

Mr. Worgan was called out of the room by Mr. Russell, and I think Major Turner. He was absent about ten minutes when, he returned and asked me to step with him into another room, where we should be by our two selves. He told me there was an arrangement between Messrs. Russell, Iveson, Major Turner, on one part, and Natives (Ngarauru) on the other part, respecting a block of 8,000 acres of land at Waitotara or neighbourhood. Mr. Worgan wished me to transact the business, and acquire the signatures of the Natives to sell this block to the gentlemen I have before mentioned. Mr. Worgan then showed me a telegram which he said he had received from the Hon. Mr. McLean, desiring him to stay his proceedings about the land. I think, shortly afterwards he told me that he had received another telegram desiring him to go on with it. I did not see this last telegram, as Mr. Worgan had not got it with him at the time. Mr. Worgan told me I should be well paid for my trouble, and any expenses I incurred in getting the signatures of these parties I should be recouped. I declined to have anything to do with the transaction, on the ground that it was against the interests of the Government, and, being a Government officer, would involve me in what I considered a dishonorable action. Although having no fixed appointment, I was in receipt of their pay; that he had far better apply to Mr. Edwin Woon or my brother Captain McDonnell, who could legitimately transact any business of that nature. Mr. Worgan told me on this that he would back me up against anything the Superintendent or Mr. McLean might say; that he had had their sanction. Also that the would-be purchasers in this block, the gentlemen before mentioned, would be willing after this sale to give it up to either Government, Provincial or General, provided they did not lose in the matter; but that whatever happened, he would take care no harm happened to me, and that it would be £40 or £50 in my pocket; besides he would put me in the way of making several hundred pounds in addition to my pay, if I would think over it and give him an answer next day. Having understood before this that the Government wished to get this block, I thought it my duty and told Mr. Bunny that Mr. Worgan had wished me to negotiate the purchase of 8,000 acres in the Waitotara district privately, and that I had declined to do anything in the matter. Mr. Fitzherbert sent for me afterwards, and showed me a telegram to Mr. McLean—I think from himself—in which Mr. McLean was requested to desire Mr. Worgan to desist from any transaction of the kind, and told me also that the Provincial Government were to get the whole of this block. Relative to the second allegation, it was not on one occasion, but on several occasions, that Mr. Worgan stated that he had the sanction of the Superintendent. Some days after this Mr. Worgan asked me to again transact this business, and to assist Mr. H. S. Taylor, in the library or subscription room of Mr. Jones's shop. I declined again to have anything to do with it, and he told me that Mr. Fitzherbert had allowed him to negotiate. I saw Mr. H. S. Taylor the same day, but from what I gathered from him I perceived that the Superintendent was evidently antagonistic to the matter. However, I promised to see Mr. Worgan again, and if I were satisfied that the Provincial Government had no objection to offer, I would do what I could to get the thing done. I saw Mr. Worgan again, and promised to meet him that day or the day after, in company with Mr. Borlase, and would see what could be done—Mr. Worgan telling me that an arrangement was to be made with the Provincial Government to have a portion of this block; the rest, I presume, was to be given to Mr. Russell and others. I telegraphed to Mr. Bunny, and got a telegram in reply—

[Mr. Perham desired that the original telegrams from Colonel McDonnell and the reply should be produced, but wished further to state that he might not press the objection though he desired it to be recorded.]

The Commissioner replied, that should Mr. Perham press for the original documents they should be obtained.]

That I had the permission of the Provincial Government to negotiate the block if I could get the whole of it for them. I think it was in the afternoon of the same day that Mr. Worgan, myself, and Mr. Borlase met in Mr. Worgan's office, in these buildings. Some conversation took place about this block, and to the best of my recollection Mr. Worgan said that he could arrange for the Government to have the 8,000 acres, and he would give Mr. H. S. Taylor and these other people land elsewhere in the same neighbourhood. Nothing was definitely settled that afternoon, but it was arranged that we should meet next day with Mr. Taylor, at 10 o'clock, and arrange that the question should be settled. I came down a little before 10 o'clock next morning. I found Mr. Worgan in his office, packing up to go to Wellington. He went.

[Colonel McDonnell put in a copy of a letter D, which he read to the Court. Mr. Perham raised the same objection to this as in the case of the telegrams. Colonel McDonnell also read a telegram E, in reply to his letter, which was also put into Court.]

Mr. Worgan returned from Wellington some week or ten days after. In the interim I received instructions from the General Government to act under the instructions of the Provincial Government to negotiate a lease of land at Murimotu, and a good deal of correspondence took place about the Murimotu Block, and I had to go to Wellington. Mr. Worgan met me the day before I went, told me he had returned from Wellington, that he had seen Mr. Fitzherbert, and that now he had their permission to negotiate the 8,000 acres block, and asked me again to transact the business. I told him I was very glad to hear the matter was settled at last, and that I would undertake the negotiation on my return from Wellington. I went to Wellington the next morning, and I called up and saw Mr. Worgan in his bedroom. He said, "It is a great nuisance you are going to Wellington," gave me some papers which he asked me to give to Mr. Fitzherbert, told me he would write, and I left him under the impression that the Superintendent had sanctioned the private sale of this 8,000 acre block. On my arrival in Wellington I saw Mr. Bunny, the Provincial Secretary, and we commenced a conversation about the leasing of Murimotu; the conversation got round to the 8,000 acres at Waitotara, and I found out that they had no idea of letting the land go to private persons. When I returned, I sent a telegram to Mr. Bunny. [Telegram put in, marked F. Colonel McDonnell read the telegram to the Court.]

[Colonel McDonnell stated that he had taken notes at the time, as far as concerns the first portion of his evidence, but that the latter part was entirely from memory. The telegrams E and F bear the same date, and Colonel McDonnell said he could not be certain which was the earlier.]