

30. *Mr. J. Mackenzie.*] Will you give us the total area that has been handed over to the company?—Two hundred thousand odd acres. You will find the whole area in the schedule.

31. But the area that has been actually given?—It has all been given, or is in the process of being given.

32. But the company want more, do they not?—Yes; they want to make up to a value of £1,500 per mile.

33. I find that there is a difference between the areas by about 26,625 acres that the company said that they had when they went on the London market, and that which they got from the Government. Can you tell us how they get these 26,000 acres?—No; I do not know how it was.

34. What I want to find out is, how the company came to have 236,000 acres down, seeing this only shows 210,000 acres?—210,000 acres represented £96,570, which is all the Government undertook to give them.

*Mr. Macarthur.* I think that was purchased from the Natives themselves direct.

36. *Mr. J. McKenzie.*] Can you give an explanation as to the discrepancy in the value in this circular and the valuation by yourself, which is £96,000 odd. The company value it at £458,000 odd?—By statute the land was to be valued without any prospective value arising from the railway. No doubt the company valued it as it would be after the railway is constructed.

37. There is a difference between them of over £300,000; the company say they were to be allocated so much land?—It is in this way: By the contract, the estimated value of the railway was to be £5,000 a mile, on these 84½ miles, and on every mile they were to get 30 per cent. up to a limit, if the Government thought fit, on the estimated cost; that is to say, the Government had power to give them £1,500 worth of land for every mile of railway they constructed, and they constructed 84½ miles. The amount of land to be given on this basis would be, at 30 per cent., £126,375, as the Minister of Lands thought fit. The land that was actually allocated to them was £96,570, leaving a balance of £29,805, which the Government said they might give, if they themselves purchased land within five years of the date of the contract. The Government did not purchase a single acre within the five years of the contract, and that is how the matter stands.

38. How did the company come to be able to buy land from the Natives?—In this way: The company employed a buyer, who had great influence with the Natives, Mr. Macdonald, and he succeeded in negotiating for the company when the Government purchasers could not succeed in getting land from them.

39. And the company got the benefit?—Yes.

40. I understood that at this time all Native lands were under certain restrictions; that it was only the Government who could buy?—The Government had the power of putting a Proclamation, so that no one could buy but themselves.

41. Was there not a Proclamation on this land?—There could not have been, or the purchase could not have been completed. I may say that the Government was extremely anxious, and did all they could to assist the company in getting a freehold of these Native lands. At that time there was some prejudice amongst the Natives against the Government: there was some particular obstacle, in consequence of which they would not sell to any one but Mr. Macdonald. The Government had been trying to get this land for years and years, but there seemed to be some insoluble difficulty, until the company took it, and then, when the Government was out of it, they seemed willing to deal with private persons.

42. Who appointed the gentlemen who made the valuation with you?—He was appointed by the company, and the umpire was appointed by Mr. Linton and myself. We had some little differences of opinion, but we managed to compromise in every case. Of course the umpire was there to see all that was going on—ready to decide, if necessary.

43. *Mr. Ross.*] I was going to ask if these lands which were excluded are those to which he refers as not having been valued by him and Mr. Linton?—That is my recollection, that they were not valued for any purposes of allocation.

44. Why do you say, Mr. McKerrow, that the Government failed and gave up the attempt to buy these Native lands, which the company afterwards bought?—Well, of course, they did not give up the attempt; they were simply trying it for many years unsuccessfully. That was before the railway was thought of.

45. Supposing they had succeeded in getting this land, I suppose the Government would have given this £29,000 excess of land?—Well, I cannot say much about that. I do not think the Minister of Lands would have given them any more: he thought they had got enough.

46. He was not prepared to give it to them then?—No.

47. Supposing they were expected to give this extra money, 30 per cent. in full, could not that have been met by the Government paying the first price which the company had paid?—Yes; it could have been partly met in that way, no doubt.

48. But your contention is, that they were not bound or interested at that time?—They were not bound as to any understanding.

49. Surely this expresses willingness to make up the supplementary difference if they were to acquire land within the five years?—I read this section 11, which you will notice is put in a very guarded way, and there is a limit of five years, which expired in March, 1887.

50. *Mr. Whyte.*] You have just recently seen this implied agreement?—I have just read it before I came over here. I had seen it before, but I have just read it over again.

51. Can you explain why Mr. Rolleston objected to give the land on the eastern side of the range?—I have already explained that he would not give it.

52. Do you think it was due to the fact that the land was situated in a different watershed altogether?—That was partly the reason. Mr. Rolleston said it was absurd to give them land on the other side of the range.