

where about the 25th September. I took the reports of the Board and went through them with the Minister. This was the first time that the Minister and I had ever mentioned the Pomahaka. I opened the subject by saying that it would be a great convenience to Mr. Douglas if he could get an answer about this matter quickly. I had heard this in Dunedin—I did not see Mr. Douglas myself. Therefore I said to the Minister that should he approve of the purchase I would telegraph to Mr. Douglas. The Minister agreed, and consequently I sent a telegram to Mr. Douglas on 25th September. [Telegram read: Appendix K.]

29. *Dr. Fitchett.*] I think you got a reply?—There was a reply came from Mr. Douglas on 27th September.

30. This was the reply, was it not [telegram read: Appendix L.]?—Yes.

31. What did you do with it?—I minuted it to the Minister.

32. The minute was as follows [minute read: Appendix M.]?—Yes.

*Dr. Fitchett:* The Minister's minute to that of yours was, "Accordingly: J. McK., 29/9/93"?—Yes.

33. *Dr. Fitchett.*] What occurred then?—I replied to Mr. Douglas accordingly on 2nd October.

34. Your reply was as follows [reply read: Appendix N.]?—Yes.

35. The next occurrence?—The next was this telegram from Mr. Douglas to me, dated 3rd October. [Telegram read: Appendix O.]

36. The next step?—The next step was the letter from Mr. Douglas.

*Dr. Fitchett:* I put it in. It reads as follows. [Letter read: Appendix P.]

37. *Dr. Fitchett.*] There is a minute of yours on it, also one of the Minister's?—I minuted it to the Minister on 4th October, who in turn also minuted it on the 7th. [Appendix P.]

38. *Dr. Fitchett.*] Had you any communication with the Minister on this subject?—No.

39. The purchase went through in the ordinary way?—Yes.

40. The Minister never approached you in the matter?—No.

41. Or any one on his behalf?—No.

42. Nor on behalf of Mr. Douglas?—No.

*Mr. Smith:* May I be allowed to say something on this subject?

*The Chairman:* Yes.

*Mr. Smith:* What I wish to say is this: There are a great many of these cases that come before the Government, as will be seen by the last annual report of the department, covering in area nearly one million acres of ground. In all these cases, the Minister of Lands has never spoken to me personally concerning any of them, with the exception of one. He has at all times been exceedingly careful to avoid any appearance of having influenced myself, and I believe the same remark applies with regard to the other members of the Board. However, speaking for myself, I have to say that he has never spoken to me except upon the one occasion I have mentioned. Everything has been done in writing, and everything is on record. As soon as these offers of property come in they are referred to me, and I then take further steps. I might explain that the facts in connection with the exception I have mentioned were: A property was offered in the North Island. A gentleman made a request that for certain financial reasons the matter should not be allowed to get about. As a result, the Minister sent for me, told me exactly what I have just stated, and requested that the matter might be kept quiet. This was the only occasion on which the Minister ever mentioned a case to me before it had gone before the Board.

43. *Dr. Fitchett.*] The purchase was concluded in the ordinary way?—Yes.

44. Could you form any opinion as to whether the Board, in the light of subsequent events, was justified in making the purchase? Do you still think that the purchase was in the interests of the colony?—I do most certainly think so, and that, after considering roads, &c., the outcome of the whole thing has justified the Board in its action with regard to the purchase. At the present time there are twenty-two out of twenty-nine sections selected, representing 5,391 acres taken up out of 7,261. This brings in a rental of £897 per annum out of a total possible rental of £1,193. The total cost of the land and roading, &c., is about £20,000, as will be seen by the report. [Report put in.] The rental coming in amounts to 4½ per cent. on the money expended, including roading and incidental expenses, &c., and there are 1,870 acres unoccupied, the estimated annual value of which is £296. I may say that a later report by Mr. Maitland will be put in.

45. *Dr. Fitchett.*] Do you know if the tenants are paying the rents?—Yes, up to date.

46. Do you know anything of a statement which appeared in the *Otago Daily Times* four days ago to the effect that the tenants on Pomahaka were complaining of their rents, and asking for a reduction?—I have not heard of it.

47. You are satisfied that the purchase was a prudent one?—Yes.

48. There is a petition: did it come into your hands?—It came into the department.

49. Is a petition customary?—Yes, frequently; but we may get an offer submitted in any form.

*Mr. Mills:* What is the prayer of the petition?

*Dr. Fitchett:* The petition is as follows. [Petition read: Appendix Q.]

50. *Dr. Fitchett.*] Do you know if there is any Crown land in the neighbourhood of this?—No; there is not.

51. Do you know how many signatures are to it?—No; the petition was received at headquarters. It was not before the Board in Dunedin, and therefore did not interfere with its deliberations.

52. *Mr. Duncan.*] Had the petition any effect on the purchase—or, rather, were the members of the Board aware there was a petition of the sort in existence?—I think not. I personally was not.

53. *Mr. Thomas Mackenzie.*] You say you heard that the property was to be offered to the Government on 21st August, 1893, but you do not say from whom you heard this?—You will get evidence as to that. I heard about it from Mr. Barron, the Under-Secretary.