

595. You have stated just now that the company had to sell land to pay the interest?—No; we might have to do so. Our income might not be equal to our expenditure, and we might have to sell land to make it up.

596. As a matter of fact you have not had to do so yet?—We have not been running for a financial year yet.

597. I see, according to the prospectus, that the land you have got now is valued as much as would make the railway altogether. Is that so?—No; it would come to over £800,000. The amount you refer to was the estimated cost for the purpose of allocation.

598. *Mr. Ross.*] Mr. Wallace stated that there was an understanding that lands should be given up to the east of the ranges, and that certain Native lands, if acquired within five years, should be substituted for that land. Is that so?—Yes.

599. Then, why was the limited time fixed? You say because your railway had to be constructed within five years. Then, why was it that there was no alternative equivalent in the event of the Government not purchasing, giving to the company this Native land? You say that there was no alternative equivalent given?—I cannot explain why it was not.

600. Then, there was between nine and ten thousand acres withdrawn from the present schedule. Was not this land which had been specially reserved for other purposes—which had been specially reserved for allocation?—We did not know that some of it was land that had been really sold. The Government Survey Department made the allocation, and they did not seem to know it. The Survey Office prepared our allocation-map, and included the areas as represented in our schedule. Then, when they saw their mistake, it was withdrawn. This was quite recently, when they were making up our grants, that they discovered that these blocks had been sold and dealt with. This was within two months ago. We are just getting our grants now, although our railway was finished in November, 1886.

APPENDIX.

PETITION.

To the Honourable the House of Representatives in Parliament assembled.

THE HUMBLE PETITION OF THE WELLINGTON AND MANAWATU RAILWAY COMPANY (LIMITED),
SHEWETH,—

1. THAT on the 20th March, 1882, a contract was made between Her Majesty the Queen, of the one part, and your petitioners, of the other part, whereby amongst other things, your petitioners agreed and undertook to construct within five years from the date of the said contract, and thereafter to work and maintain, a line of railway between the City of Wellington and a point now known as Longburn, on the northern side of the Manawatu River.

2. That amongst other terms and provisions contained in the said contract were provisions of which the following are copies: "Now it is hereby further agreed between the Queen and the company—(10.) That as soon as conveniently may be after the execution of this contract the lands shown by a red border and colour on the map hereunto annexed, and marked C, shall be withdrawn from sale and set apart to be granted to the company, under the powers and to be dealt with in manner respectively provided by Parts I. and V. of the said Act. And whereas the land shown by the red border on the map hereunto annexed, and marked C, taken at the aggregate of the values set forth in the Second Schedule hereto, is insufficient to provide the amount of endowment in land agreed to be granted to the company under the powers contained in Part V. of the said Act: Now it is hereby further agreed between the Queen and the company—(11.) That if within the period of five years, computed from the date of these presents, Her Majesty the Queen shall acquire lands within the area shown by a yellow border upon the map hereunto annexed, and marked D, and such lands or a proportionate part of the same shall, in the opinion of the Governor, be available for the purpose, the same or a proportionate part of the same, as the case may be, shall forthwith after such acquisition be withdrawn from sale, and set apart to be granted to the company under the powers and to be dealt with in manner respectively provided by Parts I. and V. of the said Act, and shall be and be deemed to be subject to selection by the company in like manner as hereinbefore provided in respect of the lands shown by a red border and colour on the map hereunto annexed, and marked C, but so, nevertheless, that the total area of lands so to be set apart and selected shall not when valued and assessed, as by the said Act provided, exceed in value the sum of twenty-nine thousand eight hundred and five pounds. (12.) That when and so soon as any lands shall have been acquired as aforesaid the same shall be assessed and valued with all convenient speed, in manner provided by the said Act, in order to render the same available for selection by the company; and the company may accordingly select the same in like manner and for the like purposes, and subject to the like provisions and conditions, as are hereinbefore contained in respect of the lands shown by a red border on the map hereunto annexed, and marked C."

3. That the said railway was completed and opened throughout for traffic in the month of November last, and the whole of the works and rolling-stock used thereon have been duly approved by the Engineer-in-Chief of New Zealand.

4. That your petitioners have reason to believe that the Government has contracted for the purchase of a large block of land within the area referred to in clause 11 of the said contract, and that there is within such area a sufficient quantity of land available for the purpose in that and the 12th clause of the said contract, but your petitioners are informed that the purchase of the said lands has not yet been completed.

5. That your petitioners submit that the Government ought without delay to take all such steps as may be necessary to provide for the allocation to your petitioners of a sufficient quantity of land for the purposes aforesaid from the area of land referred to in the 4th paragraph of this