

58. I want you to tell the Committee how it was that the recommendation preferring Conical Hills to Pomahaka was not mentioned in your report to the Government?—In the first place I should state that there is nothing in the Act which requires the resolutions of the Board to go to the Governor. The Act requires the Board to draw up a report, and states the headings under which the lands recommended for purchase shall be dealt with: (1) As to the value of the land; (2) as to its suitability for settlement; (3) as to the demand for land in the neighbourhood. After passing the resolution, when the members of the Board came to draw up their report to the Governor, we thought we were going somewhat beyond our powers as a Board in making this recommendation as to the advantages of one property over another. It was therefore arranged by the members of the Board that this matter should be brought under the notice of the Government, independently of the report. It was the opinion of the Board that preference was to be given to Conical Hills, because it lay within two railways; that there were three railway-stations close to it; because it was easier of access; and because it had been cultivated in part. That was the reason for the different recommendations in our report to the Governor. I might here state, as a matter of fact, that the Board does not necessarily follow the exact words of the resolution in drawing up their report. The report very often is much longer than the resolution; sometimes it is very brief; but they are all based on the resolution, as a matter of course.

59. You say it was agreed by the members of the Board that the matter should be brought under the notice of the Government?—That is so.

60. How was that to be done?—You will remember that I have said already in my former evidence that a few days after returning to Wellington I took the reports of the Board to the Minister. These reports related to the various proceedings of the Board with respect to the lands submitted for their decision in Otago and Canterbury. I discussed each matter with the Minister, and told him of the resolution of the Board. I would not say for certain, but the probability is that I read the resolution of the Board to him. I cannot trust my memory to say whether I did or not. We then discussed the question as to what was best to be done about these two estates. You will remember that about that time there had been a measure introduced into the House which contained a principle authorising the “exchange” of property for Government land, but that never became law.

61. Was that Bill before the House while you were sitting in Dunedin?—Yes; I believe it was. I would not like to say for certain; I think it was.

62. It was introduced on the 1st September?—I am trusting entirely to my memory of what took place at my interview with the Minister. I think it was known that, although this Bill had not been thrown out, the probability was that it would not pass. As a matter of fact it did not pass. As Mr. Shennan had placed no definite offer before the Government—nothing but the proposal to exchange his land for other land—a proposal which the Government had no power to accept; and, in view of the fact that had the Government decided to purchase Mr. Shennan's estate, it would have taken more money than the balance remaining of the vote appropriated for the purchase of lands under the Act—

63. How much had you appropriated?

64. *The Chairman.* That was a large estate?—Yes; I have some figures here, although I cannot say they are exactly the same as we had before us when discussing these matters, but they will show the state of the fund on that occasion, as well as what our liability would be.

65. You submitted that statement to the Minister?—Yes; a memorandum of the estates which had been purchased, and those the Board had reported favourably upon, showing the balance left out of the £50,000 voted for this purpose. This statement I will be glad to put in; it contains the figures approximately. The originals are gone; I cannot say positively that it is the same, but it is to all intents and purposes the same. [Appendix A23.]

66. How much is appropriated each year?—£50,000.

67. What would Mr. Shennan's property amount to?—It would be £41,281, and the portion in Southland £3,673. You must consider the two together for this purpose; for if we had gone into negotiation with Mr. Shennan he would hardly be content to leave the worst part of his estate for himself. The Southland portion was the worst. The reason the Board only recommended a portion of the estate was that the Otago Board could only deal with lands in Otago. The Committee must take that into consideration. The whole amount required would be about £45,000.

68. That would have sucked up the whole fund?—More than that; for at that time there was a balance of only £31,000 available.

69. You had not funds to buy this estate; and you had only a definite offer for exchange, in respect to which you had no statutory power?—The only definite offer from Mr. Shennan was the exchange; and there was no power to accept that, unless the Bill before Parliament should pass. On the 18th of September, Mr. Shennan writes to the Minister regarding the sale of Conical Hills. [Letter read.]

70. The letter of the 25th of July was when he offered the exchange; but he was willing to negotiate for an unconditional sale: that letter would come when you were in Dunedin?—I was in Canterbury on the 18th.

71. There is a memorandum to Mr. Barron saying, “Bring this before me with the correspondence”: you say that was not a definite offer?—There is no price mentioned in that letter at which Mr. Shennan would sell the land.

72. Have you ever considered the purchase of lands in respect to which you had not a definite offer?—No, except this question of “exchange,” which we found we had no power to effect.

73. There is a letter from you, by direction of the Minister, in which he regrets he has no power to effect an exchange of Crown land for pastoral land: 28th September. [Letter read.]

74. What reason had you for supposing that Mr. Shennan would not accept the Board's value?—I must have heard something about it when I was in the South. I have no doubt I must have had some reason, or I would not have said so.