

missioner of Crown Lands at Christchurch, were in error, when they advised Mr. Rhodes to that effect. If they had searched the correspondence of their office they would have found that instructions had been issued from the Head Office to the contrary.

13. Contrary to what?—Contrary to the decision which they gave to Mr. Rhodes.

14. *Mr. G. Hutchison.*] Who gave these instructions?—The Under Secretary.

15. *Mr. Wright.*] Were these instructions generally to all the Commissioners?—I am not sure.

16. *The Chairman.*] Are you referring to written instructions?—Yes, I have the letters here. I have a copy of the instructions.

16A. *Mr. Wright.*] What is the date?—The 17th June, 1890. This scrip was exercised on the 25th March, 1891.

17. *Sir R. Stout.*] There is a limitation in the Under Secretary's letter of the 17th June, 1890?—Had that instruction been looked up the Commissioner would have given a decision totally the reverse of the one he gave, and the Receiver would not have received the scrip. I interviewed the Receiver as to this, and I picked this out from the correspondence. When it appeared to me there had been an error made, I asked the Receiver what explanation he had to offer. I was then referred to and shown a great deal of previous correspondence in the year 1889. Both the Receiver and the Commissioner assured me that when they made that decision they had overlooked the letter of the 17th June, 1890; that they had in their mind at the time the previous correspondence, which was of a totally different nature, and was practically to the effect that Mr. Whyte's scrip was to be used in any way Mr. Whyte liked, although it was illegal, and full of irregularities.

18. What was this previous correspondence of which you speak?—I have the letters and telegrams here—from December, 1889, to January, 1890. It is this previous correspondence on which they said they were relying, and on which they based their judgment when they gave that decision to Mr. Rhodes. There is a telegram from Mr. Whyte to Mr. Baker on the 31st December, 1889—

*Sir Robert Stout:* We want the instructions from the central office to the Receiver and Commissioner, on which you say they relied.

*The Hon. the Premier:* It was on this previous correspondence that the Receiver said he acted. That was the explanation to Mr. Smith. The whole tone of it shows that at the time the Receiver and the Commissioner were acting on this previous correspondence, which they had received from Elliott and Whyte, giving Elliott's opinion. The whole tone shows that the tendency was to let Whyte off as easily as possible, and to let his scrip be used. There is nothing in this about the £500 limit. This is the correspondence that was in their mind when they gave their decision.

19. *Mr. G. Hutchison.*] Is there anything in the previous correspondence with reference to the limitation of the amount that might be exercised?—I think there is; it was after the decision of the Court of Appeal, and they had the judgment of the Court before them in the case of Paterson and Fairlie v. Humphries at the time.

20. *Mr. Tanner.*] We have this letter of the 17th June, 1890, then this correspondence?—No; correspondence first and letter of the 17th June afterwards.

21. This does not refer to the £500 limit? Did he contend that it was not regular to receive more than £500 worth?—Yes; he could not receive £3,334 19s. worth of scrip, because he was limited by the case of Patterson and Fairlie v. Humphries to £500.

22. Is there anything that bears on the knowledge on the minds of the Commissioners?—Yes.

22A. *Sir R. Stout.*] Where is there a letter from the Receiver at Christchurch saying that he is bound by the £500 limit, in which reference is made to a previous memorandum [Memorandum read. See Appendices D and I]?—To understand that you must read the memoranda of the 2nd December, to which he refers, from Mr. Elliott to the Receiver of Land Revenue at Christchurch, adverting to previous correspondence. The first relates to the scrip for Ellesmere lands, and there is another of the same date, which is contradicted by the one of the 17th June, 1890.

23. Then see if there is anything in them referring to the amount?—Numberless objections were taken by the Receiver to this scrip, and on various points.

24. I ask you if there is any correspondence dealing with this £500 limit?—Yes.

*Mr. Wright:* We have nothing yet which defines the instructions which were given on that point.

*Hon. the Premier:* There are two letters there?

*Mr. Wright:* He got his instructions that there would be no limit.

25. *Mr. Wright.*] Is there nothing between them?—Yes; there is a telegram here of the 19th December, 1889.

26. *Mr. Tanner.*] Who from?—From Mr. Elliott to the Receiver of Land Revenue, Christchurch. Then there is a memorandum of the 13th December, 1889, from Mr. Elliott to the Commissioner of Crown Lands, enclosing the judgment of the Court of Appeal.

27. *Mr. G. Hutchison.*] Does he say anything?—No, he just encloses it.

27A. Is there any other correspondence at all. I should say so, but these memoranda were only taken down for my own convenience: I have not the official papers on the subject. These confirm my statement that the Commissioner and the Receiver were acting on official instructions from Wellington.

*Mr. G. Hutchison:* This bears on the exercise of the scrip which arose out of Murray's application.

28. *Mr. Guinness.*] Had it any previous reference to Mr. Rhodes?—No.

*An Hon. Member.*] The Government had made up their mind to waive the provincial distinction. When they decided to do so, this case of Rhodes's turned up, and the Receivers acting on that waived that also.

29. *Hon. the Premier.*] You said there was a letter from Mr. Whyte to the Receiver?—Yes.

*Sir Robert Stout:* Better state them chronologically.