

115. With one interval at 6d. ?—Yes.

Then the record has been from 1878 to the present time progressing downwards—

116. *Mr. Green.*] Why did you not take 3s. ?—Because I would not fix myself so as to prevent selling.

117. *Mr. Scobie Mackenzie.*] But the rent shows a downward progress ?—There are two reasons for this: I had no buildings or yards on the property, so I could not let this land to any one but one of my neighbours, and I accepted the highest I could get from them. But rent was not my object; my chief object being to sell the land I always refused to give a fixed lease. I knew my tenants were taking advantage of the position of the property, being minus buildings and yards, and fencing for subdivisions.

118. There is the interval of 6d. per acre ?—Yes.

119. Why did you accept 6d. per acre ?—I accepted 6d. an acre because the land was not fenced, so could not let to an outsider. I had rather take something nominal until the land was fenced.

120. Your evidence yesterday went to show that you accepted 6d. an acre because the Land Company would not take it until it was fenced. And during the time it was being fenced you accepted 6d. an acre ?—Yes.

121. The company would have thrown up the land if it had not been fenced ?—Yes, if I had not fenced it.

122. Was it worth your while to go to the cost of fencing that land in order to continue a tenant at 9d. an acre ?—It was worth my while putting a ring-fence round the property. I have in my evidence said again and again that rent was not my object, but rather to sell, and nothing was more calculated to aid a sale than having the estate thoroughly ring-fenced. It was necessary to fence, because the company were commencing cultivation alongside my boundary.

123. About this matter of fencing, you wrote a letter to the newspapers on the 14th November, 1893, in the following words: [Extract read.] Did you write that letter ?—I wrote that letter.

124. The letter shows that the company were about to throw up the land unless you fenced it; that you did fence it; that they were giving you 6d. an acre while it was unfenced, and then they gave you 9d. an acre because you fenced it. Is it not then the fact that it was worth your while to go to the cost of fencing in order to retain the tenant ?—It was not my object to have a tenant, but to sell the land.

125. Then you accepted this low rent in order that you might be ready at any time to sell ?—Most decidedly; every one in the country knows it.

126. You had to give three months' notice ?—Yes. I did not give it; but had the company stood on their rights they could have made me do it.

127. Could you have resumed the land at once ?—Not without giving notice.

128. Was three months the period ?—I think it was.

129. You will not swear to it ?—I think it was.

130. Did you call at the office of the lessee in connection with the lease when the land was about to be sold ?—I told them I was about to sell, and they did not object.

131. Did you ask them, in the event of a sale to the Government, that they would admit you to resume ?—Very likely. I could not have resumed without giving notice. I would have had to wait several weeks if I did not come to some arrangement with them.

132. You could not resume until the end of the year ?—I am sure there was a notice. I think it was three months.

133. If the tenants say they could have it to the end of the year by the lease, would you be prepared to contradict them in that ?—I would say the rent was per annum, but I had to give three months' notice before resuming.

TUESDAY, 18TH SEPTEMBER, 1894.

JAMES ARMOUR JOHNSTONE examined.

1. *Dr. Fitchett.*] You are a member of the firm of Wright, Stephenson, and Co., of Dunedin ?—I am.

2. It has been suggested to the Committee that you, as a member of that firm, can give some information with regard to the Pomahaka purchase by the Government. Would you be good enough to tell the Committee what you know about that; tell the Committee your connection with that matter. But, in the first place, I would ask you what was your relation to Mr. Douglas ?—We are Mr. Douglas's agents.

3. When was Pomahaka first mentioned to you by Mr. Douglas, or by any one else ?—I think it was in the month of July, 1893.

4. In what connection was it mentioned; was it in the way of finance ?—Yes.

5. I do not want you to go needlessly into Mr. Douglas's or your own affairs, but as far as relates to the sale of this property to the Government. Had you any interest in Pomahaka yourselves ?—None whatever at that period.

6. Had you not a second mortgage on it ?—Yes, but only as collateral security.

7. *Sir Robert Stout.*] Was the mortgage registered ?—Yes.

8. *Dr. Fitchett.*] Was there any other encumbrance ?—There was a first mortgage to the Union Bank.

9. How did the question of the purchase of this property arise in connection with Mr. Douglas's finance ?—He applied to us to pay off the Union Bank, as they were pressing him.

10. Did you do so ?—After some negotiation we did so.

11. Were you satisfied with your security ?—Yes.