

8. As the Under-Secretary, in his letter of the 25th day of July, written with the consent of the Defence Minister, contemplated an expenditure of £3,000, a considerable portion or all of which would probably be required within the financial year, there appears to your Commissioners no apparent reason why that sum should not have been placed on the supplementary estimates for the current financial year before the House of Representatives closed its session on the 17th day of September, 1890.

9. No agents appear at any time to have been “employed on behalf of the Government to effect the purchase.” The first letter upon the subject which we find on record, written by the Under-Secretary for Defence to Messrs. Kirk and Atkinson, distinctly included the condition that that firm should act as agents, and supplied them with information which should have been given only to an agent for the Government. Captain Russell, even so late as the 20th day of August, 1891, judging from certain remarks made by him in the House of Representatives on that day, as recorded in *Hansard*, was evidently under the impression that Messrs. Kirk and Atkinson were acting as agents and not as principal vendors; but throughout the recorded correspondence, and throughout their evidence before the Commission, Messrs. Kirk and Atkinson clearly and consistently deny that they ever acted or were ever willing to act in any other capacity than that of principal vendors. Both the letters of the Under-Secretary for Defence and those of Messrs. Kirk and Atkinson quote the “Minister of Defence” as a consenting party to this change of agreement; but apparently Captain Russell was not himself aware that any such altered agreement was being submitted to Messrs. Kirk and Atkinson in his name, or was being sanctioned by him on the part of the Government.

10. It will be seen by the evidence of Captain Humfrey that he considered that there was so little importance in the difference between an agent and a principal vendor in this transaction that he did not consult the Minister of Defence on the subject, although officially using his name as a principal party to the agreement.

11. The evidence discloses that the average price of the land bought by Messrs. Kirk and Atkinson was £36 9s. 1d. per acre, and, as it was sold by them to the Government at £81 per acre, there can be no doubt of the extremely disadvantageous character of the agreement entered into with that firm by the Defence Department.

12. As might have been expected from the nature of the agreement, the evidence proves, and our own examination leaves no doubt of the fact, that Messrs. Kirk and Atkinson have only purchased and transferred to the Government the cheapest and the roughest portion of the land. They do not appear to have had any special knowledge of the purchase of Native lands, and had themselves to employ an agent to act on their behalf. On the other hand, the Government had the Native Department with its expert knowledge at command, and could have purchased the land required through that department quite as cheaply as Messrs. Kirk and Atkinson were enabled to do, while the portion held by a syndicate prior to the negotiations could have been taken under the Public Works Act. More especially does the action taken appear unjustifiable when it is remembered that it was impossible for any one other than the Government to purchase these lands until the Government restrictions under the Native Land Act were removed.

13. On the 25th day of July, 1890, Messrs. Kirk and Atkinson were not the registered owners of any portion of the land which the Government proposed to purchase, but they claim to have had an interest in and control over Section 1 of Block XV.A, containing 4 acres 3 roods 31 perches, which was registered in the name of Mr. J. R. Blair. For this the syndicate received from Messrs. Kirk and Atkinson £300 on the 28th February, 1891, leaving £100 still unpaid. Section 2 of the same block, containing 6 acres, was in the joint names of Rapana te Ohiro and Tamati Hapimana. For this Messrs. Kirk and Atkinson appear to have paid £75 to each of the joint owners—to Rapana te Ohiro on the 13th February, 1891, and to Tamati Hapimana on the 10th August. Section 3, containing 6 acres 1 rood 5 perches, was in the joint names of Ihaka te Rou and Tamiora Love, who, on the 15th February, 1892, are shown to have received from Messrs. Kirk and Atkinson the sums of £78 10s. and £100 respectively. Section 6, containing 8 acres 3 roods 29 perches, was in the name of Tamati Wiremu te Wero, for which he appears to have received, on the 24th October, 1890, the sum of £225 from Messrs. Kirk and Atkinson. This account of moneys paid by them, obtained from Messrs. Kirk and Atkinson, corresponds with the figures procured from the Registrar of Deeds in Wellington.

14. From this statement it will be seen that 4 acres 3 roods 31 perches of land purchased by Messrs. Kirk and Atkinson from the syndicate was paid for at the exceptionally high