

*The Chairman* (continuing the extract): "a relation of the member for Awarua—and that Mr. Batger was a gentleman who offered to purchase debts due by the member for Awarua to the Colonial Bank. A short time after this offer the estate was purchased by the Land Purchase Board. Now, I left it at that; and I clearly said, also, that while it was quite probable that no evidence could be found to establish the connecting link between the two things, that probably the near future would see the revelation. There is the whole statement so far as Mr. Ward is concerned. There was no direct charge. I admit it was an insinuation I put forward. The statement beside may have what meaning they like out of it." Mr. Kelly further said, "We all know perfectly well that in communicating, if we want anything done and we do not want the letter to become an ordinary part of the correspondence, this correspondence is marked 'Private and confidential.' I do not say that any communication was sent to the Land Board at all. But so far as Mr. Ward is concerned, my statement is—and is now—that this property was an absolutely useless one to purchase for the purpose of subdivision or closer settlement. That was my principal charge against the Land Purchase Department. It was made against Mr. McKerrow, but I made no single insinuation."

*Hon. Mr. J. McKenzie*: I would ask for Mr. Kelly's speech in Invercargill.

*The Chairman* (reading the extract from the *Southland Times*): "If Mr. McKerrow did of his own free will recommend the purchase for subdivision at £1 5s. an acre, it was the best possible argument for saying that the time had arrived when he should be relieved of his duties; as this act can itself prove that he was not possessed of the intimate knowledge of land for settlement which was absolutely necessary for one in his position as Chairman of the Land Purchase Board."

*Hon. Mr. Rolleston*: Was there any reference in that speech to Mr. Ward?

*Mr. Kelly*: Yes.

*The Chairman*: I believe it is the desire of the Committee to avoid the trouble and expense of bringing all these witnesses up to go into a case in which there is nothing.

*Mr. Ward*: I would again urge upon the Committee the fairness of my request asking to be allowed to call these witnesses. If this matter is not to be cleared in this particular way, then the only course is for me to petition the House in order to bring these witnesses before another Committee. I am not asking it as a favour but as a right that I should be allowed to call these witnesses, whom I have named, to clear up the statement made against me. This was the principal reason for the House, in the first instance, ordering this Committee to be set up. In view of the main person in this matter withdrawing all the insinuations against the others charged, and not seeing his way clear, as one man should to another, to withdraw the statement against myself, the only course for me is, independently of this Committee, to call the whole of these witnesses, and in a fair manner show that these assertions are unworthy, and so put the man who made them in his proper place. If Mr. Kelly does not withdraw his imputations, then I ask that these witnesses should be produced, and that was the primary object this Committee was set up for. It must be within the knowledge of this Committee that it has been circulated broadcast throughout the colony that this estate has been purchased owing to corrupt practices by the Government, and I have been publicly in the Press charged with this, and I trust, therefore, that this Committee will not allow the matter to rest where it now is, but that it will allow me to produce these witnesses, and, in accordance with the order of the House, have this matter thoroughly cleared up. Supposing the evidence of Mr. McKerrow had given the slightest colour to Mr. Kelly's charges, he would have been allowed to call the whole of his witnesses to prove them. Because the chief evidence fails him, surely the Committee will recognise the justice to me of also having the right to have the witnesses put on their oaths.

*Hon. Mr. J. McKenzie*: Have you anything to say to this, Mr. McKerrow?

*Mr. McKerrow*: No.

*Hon. Mr. J. McKenzie* (to Mr. McKerrow): Mr. Kelly says that the land is practically valueless for settlement purposes. Do you agree with that?—No; I do not. That is his opinion.

TUESDAY, 23RD AUGUST, 1898.

Mr. JOHN BATGER, sworn and examined.

*Witness*: The position was this: For some years William Menzies and myself were owners of the Otahu Estate. It was arranged when we bought it that Mr. Menzies would take charge of it; but in the end of 1897 he wanted to go to the North Island, and not being able to look after the Otahu property myself, Menzies and I decided to sell it, and then saw Messrs. McNab and Watson, who entirely negotiated the sale. They were always our solicitors. After discussing it with Mr. J. L. Watson, he told me he was then negotiating with the Land Purchase Commissioners *re* the purchase of other properties, and that perhaps there would be a chance of the Commissioners purchasing Otahu, and I left it in his hands. No overtures were made to Mr. Ward or anybody. Eventually we were informed of the purchase through Messrs. McNab and Watson, who carried through all negotiations, with the exception of my personal interview with Messrs. McKerrow and Barron when they were down South. Of course, I discussed it with my partner, Mr. Menzies. I can only say Mr. Ward had nothing whatever to do with the negotiations or the sale.

1. *Hon. Mr. Rolleston*.] But what about Mr. Ward in this connection: are you his brother-in-law?—I am not his brother-in-law; but his brother-in-law happens to be my partner in another business.

2. But did Mr. Kelly ever say that here?—I read it, and I spoke to Mr. Kelly about the matter. He said he was satisfied that Mr. Ward had used his influence on our behalf. I told him it was absolutely untrue. I wish to say there is no doubt in the world Mr. Kelly was influenced in his opinion by people politically opposed to Mr. Ward. Mr. Kelly has never been on the property,