

130. You think the Horowhenua would be a portion of it?—Yes; it has always been a block upon which envious eyes have been set.

131. Can you refer to any block which Natives have been asked to sell?—The Pukehou, Horowhenua, and the Ngarara Blocks.

132. What is the area of the Tuwhakaturua: it is not given here?—No. I would be about one thousand six hundred acres, and No. 2 two thousand five hundred; but this is only a guess.

133. What is the Pukehou?—There might be two thousand or three thousand acres there.

134. How would you make up sixty-five thousand acres?—The Horowhenua is about fifty thousand acres and the Ngarara is said to be about thirty thousand acres; but then the Natives might not sell.

*Mr. Travers*: May I venture to mention to that honourable gentleman that this is only an estimate of what might be got: it all depends on that.

135. *Mr. Ballance*.] Has any portion of this land been bought up by Mr. Macdonald for the company, do you know, since that time?—I am not aware that he has bought any of the lands which I have specified.

136. What lands has he bought then?—The operations of the company have been chiefly confined to the Manawatu-Kukutauaki Block.

137. What was the extent of these blocks?—I should say they were about sixty thousand or seventy thousand acres.

138. The Government were then buying these blocks, were they not?—Yes.

139. Was the Proclamation over these blocks at the time?—I believe so; but that is a matter for the Land-purchase Department.

140. They were in the scheduled area, I suppose?—Portions of them were, and are in the schedule now.

141. They were all west of the Tararua?—Yes.

142. *Mr. O'Callaghan*.] When were the forest reserves made?—I have no doubt they were made, speaking from memory, before the valuation. Some had been decided upon prior to this, and the northern one was proposed. Then, I changed the boundaries set down upon the allocation-map.

143. Was that subsequent to the agreement with the company?—No, that was prior to the contract.

144. And no forest reserves were taken out after the contract was made?—No, except one at the Gorge, of 250 acres.

145. The interests of the company were not interfered with by the reserves made for forests?

*Mr. Travers*: No, we do not contend that.

146. *Mr. O'Callaghan*.] Did it affect the area that was available at the west side of the watershed?—It did by taking away the mountain tops from the allocation; but they were perfectly useless land.

147. *Mr. Ballance*.] Would you give the name of that block of sixty thousand or seventy thousand acres that the Government were negotiating for?—The Manawatu-Kukutauaki Block.

148. *Mr. O'Callaghan*.] I have one question more. It was stated yesterday that the land deficiency was caused at the request of the Government. Was that borne out by the general bearing of the whole question,—that the Government caused the land deficiency?—I may repeat, Sir, I had nothing to do with the negotiations; and I am not well acquainted with the terms of the agreement, beyond what I see in print; but I shall be happy to answer as far as I can.

149. I mean, did the company understand that there would be a deficiency in the first instance at the west side of the watershed—did they not apparently expect to get no land on the east side of the watershed very early in the negotiations?—

150. *Mr. Travers* said it was at the request of the Government, and it pervaded the whole of the negotiations?—Yes; it is my opinion that it was so: I think it is a fact.

151. And beyond this removal of the lands taken out of the watershed, there was no other action of the Government to cause the deficiency?—No, except these small areas.

152. *Mr. Macarthur*.] In reference to the Manawatu-Kukutauaki Block, you say the Government were negotiating for them at the same time as the company?—No, previous to the company being formed.

153. I think you said the Government have a Proclamation over that block, but that you did not know of your own knowledge?—I believe they had.

154. Do you know if they withdrew that?—I do not know definitely.

155. That was the impression that you gave to the Committee—that the Government had a Proclamation over it, and, after having it proclaimed, it had to be withdrawn?—I have not the slightest doubt about it.

156. Why I am asking this question is, that we shall get definite information afterwards, as, unless the witness is perfectly certain on the point, he should not give impressions?—Well, I have been asked a lot of questions that do not come in my own observation, and I have given the best information I can.

157. *Mr. J. McKenzie*.] Are you a shareholder in the company?—No, but I was for a short time.

TUESDAY, 13TH DECEMBER, 1887.

*Mr. J. W. MARCHANT*, Commissioner of Crown Lands, Wellington, re-examined.

158. *Mr. Travers*.] You have already given evidence before the Committee?—Yes.

159. You are aware of the area which is included in the schedule of the contract?—Yes.

160. Since that computation was made, has any alteration taken place in the quantity of land which was there fixed—210,502 acres? From what cause has there been any diminution,