

I went to Christchurch at all. At the time I met Mr. Harper I had not seen Maling's property except the outside of it.

343. Had you been discussing the matter with him when he said he did not think it was desirable the Government should build on this vacant piece of ground?—Yes; we were discussing the question of building—not the relative positions of the properties, except that I said the corner-piece was a very good one; it took my fancy better than any other. He said he was doubtful whether it was desirable to spend such a large sum of money for land and buildings.

344. Were you not discussing the relative advantages or disadvantages of buying one of the properties in preference to the others?—We were talking generally on the subject, and it was on that occasion he referred me to Mr. Maude.

Mr. L. HARPER, M.H.R., in attendance and examined.

345. *The Chairman.*] We have been inquiring into the different purchases made on behalf of the Government Insurance Association, and, among others, into the Christchurch purchase. In the process of the inquiry it has come out in evidence that your firm acted as the legal advisers of the Government in the purchase of the Christchurch property: is that so?—Yes.

346. Towards the end of the inquiry Mr. Luckie produced the certificate of title to the property, accompanied by a letter from your firm to him dated the 4th June, 1885. [Letter read.] The documents accompanying this letter are the certificate of title and a document purporting to be a copy of the search-paper (Land Transfer). We have also had from Christchurch a certified copy of that search-paper. We find that it omits the third mortgage to yourselves and Douglas; and the first object in asking you to be here is, to explain how it was that the search-paper omitted all mention of this mortgage, and why it was omitted?—I produce the following letter from the chief clerk, explaining the reason:—

DEAR SIR,—

Hereford Street, Christchurch, N.Z., 19th June, 1886.

*Re Maling:* I enclose search-papers herein as requested. You will observe that five are certified to as correct by the Registrar. The other is a copy of that forwarded with the deeds, and shows the position of the title at the time it was sent, and is a correct search-paper. When searching a Land Transfer title as agents for other solicitors the search-paper would be sent in this form; as on the issue of a fresh certificate the incumbrances, if any, are brought down on same, and, unless there were special reasons for it, or it was asked for, it would be absurd to furnish a search-paper showing all dealings from the commencement, as the title would not be in any way affected by them. Trusting this information will be sufficient,

I have, &c.,

L. Harper, Esq., M.H.R., Wellington.

THOS. PAPPRILL.

This is all I know as to the reason why it was not mentioned in the search-paper. The mortgage was released previously to the completion of the sale, in order, I presume, to enable Mr. Maling to give a clear title. It was not treated as an ordinary mortgage, as there were special circumstances attending it.

347. Do you know anything personally of the deed?—No, I know nothing about it.

348. How much was the amount of this third mortgage?—I believe it was £1,300. It was practically a second mortgage, as the prior ones were to the same company, to secure one advance, but made at different times.

349. This mortgage was entered into by yourself and Mr. Douglas as trustees?—Yes; merely in that capacity, without personal responsibility.

350. Did you advance any money on the mortgage?—No. The mortgage was taken to cover certain moneys which he had some time previously received from a relation, who wished them to be protected for the benefit of Maling's family, and which had been laid out by Maling in the purchase of some land in his own name, and afterwards partly dealt with by him.

351. On the release of the mortgage did any money pass to Mr. Maling?—I presume so; but I should say that until the other property was sold this money would be kept by the trustees.

352. What conversation had you with Mr. Luckie when he came to put himself in communication with your firm?—I had not the pleasure of knowing him by sight before that time. He was introduced to me when at luncheon at the Club. The next day or the day afterwards he came to my office, and informed me that Sir Julius Vogel had requested him to see me with reference to the purchase of two or three properties—Morton's block and other properties. The probability is, he mentioned Maling's property. I knew that Maling had made a proposal to the Government through agents. I said, "Perhaps you are not aware that Mr. Maling is a connection of mine. I wish you would be kind enough not to consult me in any matter connected with Maling in any shape or form. I do not wish to know what is going on at all. If there is any occasion for you to take any advice on the subject, you will be good enough to see Mr. Maude, one of my partners, who is in no way connected with Mr. Maling." From that time until after the transaction I never spoke to Mr. Luckie on the subject, or to Mr. Maling, nor did I even know the terms of the transaction until after it was completely finished. I did not even inquire how it was going on; I carefully avoided doing so, in the office or outside of it. Before this, the only communication I had from Sir Julius Vogel was to ask me if I could ascertain for him whether Mr. Morton would sell his block of land opposite the Bank of New Zealand which was not built upon. I approached him (Morton) on the subject, and he informed me that he had already entered into a contract for building—that it was not in the market; but that he had another property in Cathedral Square which he was willing to offer. Mr. Clarke, agent, also told me he had property to offer there, and I said, "You had better make your offer in the ordinary way." It did not come through me. I did not consider myself as agent for the Government for the purchase. I was only asked to arrange with Mr. Morton, if possible.

353. Did Sir Julius Vogel ask you for any particulars of this property?—No. He only asked me to ascertain particulars of Morton's property. I had no knowledge at that time that Maling's property was likely to be offered, nor had I had any communication from him on the subject until he informed me that he would also sell. I then told him to make any proposal he wished to make himself direct.