

allow the matter to be settled by offer. I had ascertained from Mr. Ballan that his price to the Government had been £4 per acre. This I considered excessive, but as three miles of water was being taken by the Government, also a large portion of the best of the valley, I considered £2 10s. per acre fair and reasonable. On my return to Christchurch I saw Mr. Ballan and explained to him that as I was actively engaged in politics it would be best that the negotiations should be carried through in his name, he being the registered owner. This was agreed to. An offer of £2 10s. per acre was made, and it was also provided in the offer that the road-line should be fenced. The Government accepted the offer, and in due course the transaction was completed. I may say that had the matter not been put through in the manner it was I should have claimed the £4 per acre Mr. Ballan asked if the property had been taken under the Public Works Act. My reason for lowering the price was that I wished at that time the matter to go through speedily, for this reason: the Pohokura Block was being cut up. It adjoins Runanga, and this land was bought to give access to it. I could see at a glance that if the Waipunga Valley was attached to Pohokura that property could be cut up into much smaller holdings, for the valley would provide land for homesteads, paddocks, &c., instead of the settlers being perched on the side of a steep range of hills. On the map, if I remember rightly, two roads were shown going up to the hills, and this meant a minimum of settlement, whereas with the valley thrown into the block, four times at least the number of settlers proposed can be located on the block. To me, as an adjoining owner, this meant the bringing into the district of a larger number of settlers, which was bound to assist the settlement of my own country. In lowering the price I was acting in my own interests and looking to the future, as well as aiding the settlement of the Crown land adjoining. I considered it was quite proper to continue the negotiations in the name of the original owner. This is done every day in business where agreements for sale or lease are made, transactions already in training being executed in the ordinary course. I should certainly not have thought of initiating negotiations under the same circumstances, but in this case the whole matter had been completed up to the point of fixing a price that was agreeable to the Crown. I did that, both in the Crown's interests and my own, and I accept the full responsibility of my action. In no way did I interfere with the matter, or seek to use my political position to effect the completion of the negotiations Mr. Ballan had entered into. As already stated by me in the House, I neither wrote nor spoke to any Minister of the Crown or member of Parliament in connection with the matter. So far as I am concerned, my actions have been such that under the same circumstances I should have no hesitation in again acting as I did in connection with this matter. The title to the property was not vested in me until December, 1911, and until that was completed the only person who could legally negotiate or sell to the Crown was Mr. Ballan, the registered owner of the land. Hence the arrangement that was come to that the offer should be made in his name. I also wish to put on record a letter written to the *Lyttelton Times* in regard to this matter by Mr. James McCombs, a gentleman who opposed me at the last election to this House. He is a strong opponent and a man who has no love for me, so what I am going to read may be taken for what it is worth. I think the date of the paper is the 2nd September, 1912, and the letter states:—

“MR. RUSSELL AND RUNANGA.

“*To the Editor.*

“SIR,—There may be some surprise at my appearance as an apologist for Mr. G. W. Russell, but I suppose I am probably the only disinterested person who is acquainted with some of the facts concerning the Runanga Estate at first hand. Perhaps if those facts were appreciated Mr. Russell's critics would see the wisdom of tackling him on some other subject. On the question of general policy involved in land-deals between members of Parliament and the Government, I must say that such deals appear to me to be unwise, but in this case the negotiations had been commenced and the acquisition of the land by the Government was looked upon as a certainty long before Mr. Russell appeared on the scene as a possible purchaser. I visited Runanga on behalf of a syndicate in the middle of April, 1911, and spent a good many days in the saddle examining the property. At that time the Government surveyors had made a trial survey of a road up what I knew as Hillyer's Valley, and the pegs were in for some miles. I called at the surveyors' camp and had a meal with them. It was common knowledge that the Government intended to form this road, because it was undoubtedly the best means of opening up the Pohokura Block, which block also would unquestionably be improved by the addition of some comparatively flat land on the frontage. The whole of the estate of 34,000 acres (Runanga No. 1A) was valued at 5s. an acre, and doubtless it looks curious that the Government should pay 50s. an acre for land valued at 5s. an acre. But the portion acquired by the State was beyond any question part of the pick of the land. I knew that before I went over it. An offer of 25s. an acre had been made for the whole of the Hillyer's Valley, and had been refused. The same land in Canterbury would be snapped up at £5 an acre, and there is no doubt in my own mind that in the special circumstances the land was well worth 50s. an acre to the Government. Mr. Russell made a fair sale—I would not say a brilliant one—but the Government certainly made a good bargain. The deal was waiting for any man who cared to buy the property, and a purchaser at that time could reasonably calculate upon making the sale. The suggestion that the transaction was hurried along because Mr. Russell was a member of Parliament seems to me to be specially unfair. The Government could not act until it had the report of the departmental officers, and the surveyors' work was not complete when I was on the scene. Soon after I returned to Canterbury the surveyors, who had been investigating other possible means of access to the Government block—which consists of steep country—had to advise the Department to resume negotiations with the owners of Runanga, a decision which everybody acquainted with