

explanation is necessary. When I referred to having bought the land—Section 1, say, 5 acres—from the syndicate I meant, of course, Mr. Blair, ourselves, and another gentleman. The other gentleman I did not name before, but I am at liberty to give his name now. It is Mr. O'Donahoo, surveyor. He was the person interested with us in the purchase of the land before the Government contract was approached at all. But we had been purchasing various properties together in Wellington.

535. *Mr. Baker.*] You had obtained the interest in Section 1 previous to any negotiations being entered into with the Government?—Yes, twelve months before.

536. *The Chairman.*] Do you wish to modify the understanding we had, and which we thought you expressed very strongly, that Mr. Blair had no interest in the matter. I suppose he would have benefited by the price you gave?—No. He could have benefited if he had liked, but Mr. Blair refused to take anything from us in connection with the matter. He told us, as soon as the arrangements were completed he would transfer the whole of the land to us, and he has never drawn a sixpence from the whole transaction.

537. But the price you appear to have paid for the land is much higher than the price he paid for it?—Probably it was. No doubt it was. Of course he would have benefited in that way; he could have drawn something from the transaction had he chosen, as co-owners with us, but he always refused to do so.

538. My impression is that he gave something under £100 to the Natives?—We gave a good deal more than that.

539. *Mr. Macdonald.*] You stated that you paid the syndicate £400 for a certain portion of the freehold and a certain portion of the leasehold, so that what the Chairman means is this: that the members of the syndicate must have participated in the profit, which would be the difference between the original purchase-money and the £400?—No doubt the syndicate did, and so Mr. Blair would if he had chosen to remain. But from the time we went into it Mr. Blair had simply been helping us to finance. He said he wanted the land to be in our hands for the sake of helping our business, and that he did not go in for it for any profit. I mention Mr. O'Donahoo's name now as he has just returned to Wellington, and he has no objection to his name being disclosed.

540. *Mr. Baker.*] You purchased Section 1, apparently, from the Natives for £120?—I have forgotten; I think it was £160; but it was a good while ago; I could not say exactly what the amount was.

Mrs. JOSEPHINE LOVE examined.

541. *The Chairman.*] Are you interested in this inquiry as one who has sold land in connection with it?—Yes, my husband and I are interested in it.

542. Did you hold land in your own right that was sold, or was it simply your husband's land that you speak of?—No, it is my father's land.

543. Did you own any of the land that was sold or purchased in Polhill Gully?—Yes; to Messrs. Kirk and Atkinson.

544. What land did you own?—It was a half-share in the Polhill Gully land, where the range is.

545. *Mr. Baker.*] In Section 3?—I do not know. Mr. Morison had more to do with it than I had.

546. Had you nothing to do with the arrangements for selling the land?—My husband acted for me.

547. Then, you do not know exactly about the transactions yourself?—No, I do not.

548. *The Chairman.*] In that case I do not see that we can take your evidence, because we want nothing but direct evidence in the matter?—My husband will be in by the 12 o'clock train from Waikanae.

Mr. J. B. HEYWOOD, Secretary to the Treasury, examined.

549. *The Chairman.*] What is the usual practice with regard to placing sums on the estimates for the current year? Is it done as soon as the Government have definitely decided to expend the sum—that is, rather than allow it to go on next year to "Unauthorised Expenditure"?—I do not quite understand the question.

550. *Mr. Macdonald.*] Suppose the Government had agreed to make a purchase of a piece of land, and had fixed the amount they were prepared to give for it, what is the usual course taken in connection with the estimates?—That would depend upon when they wanted to pay for it. They might make up their minds to pay that year, or at some indefinite date. If it was to be paid within the year; it would be placed upon the estimates. Of course, if it was not to be paid within the year, it would only encumber the estimates unnecessarily.

551. *The Chairman.*] If it probably would be paid in that year, would it be placed upon the estimates? Will you kindly read that letter dated the 25th July, 1890. When that letter was written by the Government, would the fact of that letter having been written make it appear that the amount of the purchase-money should have been placed upon the estimates?—Well, there are two things about this: it would not become me to in any way say whether a Government should place a sum of money upon the estimates or whether it should not. It is entirely a Ministerial question.

552. I do not want you to take it from that point of view. What I want to know is if, when a Government has decided upon a certain expenditure, possibly within that year, would it not be quite competent for them to put it upon the estimates?—That is quite another matter. That would be a question for them to decide.

553. In the ordinary course of things, would you expect that sum to be put on the estimates after the Government had decided to expend it?—I should expect it to be placed upon the estimates; but, from the terms of this letter I have read, it would hardly be necessary to place it upon the