

37. Have you not seen a Bill brought into the House legalising the exercise of this scrip, and the transfer of the cash for the land which the scrip represented?—What Bill?

38. The Lake Ellesmere Land Bill?—Oh, yes; but it was quite unnecessary to bring in a Bill to legalise the matter, because it was legal before.

39. That is your opinion?—The Bill is simply to give effect to the intention of the Government to put the matter right by transfer.

40. *Hon. Mr. Seddon.*] It is to remedy a breach of the law as regards making the sale of the lands for cash. The land ought to be sold for cash under the original Act. It was not sold for cash; it was sold for credit?—It was sold for cash, and scrip was taken in part payment.

41. You do not call scrip cash, do you?—It was cash for the purpose of the land sales.

42. And it was only taken for the sale?—I think so.

43. Are you aware that the Commissioner of Lands, Mr. Baker, had refused to take this scrip?—I cannot recollect now. I know that I objected to its being taken at first, and I am pretty well sure that nobody had the slightest intimation, or had reason to believe, that scrip would be taken at the time the sale took place, as far as I can recollect.

44. You are satisfied upon that point? You are clearly of the opinion that no one who was allowed subsequently to use the scrip had an undue advantage?—No: he only had his right, no advantage. I was endeavouring to prevent this right being exercised in this case, but I found I could not prevent it.

45. I wish you to be clear on this point. After the scrip was indorsed it could only be used to the extent of £500, and would be a legal tender for the Ellesmere lands or any other lands?—I do not think that I ever gave any authority for the exercise of scrip indorsed under section 3 of the Act of 1888 to any extent beyond that limit. I do not think there was anything specific on that point. I do not know that indorsed scrip had been used beyond the £500 limit.

46. It could only be used to the extent of £500?—It could only be so exercised if indorsed. I did not know then of any of the scrip being indorsed. It appears to me that the indorsement limits the scrip.

47. Then, if indorsed, and exercised above the limit of £500, would you not consider that a cash transaction?—I do not think it should be exercised over £500. These are matters upon which a lawyer would be qualified to give an opinion.

48. You only gave scrip subject to the limit, and that scrip was indorsed?—I do not think the point was ever brought under notice; I do not recollect.

49. *Mr. Saunders.*] An important point seems to be whether or not Mr. Whyte was told that he could exercise scrip at this sale?—I distinctly told Mr. Whyte that scrip would not be taken, when he was going down south—that if I could prevent its being taken I would.

50. *Mr. Tanner.*] You gave permission for scrip to be exercised for the sale?—I think it was after the sale that scrip was allowed to be exercised. It was not until after the sale that the position was fully ascertained.

*Mr. Saunders:* That is a very important point.

51. *Hon. Mr. Seddon.*] Mr. Whyte, in his evidence, says that he bought the scrip in anticipation of the sale? I do not know what he was doing. I had simply to deal with the question whether scrip would be taken, and I said, “No.” Afterwards I found I had made a mistake in saying so—that we could not refuse scrip; but that was only after the sale.

52. You think that Mr. Whyte saw you before he went down South, and told you he was going to exercise scrip?—Whether it was direct to Mr. Whyte or not I am not sure. I know that application was made to me as to whether or not scrip would be taken at the Ellesmere sale, and I certainly said “No.” I remember being very strong on the point.

53. You said you told Mr. Whyte before going down?—I am not positive on that point. It is a long time ago, but I think it was so.

54. According to Mr. Whyte's evidence, he says, “Agreed to pay deposit in cash, and balance by and by, and in meantime would go to Wellington and get permission to use scrip?”

*Hon. Mr. Whyte:* That is not right.

*Hon. Mr. Seddon:* It is what I have taken down as your evidence.

*Mr. Wright:* That statement would be after the sale.

*Witness:* Nobody knew before the sale that scrip would be taken. That is the important point in the case. I am now speaking of the Ellesmere sale.

55. *Sir R. Stout.*] There is one point which I wish cleared up. After the decision of the Court of Appeal in the matter, the department seems to have been set aside. After the decision, telegrams and letters were sent by the Under-Secretaries to Christchurch. Were you aware of that, Mr. Richardson?—No, I did not know of it.

56. You said a little while ago that you understood that scrip was exercised under the Act of 1872?—No, that the right to the scrip accrued under the Act of 1872.

57. Were you aware that under the Act no order from the Auckland Province could have been exercised in Canterbury?—I explained that.

*Hon. Mr. Seddon:* Your explanation was that you could have exercised up to the full value if the scrip was indorsed.

*Witness:* If you will excuse me, I do not think you quote the decision of the Court of Appeal correctly.

58. *Sir R. Stout.*] I have read it correctly. There is no doubt about it?—In 1872 the matter was provincial, in 1890 it was General Government.

59. Before that you would have to get the indorsement of the Minister before the 30th of June, and you had to exercise the scrip before the 31st December. Were you aware of the £500 limit after you got the indorsement?—Yes.

60. If you did not get the indorsement you could only exercise the scrip in the province where the land was situate; there is not the slightest doubt about that?—I say there is great doubt about