

it. The Court of Appeal, to my mind, gives a very different decision. If not indorsed the scrip was exercisable to its full value.

61. I do not want your law; what I want to know is this: Did you instruct your officer to act on the decision as if they could exercise the scrip, if not indorsed, where they pleased?—Yes, I think so. I do not say that I gave definite instructions to that effect. The conclusion we came to was that the Forest Tree scrip must be put an end to.

62. *Mr. Wright.*] The conclusion the Ministry came to?—We wanted to bring the whole thing to an end. There were three provinces alluded to in the Acts, and this decision deals with them all. Now that the Land Fund was General Government fund, and that the provinces were at an end, the scrip was allowed to be exercised to the face-value.

63. *Sir R. Stout.*] Then, what you agreed to was this: After the decision of the Court of Appeal in the case of Paterson and Fairlie, the Ministry came to the conclusion to allow the scrip to be exercised for its face-value all over the colony, though it had not been indorsed?—It could not be exercised if it was issued under the Act of 1888. It could only be exercised to the extent of £500; or, if indorsed, it could only be so exercised.

64. Do I understand you to say that scrip was issued without saying on the face of it under what Act it was issued?—Yes; that is, the scrip never bears less than two Acts, sometimes three Acts.

65. Allow me to say that I think that very curious. The conclusion you came to was that scrip could be exercised anywhere in the colony, and that it was not limited to any provincial district?—I think that was the conclusion.

66. Are you aware that all the scrip bears on the face of it the Act of 1888?—I am aware that some of the scrip bears the Act of 1888. I am also aware that they bear the Acts of 1871, 1872, and 1888.

67. And, therefore, the scrip was issued under the Act of 1888?—No.

68. How do you interpret the scrip to have been issued?—It had been issued, no doubt, at the date thereon; but the right accrued over a series of years.

69. What do you mean by that?—I do not want to talk law in the presence of lawyers. We have no power in equity or in fair dealing to refuse to honour land scrip issued by the colony.

70. I only want to know under what Act the Government came to their resolution regarding the exercise of the scrip—whether what they resolved upon was right or wrong?—In fair dealing the Government had no right to limit the rights of any one properly acquired under the law of the land.

71. That is quite true?—We acted on that.

72. Do you mean to say that, if a man acquired scrip in Auckland, he was right to exercise it out of Auckland, though he had not come under the Act of 1888?—I am not quite sure whether that was done or not.

73. You have said that the Ministry came to the conclusion that a land-order might be exercised outside the provincial district in which it was issued, though the holder had not come under the Act of 1888?—If he came under the Act of 1888 he could exercise it anywhere over the colony.

74. And if he did not come under the Act of 1888, what then?—I think we agreed to accept scrip wherever it was offered, so long as it was proper scrip.

75. That means that you deliberately set aside the decision of the Court of Appeal. Did you take the opinion of the Law Officers of the Crown before you came to that conclusion?—That is a question I decline to answer, simply because it is not a proper question.

76. I will put it in another way. Were you advised that the course you were taking was legal?—I could not answer that definitely. We were certainly not advised that there was anything wrong in it. We were advised on certain matters which led to the action which was taken.

77. *Mr. Tanner.*] May I ask was it a collective decision?—That is also a question which I will not answer.

78. What I want to know is: Was it your own decision, or who finally decided the question?—I finally decided it, because I was Minister of State Forests.

79. You took the responsibility?—I took the responsibility in the matter also.

APPENDICES.

"A."

(Memorandum No. 874/2.)

Crown Lands Office, Wellington, 2nd December, 1889.

ADVERTING to previous correspondence relative to accepting scrip in payment for Lake Ellesmere lands, I am instructed by the Hon. the Minister of Lands to state that, having regard to all the circumstances, and the desirability of ending the matter of the Forest Trees Planting scrip, no objection will be made to its being received as payment for Ellesmere lands, the amount being debited (? credited, *sic*) to the Public Works Fund.

H. J. H. ELIOTT, Under-Secretary.

The Receiver of Land Revenue, Christchurch.

"B."

(Memorandum No. 878/2.)

General Crown Lands Office, Wellington, 2nd December, 1889.

I OMITTED to mention in my memorandum this morning, as to exercise of Forest Trees Planting scrip in acquiring Ellesmere lands, that, by the recent decision of the Court of Appeal, the scrip is exercisable for the full amount stated therein. Further . . . (omitted).

H. J. H. ELIOTT, Under-Secretary.

The Receiver of Land Revenue, Christchurch.