

61. *Sir J. Hall.*] We had better have Mr. Bell's opinion now?—It is rather long. [The concluding portions were read.]

62. *The Chairman.*] This is in connection with the Ellesmere transaction. There is a later transaction than that; can you give us any information about it?—There is Mr. Rhodes's case. In June, 1890, there is another minute by Mr. Elliott about scrip to the Commissioner of Crown Lands. It is dated the 17th June, 1890, and modifies the memorandum he sent on the 2nd December, 1889. It is in the case of Mr. Wason's scrip:—

“17th June, 1890.”

“In reply to your memorandum of the 10th May last, I am directed to inform you that the Government is advised that the decision of the Court of Appeal in the case *Paterson and Fairlie v. Humphries*, does affect the claim of Mr. Wason to a further grant of land under the Forest Trees Planting Acts and regulations. The case in question has practically decided that there is no limit of area or value under a land-order issued under ‘The Forest Trees Planting Encouragement Act, 1872,’ except as to value received beyond the provincial district in which the plantation was made, under the Amending Acts of 1888.

“After the decision of the Court of Appeal it is not proposed to raise any further technical objections to the settlement of Mr. Wason's claim. Will you accordingly have the plantation inspected again, and forward a recommendation for a land-order to issue for whatever area to whom may be found to be equitably entitled thereto.

“The Commissioner of Crown Lands, Christchurch.

“H. J. H. ELLIOTT.”

63. Were there any further instructions?—That memorandum was evidently written after the opinion was received from the Solicitor-General.

64. *Sir John Hall.*] Is that on the file?—Yes.

*The Chairman:* You might read that opinion. [Opinion read.]

65. *The Chairman.*] Is there anything else?—There is apparently nothing else until the Auditor discovered that this scrip had been exercised by Mr. Rhodes beyond the limit.

66. *Hon. R. Seddon.*] What is the date of that discovery?—The 13th May, 1892.

67. *The Chairman:* Was there any opinion from the Law Officers to guide the Ministry in 1889? We have only had the report of Mr. Bell. Was there any opinion from the Solicitor-General?—I do not see any opinion from the Solicitor-General.

68. *Sir John Hall.*] Did the officer at Christchurch, at the time the scrip was tendered, or in the early part of 1891, apply to Wellington for instructions or make any report?—There does not appear to be anything between 1890 and 1892.

69. What was the first you heard of it in 1892?—From the Audit Inspector.

70. Were there any instructions given by the present Ministers to the Christchurch officers?—No; I have the reply of the Receiver of Land Revenue when surcharged with this sum of £498. It dated 26th July, 1892.

71. What I am referring to would have been in 1891?—I do not see anything in 1891.

72. There were instructions sent on the 17th June, 1890?—I have read them. The following is the letter from the Receiver of Land Revenue:—

“*Memorandum from District Land Office, Christchurch.*

“26th July, 1892.”

“HAVING been surcharged by the Controller and Auditor-General with the sum of £498 14s., and having also been notified by him that proceedings are to be taken against me under the 88th section of “The Public Revenues Act, 1891,” to compel me to pay the said sum, I have the honour to submit for the Hon. the Minister of Lands and yourself the following statement of the case.

“In January, 1891, Mrs. Jessy Rhodes, through her agent, Mr. A. E. G. Rhodes, selected on cash system Section 36226, situate in the Nimrod Survey District, Waimate County, and comprising 1,990 acres, the total price being £2,238 15s. A deposit of one-fifth of purchase-money, viz., £447 15s., was paid in cash, and the balance in cash to the amount of £795 5s. 5d., and also by two land-orders, Nos. 29 and 30, issued in Auckland in favour of Charles Benjamin Knorpp, for £485 10s. 6d. and £513 respectively. Mr. C. O'Hara Smith can show you the land-orders which were received by me, in accordance with precedent and instructions contained in memoranda from the Under-Secretary for Lands, dated the 2nd December, 1889 (two) and the 18th June, 1890. The latter is in reply to Mr. Baker's memorandum of the 5th June. Copies of this correspondence enclosed herewith.

“The land-orders authorise persons named therein to purchase, to the amount stated in each, any of the land of the Crown in any part of the colony open for sale or selection. They have been duly transferred to Mr. A. E. G. Rhodes, and from him to Mrs. Jessy Rhodes, and were therefore accepted by me in good faith and brought to charge as revenue on the 25th March, 1891, and as such, I presume, accepted by the Treasury and Audit at that time. Now, after the lapse of sixteen months, I am threatened with a prosecution on the ground that the scrip was only exercisable to the extent of £500. I submit most respectfully that the Auditor-General's action is, under the circumstances, most unfortunate for me, inasmuch as the time for exercising the scrip (even if it could be revived) has expired. I contend, in fairness and equity, that I am not legally liable, and am certainly not in a position to pay the £498 14s., nor, on the other hand, to bear the expense of defending an action at law, with the possible result of being called upon to defray all the law costs.

“I have done my best to obtain from Mrs. Jessy Rhodes payment in cash for the £498 14s. scrip, but her solicitor has notified me that she absolutely declines to pay the amount.

“In the full assurance that the Hon. Mr. McKenzie will not permit an old and faithful servant of the Government to have further anxiety and distress of mind, and the possible ruin involved in such proceedings should I lose the case, I confidently appeal, under the provisions of section 32