

sale on a certain date, without any reference to any special Act. This is a point I wish you to note. There was no reference made to a special Act at all. There was simply an advertisement stating that Crown lands would be offered for sale at a certain date. Seeing this, I got all the land-orders I had, and all I could buy, and went down to Canterbury to see the land, with a view of buying some of it myself or finding someone who would use these land-orders. I saw the land, and met a gentleman named John Murray, who said he would exercise the land-orders I held. I then saw the Commissioner of Crown Lands, and told him what was intended. He then said that he could not accept land-orders for that land. I told him that he would have to accept them, because he had advertised this land as Crown land for sale for cash; that these land-orders on their face gave the bearer the right of remission of cash in the purchase of Crown lands, and that he had no option in the matter. He then said that, nevertheless, he would refuse to receive them at the sale, and there might be a disturbance. I then, on consideration, said that, rather than raise a disturbance, we would not use them on the day of the sale, but would pay the deposit then payable in cash, leaving the question of the acceptance of scrip for the balance to be settled in Wellington. I then came to Wellington and saw the Hon. Mr. Richardson, who still demurred to accept scrip, but said that he would see one or two of his colleagues about it. I may mention here that all through Mr. G. F. Richardson viewed all these land-orders with great disfavour, because they disarranged his finances and lessened his Land Fund. Before leaving Wellington I saw Sir Harry Atkinson, and told him the circumstances of the case. He then said: "Are there many more of these land-orders about?" I said I thought not—that there were only a few more to be issued. This turned out afterwards to be correct: there was only a few issued afterwards. He then said: "Oh, then, let us get rid of them"; and believe that his reasons for accepting them for the Ellesmere lands were as follows: First, that these lands having been advertised for sale as Crown lands of the colony, without any reference to a special Act, they could not be reasonably refused; secondly, that if they were refused, they would have to be accepted shortly in payment for other lands in some other part of the colony, and that the Land Fund of the colony would not therefore be affected at all. It was also held by some that there was nothing in the Ellesmere Lake Lands Act to bar the acceptance of scrip. I also heard at the time that the opinion of one of the law officers of the Crown coincided with my view, that scrip could not be refused, seeing that the land had been advertised as Crown land without any reference to any special Act. The only other point I wish to refer to at present is the irregularities or technical defects referred to yesterday in these various land-orders. It was said that the Receiver had been instructed to take Whyte's land-orders "anyhow," no matter what irregularities were connected with them; whereas the fact of the case is that they were instructed to accept these land-orders provided the irregularities were only technical, not affecting their validity, and such as could be put right within reasonable time. At that time I naturally got a little anxious lest these technical irregularities should suspend the exercising of these land-orders; because if there were any such irregularities they were the work of the Land Department itself. Neither the original owners of the land-orders nor myself, nor the person exercising them, were responsible for them. Therefore, what the Government did was this: They agreed to receive these land-orders because they could not reasonably refuse to receive them. They allowed these technical defects to be put right because, if there were any such, they were the fault of the officers of the Land Department, and did not in any way affect their validity. Therefore, to say that instructions were given to accept my land-orders "anyhow" is neither fair nor accurate. Referring specially to Mr. Rhodes's land-order, the history of that is simply this: Some time before that date I had bought land-orders of the value, in round figures, of £1,000, at 90 per cent. of their face-value, and I, seeing that the Rhodes family were purchasing land, wrote down to Mr. Rhodes telling him that if he chose to exercise that land-order I would allow him 2 per cent. for doing so off the face-value. He agreed to this. The land-orders were sent down through the bank, with a draft against them amounting to £20 less than their face value, on the understanding that he was to have time to take them to the Land Office to see that they were valid and good before paying the draft; if not, they were to be returned.

*The Chairman:* Did Mr. Rhodes lead you to suppose that it would be contrary to law?

*Hon. J. B. Whyte:* No. I may say this, in justice to the Receiver and Commissioner, in receiving these land-orders through Mr. Rhodes, I think that they had in their minds that the £500 provincial limit had been waived in the Ellesmere cases.

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FRIDAY, 4TH AUGUST, 1893.

Mr. C. O'HARA SMITH, Auditor of Land Revenue, further examined.

*Mr. Smith:* In accordance with the wish of the Committee, I have prepared this statement showing the particulars of the scrip used by Mr. J. G. Murray in the purchase of the Ellesmere lands. [Analysis handed in as Exhibit "V."] If the interpretation of the Act is that the whole of the scrip is to be taken together, the amount used in excess of the legal limit would be £2,634 19s.—that is, £3,334 19s., less £500 limit and the £200 worth of scrip used, issued under the Naval and Military Settlers' and Volunteers' Land Act: making a total of £700. That £700, deducted from the £3,334 19s. would leave an excess of £2,634 19s. over the legal limit. If the interpretation of the Act is that each piece of scrip is to stand on its own merits, the total amount used in excess would be £541 9s. The interpretation of the Audit Office is that each piece of scrip has to stand on its own merits. Consequently, in accordance with the Auditor's interpretation, the total excess is £541 9s.