

Zealand. It would be between those dates—apparently about the 9th February, that I saw the Commissioner in Christchurch. I interviewed Mr. Baker, without any knowledge of any disputes about, or of any transactions in land-scrip at all in Canterbury. I was perfectly unaware of any correspondence with the Government about previous transactions. I saw Mr. Baker personally, and asked him whether there was any objection to using this scrip. I understood him to say that he would telegraph to Wellington or Auckland. He kept the scrip for a day or two, and when I came back to him he told me it was correct—that it was all right. I think, speaking from memory, that he sent the scrip up to Auckland to get it certified by the Commissioner in Auckland. However, he led me to believe that the scrip was perfectly good, and he raised no objection on the score of amount, or on any other ground. He never told me of any previous questions in regard to any other scrip. Unfortunately, I never looked up the Acts, or had the scrip in my possession, except to take to Mr. Baker; I thought it sufficient to apply to the department to see if the scrip was correct. Having done these things, I paid the draft and completed the sale. The date of the title I believe was some time in March. Mr. Baker knew for whom the scrip was going to be used. I was paying more moneys on other accounts; and if I wanted to conceal anything I could have exercised one scrip for Mrs. Jessy Rhodes and one for another purchase, and handed in a cheque for the balance of each purchase. I was paying £4,000, the whole of which I had to find myself. That is the end of the transaction so far as I am aware, until fourteen months afterwards, when I received certain correspondence from the department asking for a refund of the money.

45. *Mr. Guinness.*] You would have settled the whole matter if you had sent a cheque?—On the 16th May I got this correspondence from the Receiver of Land Revenue and the Government asking me to call. That was the first intimation I had that any objection had been taken to the scrip at all. I then interviewed Mr. O'Hara Smith and told him that we wished to have the utmost publicity given to the transaction. I told him that my office was entirely at his disposal, and instructions were given to show him all the correspondence, the books, and anything else he wished to see. Mr. Smith showed me some of the correspondence at that time. I understood from him that I was to be allowed to see the Government correspondence on the subject, for I greatly desired to get at the bottom of the whole transaction. When, however, I went to the department to get copies of the Government correspondence, the department refused to let me see it, although they had seen all through my own. Not knowing what the history of the whole transaction was, so far as the Government was concerned, I delayed making any answer till I came to Wellington; and then I wrote to the Auditor-General the letter that appears in *Hansard* (No 8, dated 19th July, 1892, page 549). The date of the letter is 25th June, 1892. I would like to have that letter published:—

“Wellington, 25th June, 1892.

“Re *Land-orders Nos. 29 and 30.*

“SIR,—The land-orders were used by Mrs. Jessy Rhodes as payment for land in South Canterbury, and were accepted by the Crown Lands Department as good. Mr. Williams, Receiver of Land Revenue at Christchurch, now writes that you declined to admit that they are a legal tender, and that you have surcharged him with the sum of £498 14s.

“Mr. Williams has applied to me to collect this sum from Mrs. Jessy Rhodes, and, although I know of no legal or moral obligation under which it is incumbent upon Mrs. Jessy Rhodes to pay this sum, I will for your guidance state the circumstances under which these land-orders were used.

“They were bought only on condition that they would be accepted by the Lands Department, and payment was refused for them on Mrs. Rhodes's behalf until they had been handed over to Mr. Baker, the Commissioner of Crown Lands at Christchurch, and he had given his assurance that they were good, and could be legally used by Mrs. Jessy Rhodes. After this the land-orders were paid for, and handed in, together with other cheques, to Mr. Williams, who accepted them and gave a receipt for them on the ordinary provisional title. I may state that if the head of the Crown Lands Department in Christchurch had not said that these land-orders were good they would never have been bought for Mrs. Jessy Rhodes; and, if Mr. Williams had not also accepted them, the money paid for them could still have been recovered. The land-orders were used on Mrs. Jessy Rhodes's behalf in perfect good faith; and, as they were Auckland orders, they were actually given to the officials at Christchurch to certify to their correctness before they were paid for or tendered to Government as payment, just as a bank cheque is often handed over to be marked ‘Correct.’ The land-orders and balance of money were handed to Mr. Williams on the 14th of February, 1891; the cheques were cashed by Mr. Williams on the 16th February, 1891; and it was not till May, 1892, that Mrs. Jessy Rhodes, or her solicitor, had any intimation that the Government took any objection to their being used. I may also state that, if any objection had been raised by either your department or the Crown Lands Department within a reasonable time, Mrs. Jessy Rhodes could even then have used them in Auckland, but of course the time for that has now expired.

“I wish this case to be thoroughly investigated, in the full confidence that the view I take of Mrs. Rhodes's position in the matter is the correct one, and I do not intend to take any action admitting any claim against her pending such investigation, which I presume will be conducted by your department.

“I shall be glad to know if the documents in your possession are in accordance with the facts as stated above, and to afford you any information in my possession which you may require.

“I have, &c.,

“ARTHUR E. G. RHODES.

“The Controller and Auditor-General, Wellington.”

*Witness:* That is the whole transaction, so far as we are concerned. We asked the department, before buying, whether the scrip was good. The department without raising any objection told us it was good, and allowed us to pay £978 14s., giving us a title in which they state that the