

wards arranged about, they having titles that I thought could be easily dealt with. I want the Committee to remember that in dealing with this matter I was not dealing with the Kaitaia Block alone, but with the three blocks together. I fixed the price for the three blocks after a consultation with the Surveyor-General. That has been the course I have usually adopted in all cases. At the same time, I have not always been mindful of the price that the Surveyor-General has given me, because my experience of the prices that he fixed has been that they are extremely low. He is always on the safe side in giving me the values of blocks of land. Now, respecting the amount that Mr. Lundon was to get, I arranged to pay him different prices on the different blocks. I cannot exactly remember the details of our conversation; but the impression left upon my mind was this: that I was giving a sort of contribution towards the expense he would be put to in getting the signatures of the Natives, because it was understood that the Government was to pay no more than the price I fixed as the amount to be paid, and that he was to bear the expense of interpreters, witnesses, Justices of the Peace, or any Natives he would have to bring to certain places, and any incidental expenses of that sort. Then, with respect to any profit he might derive from the Natives, I cannot remember what profits he was to gain on each block, although I think we had conversations about it, and I believe Mr. Lundon did say that he could get a better profit off the Natives if facilities were given him to obtain signatures before some Government officer who could take them. I named Mr. Bishop, R.M., as the man who would probably be chosen to pay the money. He demurred to that, as Mr. Bishop, he said, was only able to visit the district at certain times, at long intervals, and eventually I mentioned that Mr. Millar should be the Government officer who was to pay the money. Mr. Lundon said something about the profit he was to get from the transaction—the Kaitaia Block especially. I do not think the question of any one particular block, or the profit he was to receive from any particular block, entered my mind at all at the time. I was under the impression, knowing what Natives are, that he would probably get more from one lot of Natives than from others. After several conversations, I think I did tell him that, when I had fixed the price the Government was to pay, it was immaterial to me what the Maoris paid him for his part of the transaction with them. At the same time, I should like to say this: that I had not the slightest idea that the land could be bought at such a low price; for, if I had known, I should certainly have reduced the amount the Government were to give for it. I think that is all I need say on the subject. With reference to the memorandum of agreement, I drew that up myself, and I think I read it over to Mr. Lundon. I am under the impression that afterwards I interlined and altered the rough draft that I had prepared. When it was agreed to, I think I then gave instructions to have it copied by the typewriter. Then I put an endorsement upon it, that I would agree to Mr. Lundon's offer. I wrote words to this effect: "I have accepted Mr. Lundon's offer." That document was recorded in the file of papers in the Land Purchase Department.

120. *Hon. Mr. Mitchelson.*] The first paragraph says, "Mr. John Lundon has this day, on behalf of the various Natives interested, offered to sell to the Government the following blocks of land." Is that correct?—It is, as far as I can remember. It was distinctly understood between us that Mr. Lundon was acting for the Natives.

121. Then, it goes on to state that he offered the land to the Government on behalf of the Natives at 7s. 6d. an acre?—I fixed the price which I was prepared to offer for the land. I fixed it after consultation with the Surveyor-General, and that document is the result of the conclusion come to between myself and Mr. Lundon.

122. The document which states that Mr. Lundon was to offer the Kaitaia Block at 7s. 6d. an acre, and you accepted that?—Of course Mr. Lundon offered me many blocks of land, and said he was empowered by the Natives in the North to sell land.

123. Did he show you any authority from the Natives?—None at all.

123A. In your absence, Mr. Lundon stated that he did not offer the Kaitaia Block at 7s. 6d. an acre?—He did not offer to sell any blocks of land at any particular price. He told me he was empowered to sell land on behalf of the Natives in the North. He gave me the names of several blocks. I looked into them, and found that the titles of some of them were in such a state that it would be impossible to complete the purchase. Mr. Lundon produced no written authority to me that he was acting on behalf of the Natives.

124. You stated that you considered it was immaterial to you what profit Mr. Lundon made out of the transaction?—I did not care what the Natives paid him. I think I said that; I cannot say positively.

125. When you made that statement, had you any conception that Mr. Lundon had made a profit of £783 on the purchase of the Kaitaia Block?—I know from the surroundings now that he made a very large profit.

126. When you agreed to purchase the land at 7s. 6d. an acre you had no conception that Mr. Lundon was not going to pay that 7s. 6d. per acre to the Natives?—The impression on my mind was that probably he would arrange to receive from the Natives a lump sum. It never entered my mind that he would get so much per acre as commission.

127. If you had any knowledge that Mr. Lundon was only going to pay the Natives 4s. 6d., you would never have consented to have paid him 7s. 6d. per acre?—I would probably have dropped the price down to 5s. if I had known.

128. The fact of your having authorised the payment of £108 15s. for the Kaitaia Block shows pretty clearly to the Committee, I think, that you were under the impression that each of the Natives had been paid in full £217 10s., because £108 15s. is exactly the half?—The matter never entered my mind. So long as I heard no complaints from the department I considered everything regular, and I was satisfied. It never entered my mind that there was anything wrong or not. Very strict instructions were sent to Mr. Millar, at my request, because he would probably, being a new officer, not know all the details that were necessary to be carried out respecting land-purchases in that district.