

13. *Hon. Mr. Luke.*] Do you think it would have been in the interests of the country to have acquired the Natives' interests in these lands at the time, seeing that Mr. Jones was involved in the legal question as to the rights he possessed?—No. At the time I was of the opinion—looking at it from the actual position as it came before me—that he had lost his legal rights in the leases from the Natives as the result of an action in England taken by Flower or his executors. But I was of opinion also that if we could purchase the land at a fair price and at the same time get rid of all the legal complications connected with the Native leases—there were others at the time—we might then, as an act of grace to Mr. Jones, do something in the direction of giving him a lease of a portion of the minerals.

14. Confined to the minerals?—I am not sure that at the time I would not have gone a little further in the matter of providing a small area for a residence, but a lease of a portion of the minerals was the main thing I was willing to consider.

15. *Hon. Captain Tucker.*] Am I right in assuming that, although you did not enter into any terms with Mr. Jones to do any particular thing, your desire was to assist him if you could do so in justice to the country?—That is so. I looked upon Mr. Jones's case from this standpoint: he had leased from the Natives certain Mokau lands, but owing to a lawsuit he had lost his rights to the whole of them. If the Government had acquired the Mokau lands by purchase right out, and all legal complications were removed, I was prepared to consider a lease to Mr. Jones of a portion of the minerals.

16. There was no distinct undertaking of any kind, but you did wish to help Mr. Jones, and would have done so if you could consistently with your duty?—That is so.

17. Should I be asking too much if I asked you to state what difficulties you found in your way? I recognize that you may not be able to answer the question because you may not recollect, but I assume that you would have helped Mr. Jones but for some reason were unable to do so?—The first reason was that the Natives altered their attitude with regard to the price they wanted. There was a difficulty there, and later on there was another difficulty which cropped up in connection with the advance Mr. Macarthy made to Lewis or to some one, and the legal complications were extended instead of being narrowed.

18. And ultimately you found it impossible, in spite of your desire, to give Mr. Jones the assistance he wanted?—I found it impossible for the country at that juncture to buy the land at the price wanted. We had a special valuation made, however, and an officer was sent up to inquire into the matter. I saw the Natives, who asked us to pay several thousands more than the valuation we got from the Government officer, and the Government, after full consideration, decided that it could not purchase at the price asked, so that the matter had to drop. In consequence of that, however desirous one might have been disposed to help Mr. Jones, the first duty to the country would necessarily prevent the Government from paying considerably more than a property was worth according to the valuations we got.

19. Am I right in supposing that if the Government had purchased the property it would have helped Mr. Jones, because the Government, having the freehold, would have made some contract with Mr. Jones with regard to the minerals?—My idea was that if we had the freehold of the land we would cut it up for settlement and let it go out under some of the land-tenures of the country, and at the same time preserve at least a portion of the underground minerals, and, if possible, afterwards help Mr. Jones in the way I have already indicated.

20. *Mr. Jones.*] I think, Sir Joseph, I have led the Committee to understand the matter a little further than you have gone, and, of course, it is my duty to say so. At this particular point, if you will permit me to say so, you will remember Mr. Treadwell and myself calling upon you with a telegram that I had received from London offering to build a harbour at Mokau on Government plans?—I remember you showing me a telegram containing something of the kind.

21. That was on the 22nd April, 1910?—I do not recollect the date, of course.

22. When you had looked into the matter I think you said, "This is a very good thing. Mr. Carroll is at Gisborne, but I am going away to Invercargill. As far as I am concerned I am agreeable to carrying this out if we can arrange with the Natives"?—I do not recollect making such a statement as that, Mr. Jones. The position that I have taken with regard to the Mokau property is that if the Government could acquire the land at a fair price, and get rid of the legal complications, it would be a good thing in the interests of the country to do so. I never had any idea of agreeing to any proposal made by any one in the Old Country of establishing a harbour at Mokau while the legal complications existed. If the land could have been bought, and such a proposal, if *bona fide*, had been made, afterwards I would have done what I could legitimately to help the project, as a good harbour would unquestionably be a good thing for the country if there was trade to support it. But it never entered into the matter at that juncture as a practical proposition.

23. I understand the position to be this: Before you went to Invercargill there was a price mentioned—£15,000—at which the land could be got from the Natives, and this is mentioned in a letter to you from Mr. Treadwell, dated the 22nd June, 1910. I think it is mentioned in the petition that, irrespective of what animated you, you thought it would be a good thing to get a harbour built at Mokau in the interests of the country. You said that you telegraphed to Mr. Carroll at Gisborne to come down, and you said, "When he comes down you tell him that you have seen me and that I am agreeable to entertain this proposal." Mr. Carroll came down and we saw him. He said, "I caught Sir Joseph Ward before he went away to Invercargill and we spoke about the matter, and, so far as I am concerned and Sir Joseph Ward too, we are agreeable to go on with this thing"?—There can be no question about this, I am quite sure, that I have never told Sir James Carroll that. What I mean is that I would not enter into any such