board and the lessees.' We trust that you will see your way to introduce a clause to the above effect in the Maori-land legislation of this session, in order that no further delay may take place in the settlement of these lands; and we suggest that the proposal we have submitted is favourable to the interests of all parties concerned. The question of the respective values of the lessees' interest and the interest of the Natives is probably the only one about which there can be any question, and this our clients are prepared to leave to any reasonable tribunal, and we think that the course we have outlined will provide the most satisfactory settlement of this and all other questions.—We have, &c., F. G. Dalziell.'

7. You will put those letters in? All documents which you read you will put in?—Yes, though the originals of those written by me, of course, I have not got: these are carbon copies. At this stage in the proceedings, Mr. Chairman, Mr. Treadwell intevened, acting on behalf of Mr. Joshua Jones. He told me quite frankly that he considered it would be in Mr. Jones's interests that he should oppose any legislation at all unless some arrangement beneficial to Mr. Jones was agreed to by Mr. Lewis. He told me that he thought—and it was my own opinion—that he would probably be able to block this legislation for, at any rate, a considerable time. Accordingly I, after consultation with Mr. Lewis, entered into negotiations with Mr. Treadwell, and these took a very long period—very nearly the whole of the session, I think. I should just like to say what my proposal was. I am not sure that this proposal was made by Mr. Treadwell to Mr. Jones, because Mr. Treadwell found a little difficulty in suggesting to Mr. Jones any proposal which he thought might not be favourably received. My original proposal to Mr. Treadwell was that in the first place, if possible, the interest of the Natives should be purchased—it was thought at that time that it could be acquired at a sum under £15,000; in the second place, that the freehold should then be disposed of, Mr. Lewis receiving first of all his mortgage-money, and then the sum of £11,000, the balance going to Mr. Jones. As I say, I do not know if that proposal was conveyed to Mr. Jones. My recollection is that Mr. Treadwell thought, from his past experience of Mr. Jones, that the £11,000 would block it. At any rate, whether it was owing to reference to Mr. Jones or not, I know that we could not agree upon these terms. I may say, in passing, that £11,000 was the same sum that Mr. Lewis would have got from his Napier purchasers if that transaction had gone on. Counter proposals were made by Mr. Treadwell, and I advised my client to accept them, but after much consideration he finally said he would not, and the negotiations fell through. Then there was a deadlock, and it came to a question of what we should do. Finally, Mr. Treadwell and I agreed that we should wait upon Dr. Findlay and ask his advice—he, of course, was not the Minister concerned in the matter—as to getting a Royal Commission appointed to go into the whole question. We were not afraid at any time of the result of the appointment of a Royal Commission. I think everybody is now agreed that so far as the legal position is concerned, Mr. Lewis's claim to the leases is absolute. That was the position, at any rate, that I took up all along. I did not fear in any way the appointment of a Commission; on the contrary, I felt that it was very desirable, because I thought that no Commission would come to any other conclusion than that the deadlock existing should be got over in some way. We waited together upon Dr. Findlay, and asked his advice