

Yes, as a matter of fact, the Tuwakatapua has not been purchased. It contains about fourteen hundred acres, I believe. The Tuwakatapua No. 2 has been subdivided, and if the Government had wished they might have bought it from the Native owners since. As regards the Horowhenua, it has been subdivided within the time named under in our contract, namely, five years. There was a period named, in which the Government might be enabled to get the lands for making up the deficiency in the schedule. The Horowhenua was by assistance of the company put in such a position that the Government might have made arrangements for its purchase to a very large extent. I believe they might have made the purchase of four-fifths of its area.

414. Can you say whether or not the company at any time asked the Government to waive the right of pre-emption over this land in favour of the company?—No; we did not do that directly, we rather inclined to the Government making the purchase.

415. I believe that there was correspondence and interviews, was there not, in which the company pressed the Government from time to time during the five years to take steps to acquire these lands?—Yes; they were applied to by letter and by deputations composed of the chairman, several directors, and myself from time to time, both to the last Government, and the preceding Government especially.

416. Now, at these interviews which took place, and at which, I believe, you were present, was the understanding to which you have referred ever mentioned?—It was always referred to.

417. Did the members of the Government upon whom the deputation waited ever express any dissent as to the existence of such an understanding?—The members of the Government with whom the company made the contract always recognised our claim: I mean Sir John Hall's Government.

418. And not one thing has ever taken place to show that the Government dissented from the proposition of the company that an understanding existed that the land should be acquired?—No; except that one of the members of the Government, the Native Minister, Mr. Bryce, expressed himself adverse to the proposal, but it was more of an individual opinion than as a member of the Government.

419. But did the Government formulate at any time, at interviews or otherwise, their dissent from the proposition that such an understanding had been arrived at?—No; on the contrary, they admitted it, and expressed themselves willing and ready to assist in continuing the negotiations for the purchase of these blocks; and, as you may see from the correspondence that passed between the company and the Government, certain steps were taken by them and instructions given to their representatives to proceed with the purchase of the land.

420. Since the contract was entered into there has been a diminution, I believe, of the land included in the schedule, as mentioned by Mr. Marchant?—There has.

421. Can you say what was the value of the land in the schedule so withdrawn?—One portion of the land withdrawn was in Fitzherbert Block. The portion of the land referred to as being withdrawn in Fitzherbert, was valued at £1 an acre; and Mr. Marchant stated in his evidence that there was a portion of the Forest Reserve that was taken out originally that was understood to be part of the two blocks referred to in Schedule Nos. 4 and 4A, Fitzherbert Block, of 9,000 acres each, and included in the same valuation.

422. At £1 an acre?—Yes; they formed part of the two blocks. I quite understood that Mr. McKerrow and Mr. Linton valued portions of the Forest Reserve that were afterwards withdrawn by the Survey Office, and included these at a valuation of £1 an acre. I am not quite sure as to what the valuation of the land on the top of the Rimutaka hills was. They made various valuations per acre of that part, some being put at 10s. an acre and some down as low as 2s. 6d. They made a total valuation of £3,075 for the 15,000 acres. We considered a portion of what was called the Railway Reserve, with the Rimutaka road-line through it, as the most valuable portion of the block. The land was alongside the road, very accessible, covered with good birch valuable for sleepers, and was well worth 15s. an acre.

423. What do you consider to be the money value—I mean the total allocation value of the land—found to be deficient since the contract was made?—Assuming that the Fitzherbert blocks were 4,000 acres, that would be £4,000; and the balance, about three thousand acres, at 10s. an acre, would make £5,500.

424. That amount would have been added to the £29,000?—Yes.

425. Now, what price have you obtained for similar land, or have you sold any similar land; and if so, what price have you obtained for such land as that withdrawn?—From £1 5s. to £1 15s. per acre for the Fitzherbert land.

426. So that the money lost exceeds the diminution in the allocation value by an average of 10s. per acre?—Yes; quite equal to that.

427. I believe you had something to do with the preparation of the documents attached to the contract—this prospectus?—Yes.

428. There is a valuation of the allocated lands in this, is there not?—Yes.

429. And it was on this, I believe, that the prospectus issued in London was practically framed?—Yes, I think so.

430. The amounts are the same—£58,151, £90,000, £43,000, and £6,000. There is also £130,000 in the prospectus issued in London. Had you anything to do with that?—Not exactly; but I may, in my correspondence with the Home Board—we have a directory in London—have showed how the deficiency was made up, and what the value of the land would be, assuming that we got an allocation of a similar assortment of land in quality and character as we had in the first instance. Then, I might go on to explain that the—

431. I was going to ask you if the value per acre of the allocated land was ascertained?—The average value of the allocated land made to us was £210,000—say about 9s. 2d. per acre. I assume that if we get a similar assortment of land it would be valued in the same way, and the result would