

what took place upon that letter. [The witness here asked for permission to telegraph to his office for the letter, and this was granted.]

245. I believe that, as a fact, a portion of the Horowhenua Block has been purchased from the Natives since?—Yes.

246. Can you say of your own knowledge whether Mr. Alexander McDonald assisted in inducing the Natives to press for a subdivision of their lands through the Native Land Court with a view to sell?—I have already explained that the subdivision, so far as I am aware, was upon different grounds than the proposed sale to the Government. Mr. McDonald attended the Native Land Office with Mr. Kemp, and, I believe, acted in the interests of the Natives.

247. Can you say whether or not Mr. McDonald's services were tendered by the company for the purpose of facilitating the Government?—It is stated in that letter.

248. But he took some part in it?—Undoubtedly.

249. Were the negotiations with the Natives confined to the 4,000 acres purchased?—Yes.

250. Was that all Kemp expressed a desire to sell?—Yes; Kemp was anxious to raise money, and he found that this township scheme was not likely to provide funds, and he therefore offered this 4,000 acres.

251. He was very much pressed for money?—Yes; he expressed himself so.

252. How long a time elapsed between the arrangements for the purchase and the payment of the money?—A portion of the money was paid on the date of the agreement.

253. Have you no recollection of the date of the agreement?—I cannot answer from memory, but I believe it was on

254. Have you no recollection of the time which elapsed between the date of the agreement and the final payment: was it a month, or two months, or three months?—What agreement?

255. The agreement for the purchase?—There was no contract.

256. Major Kemp has told us that there was?—That was given to him either the day before or on the day of signing, and simply expressed the terms of sale.

257. What was the date of that?—I shall be able to settle that later. Practically, the date of the agreement and the signing was the same.

258. If the negotiations with the Natives were completed in one day, it would be a curious fact?—Yes. The negotiations extended over a week or two weeks.

259. Had he not previously signified his desire to sell portion of the land?—He was anxious to sell, but asked a high price, and the Government were not anxious to entertain the offer at the price stated.

260. Then, do I understand that the alteration in the price and completion of the purchase took place within the last week?—Within the last day or two.

261. What price per acre?—£1 10s.

262. Has that land been disposed of?—Not that I am aware of.

263. It remains in the hands of the Government as part of the waste lands of the Crown?—Yes.

264. Have you purchased the Tuwhakatupua Block?—Yes.

265. Which?—The No. 1.

266. And no part of No. 2?—I am unable to answer from memory.

267. No. 1 joins the Manawatu River?—Yes.

268. You purchased No. 1, but cannot say as to No. 2?—I can ascertain that, and also as to the date of purchase, and as regards the Tuwhakatupua No. 2—the dates, and so forth.

269. Had you any interview with Mr. Wallace regarding this letter of the 21st May, 1886?—To the best of my recollection, Mr. Wallace came to see me about that time.

270. Assuming this letter to correctly state the position, were any negotiations opened with Major Kemp for the acquisition of these blocks about or soon after that date?—I should prefer deferring my answer until I have the papers before me.

271. Can you charge your memory as to whether you received instructions to open negotiations for the purchase?—The ordinary official course would be, on receipt of that letter, to lay it before the Minister for his instructions. I cannot say what the instructions were. They would be on the letter, and I acted upon them, whatever they were.

272. And it was only this year that the Horowhenua Block was bought?—That is all.

273. Some time in the month of March?—After that.

274. And the Tuwhakatupua Block?—The Tuwhakatupua was completed by cutting off the land by the Native Land Court in favour of the Crown.

275. Do you know the area of the Tuwhakatupua No. 1?—I cannot say.

276. Have you no recollection at all of any conversation with Mr. Ballance with reference to the desire of the Government to carry out negotiations with a view to meeting the wishes of the company?—The recollection I have is more in the shape of impressions with reference to those West Coast purchases. They are, that the price was so raised by the action of the company that it was practically out of the question for the Government to go in for any purchases.

277. We will suppose for a moment that there had been a desire on the part of the Government to complete its contract with the company, how would the Government be a loser if it allocated the land to the company at the price it paid?—From a land-purchase point of view the Government would always be a loser by giving a higher price than necessary.

278. Therefore, although the Government would not have been a loser in the special transaction, still, as a matter of policy, the Government did not care to deal with the land at a higher price?—I am unable to say what the policy of the Government would have been; but, as a matter of wisdom, it would have been unwise, as it would have raised the price everywhere, and the Government were going in for land purchases in other localities.

279. Were you present at Palmerston when the subdivision took place?—Yes.

280. Now, when it took place, had Kemp expressed a desire to sell a large proportion of the