

Minister of Lands after the Act had passed. He told me in reply to my question that I had better get a copy of the Act.

34. *Mr. Duncan.*] With regard to improvements on Pomahaka. Was it your intention to improve it and to live on it?—No, it was not. I bought the estate because it was almost a gift. I bought it for an old song. It was sold under pressure.

35. Did you never change your mind about that?—I never did. Mr. Ritchie, my son, and Mr. Begg often advised me to cultivate it. I now think I was wrong in not doing so.

36. *Dr. Fitchett.*] I want to know whether Mr. Ritchie had anything to do with this petition?—He had never anything to do with it.

37. Now, it has been suggested that you raised the land-tax value with a view to maintaining a high price for the land?—I never saw the man who valued the land for taxes. There is no truth in the statement. Mr. Begg saw him; I never spoke to him.

38. *Mr. Scobie Mackenzie.*] Where is that?—

*Dr. Fitchett:* Your speeches are in evidence. It is in your Naseby speech.

*Mr. Scobie Mackenzie:* They will have to be produced.

39. *Dr. Fitchett.*] I wish to know whether you did anything to raise the land-tax value?—I never spoke to the man in the world.

40. There was a good deal of discussion about a telegram from Mr. Ritchie to Mr. Barron relating to the purchase-money and its non-payment?—I applied to Mr. Maitland, to whom I had offered the property, asking payment. He referred me to Wellington, but he could not say to whom, so I therefore sent a telegram to Mr. Ritchie, asking him if he could find out when it was likely to be paid.

41. What was its date?—About the 24th or 25th of October.

42. When was the arrangement with Messrs. Wright and Stephenson to be completed?—About the end of October.

43. The property was purchased, when?—On the 27th of September.

44. So that the purchase-money was three weeks in arrear?—Yes.

45. Reference has been made to the *Clutha County Gazette*; will you tell us whether the statements made there are correct?—Absolutely correct in every item.

46. How does that compare with the statements in the petition?—Practically the same; they are on the same lines.

47. Was Mr. Turnbull known to be your agent?—Yes; thoroughly well known all over the country; he had been working for me five or six years.

48. Did you give him any indication that you did not desire your connection with this petition to be known?—It was known; there was no secret about it whatever; he could publish it wherever he liked; he had no instructions from me to prevent its publication. I wanted it circulated far and wide—the wider the better. He said that every person in Waipahi and Balclutha had signed it.

49. *Mr. Scobie Mackenzie.*] In a letter which you wrote to the *Otago Daily Times* of the 24th November, 1893, did you use language to the following effect [Extract read]?—I was going to explain that. When I met my agent in Dunedin he told me he had got the valuation for taxation fixed at a low rate, seeing that I was only getting a nominal rent; he had pleaded the low rental as an argument for fixing the taxation valuation at a low rate.

50. What did you mean by saying that you claimed a reduced value because of a nominal rent?—I told Mr. Begg that I thought he might not be so very wise after all in arguing that.

51. Why should he not be wise in getting it at a low rate?—I did not think he was taking into account the intrinsic value of the land.

52. You were sorry that was argued?—Yes.

53. You were sorry that he used that argument to put it at a low rate?—Yes, I was sorry that he used that argument to put it at a low rate.

Mr. PERCY SMITH recalled and examined.

54. *Dr. Fitchett.*] I have recalled you, Mr. Smith, to clear up some matters connected with the Conical Hills negotiations. The file of papers connected with these transactions has been put on the table. I want you to give us, in the first place, some information connected with that.—Yes.

55. We have it in evidence that the Conical Hills Estate was before the Land Purchase Board at the same time as the Pomahaka, and that you made a recommendation in respect to each property?—Yes; that is so.

56. There is a recommendation to exchange Mr. Shennan's land for land to be given by the Government, but, failing that exchange, the purchase of Conical Hills was to be preferred. Tell us what you did in the matter?—This matter was before the Board, and very fully discussed. Mr. Shennan's land, with the exception of a few hundred acres, seemed to be of good quality, in a good position, and well adapted for settlement. It was considered that £3 5s. an acre would be a fair price for it. The Board, failing the exchange, recommended that so much of the land as was in the Otago district should be purchased, if Mr. Shennan would sell. The Board found that Mr. Douglas's land was very similar, and it was ultimately decided that, in the event of having to make a choice between Mr. Douglas's and Mr. Shennan's land, the latter was to have the preference, if Mr. Shennan would sell the Otago portion.

57. Your report to the Government contains a recommendation to buy Pomahaka, and to exchange Government land for the Conical Hills?—The proposition for an exchange was to be given effect to if there should be powers given by Parliament for that purpose; if not, then the purchase of part of Mr. Shennan's property within the Otago district, and, failing this, the purchase of the Pomahaka property.