

took place in consequence of this representation?—Well, Mr. Johnston told us that he thought we had a right to complain. He was Minister for Public Works at that time. The land was withdrawn up to the summit of the Tararua Range.

393. Can you remember the circumstances under which the withdrawal took place at all, as far as the company and the Government are concerned?—No; I had no connection with the negotiations. I knew that the arrangements were much altered after the land was withdrawn from allocation to the company. During the conversation I said to Mr. Johnston, "How will you arrange with the company if you withdraw the whole of this land?" He told me that there were certain Native lands on the other side of the ranges that the Government expected to be able to buy, with the view of handing them over to the company, in lieu of the lands that had been withdrawn.

394. Then, it was on your representation and that of Mr. Buchanan that this was withdrawn from the allocation area?—I believe so. Of course, I do not think it is necessary, in explanation, that I should explain my reasons, but I felt, as member representing the district and as member of the Waste Lands Board, that the land should be dealt with by the Board interested in the progress of settlement, and not by a company, whose interests might possibly be opposed to ours.

395. Was the land of good value?—Yes; the land was of considerable value—some of the best land in the Wellington Province.

396. *Mr. Ross.*] The land you refer to was withdrawn before the signing of the contract?—Yes.

WEDNESDAY, 14TH DECEMBER, 1887.

Mr. J. WALLACE examined.

397. *Mr. Travers.*] I believe you became secretary to the company very early in its formation?—From its inception.

398. As such did you take any part in the negotiations with the Government with respect to the allocation of lands under "The Railways Construction Act, 1881?"—Yes; I was present at all the interviews which the directors had with the Government, and conducted the correspondence.

399. In course of doing this did you at any time make minutes of the results of what took place at interviews with the Government?—Yes, I did.

400. Some of these minutes, I believe, have been laid before the Committee?—Yes.

401. Have you any others but these which have been laid before the Committee relating to the question of allocation of lands?—I have my own memoranda in my diary.

402. Made at the time?—Yes.

403. Now, can you remember when first the lands were set apart for allocation?—Yes, I do. It was early in 1882, I think.

404. Before the contract was entered into?—Yes.

405. Have you any recollection of what took place with reference to the lands on the eastern side of the Tararua Range, in the Forty-mile Bush?—The Government appointed Mr. McKerrow, the Surveyor-General, in pursuance of the Act, to value the lands that had been set apart under the proposed allocation; and the company, on their part, appointed Mr. Linton. They together went up to the district, entering at Fitzherbert, near Palmerston, as it was reported to me afterwards. They agreed to the valuation of certain blocks in the Forty-mile Bush, Mangatainoko, I think it was called, amounting to 20,000 acres. They valued this on an average at £1 an acre, and valued the remainder, that are now included in the schedule attached to the contract.

406. And did anything after this valuation take place—did anything special occur—with reference to the lands in the Mangatainoko?—After they had made a valuation of the land, and signed the award together, the umpire, Mr. Macdonald, agreeing to their valuation, these lands that I have referred to in the Forty-mile Bush, on the eastern side of the Tararua Range, the Government asked the company to agree to withdraw all the blocks on the eastern side of the Tararua Range.

407. Asked the company in what way? State the circumstances under which the request was made.—They stated that representations had been made to them.

408. Who stated; who was the actor in it?—I do not know who the actor was. It was not done in my presence. I believe Sir John Hall, in conversation with Mr. Levin, one of our directors, stated that representations had been made to him by the members of that district that the land in the area of allocation, as required by the Lands and Railways Construction Act and recognised in the proposed contract, were not altogether served or benefited by the railway.

409. The representatives said that the country would not be benefited by the line, and asked the Government to withdraw the land, and the Government asked the company to consent to the withdrawal of the blocks from allocation?—Yes.

410. And the company consented?—Yes, they consented after an understanding came to with the Government in relation to certain Native blocks of lands that were under Proclamation, and on which certain progress for their purchase had been made by the Government. Those were on the western side of the range alongside of our railway, and within the area of allocation. These, when purchased, were to be applied towards making up the deficiency of our allocation.

411. That was the understanding?—Yes, there was an understanding to that effect, and the 11th clause of the contract was put in to provide for such an arrangement.

412. The company, I believe, has made considerable purchases of Native lands on the western side of the range?—It has.

413. Now, can you say from your own knowledge whether or not the blocks of land referred to by the Government, and which I believe are called the Horowhenua and Whakatapua Nos. 1 and 2, have been purchased by the Government within the last five years, or if they have tried to do so?—