

126. But if the time had been extended one year, there was no serious objection on the part of the Government to that?—No.

127. *Mr. Kerr.*] You said that you did most of the negotiations yourself at this particular time?—I think so. Just before the conclusion of the contract they were conducted through me.

128. Do you remember what was the amount of material and the worth of the labour they got beside?—I could not charge my memory with the figures; I think it is all specified in the schedule to the contract.

*Mr. Bell:* It is in the first schedule to the contract.

129. *Mr. O'Callaghan.*] You have heard the Hon. Mr. Bryce state that, in his opinion, it must be acknowledged on all hands that their prospect was the slightest of ever obtaining this land. Was that your opinion?—Certainly not.

130. You thought through the whole of these transactions that the company had a fair prospect of getting the land within the five years?—During all the negotiations I thought so. Not long after the contract was signed I left the Government.

131. As long as you were in the Government did you think there was a fair prospect of the land being acquired within the five years?—Yes.

132. *The Chairman.*] Had you been in the Government when the land was purchased, what attitude would you have taken up towards the allocation of the land?—Do you mean after the five years?

133. Yes. The negotiations were completed before the five years expired, but the actual purchase was made a month or so after the five years?—Assuming that there was no intentional delay on either side—and I presume the postponement of the purchase was not intentional—I should have thought the company had a strong moral claim, and I would have been prepared to bring the case before Parliament. I do not think the Government could have given the land upon its own authority; but the company, in my opinion, had a strong moral claim.

134. *Mr. Bell.*] Have you examined the files of the Public Works Department? Have you had them before you?—Yes, I have had them before me.

135. If there is any information that you can give as to what took place, from any note or memoranda of your own, I would be obliged to you if you would give the Committee the benefit of it?—I may mention that during part of the time covered by the negotiations I was Acting-Minister for Public Works. Mr. Oliver had retired, and Mr. Walter Johnston was not appointed until some time after. I was in the meantime Acting-Minister for Public Works, and made the Public Works Statement: that is how I was brought into the negotiations. It is possible that on the file which would contain the draft of the 11th clause there might be found some statement, or memorandum, or minute, showing precisely what was the intention of the clause. Any important points arising out of the negotiations were brought before the Cabinet. There are extracts giving the decision of the Cabinet on these points. I do not remember that there is anything which distinctly explains what the intention was; but a person might, I think, gather from a portion of the file that it was the intention that the company should have one-third in land.

136. And that was to be made up of Native land that was to be acquired?—Yes. There is a letter in which the company ask the Government to enter into a guarantee, and ask also when the purchase would be completed. The answer to that was that the Government could not enter into any such undertaking, but that the Minister was endeavouring to complete the purchase.

137. *Mr. Whyte.*] In your opinion was the prospect of getting the land so rosy that the Government built on that?—I have no doubt they did. I think, if you will read that letter it will show this.

138. It has been intimated that the chances of getting the land were of the slenderest description. From the negotiations that you conducted did you gather that?—No.

139. You thought the prospects were fair, as far as you proceeded in the negotiations?—Yes, I thought so.

140. *Mr. O'Callaghan.*] Did any negotiations take place during your term of office as to the extension of the time beyond five years?—I have no recollection of that. I do not think it was likely. Do you mean extension of time for making the railway?

141. No, for making the purchase?—I left office soon after the contract was signed.

142. *Mr. R. Thompson.*] Do you consider that the Government which succeeded yours were justified in refusing to carry out this contract, and hand over the land without coming to Parliament?—Legally I suppose that would be so; but I do not wish to speak definitely on that point. It is my impression that they would require parliamentary authority to make further concession to the company.

143. *Mr. Whyte.*] Outside the letter of the agreement?—Yes.

Hon. Sir HARRY ALBERT ATKINSON, K.C.M.G., Colonial Treasurer, examined.

144. *Mr. Bell.*] You were Colonial Treasurer in the Hall Government?—Yes.

145. At the time when the Railway Construction Act of 1881 was passed?—Yes.

146. Can you remember whether you took any part in the settlement of the contract between your Government and the Manawatu Company?—No direct part, except that, as a Minister, I received deputations from the company at different times. Of course I was consulted generally about the matter.

147. Do you remember a question that arose with regard to the allocation of land in the Forty-mile Bush to the company?—I remember, generally, that there was a question about that.

148. Were you aware of an arrangement that was made to obviate that question with the company? I may put it in this way, Sir Harry: was your attention called to this 11th clause which was put in by a separate draft?—Yes, I remember that clause very well.

149. You remember that it was put into the contract by a separate draft?—I could not say