

118. Then, this letter of the 20th was the result of the numerous inquiries he had been making during your absence as to the value of the property?—Yes.

119. *Dr. Newman.*] You said that the value of the property was £20,000?—I did not say so.

120. I think it is in your writing?—I said that I was told so. I was told that nothing would induce Mr. Stark to part with the property for less than £20,000.

121. What made you change your mind and buy it yourself, instead of taking it into the Compensation Court?—Because our paid officer was ready to go into Court and swear that the property was worth £17,500. Not only that, but I got his opinion verified by the Property-tax Department, and I took steps to find out whether the property-tax officer's valuation was reliable; and, further than that, I made inquiries myself from outside people. I was led to suppose that there was plenty of evidence forthcoming by reliable people who would go pretty close up to Mr. Brewer's valuation.

122. You made no inquiries as to the fact that the property had been under offer for some months previous at a much lower rate?—I was told that the balance of the property, leaving out ten of the best acres, had been on offer, and nearly sold for £7,200 or £7,400.

123. Can you tell the Committee why so much land was bought, when six acres only was required for the battery?—Simply because the place was utterly destroyed. The battery stands in the middle of this land, and there is a road right through it to the battery; and when I went to see it first, the battery-fence was only about 15ft. away from the door of the house, almost cutting it off altogether. It will be seen from the memoranda made at the time that it was thought far better to buy the whole, and trust to being able to sell part of it again, than merely to buy the piece we absolutely required.

124. Did you think that the land was saleable?—I was assured that it was, and am now.

125. May I ask why it was taken out of Mr. Brewer's hands? In one of his letters he says that he washes his hands of the concern, because the Minister arranged the transaction?—I have never seen such a statement. I should have dismissed him instantly if I had.

126. It is in one of his letters, I think?—If I had left him to himself he was to have offered £17,500. I offered £17,100 after making inquiries.

127. Is it usual for a Minister to make purchases independently of the Government officers?—It is usual, if they think they are doing right.

128. Knowing the facts of the case, do you not think that, if it had gone into the Compensation Court, the property could have been bought more cheaply?—I do not know what facts are before the Committee, and have only read some written evidence and some letters which were put in yesterday.

129. Why were no Reviewers appointed? You recommended Mr. Aitken and Mr. Moss to be Reviewers?—Because at the time I thought it would go into the Compensation Court. Mr. Stark accepted my offer; so that it was not necessary. If it had gone into the Compensation Court, with our experience in Auckland I believe we should have had to pay as much, if not a great deal more, in spite of all that has been said about it.

130. *Mr. Cowan.*] During your communications with Mr. Brewer, did the circumstance of the value of this property in 1882 as compared with the valuation in 1885 come under discussion?—No, not at all.

131. Are you aware of the discrepancy in the value?—I see in one of the letters which the Chairman was good enough to show me this morning a statement to the effect that there was a tremendous rise in the value of the property; but it is not a larger rise than I have known in other instances.

132. It appears that forty-two acres, with improvements, was valued in 1882 at £3,500, and in 1885 twenty-eight acres of same property, with improvements, was valued at £15,600. Was this immense discrepancy not shown to you during your negotiations with Mr. Brewer?—No.

133. Was it pointed out by Mr. Sperrey?—I think not. I do not think Mr. Sperrey mentioned anything of the sort. All that took place between Mr. Sperrey and myself is in the correspondence before the Committee.

134. And, even with the knowledge of this immense rise, you still think that the purchase you made on behalf of the colony was a discreet one?—It is stated distinctly in these letters that there has been a conspiracy to defraud the Government. If I was the victim of a conspiracy, of course that might alter the question; but from all the information I got I have no reason to suppose that there was any conspiracy. I had the valuation given me by our own paid officer, as set forth in the correspondence, as well as the valuation of the adjoining properties; and I had a further statement from him that he was prepared to go into Court and swear that was the value of the property.

135. The Government, then, had confidence in Mr. Brewer?—He has always been looked upon by the department as a reliable officer, who has done good service in the district. He was promoted by myself from the Wanganui District about two years ago, I think.

136. *Hon. Mr. Ballance.*] It has been given in evidence that there was indecent haste in the negotiations: is that statement correct?—I should say that it most decidedly is not. It is a pure matter of opinion. I consider that there was no indecent haste in the matter. I was anxious, and all parties were anxious, to get the matter settled. If it had gone into Court the question would have remained open for a long while; and, as I was of opinion that if we had gone into Court we should have got very well punished there, I thought it better to settle the affair before I left Auckland than to leave it in the hands of a subordinate.

137. The subordinate was instructed to make inquiries while you were in the Waikato?—Yes.

138. How long were you there?—About ten days.

139. How long were you in Auckland altogether?—I was there about three weeks.

140. How long before the 19th January?—I think I was there from the 2nd until about the 25th January.

141. You say that you consulted several responsible persons in Auckland?—Yes.