

40. Mr. Treadwell's suggestion to the Government was this: that if they bought out the Native interests and then terminated the leasehold they would immediately bring into issue the question as to who was entitled to compensation; that would give a clear road to Mr. Jones and those claiming adversely to him to fight it out between themselves?—I have not suggested that the Government accepted any suggestion from Mr. Treadwell. I cannot tell you from memory whether that was in the Government's mind or not. I know that I was in consultation with the Crown Law Officers. One of the things considered was the getting clear of a doubt as to the liability of the Assurance Fund.

41. I will ask you another question—I do not think that is material?—Mr. Skerrett thought it was material from the point of view of the Natives' interests. It was one of the reasons considered at the time by the Government, because we did not want any doubt connected with the country's responsibility, and we were advised there was a doubt.

42. There is a legal difference of opinion as to whether any action of the Government would have affected the Assurance Fund?—I know there is a difference of opinion on the legal aspect of the question. You want to remember that I was not, as a member of the Government, looking at the matter from Mr. Jones's point of view. I was looking at it from the point of view of protecting the Government, which it was my duty to do.

43. Then you stated that it was impossible for the Government to purchase: did you mean that the legal complications were such that you were advised not to, or that there was no power in the statute to do so?—Well, the price was an amount that we were not prepared to give by comparison with the special valuation we got at the time; in other words, it was a price, in addition to a mortgage for a large sum we would have had to pay, that we thought we might never see again.

44. Mr. Statham.] Can you tell us what the special valuation was?—We instructed Mr. Kensington to have a special valuation made, and that is on record. I think he valued some portions of the estate as of very little value, and the whole estate did not come within some thousands of what we were prepared to pay for it and actually offered the Natives for it.

45. Did I understand you to say that you looked upon the report of the Stout-Palmer Commission as one you would rely on?—No other view was taken of it at the time, and we did not question the *bona fides* of the report or of the men who drafted it.

46. Did that report guide you in dealing with the lands?—Not finally. What guided the Government finally was the fact that we could not purchase the estate at a fair price, and unless we could get it at a fair price we could not clear it from the legal complications.

47. You say that you were not aware that Mr. Jones was not called on to give evidence before the Commission?—He says so to-day. I was not aware of it.

48. There is nothing in the report to show that he did give evidence?—I have not seen it recently. If you say so I accept it.

49. It is alleged by Mr. Jones that the issue of the Order in Council by the Government which enabled Mr. Lewis to acquire the freehold seriously prejudiced Mr. Jones in his claims to the lease, of which Mr. Lewis had become registered proprietor, and correspondingly strengthened Mr. Lewis's position, and that it was in direct conflict with the recommendations of the parliamentary Committee that Mr. Jones's claims to equitable consideration should be clearly defined, and that steps should be taken to prevent any further dealings with the land. Such an Order in Council can, under the Native Land Act, only be issued when it is deemed expedient in the public interest to permit a person to acquire more than the 3,000-acre limit prescribed by the Act. Can you tell us why in this case it was deemed in the public interest that the Order in Council should be issued?—I should say that you are putting a big legal question to me which you have carefully prepared, and I am not prepared offhand to answer it in detail.

50. This is a question of fact?—I can only say this: that the report from the Legislative Council to which you have referred would be considered by the Government at the time—there is no question about that. The difficulty existing with Mr. Jones was not with the Government, but between him and the lessees and the executors of a firm that had—at all events, rightly or wrongly—got a decision against him in England; and owing to the fact that the Natives at the time you refer to were insistent on selling their land, and that the Government previously could not see its way to give the price the Natives wanted, the fact that we could not set up a Commission as recommended by the Legislative Council Committee to inquire into a matter between the lessee and lessor or the lessee and the executors of Flower's estate—it became a question whether the Government were to purchase the land, taking over all the legal complications, or putting the Natives into a position to sell.

51. Then the Government did believe it was in the public interest to allow Mr. Herrman Lewis to acquire the freehold?—I do not know anything about Herrman Lewis being allowed to acquire the freehold. You are speaking of a time when it was decided that the Government should allow the Natives to sell their estate. The Native owners had a right, in my opinion, to get as good a price as they possibly could for their estate. However anxious a man might be on sentimental grounds to help Mr. Jones, I do not see how the Government in authority could have assisted him by doing anything that would stop the Natives from getting what they considered a good sale for their land.

52. Did you say it allowed the Natives to get a price largely in excess of the value of the land? Is it not a fact that Herrman Lewis turned it over and made a good profit out of it?—I understand that is so; but if he had not been able to find people prepared to give him what they did for the land he could not have held on to it, and in all probability it would have ruined him. I am not a prophet, but I am prepared to say that the men who have bought it will never get within "coo-ee" of what they paid for it.