

106A. Mr. McKerrow has told us that application was made to you to become the valuer of the company with a view to financial negotiations with London?—He said so.

107. Have you any recollection of the application?—I had an application to make a valuation of the company's land.

108. Can you state by whom that application was made to you?—Firstly, by Mr. Tolhurst, who put me in communication with Sir Julius Vogel. Sir Julius Vogel then requested me to make a valuation of the Crown lands.

109. Had you any direct communication with the directors of the company or the Secretary on the subject?—Not with the Secretary: I do not recollect speaking to any other than Mr. Tolhurst and Sir Julius Vogel.

110. So far as you were concerned, then, it was not from any communication with the company, or the officers of the company, that it was made?—Except in so far as these gentlemen were concerned with the company.

111. There was not, as far as you were aware, any direct authority to them produced to you to justify them in their application to you to do this?—I understood they were acting on behalf of the company. I am not sure that Mr. Nathan did not speak to me about it. No letters passed between us.

112. And you declined?—No; I said on certain conditions I would do it.

113. But, ultimately, you did not do it?—No; the conditions were that the Government should approve of it, which they did not.

114. Can you say of your own knowledge whether the land on the western side of the range which has been allocated to the company has or has not risen in value owing to the construction of the railway?—It has risen in value decidedly since the construction of the line.

115. Can you say whether there was any demand for land between Paikakariki and Longburn before the construction of the line?—Yes; there was a demand for land at the back of Otaki, and the two blocks in the vicinity of the Horowhenua Block. We did not acquire possession of all the blocks which are now included in the allocation.

116. There was a rising demand?—There was.

117. No roads, I believe, were there?—We had started roads at the Waikawa, and had prepared the land for sale. There was a considerable demand for land.

118. But your opinion is that the construction of the line has added very greatly to the value of the whole of the district?—Certainly, and more especially in lands contiguous to the railway.

119. Mr. McKerrow was asked whether the allocation-map which was supplied included the whole of the unsold lands available for allocation at the date on which it was made. He has replied that it did. Can you say whether you have or not ascertained whether some lands were—probably inadvertently—excluded from the map—lands which have since been sold by the company?—Mr. McKerrow clearly stated the broad fact that the whole of the available lands were included in the allocation; but you evidently refer to isolated outlying sections scattered throughout the district which were not included in the valuation.

120. To what extent of land did this omitted portion amount?—It must have been very inconsiderable—a section or two here and there, scattered about.

121. May I ask if any land has fallen into the hands of the Government during the five years since the first making of the contract by failure on the part of the settlers or otherwise to complete purchase?—There are some in the area of allocation which were not in the original allocation, but were afterwards allocated. There are one or two sections here and there, including a section for the protection of the Gorge Road, which had been improperly included in the allocation-area, and some which have been set aside, in connection with the Rimutaka Railway.

122. But the fact has been that, although these two large blocks had been actually included in the contract, they were subsequently taken back again?—No doubt.

123. And the area of allocation mentioned in the contract has been reduced by upwards of four thousand acres?—That would require examination, because it is a case of "give and take." Areas have been given in excess in certain localities, but less in others.

124. *Mr. Reed.*] There is only one question as to the amount of "give and take." Can you say whether the excess was in favour of the company or whether it was very much as they were when the allotments were first made?—No, I cannot. We are only getting out the last of the grants at the present time; but with regard to the majority, they were improperly included in the first instance, all except the northern reserve next to the Gorge.

125. What is the area of that?

*Mr. Travers:* The company would not make any question of that, because they think it has been improperly made a reserve.

126. *Mr. Reed.*] And the others?—They were, I think inadvertently, included in the first allocation.

127. *Mr. Ballance.*] There is a point here in the prospectus, Mr. Marchant, which perhaps you can throw some light upon: it says, "In addition to the above there is land agreed to be allocated to the company by the Government, which, therefore, cannot be valued—about sixty-five thousand acres: where are these sixty-five thousand acres referred to—do you know?—It must have been in anticipation of their being acquired from the Natives.

128. Can you fix where these Native lands are from that map?—The Horowhenua Block has upwards of fifty thousand acres, and the Ngarara has upwards of thirty thousand; it meant, if the land was acquired, it was to be given out of such land acquired by the Government.

129. Was it referred to or indicated? It says, "about sixty-five thousand acres." That would appear that the land had been indicated?—Of course I had nothing to do with the contract or arrangement. But, if you ask me to interpret that, I should say it was to be taken out of the lands acquired.