

400. Will you describe what manner Hata Rio's interest was got rid of. Was his original interest in your lease?—His interest in my lease was 400 acres. I purchased his freehold, 400 acres, for £400, and left the allocation of the said land in the hands of the Commissioner.

401. Where was the land allocated to you?—The allocation was made to seaward of the Railway Reserve, section No. 43, 400 acres. This was Hata Rio's interest. The leasehold sections, 1A, 2A, 3A, 4A, 5A, 6A, and 11A, each of 400 acres; there is a further section of 400 acres, which may be included in the lease.

402. You stated that the land allotted to you is not worth so much by £2 per acre as that which was claimed by Hata Rio. What, then, did you consider the value of the land he claimed?—From £3 to £4 per acre, it being the key to the whole block.

403. Do you consider that Hata Rio has been deprived of £2 per acre by the non-allocation of the land in the place which he claimed?—No; I being the lessee, I am the loser.

404. *Mr. Worgan.*] I notice you gave bills to certain Natives for lands purchased by you. What was your object in giving bills?—To protect my own interests, by having authority over the Natives to urge them in procuring their Crown grants.

405. I gather from that answer that you conceive you would be in a worse position as a purchaser, in respect of getting a title from the Crown, than the Natives would be who are entitled to get it at first hand?—That is precisely my opinion.

406. You stated that, at my request, you attended a Board consisting of Messrs. Edwards, Pharazyn, and Booth. Do you remember stating your willingness to the Board to give up the purchases you had made up to that time (with the sole exception of the one interest you had parted with) to the Government?—Yes; I agreed to give them up, with one exception, Government paying actual costs.

407. During my absence from Wanganui, do you remember Mr. Booth calling on you?—Yes, on one occasion.

408. Will you state the purport of his visit?—Mr. Booth called on me a few days ago, after Mr. Worgan instructed me to assist him purchasing Native claims for the Government. His object was to ask my assistance in purchasing a Native claim. He said the case was very urgent, as a Native interpreter in town was negotiating the purchase for a private individual. He said he would want some money. I asked him how much he would require. He said he might only want half of the purchase money, or he might want the whole; he could not tell me until the morning. I offered to let him have whatever he required; at the same time I suggested he should only pay a deposit. I saw Mr. Booth on the following morning: he told me he had arranged for the purchase, and did not think he would require the money from me, as he had made some arrangement about the payment with Mr. Worgan by telegraph.

409. *Mr. Booth.*] Do you remember, after Mr. Worgan left for Napier, that you said to me that you had heard that I had been instructed, in Mr. Worgan's absence, to purchase lands?—I do not recollect. Mr. Worgan brought me into Mr. Booth's presence in Atkinson's Hotel. I do not remember the words, but that I was to give Mr. Booth any assistance during his absence. I speak only from recollection.

410. Do you recollect offering to advance money on Mr. Worgan's account on purchase of land for the Government?—Yes.

411. Do you recollect me asking you for £50 for a man—Kuronaho—whose land I had purchased for Government?—I do not recollect the name, neither do I remember the amount.

412. Did you not say to me on that occasion that the deed would have to be made out in your name as security for your money?—No; but I asked what security I could have for the repayment.

413. Do you recollect asking me on that occasion if this transaction was a private one?—No, I did not.

414. *Mr. Worgan.*] For what reason did I ask you to assist me as Government agent?—At this time there were a great number of people in the market looking for land. This block being the only available land in this district, I may say all eyes were upon it. I knew also for a fact that instructions had been given to every land commission agent in Wanganui to purchase claims in this block. Mr. Worgan's object was to prevent the acquirement of these lands by private individuals, when possible.

415. You are aware that the Provincial Government was in the market to purchase these lands?—Yes; I know it.

416. Can you state within your own knowledge that the prices offered by private individuals were greatly in excess of that offered by the Provincial Government?—I could have given double the amount for the whole block at the time Mr. Worgan asked me to assist him, but could not have done so in the first instance, the title not being so well understood.

417. Can you state anything in reference to the sixth allegation?—Anything I can state would be only from hearsay.

418. Did I at any time give you to understand there was any connection between Mr. Smith and myself?—Mr. Worgan told me the reports with reference to a certain agreement with Mr. Smith.

419. Had you any connection in that matter with Mr. Smith and myself?—I never knew you had any connection with Mr. Smith until rumours reached my ear.

Mr. PERHAM deposed, on oath, as follows:

420. *Mr. Worgan.*] On the 7th last May I went on business to Mr. Worgan's office, and there found Mr. Worgan and Mr. Donald Smith. I think Mr. Worgan said, "Oh, here is Mr. Perham; he will witness this thing for us;" and upon that the document was signed by both, and witnessed by me. I believe something was said about the matter, which led to my perusing the document; and I then stated to Mr. Worgan, and I believe afterwards to Mr. Smith, that the document in itself was unsatisfactory, and that proper articles of partnership must be drawn up for the protection of both parties. Afterwards, on the same day or possibly the day after, Mr. Worgan gave me the agreement, and instructed me to draw a draft of articles of partnership, to be perused by himself and Mr. Smith. I