areas under section 203 of the Native Land Act, 1909.) The Order in Council was not issued until after the meeting of assembled owners, because it was not deemed advisable to issue it until the lessee had, after that meeting, entered into an arrangement securing the settlement in small areas of the block. The issue of the Order in Council at that time was plainly valid, and could not prejudice the rights of any one.

The gazetting of the Order in Council was delayed owing to the absence of His Excellency the Governor from Wellington, but that delay did not and could not affect the rights of any of the parties concerned.

The Government was not in any way concerned with the negotiations between the Natives and the lessee as to the terms of purchase of the interest of the Natives. This is a matter purely within the jurisdiction of the Maori Land Board. There can be no doubt, however, that the price received by the Natives is greatly in excess of the actuarial value of their interest subject to the leases, and the question of a fair price for a compromise of the threatened litigation as to the lessee's title was one very difficult to determine. A fresh valuation of the block was made by the Valuation Department at the instance of the Maori Land Board, and the value was certified to be a little over £40,000.

With regard to Mr. Jones's claims to the block, the Government, as his solicitor will no doubt acknowledge, did all in its power to obtain for Mr. Jones some interest in this land, but they were finally driven to the conclusion that as our Courts had held that he had no claim of any kind to the leases, and the Crown could not acquire the land, they could do nothing for him.

The position to-day is that the title of the Mokau Block is vested in the Chairman of the Maori Land Board. The land is being surveyed and roaded, and must be sold in areas not exceeding 400 acres of first-class or equivalent areas of second- or third-class land to persons making the necessary statutory declaration. If it is not so sold within three years the Maori Land Board is empowered to conduct the sale.

It has been suggested that the Order in Council should have been issued so as to permit any one to acquire the interest of the Natives in the block, and not merely the lessee. The answer to this suggestion is simple—namely, that if this course had been adopted the Land Transfer Assurance Fund would have been left open to attack, and, further, the lessee would have been under no obligation to subdivide the land during the thirty years of his term.

To summarize the position: There were three separate interests involved—(*a*) The Native owners, (*b*) the lessees, (*c*) the Crown, on account of the threatened attack on the Assurance Fund and the desirability of securing the settlement of the block in small areas.

The alternative courses open to the Government were—(1) To do nothing in the matter; (2) to purchase the land; (3) to purchase the interest of the Natives and take compulsorily the interest of the lessee; (4) to permit the Natives and the lessee to come to an arrangement under which the claims against the Assurance Fund would disappear and the settlement of the block in small areas could be secured.

If (1) had been adopted, the Assurance Fund would probably have had to pay a considerable sum of money either to the Natives or the lessee, and the settlement of the land would not have been secured. The Government did not adopt (2) because the best advice it could get was to the effect that it should not pay more than £35,000, and the parties would not sell for less than £53,000. If (3) had been adopted, the Crown would have had to pay the Natives what may have been very much more than the value of their interest. It would have been involved in very serious and expensive litigation, and have had to meet a claim for a large sum for the lessee's interest in the coal rights. By adopting (4) the Government has obtained the immediate settlement of the block in small areas without the risk of a penny to the State, and has saved the Assurance Fund from a serious attack. In adopting this course, it relied upon the fact that the interests of the Natives were protected by their counsel, Mr. Skerrett, and that with a full knowledge of the circumstances Mr. Skerrett applied for an Order in Council to permit this method of settlement.

This statement probably gives sufficient information to enable the Government's part in this very complicated matter to be understood. There is no reason, however, why every detail of the transaction should not have the fullest publicity, and the Government will be very glad to assist so far as it can in this direction.

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