

*The Chairman* : The usual printed form requesting attendance was sent to the Civil servants interested in the inquiry. In the cases of Mr. Scobie Mackenzie and the editor *Otago Daily Times*, letters were sent to these gentlemen merely inviting them to be present at the inquiry. That being so, the Hon. Mr. McKenzie is right in saying that no summonses were sent to any one.

*Hon. J. McKenzie*: Very well, Sir, then it amounts to this—that the statement made by Mr. Scobie Mackenzie is not correct. With regard to the editor of the *Otago Daily Times*—Mr. Fenwick—it is for you gentlemen as a Committee to say whether he should not be compelled to appear before this Committee. He has endeavoured, in connection with the Pomahaka purchase, by every means in his power, to blast my reputation as a member of the Government, and has allowed the columns of his paper to be used unsparingly for the same purpose at all times; and now, when he is invited to come here and give evidence, in order, if possible, to substantiate the charges he has made against me, he excuses himself by stating that he has nothing to say. It is for you to decide whether he should not be compelled to come before this Committee in order to do this. This man for the last six months has been making every endeavour to slander me, to vilify me, and to libel me in every shape and form and on every possible occasion, and now, when he is afforded an opportunity of coming and proving that the charges are correct, if he can do so, he gets out of it by stating that he has nothing to say. I do not think a man should be allowed to act in this way, and it is for you to say whether he should come here or not. It is not my intention to be present while the inquiry is going on, but before I leave I wish to say that I will always be available to the Committee in the event of their wishing to ask me any questions.

Mr. S. PERCY SMITH examined on oath.

1. *Dr. Fitchett*.] Your name is S. Percy Smith?—Yes.
2. You are Surveyor-General?—Yes, and Secretary of Crown Lands.
3. You are also Chairman of the Board of Land Purchase Commissioners appointed under "The Land for Settlements Act, 1892"?—Yes.
4. It was under the provisions of that Act that the Pomahaka Estate was purchased?—Yes.
5. When did you first come in contact with this matter?—On the 21st August, 1893.
6. Before going into details of this particular matter, will you tell the Committee what is the usual practice in your department in connection with these purchases?—The usual practice is this: Offers of land are received from the public of blocks which they are desirous of selling to the Government. These offers almost invariably come to the Minister of Lands from those who are desirous of selling. The Minister then refers the matter to me as Surveyor-General. On receipt of the letters containing the offer, if I know the property myself, or the country, and that it is likely to be in such a situation, and the character of the land such as to suit the requirements of the Act, I then recommend the Minister to advise the Governor to refer the matter to the Land Purchase Board. If, on the other hand, I have not sufficient personal knowledge of the property offered, the matter is then referred to one of the local officers—the Chief Surveyor of the district, the Crown Lands Ranger, or any other officer who can advise us as to the character of the land, its general situation, its suitability for cutting up into farms, the possible demand for land in the district, and any other particulars that would enable us to decide if the case under consideration should come within the terms of the Act. On receipt of that report it is my duty to recommend the Minister to advise the Board or not. The majority of the cases which come in are dealt with by the department without going to the Board. A *précis* of the *modus operandi* will be found in the report on "The Land for Settlements Act, 1892." There are a very few exceptions to the course which has been stated. In some cases the Minister of Lands himself has a knowledge of particular blocks which are offered for sale to the Government, and with this knowledge he has been enabled to refer the matter to the Board, without a preliminary report from one of the Crown Land officers.

7. Is there any departure made from this procedure?—This is the usual practice.

8. In this particular instance, Mr. Smith, you say you came into contact with the matter on the 21st August, 1893?—Yes. On the 21st August the Chief Surveyor, Otago, was to go down to report on the offer of the Conical Hills Estate. We heard, on the 21st August I believe—you will be told the exact date later on—that the Pomahaka Estate was to be offered to the Government. A telegram was consequently sent to the Chief Surveyor, who was then on his road to Conical Hills—the telegram intercepting him—asking him to at the same time furnish a report on the Pomahaka Estate. This was done in order to save the time and expense of getting two reports at different times.

9. The two estates are near each other?—Within a few miles.

*Dr. Fitchett*: The following was the telegram sent to the Chief Surveyor on 21st August. [Telegram read: Appendix A.]

10. *Dr. Fitchett*.] After that what occurred, so far as you know?—The next thing that occurred was the receipt in Wellington of the Chief Surveyor's report, and, in consequence, the reference of the offer to the Board of Land Purchase Commissioners.

*Mr. Mills*: Is there a map illustrating the property, so that we, who know nothing of the situation, may be able to form a better idea?

*Dr. Fitchett*: I will lay a map before you. [Map produced, and proximity of estates pointed out.]

[At this stage Mr. Scobie Mackenzie appeared.]

*The Chairman* (to Mr. Scobie Mackenzie): Do you wish to be present at the inquiry? It is not a very attractive programme.

[The Clerk here read the motions passed at the commencement of the proceedings.]

*Mr. Scobie Mackenzie*: I do not know that I should be represented by counsel, or that I have any witnesses.