

15. The Solicitor-General says: "The case in the Court of Appeal above (Wason's case) alluded to has practically decided that there is no limit of area or value under a land-order issued under the Forest Trees Planting Encouragement Act of 1872, except as to value when exercised beyond the provincial district in which plantation was made, under the amending Act of 1888." Does that agree with your opinion?—The Solicitor-General and I agree on that point.

16. *Hon. Mr. Seddon.*] Was not the witness aware that the scrip was indorsed?—It was not indorsed. The ones shown me are not indorsed.

*Mr. Wright:* We are now considering Rhodes's scrip, and not Paterson's case.

*The Chairman:* We are considering the whole of the Canterbury scrip.

[*Hon. Mr. Seddon* here produced Rhodes's scrip.]

*Witness:* If it is indorsed it is limited. I asked to see the Canterbury scrip, and what I saw was not indorsed. It was exercised to the full value.

17. *Hon. Mr. Seddon.*] You say an order indorsed is not legal if exercised beyond the limit?—What was indorsed was limited to the £500 outside the land district in which it was issued. What was not indorsed was exercisable to its full value in any other district.

18. *Mr. Tanner.*] Is it the practice, in advertising land for sale in the *Gazette*, to specify the Act under which it is proposed to part with the land?—No.

19. Is it occasionally done?—It may be, but I could not say. But, speaking generally, if done in any case it would certainly be an exception.

20. If the Land Office advertised in the *Gazette* a sale of land without specifying the Act under which it was proposed to part with the land, would that lead to the conclusion that no restriction or stipulation applied to the sale of that particular land?—Yes, it is a reasonable conclusion. The rule is this: If there is any particular restriction, the regulation under which the land is to be dealt with is generally published, setting forth that the land is to be sold "subject to the following conditions," setting out the restriction, so that the public can be under no misapprehension concerning it. That is the rule always followed, but I have never seen the Act quoted.

21. Would land scrip under these circumstances be a legal tender, subject of course to the £500 limit?—The land scrip, of course, is a legal tender for land sold by auction. It is a tender which the colony cannot with honour refuse.

22. Of course you are aware that the Ellesmere lands were sold by auction?—Yes.

23. What is your meaning of the term "cash"?—The ordinary acceptance of the term.

24. What is the ordinary acceptance?—Well, coin or bank notes, some legal tender that represents coin.

25. Is there not a distinction generally in mercantile or financial transactions between cash and paper?—No. I would as soon take bank-notes as gold at any time; in fact sooner. I do not see that that bears on the matter so long as there is value given for the land sold.

26. Paper is paper, and metal is metal?—Well, generally speaking, if you put it in that way, generally speaking, in sales for cash, the payments are not made in metal; they are generally made in bank-notes or crossed cheques.

27. You think "cash" would include metal, bank-notes, or crossed cheques?—It would include anything that represented the full value for the money.

28. *Hon. Mr. Seddon.*] Would not a person purchasing scrip, knowing that that would be taken as cash for the Ellesmere lands, have an advantage over any intending purchaser who had to pay cash?—I do not see that he would; it depends upon the price he bought the scrip for.

29. If he obtained the scrip at a less value than that at which it was issued by the Land Department he would have an advantage over the rest of the intending purchasers to the extent of the difference in price—the price at which he would buy the scrip below par and the price which those who bought for cash would have to pay him for it, this difference would pay him to go to the trouble of working off the scrip and leave a margin?—It would be a matter of ordinary business.

30. Any person told beforehand that scrip would be taken would be in a better position than outside purchasers from that fact? You do not notify the world that you would take Ellesmere land scrip so as to give everybody an equal chance of purchase?—No one was notified that scrip would be taken.

31. If Mr. Whyte has said this, would it be true: "Saw advertisement *re* Ellesmere lands, and thought they were Crown lands. Bought up a lot of scrip in anticipation of sale. Saw Baker, Commissioner, in Christchurch, who said scrip could not be used in buying Ellesmere lands. Told him he must do so; he had no power to object." Did you tell Mr. Whyte that scrip could be exercised in the purchase of the Ellesmere land?—I cannot recollect now. I know this, that I opposed the exercise of scrip for the Ellesmere land until I found that the Government could not refuse to take it. There was no notification to Mr. Whyte or anybody else that scrip would be taken for the sold Ellesmere lands to the best of my belief.

32. But a person having that scrip, and having got your consent to exercise it, would have an advantage over any other person to the extent of the difference between the scrip and the cash value?—No person had my consent. It was only when I found that I was taking up an untenable position, in refusing scrip for the sold land, that the scrip was accepted.

33. *Mr. Wright.*] After the sale?—It was not before the sale. I am speaking from memory, but I think I am right.

34. *Hon. Mr. Seddon.*] You sold for cash, and afterwards agreed to take this scrip?—We found we had to take it; and to rectify the position the Government proposed to transfer the amount represented by the scrip to proper account.

35. How do you reconcile that with the opinion of the Law Officer and the Audit Department that it was not receivable for Ellesmere lands?—I think I have seen opinions that do not coincide with these you mention.

36. If the scrip were exercisable, there would be no necessity for legislation. You have seen Bills introduced to legalise the exercise of this scrip?—I think not.