

6. I want to understand the charge. I want to know what contract you say there is between Mr. Whitaker and the Government; is it a continuing contract?—I say that the Government have entered into some arrangement whereby Mr. Whitaker is allowed to deal with Natives himself for lands that the General Government were purchasing. The actual terms of the agreement I do not know.

7. In relation to these lands?—Yes; in relation to these very lands.

8. Is the Committee to understand from that, that Mr. Whitaker was allowed to compete with the Government?—I believe so. I believe they made an arrangement with him. I do not know the whole of the facts.

9. *Hon. Mr. Stafford.*] I am not aware at this moment of any law that says you cannot make an offer for these lands if you want to buy them, unless they are brought under a Proclamation. If you are not prepared to bid, it seems idle to say whether Mr. Whitaker's agents, or the Government agents, were negotiating for the land. There is nothing in the law to prevent me bidding, unless the Government have brought the land under a Proclamation existing at the time. If you are not prepared to say that that land was so excepted from private purchase, it appears to me that the Committee need not go into the matter?—There is the Waitoa Committee already sitting, and going on with this matter. It was Mr. Whitaker's own statement in the House that I go upon.

10. *Hon. Mr. Bowen.*] His complaint was that the contract was not carried out?—The Bill that was brought in in the Upper House to deal with the Waitoa land was thrown out. Then, as far as I know anything about the matter, the arrangement was come to. The Bill was thrown out, and an arrangement entered into with Mr. Whitaker. Under that arrangement I understand that Mr. Whitaker was allowed to purchase. I must not be understood as making statements. I do not wish to be pinned down to what I am saying, as I shall be very likely called upon by the Government to answer these.

Hon. Mr. Stafford: Mr. Rees has all through qualified his statement by saying that he requires further information on the matter.

Contract for Sleepers.

The third allegation is in reference to a contract.

I mention in my letter to Mr. Whitaker that he must know of a contractor named Lundon, who had the contract for the supply of railway sleepers. I should like to hear Mr. Whitaker's own statement as to whether he was interested in this contract, and, if so, in what way. Mr. Whitaker's name was very freely mentioned over this matter in public for this contract. I mentioned this in my note in order that Mr. Whitaker might make a statement, and, if interested in the contract, say to what extent. I did not ask for the Committee to sit for the purpose of dealing with the third point. I mentioned it in my letter to Mr. Whitaker as an act of courtesy.

11. *Mr. Stout.*] The point you wish to make, Mr. Rees, is that the seat, being void *ab initio*, still remains void?—Yes.

12. Under what Act is it to be considered?—Under the repealed Act.

The Hon. Mr. WHITAKER examined.

13. *The Chairman.*] Do you know a person named John Lundon?—Yes.

14. Are you aware of Lundon having entered into a contract with the Government for the supply of sleepers and other timber?—Yes.

15. When?—I think in 1874.

16. In what part of 1874?—I think it was in the early part. I can, however, get the date.

17. Were you in any way concerned in the contract, either on behalf of Lundon or not?—No; except that I lent him some money.

18. Were you a surety for him?—I simply lent him money. Lundon took the contract. He came to me, and represented that he had no money to carry it on. He borrowed money from me that I never got back again. That was all I had to do with it. He owes me a large sum of money now.

19. Then, with the exception of lending him money, you had nothing to do with it?—I was not concerned in it in any way beyond that. If he made a good profit out of the contract, I should have got my own money back.

20. You did not share in the contract?—No.

21. Then, for the amount of money you lent, you would not, if he made a large profit out of it, get beyond what you lent?—No; unless he chose to pay me previous debts. All that contract was, I think, ended before I was elected, nearly two years ago.

22. The contract was not in the form of Whitaker and Lundon?—It was taken without my knowing anything about it. He tendered for the contract and got it. I had been in the habit of lending him money. I lent him the money for the purpose of carrying out this contract, and he failed to give it to me back.

APPENDIX B.

Questions required to be answered under Mr. Stout's Resolution of 8th October, 1877, together with replies.

1. Was any agreement entered into between the Secretary of Crown Lands and any person under or in pursuance of the regulations published on 12th June, 1876, page 406, in *New Zealand Gazette*?—Whatever contract there was seems to have been made prior to the regulations above quoted. There is no record of any formally-drawn contract, but the terms were agreed upon by means of correspondence, and are set out in various papers and memoranda.

2. Has any Crown grant been issued, and, if so, when?—Crown grant to the New Zealand Loan