

be the same. That would give us for the £30,000 65,000 acres, which, if valued at the same rate as those in the prospectus, would make the sum £130,000.

432. Who made these values? Were they made by independent persons?—They were.

433. Was it an arbitrary value put upon them by the company?—No; two gentlemen were deputed by Sir Julius Vogel: they were Mr. J. G. Wilson, M.H.R., and Mr. Gower. They were appointed by Sir Julius Vogel to make the valuation.

434. This was independent of the company?—Yes.

435. I believe Sir Julius Vogel was employed as agent to negotiate the loan, and he required an independent valuation, and appointed these gentlemen; so that the valuation which appears here was a valuation obtained by Sir Julius Vogel, and was obtained for the purpose of the prospectus in London?—Yes.

436. Can you say by whom this prospectus was framed—was it by the Home Board or Sir Julius Vogel?—I understood by Sir Julius Vogel.

437. He had the entire direction of the raising of the loan?—Yes. I think the prospectus was compiled and issued before we had a Board in London.

438. I believe he had power to associate with himself a Board of persons who were to act with him as agents. This was done entirely independent of the Board here, or any general agent of the company in London, was it not?—Yes, that is so.

439. So that the company is not practically responsible, in a sense, for these figures?—It is not.

440. The company has sold land, has it not?—Yes.

441. It has had several sales?—Yes. We have sold about twenty-four thousand acres.

442. What was the total price realised for the 24,000 acres?—The average price was £1 18s. 6d. per acre, and the total was £53,000, which included the prices for several townships.

443. I believe a considerable proportion of that land was land purchased by the company?—Yes, about five thousand acres; the remainder was allocated, and the price that we got for our rural lands averaged from £1 to £4 15s. an acre.

444. Now, Mr. Wallace, you have known that district for many years, have you not?—Yes, I have.

445. Can you say whether, before the construction of the railway, there was any demand for land in that district?—As a matter of fact the Government had large portions of the Fitzherbert blocks under offer at £1, £1 5s., and £1 10s. an acre for a long time, and they did not sell any until we were opening the railway. That gave an impetus to the sale of these lands.

446. But I am speaking of land further south, between Fitzherbert and the Paikakariki. Was there any demand—a general demand—for the land?—No; there was no land for sale, as there were no roads by which to approach it, the only approach being by the sea-beach.

447. So, practically, it was inaccessible?—Yes.

448. The opening of the railway has given a large value to these lands?—Yes. And these values in the prospectus, I may say, are based on the assumption that the railway would be made to give the land an enhanced value.

449. I suppose this value is, in fact, excessive?—It is quite in accordance with the results,

450. Yes; but it includes a considerable tract of hilly ground?—Yes; but that is valued at a certain rate.

451. And do you say that you believe that these values will be realised?—I do.

452. But only as the result of the railway communication?—Yes.

453. What class of persons have come to purchase lands in the district?—Good settlers, who have shown themselves such.

454. Is any large area being placed under clearing and cultivation?—Yes; as far back as nine months ago between eight thousand and nine thousand acres was felled by those who purchased land, and arrangements are being made for this being burned off. They have townships, and roads are being cleared and made; after the burning season grass will be sown, and I have no doubt from five thousand to six thousand acres will be in occupation.

455. Are the settlers numerous?—Very numerous. In fact none of them bought more than seven hundred acres—that is two or three blocks together.

456. Are there any industrial works—saw mills, and so forth?—Yes, three sawmills have been erected. A very large one is now going up, equal to cutting from 30,000ft. to 40,000ft. a week. Two little ones are at work now, one cutting from 2,000ft. to 3,000ft. a day, the other less. The latter has not been very successful in its operations.

457. Settlement then is progressive along the line?—Yes, rapidly progressing. It is a bush country, and they cannot make such rapid progress in the way of occupation as if it had been cleared open land without bush.

458. And the purchasers are going into occupation, are they not?—Yes, all well satisfied with their bargains, and keeping the payments well up. There have been some good exchanges made already, in which a considerable profit has accrued.

459. What has been the average actual cost of the line from Wellington to Manawatu?—A little over £8,000 per mile.

460. The allocation was based upon £5,000 a mile was it not?—Yes.

461. And the actual cost of the line has been a little over £80,000?—Yes.

462. What is the amount of debentures outstanding?—£680,000.

463. At what rate of interest?—Five per cent.

464. What amount of capital is paid up?—£150,000 paid up, and £20,000 still in the progress of payment, and will be paid up at the end of six months from now, and £680,000 debentures.

465. £830,000, in point of fact, of capital invested?—Yes.

466. Now, as a fact, has not the company been under the necessity of resorting to the allocated lands in order to supplement their revenue for the purposes of meeting interest upon the cost of construction?—Yes.