

ROBERT PHARAZYN was sworn, and deposed :

I know nothing directly of any of these transactions referred to, except the one relating to Mr. Smith. But with the permission of the Court, I will read extracts from a diary, which I am in the habit of keeping. The first time the matter came to my knowledge was on the 10th of June: "Ballance told me a queer story about Worgan. He has seen a document drawn up by Perham, whereby Worgan agrees to go shares in land speculations with a man here, he (Mr. Worgan) selling land acquired from Natives to him (the man). He got £800 from this man to buy land with, and as he could give no title had to secure him by indorsing over to him two life policies before going to Wellington. Ballance is quite sure of his facts, but has no occasion to use them at present." I heard nothing more about this till the 29th June. "During the morning Booth called to speak to me about a matter he has heard affecting Worgan. It is the same thing as to which Ballance told me. Freeman Jackson is acting for Smith, the man who paid Worgan the £800 on account of a land speculation in which Worgan was to share the profits. Booth asked my advice in the matter, which was that we should see Worgan at once, and have it out in justice to him as well as the Government. We did so, and he admitted the fact, but said he had withdrawn from the affair, and was sorry he went into it. Ballance, he says, is to arbitrate. I said I was glad he had done so, as the Government could not approve of the proceeding, and it would be made use of against him." I spoke very strongly on the subject, and he said that though it might be wrong in ordinary cases for an officer of the Government to deal in lands under such circumstances, in his particular case Mr. McLean had authorized him to do so, the object of Government not being so much to acquire the land for sale as to take it out of the hands of the Natives. Mr. Worgan appeared to be candid and straightforward in what he said, and did not seem to me to wish to conceal any part of the transaction, and said he would show us the document. On the 3rd of July, "Low called about Percy's land, and talked a good deal about Worgan's land purchasing, giving an exaggerated account of it, but it is clear that the thing is known and regarded as disgraceful. Met Worgan while lunching at Atkinson's, and he showed me the deed between himself and Smith, by which he agrees on joint account to buy any land on West Coast. I pointed out this discrepancy between what he told Booth and me, and the fact he says the intention was that only land in which the Government was not interested was to be bought." On the next day (4th), "met Booth with Edwards, when the former told me Worgan had shown him the agreement with Smith, and that it made the affair worse than he thought; also he knew of other queer transactions. His opinion was that we ought to warn the Government, especially as the thing was the talk of the place. To think over the matter, and decide what course to take to-morrow. On the 5th (Friday) "Booth and Edwards came into my office, and we discussed the Worgan question. I propose stating to him (Worgan) that as the matter was notorious, we felt bound to ask him to explain to the Government the whole affair. Edwards and Booth agreed that if we took this course, Worgan would be forearmed by being forewarned. But, besides this, there was the chance that Woon (Richard Woon) would telegraph to the Government on the subject, and perhaps reflect upon us for concealing our knowledge, so that we finally agreed that it would be right to telegraph to the Government. On my suggestion, we each wrote a telegram, and it was decided to send mine, as the most concise statement of the case. I therefore copied it with a few verbal alterations, we all signed, and I sent it off. I found the line was down when I went to the office, but that it would go at 4 or 5 p.m. Copy in private book in despatch box." Telegram alluded to, is that marked C, of the 5th of July. I have no personal knowledge of the second, third, fourth, fifth allegation. I have referred to sixth allegation above. I know nothing whatever about the seventh allegation.

115. *Mr. Worgan.*] Were you aware at the time that the joint telegram was sent to the Government that the transaction supposed to have been entered into with Mr. Smith had come to an end?—You informed me that it had terminated.

116. Have we not had repeated conversations in the matter of Turner's lease?—You told me to the effect that the original lease was a good one, and that by purchasing it for the Government a great many difficulties in relation to Native claims would be removed; and I always considered it an unfortunate circumstance that the Government made difficulties about it, neither purchasing it themselves nor taking any definite action to leave it in the hands of the supposed owners.

117. Did I within your knowledge bring as much reasonable pressure as possible to bear on the Government to settle this matter one way or the other?—Yes, I thought you did so to a much greater extent than is usual with Government officers. My opinion was that it was owing to the action of the Provincial Government that the matter had not been settled satisfactorily.

118. In conversation on the same subject have I not from time to time suggested that Taylor was apparently agent for others?—Yes, you have.

119. Will you state generally what you know on this subject?—Mr. Taylor came on several occasions to my office, and said that if the Government did not purchase his lease he should occupy the land and maintain his rights in a Court of law if necessary. I always thought with him the question was really one of legal right; that if he had a right to this lease which he could maintain in a Court of law, the Government was very foolish not to come to terms with him, thinking they might act as dictated by common sense. I urged Mr. Taylor to wait, so as to give the Government an opportunity to purchase. I telegraphed on more than one occasion on this subject to the Government, recommending the purchase of the lease. [Mr. Perham desires that the evidence given by Mr. Pharazyn as extracts from his diary should be verified in the course of the proceedings by the production in Court of the original diary.]

Colonel THOMAS McDONNELL was sworn, and deposed :

It was during the time His Honor the Superintendent and Mr. Bunny were down here; I forget the exact date, I think it was before April, it was the day before they took their departure for Wellington. I was requested that morning by Mr. Worgan to come with him to Atkinson's Hotel as he had some business which he wished me to transact, and I held a license as a Native interpreter. We went into a room on the right-hand side of the hotel, and there were several Natives present.