

1898.
NEW ZEALAND.

CHARGES MADE AGAINST THE PUBLIC TRUSTEE BY MR. J. C. WASON, M.H.R.

(CORRESPONDENCE, ETC., RELATIVE TO), IN CONNECTION WITH AN APPLICATION FOR A LOAN.

Laid on the Table of the House of Representatives, by leave.

No. 1.

J. C. WASON, Esq., M.H.R., to the Right Hon. the PREMIER.

SIR,—

House of Representatives, Wellington, 12th July, 1898.

After what transpired this afternoon, in accordance with my promise I beg to hand you the following statement:—Early in the year I purchased a block of land in Canterbury, intending to borrow a portion of the purchase-money on mortgage. I had to go into the country, and left the matter in the hands of my solicitors, Messrs. Wilding and Lewis, of Christchurch. They write that the best terms were to be obtained from the Public Trustee, and they forwarded me an application-form. I declined to sign the application until it was settled who was to be the valuator. Mr. David McMillan's name was mentioned—a member of the Canterbury Land Board, and of wide experience in land-values. I at once agreed to Mr. McMillan's valuation, signed the application-form, and agreed to pay valuation-fee, of course, whether loan was granted or not.

Nothing was heard of the matter for a considerable time, when Messrs. Wilding and Lewis made further inquiry, and they forwarded a most offensive memorandum from the Public Trustee that he had made "private inquiry, land little or no value." I have not a copy of memorandum, but it was of a most insulting nature—you can no doubt procure a copy of document.

It seems to me that had not the Public Trustee deliberately wished to injure and insult me, all that was requisite was that Mr. McMillan should have sent in his valuation (a document which is always kept private), and for which I was quite willing to pay, and that then the Public Trustee could have declined the loan, and I should not have had the slightest ground of complaint.

I have only brought the matter forward in the public interest, as I think it most discreditable to a public department that its affairs should be conducted after the manner of a private detective office.

I have, &c.,

The Right Hon. Richard Seddon, Wellington.

J. CATHCART WASON.

No. 2.

The PUBLIC TRUSTEE to the Right Hon. the PREMIER.

SIR,—

Wellington, 13th July, 1898.

I to-day was informed that last night Mr. Wason made a statement in the House to the effect that I had refused to make an advance to an applicant because of such applicant's political views, or in order to curry favour with Ministers, and I have received a telegram from my Auckland agent stating that the *Herald*, in its Parliamentary news, reads, "Wason cited case where Public Trustee reported favourably certain valuations to curry favour political chief." I am completely ignorant as to what transactions Mr. Wason alludes, and if he made such a statement I can only say it is absolutely unfounded in fact.

In justice to myself, as an individual and as an officer in the Public Service, I ask that the strictest inquiry may be made into my conduct. Mr. Wason's parliamentary privilege prevents my making him prove his accusation in the Supreme Court, but I invite the fullest investigation into any of my acts, either at the bar of the House, or before any other impartial tribunal. To-day is a public holiday, and as the office-papers are kept in the strong room, of which the accountant (whom I have not seen) has the key, I have had no access to any of the office records, and I beg to suggest that you should ascertain the name of the applicant referred to by Mr. Wason, and send some

responsible person to receive the papers relating to his application. The office opens at 9 a.m., and if your messenger is there before that hour he can see the safe unlocked and receive the file from the accountant.

The Right Hon. the Premier.

I have, &c.,

J. C. MARTIN, Public Trustee.

No. 3.

The Right Hon. the PREMIER to the PUBLIC TRUSTEE.

SIR,—

Premier's Office, Wellington, 13th July, 1898.

I have the honour to acknowledge the receipt of your letter of even date, and forward you herewith a letter from Mr. Wason, M.H.R.; his remarks in the House; also my remarks, and the request that he would give me the information upon which he bases his charges. This he has done for submission to you. I feel satisfied that the honourable gentleman has done you an injustice. On receipt of your reply to the charges, I shall forward it on to the honourable member, and will take such steps as in the interest of your department and yourself the subject demands.

I have, &c.,

The Public Trustee, Wellington.

R. J. SEDDON.

No. 4.

The PUBLIC TRUSTEE to the Right Hon. the PREMIER.

SIR,—

Public Trust Office, Wellington, 14th July, 1898.

I have the honour to acknowledge your letter of the 13th instant. It is impossible, without exceeding the language which should be used in an official communication, to adequately characterise Mr. Wason's attack upon myself. His charges and insinuations against me are each and all false. Neither with reference to his case nor to any other have I at any time been actuated or influenced by political feeling. Beyond Mr. Wason's personal assertion he has not furnished a particle of proof, and I again ask that the strictest and fullest inquiry may be made into my conduct. I do not care by what tribunal, so long as it is an impartial one; and I am perfectly ready to submit my conduct to the judgment of, say, Captain Russell, Mr. Rolleston, and Mr. Buchanan.

As you are aware, the appointment to this office was none of my seeking, and when you offered it to me I declined it because I had heard that politics influenced the office, and, as I told you, I never had, and never would, take any official position with which politics had anything whatever to do. You assured me that politics had nothing to do with the Public Trust Office. What you wanted was that it should be kept clear of politics, and that the Public Trustee should be in charge of the office, and solely responsible for it and its business, and at my request you removed the business of the Advances to Settlers Department from the Public Trust Office. This meant a loss to me of £200 a year, but I made my request because I thought it absolutely essential to the well-being of the Public Trust Office that it should not be in any way mixed up with any other department under Government control; and, from the time of my appointment, I defy any person to show that politics or political feeling, the wish to please or to abstain from pleasing Ministers, has in any way interfered with or influenced a single act of mine.

Neither yourself nor any member of the Government has ever attempted to influence me, nor have the Colonial Treasurer or Native Minister, although they are by law members of the office Board, ever since I have been Public Trustee, attended a meeting of the Board. Indeed, with the exception of the Hon. Mr. Carroll, who called to confer with me on some few actions about Native affairs, I do not recollect an instance of any Minister having put his foot inside this office.

I have impressed upon the members of my staff that this office is essentially a non-political one, that they have nothing to do with politics, or the wishes and feelings of any person outside the office; and I have told members of both sides of the House, who have seen me on business, and also the representatives of newspapers who are opposed to the present Government, that if there is anything they want to know about the office that I can—without disclosing the affairs of private clients—let them know, that I should be only too happy to do so, as I feel that the office is a State institution, and that the Public Trustee was appointed to, if need be, stand between the Government and the interests of those under his charge.

Mr. Wason first alludes to "some few weeks of delay." I do not know whether he means to insinuate that the delay was on my part; if he does, his insinuation is false, as I shall show, later on, the papers left my hands the same day as I received them. He next says, "A trifling correspondence took place" as to who was to be the valuer. I had no correspondence with Mr. Wason or his solicitors on the point whatever. He next says, "As soon as the Public Trustee had agreed" that Mr. McMillan should value. I never agreed that Mr. McMillan should value. Mr. Wason next says, "A considerable time elapsed, some two or three weeks, perhaps. . . . 'A' wanted to know why something had not been done." Mr. Wason's application is dated the 8th March, it was received in this office on the 14th, and was replied to on the 21st. Mr. Wason next says, "After still further delay they managed to get out of the Public Trust Office this fact, that the Public Trustee had found out," that Mr. Wason was a political opponent of the Government. This is false. I heard nothing whatever of Mr. Wason or his politics. Mr. Wason then charges me with having delayed the matter as long as I could in order to do him injury. I did not delay the matter at all. He then says, "and instead of doing what he had agreed to do" (I had agreed to do nothing) "he wrote a most offensive memorandum, saying he had made private inquiries as to the value of the land, and 'A's' statements were altogether wrong." I never wrote any such letter.

I think I have categorically answered each assertion that Mr. Wason has made in his speech, as reported in the *Hansard* proof which you have forwarded to me.

Mr. Wason, for some reason of his own, did not quote in the House that he was the individual to whom he had referred in his speech as "A." Mr. Wason, however, in his letter to you of the 12th July, says that Messrs. Wilding and Lewis "forwarded a most offensive memorandum from the Public Trustee that he had made 'private inquiry,' 'laud little or no value.'" He says he has not a copy of the memorandum, but it was of a most insulting nature. Mr. Wason has quoted certain words. I never wrote any such memorandum. It is a pity he cannot produce his memorandum. Mr. Wason then goes on in his letter to say that if I had not deliberately wished to injure and insult him it was only necessary for me to adopt a certain course. Fortunately, my office papers show that I had no such object in view. The concluding paragraph of Mr. Wason's letter is that he has brought the matter forward in the public interest. If this be true, it is somewhat singular that he, believing—for I assume he did believe what he has said, however unjustifiable that belief may be—that I was so unprincipled, and quite unfit to retain for an instant the control of this institution, should not have at once communicated with the Government, who could have suspended me from or deprived me of the office which I hold.

The course of dealing in this office is that the letters are opened by the Chief Clerk, who distributes them to the various officers whose duty it is to attend to them. All applications for loans go to the Accountant, whose business it is to obtain all possible information with regard to the security proposed, and pass the papers on to the Chief Clerk, through whom they come to me.

I attach a copy of every memorandum, letter, or minute in my possession relating to Mr. Wason's application. The first is the application itself, signed by Mr. Wason. This you will notice is dated the 8th March, and is for an advance of £5,000. You will also observe that Mr. Wason states that he has just paid £7,000 for the property. Assuming that £7,000 was the value of the property, and that I should have been justified in lending to the full extent allowed by law, it was impossible for me to entertain Mr. Wason's application for a loan of £5,000, because I could by law not lend more than £4,200. This application was forwarded to me in a letter from my Christchurch agent, dated the 12th March, which was received here on the 14th March. You will observe that my agent gives me no information whatever, nor anything to suggest that any arrangement has been come to, as to having the land valued; on the contrary, he says, "Please inform me if I should instruct Mr. McMillan to value." This letter was handed in the ordinary course to the Accountant. The memorandum upon it initialled "M.C.B.," is in the Accountant's handwriting, and those are his initials. He in turn sent the document to the Deputy Public Trustee and Chief Clerk, whose memorandum is initialled "A.A.D.," and you will notice the Accountant's memorandum is dated the 19th, and the Chief Clerk's the 21st March.

On the 21st March, for the first time the application and letter from my agent, together with the memoranda which I have mentioned, reached my hands, and, in the face of the price which Mr. Wason said he was paying for the property and memoranda which I have quoted, I decided that the security was one which I could not entertain, and on the same day that I received the papers I wrote to the District Agent at Christchurch the letter of which copy is enclosed. I find attached to the papers a memorandum in Mr. McGowan's handwriting with a pencilled memorandum on it, by whom written I do not know. This was, I assume, written by Mr. McGowan when my accountant saw him.

I have now given you everything that I know about this matter. What my Christchurch agent may have done I do not know, nor is it material, since the question is not whether the office has conducted its business without an error of judgment, but whether I have been actuated personally by improper or corrupt motives.

I have telegraphed to my Christchurch agent to come here by the first boat and to bring his letter-book and all the papers he has relating to Mr. Wason's application. I am not awaiting his arrival, however, before communicating with you, for the same reason that I suggested you should send some one to take charge of the file of papers before it was possible that I could see them—namely, that a person who will make the groundless charges of corruption and dishonesty which Mr. Wason has made against me, might not hesitate to make charges that I have tampered with the office files to suit my case, or for a like purpose had concocted some story with my Christchurch agent. If there is any matter that I have overlooked or not answered or dealt with I will do so immediately on hearing from you.

As the charge made is one against me personally of improper conduct, I need not trouble you with reference to the decisions of the Courts in England and New Zealand defining the duties of a trustee in lending trust funds, but I may remind you with those decisions laid down that a trustee has no right to blindly rely upon the opinion of any valuer however competent, but is bound to exercise his discretion in making an investment whatever the opinion of the valuer may be. I return Mr. Wason's letter herewith, and in conclusion I can only press with the utmost urgency for a full inquiry into my conduct.

I have, &c.

The Right Hon. the Premier.

J. C. MARTIN, Public Trustee.

No. 5.

The DISTRICT AGENT, Christchurch, to the PUBLIC TRUSTEE, Wellington.

SIR,—

I enclose herewith application for a loan of £5,000 by Mr. J. C. Wason, per Messrs Wilding and Lewis. Please inform me if I should instruct Mr. McMillan to value. The applicant is said to have bought this land very cheap, and he is spending £1,000 at once on improvements. Kindly reply by first mail.

The Public Trustee, Wellington.

Yours, &c.,

J. J. W. HAMILTON, District Agent.

[Enclosure.]

I HAD an interview with Mr. McGowan, Commissioner of Taxes, respecting this application. He states this is totally different land to the Marawiti Estate purchased by the Government from Mr. Wason at £7 per acre. He thinks this must be a cold, windy locality, and poor land. His 1891 assessment for this land, which then stood in the name of J. Cordy's executors, was £2 1s. per acre, and Mr. Wason is only giving about £2 6s. for it now. He would hardly recommend it at all as a security, certainly not for three-fifths of the value, although he thinks Mr. Wason a good mark. Things are not flourishing with Canterbury lands just now.—M.C.B. 19/3/98.

The Public Trustee.

THE applicant only paid £7,000 for the property, so that he could not get more than £4,200; but, from what Mr. McGowan reports, a loan of half valuation would be all that could be advanced.—A.A.D. 21/3/98.

FILE. Decline.—J.C.M. 21/3/98.

No. 6.

APPLICATION FOR LOAN.

SIR,—

I beg to apply for a loan on mortgage, and to append the particulars.

I have, &c.,

JOHN CATHCART WASON,

Sheep Farmer, Corwar, Rakaia.

The Public Trustee, Wellington.

Date of application : 8th March, 1898.

Advance required : £5,000, for the purpose of refunding part of the purchase-money.

Interest to be at the rate of £4 10s. per cent.

Term of years to be five years, with right of paying off whole or instalments of not less than £100 at any time on six months' notice.

Security (Hall Survey District) : Area—3,031 acres 1 rood 1 perch. Where situated—Near Corwar Estate, Rakaia River. Where the title-deeds to the security are to be obtained—Wilding and Lewis, 171, Hereford Street, Christchurch.

Information to be supplied by Applicant respecting security.

Whether held under the Land Transfer Act—Land Transfer Act.

By whom occupied (if by a tenant, state rent and other terms of tenancy)—By myself.

The particulars of any encumbrances, and the name of any mortgagee—None.

The use at present made of the property—Grazing of sheep and cultivation, about 400 acres going in oats.

The use or purposes to which it is best adapted (agricultural or pastoral)—Pastoral and agricultural.

The buildings : their description ; when erected ; of what materials ; the amount of existing insurance, with name of insurance-office ; and the amount of insurance obtainable—Three-room cottage, brick chimneys, &c.

The annual and capital value for local rating purposes—Just acquired property ; no particulars yet.

The other improvements—Fenced all round ; divided into four paddocks.

The present realisable capital value—I have just paid £7,000 for the property, and am about to expend a very considerable sum in improvements—fencing, building, &c.

Area cleared of original bush or scrub—About 400 acres are in English grass.

The stock which the land is now carrying, and what stock the land is now capable of carrying—Now carrying three thousand cross-bred ewes.

Area of land now or lately under crop, with result—400 acres some years ago. I believe the result was good.

The length, extent, condition, description, and value of the fencing ; and the number of paddocks—About ten miles ; four paddocks.

Whether free from rabbits—Quite free.

[Here follows plan of land.]

Rural Sections.							Certificate of Title.		Acreage.		
							Volume.	Folio.	A.	R.	P.
27053, 27054, 27055, 27056	...	...	...	...	...	...	58	222	400	0	0
27057, 27058, 27061	...	...	...	...	...	...	58	223	391	3	11
33944	...	...	...	...	...	...	102	134	250	0	0
29152, 29153, 29154, 29156, 29157	...	...	...	...	...	...	72	103	154	1	29
28956, 29158	...	...	...	...	...	...	72	145	185	1	1
30073	...	...	...	...	...	...	123	33	588	0	0
29059, 27060	...	...	...	...	...	...	108	87	776	0	0
37067, 37068, Block 64, Map B1, New Zealand Midland Railway Company, Provisional Register	...	...	...	...	...	...	81	28	236	0	0
37108	...	...	...	...	...	...	177	205	49	3	0
									3,031	1	1

I make this application on the conditions following :—

That the costs attending the examination and valuation of the property and of surveying the same, if it shall be thought necessary by the Public Trustee, and also the costs of his solicitors for the examination of the title, &c., shall, upon demand, be paid by me whether the transaction be completed or not.

That the negotiation will be considered at an end if the amount required to cover the cost of the valuation be not deposited within one month after notice that the application, subject to a satisfactory valuation of the property, will be considered, or if the deeds of the property be not deposited with the Public Trustee's solicitors within one month after notice that the loan has been granted.

J. CATHCART WASON.

No. 7.

Land- and Income-Tax Department, Wellington, 189 .

Mr. JOHNSTON,—Did your department buy J. C. Wason's Corwar Estate, near Highbank? Could you let me see the papers for a few minutes?—J. McG.

Marawiti Estate, 2,026 acres 2 roods 33 perches, purchased from Mr. Wason for £14,200 18s. 10d (£7 per acre.)

No. 8.

SIR,—

Public Trust Office, Wellington, 21st March, 1898.

J. C. Wason's Application.—I have delayed replying to your letter of the 12th instant until I had made certain inquiries with respect to the security offered herein. The result of my inquiries is that the security is not a suitable one for anything like the amount applied for, and I have decided to decline the application altogether.

Yours, &c.,

J. C. MARTIN, Public Trustee.

The District Agent of the Public Trustee, Christchurch.

No. 9.

The PUBLIC TRUSTEE to the Right Hon. the PREMIER.

SIR,—

Public Trust Office, Wellington, 15th July, 1898.

In continuation of my letters to you of the 13th and 14th instant, I have now the honour to inform you that Mr. Hamilton, the District Agent of this office at Christchurch, arrived this morning and brought with him his letter-books and all documents in his possession relating to Mr. Wason's application. I gave instructions in my office before Mr. Hamilton's arrival that none of the officers were to communicate with him about, or to discuss, this matter.

Previously to Mr. Hamilton receiving my telegram requesting him to come to Wellington, he had written to me in consequence of a paragraph in the *Lyttelton Times*. His letter arrived by the "Tarawera" this morning before he did. I attach a copy, so that you may have a copy of every document in my possession relating to this.

On Mr. Hamilton's arrival, I read to him the *Hansard* proof of Mr. Wason's speech which you forwarded to me, and a copy of Mr. Wason's letter to yourself, and I asked him certain questions in order to save time, and to let you have his testimony at the earliest possible opportunity. A shorthand clerk took down my questions, and the statements made by Mr. Hamilton, and they are enclosed herewith. Unless you desire that Mr. Hamilton should remain here I propose to let him return to Christchurch by this evening's boat, as he has important business requiring his attention in Christchurch. His attendance here can always be secured at a few hours' notice.

As Mr. Hamilton may be held to be implicated in Mr. Wason's charges against myself, he has requested me to ask that any inquiry into my conduct which may take place may also include his.

I have, &c.,

The Right Hon. the Premier.

J. C. MARTIN, Public Trustee.

No. 10.

The DISTRICT AGENT, Christchurch, to the PUBLIC TRUSTEE, Wellington.

SIR,—

13th July, 1898.

J. C. Wason's Application: Explaining re Interview with Mr. Wason.—I see by the local *Lyttelton Times* that Mr. Wason has made a most unwarrantable attack upon you from his seat in the House of Representatives. I therefore hasten to place you in possession of what transpired here in connection with Mr. Wason's application.

The application was sent by me to Wellington on the 12th March last. On the 23rd idem I received your reply declining the application. On the following day I wrote Messrs. Wilding and Lewis, solicitors, through whom the application was made (copy of letter herewith). A day or two after my letter to Messrs. Wilding and Lewis, Mr. Wason and Mr. Lewis called, when Mr. Wason asked by what authority you decided the question without a valuation. I replied that the custom of the office was, not to put applicants to the expense of a valuation if it appeared that the security was not a suitable one, and, no doubt, you had satisfied yourself as to that point. He said, "How?"

I answered, "Probably by obtaining the Government valuation, and other inquiries." I also pointed out that it was no interest to you to decline an application; on the contrary, you were most anxious to get money out, but our funds being trust moneys the security must be absolutely safe; that you, as head of the department, were responsible for the safe investment of the funds, and were not even bound to accept even a valuator's opinion against your own judgment.

I only regret I did not advise you of this interview, but never dreamed that a personal attack would be made on you. The security offered would not stand the advance required, and even if he spent the £1,000 on improvements, the property would not show the required three-fifths margin. I enclose paper-clipping from to-day's paper.

The Public Trustee, Wellington.

Yours, &c.,

J. J. M. HAMILTON, District Agent.

No. 11.

SIR,— Public Trust Office, Christchurch District Agency, 24th March, 1898.
J. C. Wason's Application.—The Public Trustee informs me that he has considered this application and decided to decline it.

Yours, &c.,

J. J. M. HAMILTON, District Agent.

Messrs. Wilding and Lewis, Solicitors, Christchurch.

INTERVIEW between the PUBLIC TRUSTEE and Mr. J. J. M. HAMILTON, the District Agent of the Public Trustee at Christchurch, *re* Mr. J. C. WASON's application for loan.

Public Trustee.] You have just arrived, Mr. Hamilton?—Yes.

By the "Rotomahana"?—By the "Rotomahana."

And previously you wrote to me a letter, which I this morning received?—Yes.

From the newspaper clipping which you sent, you are aware that Mr. Wason has made certain charges against me in the House?—Yes.

Have you brought your office file with you?—Yes.

Have you in your possession any documents relating to Mr. Wason's application beyond what appear on that file?—No.

Did you write any letter of which a copy is not on that file?—No. I have got the press letter book up too.

With the exception of your letter to me forwarding Mr. Wason's application for a loan, and my reply, dated the 21st March, did you receive from me any communication whatever relating to Mr. Wason's matter?—No.

Or did you communicate in any way with me, except by the first letter which forwarded the application?—No.

Will you state in chronological order exactly what to the best of your memory transpired, and with whom, from first to last, in connection with Mr. Wason's application?—Well, the first was Mr. Lewis, of Wilding and Lewis, called on me to know if we had plenty of money. I said, "Yes, any amount." A day or two after he came and asked me if we would advance £7,000. I said, Yes; £70,000, if he wanted it. Then he came back again on a future day (I do not know how many days between, I thought the thing had gone off altogether), and said he would want about £5,000 for Mr. Wason on some property he had just purchased very cheaply, and he asked me who the valuer would be. I told him that Mr. David McMillan usually acted for us, but the custom of the office was not to put the applicant to the expense of the valuation till the Public Trustee thought there was a probability of the loan going through. I gave him my reason for this. I said, "The reason for this is that we have been blamed in the past for taking a valuator's fee and then refusing the loan." So that it was arranged that he should bring me the application and I would send it up to the Public Trustee. On hearing from him I would instruct the valuer, if the loan were one likely to pass the Board; to which he was quite agreeable as there was no hurry. I received a letter from Wilding and Lewis dated 11th March, enclosing the application. This letter is as follows: "DEAR SIR,—We enclose the application by Mr. Wason for a loan which we spoke to you about the other day. As soon as you have arranged for Mr. McMillan to value the land, he had better write and make an appointment with Mr. Wason, who will show him over the land.—Yours truly, WILDING AND LEWIS." On the 12th March I sent up the application. On the 23rd I received a reply from the Public Trustee, dated 21st March. On the 24th I wrote to Messrs. Wilding and Lewis as follows: "The Public Trustee informs me that he has considered this application and decided to decline it." A day or to after Mr. Wason and Mr. Lewis called on me to know why the application had been refused. I said all I knew was that the security was not sufficient, or not a suitable one, for the amount applied for. I pointed out to him, then, even with the £1,000 that he was going to spend, there would not be the three-fifths margin required under the Act. He said that he had got the property dirt cheap, and that it was worth a good deal more. He did not know how the Public Trustee could know the value of the property without obtaining a valuation first. I told him that he must know that we, being a Government department, had means of obtaining information which outsiders could not obtain. He said, "How?" I answered that we could obtain information from the Government Valuation Department and others, the heads of which were members of our Board. He was very wroth, and said it was disgraceful. I pointed out to him that the Public Trustee was quite as anxious to get the money out as probably he was to receive it, but our funds being trust funds we had to be absolutely safe. I further told him that the Public Trustee was not even bound to take a valuator's opinion against

his own judgment. That is all. I have not seen or heard from him or from Mr. Lewis since. I next saw the telegraphic account in the *Lyttelton Times* newspaper of the 13th July. The same day I wrote you; and after having written to you I yesterday received your telegram, as follows: "Come here by first boat after receipt this; bring your letter-book, and all papers relating Wason's application for loan." To which I replied: "Coming 'Rotomahana' to-night; 'Tarawera' full."

Did you agree, or lead Mr. Wason or Mr. Lewis to suppose that you had agreed, that Mr. McMillan should value without referring the matter to me?—No, certainly not. Mr. Lewis knew exactly the opposite. In his letter of the 11th March he says, "As soon as you have arranged for Mr. McMillan to value the land." The whole thing was left an open question until we had heard from you.

You have since seen what purports to be a *Hansard* proof of Mr. Wason's speech?—Yes.

So far as you know, is there a syllable of truth in the accusation he makes?—Not a word. I was simply astonished when I saw it in the paper.

The foregoing is a correct report of what took place at my interview with the Public Trustee this morning.—J. J. M. HAMILTON, District Agent, Christchurch, 15th July, 1898.

No. 12.

The Right Hon. the PREMIER to J. C. WASON, Esq., M.H.R.

SIR,—

Premier's Office, Wellington, 15th July, 1898.

I have the honour to forward to you herewith the correspondence connected with the charges made by you against the Public Trustee, his denial thereof, and enclosures.

I have, &c.,

J. Cathcart Wason, Esq., M.H.R., Wellington.

R. J. SEDDON.

No. 13.

J. C. WASON, Esq., M.H.R., to the Right Hon. the PREMIER.

SIR,—

Wellington, 16th July, 1898.

I have the honour to acknowledge your favour of yesterday, with enclosure from Public Trust Office. With regard to Mr. Hamilton's evidence, I have absolutely no knowledge of the conversation that took place between Mr. Hamilton and Mr. Lewis. At my interview with Mr. Hamilton—Mr. Lewis being present—I made no remarks about the value of the land. I displayed no temper, nor did Mr. Hamilton's demeanour warrant such, for he was most courteous. Mr. Hamilton showed Mr. Lewis and myself the offensive memorandum about "private inquiry," and to that I only remarked, "What an extraordinary way of doing business." I do not consider Mr. Hamilton's letter of the 13th July at all represents the conversation that took place, but at this distance of time I do not in any way reflect upon Mr. Hamilton for his version. The evidence and correspondence does not in any way touch my ground of complaint as regards "inquiries."

The Public Trustee says, paragraph 15 of letter of 14th July: "I find attached to the papers a memorandum in Mr. McGowan's handwriting, with a pencilled memorandum on it, by whom I do not know." This, probably, is the offensive memorandum to which I took exception. I should not have had the least ground of complaint had the Public Trustee, after receiving Mr. McMillan's valuation, simply declined the loan. After Mr. Martin's letter, I have no hesitation in withdrawing anything that may reflect upon him as giving a political complexion to the affair, and to express my regret for imputations made in that direction; but I hold that no public department has the right, "after publicly advertising that they are loaning money," after negotiations are set on foot, to make private inquiries and expose the affairs of an applicant to others than those immediately interested.

I have, &c.,

The Right Hon. the Premier.

J. CATHCART WASON.

No. 14.

The PUBLIC TRUSTEE to the Right Hon. the PREMIER.

SIR,—

Public Trust Office, Wellington, 25th July, 1898.

On Saturday I received a copy of *Hansard* containing a report of Mr. Wason's remarks in the House on the 19th instant. Mr. Wason having withdrawn all charges of improper motives against me personally, nothing more is required to be said in that connection, but Mr. Wason in effect reiterates his charges against this office of having employed an improper system of inquiry, and in his letter to you of the 16th July, which first came to my notice when I saw it in the number of *Hansard* already referred to, again refers to some offensive memorandum about private inquiry, and also to this office making private inquiries and exposing "affairs of an applicant to other than those immediately interested." Apparently therefore Mr. Wason still charges this office with two irregularities, to use no stronger term.

Firstly, the making of improper inquiries. The only inquiry made was from Mr. McGowan, who is the Commissioner of Taxes, a member of the Board under the Land for Settlement Act, and the head of the Government Valuation Department. His knowledge of the general value of land and its suitability for the investment of trust funds is, or ought to be, very great, and he is a

member of my office Board. You will see, therefore, that no inquiries whatever, private or otherwise, were made of any person outside the office except of a member of the Office Board, and as Mr. Wason refers in his remarks in the House to the ordinary course of valuation as adopted by the Government Insurance Department, it will perhaps interest him to know that the course adopted by the Government Insurance Department is, to lay any application for a loan before any valuation is made before the Insurance Board to see if such application shall be entertained. If, therefore, I adopted this practice, precisely what Mr. Wason complains of would eventuate, for his application would have been submitted for consideration to my office Board, of which Mr. McGowan is a member.

Secondly, of my having written "a most offensive memorandum," saying that I had made "private inquiries as to the value of the land, that A's statements were altogether wrong, thereby suggesting that he was trying to 'get at' the office": I have searched in vain for any such memorandum. I forwarded to you with my letter of the 14th instant copies of every letter or memorandum that I knew of in connection with the matter, and in Mr. Hamilton's statement, forwarded with my letter of the 15th instant, were set out copies of any correspondence that he knew of. Those documents speak for themselves, and answer Mr. Wason's charge.

I have endeavoured to conduct the investment portion of this business in accordance with the rules laid down by the Courts when defining the duties of trustees, and I shall continue to carry on the business in exactly the same way that I have carried it on in the past; but, as Mr. Wason's statements will go before the public throughout the Colony in *Hansard*, I am compelled, in order that the public may be in a position to form a correct opinion, to ask you to lay this letter on the table of the House with the papers previously sent to you, and to obtain the necessary sanction for their being printed. If Mr. Wason had referred to the business of any person other than himself, I should not have made this request, as a compliance with it would have made business affairs of a private individual public property; but as Mr. Wason himself brought this matter forward, which relates to his affairs and to his alone, I do not think that there can be any objection to doing what I ask.

I have, &c.,

The Right Hon. the Premier.

J. C. MARTIN, Public Trustee.

No. 15.

The Right Hon. the PREMIER to the PUBLIC TRUSTEE.

SIR,—

26th July, 1898.

In the House this evening Mr. Wason stated, in reference to the charges made against you, that, to complete the papers, the memorandum with the pencilled memorandum referred to in your letter to me of the 14th instant should also be laid on the table of the House, and be printed. In this I concurred. If existent I should therefore be glad to have it supplied.

I have, &c.,

The Public Trustee, Wellington.

R. J. SEDDON.

No. 16.

The PUBLIC TRUSTEE to the Right Hon. the PREMIER.

SIR,—

Public Trust Office, Wellington, 27th July, 1898.

Referring to your letter of yesterday, which has just reached me, I have the honour to forward herewith the original pencilled memorandum which you refer to, a copy of which was forwarded to you with my letter of the 14th instant.

I have, &c.,

The Right Hon. the Premier, Wellington.

J. C. MARTIN,
Public Trustee.

No. 17.

Land- and Income-tax Department, Wellington, , 189

MR. JOHNSTON,—Did your department buy Mr. Wason's Corwar Estate, near Highbank? Could you let me see the papers for a few minutes?—J. McG.

Pencilled Memorandum.

Marawiti Estate, 2,026 acres 2 roods 33 perches, purchased from Mr. Wason for £14,200 18s. 10d. (£7 per acre).

No. 18.

The PUBLIC TRUSTEE to the Right Hon. the PREMIER.

Public Trust Office,

Wellington, 5th August, 1898.

I TO-DAY received a letter from Mr. McGowan, as follows:—

Looking over *Hansard* last evening I noticed that Mr. J. C. Wason, M.H.R. for Selwyn, took exception to an item in the correspondence laid before Parliament with regard to his application for a loan from your office which he characterized as offensive, and which, he stated, was either written or dictated by me. The circumstances, of which you do not seem to be fully aware, are as follows: When your officer came to make inquiries as to the valuation of the proposed security, I was at first under the impression that it was the Corwar Estate that was offered,

but, remembering that that estate had come before the Land Purchase Board for Canterbury, of which I am a member, I addressed a short memorandum to the Clerk of the Board, Mr. McKerrow himself being absent from Wellington, inquiring whether Corwar had been purchased by the Crown. His pencilled reply is written across my memorandum, and is the communication that Mr. Wason stigmatizes as offensive. Having satisfied myself that it was not Corwar Estate that was offered, I sent for the maps containing the sections set forth in the application. The maps were brought, no one but your officer and myself being in the room at the time. I looked at the locality, character, and valuation of the land, and gave the advice which your officer afterwards wrote down for your information. No one in the department but myself was aware of the reason for my asking for the maps, nor the purpose for which I inquired as to the sale of Corwar; nor did any one know what information I supplied. I offered the advice for what it was worth simply as a member of your office Board, never dreaming that this was not the very reason for my being on that Board. Though you and I had met at least twice a week during the interval, Mr. Wason's application was never mentioned by either of us, the rejection of loan proposals being such an every-day occurrence that any particular application makes no impression on one's memory. I was present when Mr. Wason referred to the matter in the House, but the subject was so carefully veiled in his remarks that I did not then recognise the transaction he alluded to. Will you oblige me by laying this before your Minister? I have already explained my connection with this business to the Hon. the Minister of Lands.

and, as requested by him, lay a copy before you.

The Right Hon. the Premier.

J. C. MARTIN,
Public Trustee.

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and the other side of the road. The road was very narrow and the traffic was very heavy. The car was very old and the engine was very noisy. The driver was very nervous and the passengers were very uncomfortable. The car was very slow and the trip was very long. The road was very bad and the weather was very bad. The car was very old and the engine was very noisy. The driver was very nervous and the passengers were very uncomfortable. The car was very slow and the trip was very long. The road was very bad and the weather was very bad.

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