

*The Chairman* : That is a matter for the opinion of the law officers of the Crown, and not a question for the witness to answer.

154. *Mr. Wright*.] Can you tell me how it happens that Hubbard's scrip was obtained at the low price of 75 per cent. ?—Because I had agreed to buy it some time before.

155. Before the decision of the Court of Appeal ?—Yes. A better reason might be given—namely : that was all he asked for it.

TUESDAY, 8TH AUGUST, 1893.

*Mr. Wright* : I wish to read to the Committee the following memorandum by Mr. Rhodes, which he wishes accepted as supplementary to his evidence : “ I wish to say, in addition to my previous evidence, that I have had my office diary searched to ascertain the date of my receiving the scrip, and find that the scrip was in the possession of the Bank of New Zealand and I borrowed it from them on the 9th February to take up to Mr. Baker for him to satisfy himself. I had never seen scrip until this date, and never had until the 12th February, except for this purpose.”

Hon. G. F. RICHARDSON examined.

1. *The Chairman* : In the departmental documents having reference to the subject of this inquiry, there appears the following memorandum, written by you when you held the portfolio of Minister of Lands :—

“ Having regard to all the circumstances, and to the desirability of ending the matter of the Forest Tree Planting scrip, I think no objection should be made to its being received as payment for Ellesmere lands, the amount being debited to the Public Works Fund.—G. F. R. 2/12/89.”

Do you remember the transaction in connection with which you issued this minute ?—Generally I remember the circumstances.

2. The Under-Secretary, Mr. Elliott, I believe, sent a memorandum to the officials at Christchurch, instructing them to take scrip in payment for the land. Will you look at this memorandum, it may refresh your memory ?—I have looked at it.

3. This memorandum was sent subsequent to the decision of the Court of Appeal ?—I believe the memorandum you have just read is the one which really governs the whole case—the memorandum of the Under-Secretary. This one requires to be read with the other. [Witness read the document.]

4. *The Chairman*.] This is a memorandum from Mr. Elliott to the Commissioner of Crown Lands in Christchurch, and is dated 2nd December, 1889 :—

“ Adverting to previous correspondence relative to accepting scrip in payment for Lake Ellesmere lands, I am instructed by the Hon. Minister of Lands to state that, having regard to all the circumstances, and to the desirability of ending the matter of the Forest Trees Planting scrip, no objection will be made to its being taken in payment for Ellesmere lands, and debited to the Public Works Fund.”

The word “ debited ” is here used. Should it not be credited ?—It is debited at the time and credited afterwards. The intention of the memorandum is quite clear.

*Mr. O'Hara Smith* : “ Debited ” is the word used in the original.

5. *The Chairman* (to witness).] Would you wish to say anything in explanation of this memorandum ?—I want to know what the Committee want to know from me.

6. The Committee will ask you various questions on the subject-matter of this inquiry. These transactions took place during the period you held the office of Minister of Lands ?—Clearly so.

7. As the report of the Committee may possibly refer to your administration, I thought it would be but fair that you should appear before the Committee to make any explanation of the transaction which you thought right ?—I am very much obliged to you, but I see nothing in the transaction that requires explanation. The matter is perfectly simple. The whole trouble arose from an advertisement being inserted in the newspapers by the late Mr. Ballance. If you want the whole history of the matter I can give it to you.

*Mr. Wright* : It would be well, perhaps, that you should do so.

*Witness* : This advertisement called upon anybody in the colony who thought they had claims under the Forest Trees Planting Act to make those claims forthwith ; and that advertisement cost the colony thousands of pounds.

8. *The Chairman*.] When was that advertisement inserted ?—The officers of the department can easily find that out for you. In consequence of that advertisement everybody who had more than “ three gooseberry trees ” planted, put in a claim to the Government under the Forest Trees Planting Act. The department was deluged with applications for payment under that Act. The Commissioners had to deal with these cases. There is no doubt that in many of these cases, those who made claims, and whose claims were proved, had not planted with any intention of taking advantage of the Act ; but the Government was in the position that when these claims were proved, there was no evading the liability. A large number, of course, were rejected ; but as to those claims which were accepted by the Commissioners the scrip had to issue. Many of these applications were no doubt *bona fide*, and some of them were not ; but it was impossible in cases where certificates had been granted to prevent the issue of scrip. I forget the amount, but think there was over £14,000 worth of this scrip afloat. I was endeavouring to make the Land and Survey Department pay its way by cash sales, and was met, instead of cash, with this scrip coming in. It was ascertained that the Government could not refuse land scrip for any land which was offered for sale for cash. They were liabilities on the part of the colony which the colony had to meet ; and the colony has now met its liabilities in this respect and ended the trouble.