

that certainly, but I know there was a difficulty raised about some land which had been selected outside what was supposed to be the proper area, which land the Government wanted for other purposes, but had not acquired. I think it was wanted for other purposes.

150. But you have a recollection of this 11th clause and its insertion in the contract?—Quite.

151. You are aware that a limit of five years was fixed?—Yes.

152. Can you say what was the understanding between the Government and the company with regard to the acquisition of Native land by the Government?—The Government, as I understood it, were to use all reasonable endeavours to purchase land, and if it were purchased then the company would obtain the additional amount.

153. That was the way you looked at it?—The way I understood it.

154. There was some correspondence by yourself in regard to this question. I may as well show you this letter?—The fact is, I have not looked at the papers.

155. I am sorry to say, Sir Harry, that they will not allow me to look at them?—Yes; I remember now that I look at this letter. I remember quite well a deputation waiting upon me, and my communicating with Mr. Bryce on the subject. [Letter, 21st of February, 1883, addressed to J. E. Nathan, Chairman of the Manawatu Railway Company, put in and read.]

156. You say you remember that letter, and the deputation to which this letter is a reply?—Yes; I might say that Mr. Bryce was away; if my memory serves me, I think he was in the Auckland Province at the time.

157. Except for the purpose of fulfilling some arrangement with the company, you would not have to communicate with him as to the intention of the Government relating to this land?—I said at the beginning I understood that the Government were to use all reasonable means of obtaining this land if the land could be obtained at a proper price; and the deputation, if my memory serves me, represented that the Land-purchase Agent was not getting on as well as he might have done. I undertook to communicate with Mr. Bryce, representing what the company said, and I was to report the answer I should get from him. I think that was the meaning of that letter.

158. Are you aware that, almost immediately after the expiration of five years, the late Government acquired a quantity of Native land in this district, within the yellow limit?—I do not know of my personal knowledge; I have not looked it up; I have reason to believe that it is so.

159. Have you any recollection as to the limit of five years being fixed?—No; I suppose it was considered a reasonable time. I have no recollection why.

160. Having in view this fact that the Government, shortly after the expiration of five years, acquired the land within the yellow limit—sufficient land to satisfy the company's claim—did you or not consider that the colony was honourably bound to complete its engagement under the 11th clause?—I think that the company has an equitable claim on the Government myself.

161. You are aware that I did not know what your answer would be to that question?—Quite; I had no communication with you on the subject.

162. *Mr. Kerr.*] How long was it after the five years that this land was purchased?—I do not know.

163. How do you say that they had a reasonable claim?—I always looked on the claim of the company as a reasonable one. Had there been a quantity of land available at the time I think there is no doubt whatever they would have had a larger amount given to them.

164. But after the period of five years is over you say they have no claim?—I say they have no claim under the contract except an equitable claim. I think it was supposed that a period of five years was probably sufficient within which their claim might be extinguished. I was not dealing with a matter within my own department. It was the Minister for Public Works and the Native Minister who were officially concerned in the matter; the Native Minister in respect of the land. The matter came to me as a member of the Cabinet, or the Minister acting for a Minister who is away.

165. *Mr. Ormond.*] Do you know what the position of that land was: was it under lien to the Government by advances made upon it?—I think it was, but I would not be quite sure about that. There was great pressure put by the company on the Government to get a capable man; the Government held that the land could not be obtained at a reasonable price.

166. Then the position would be, if it was under lien, that the company would reasonably expect that the Government would acquire the land?—I think that both the Government and the company, when that clause was put in, thought there would be sufficient land to satisfy whatever claim they had.

167. *Mr. O'Callaghan.*] Were all reasonable endeavours made to secure the purchase of the land after that letter was written?—So I believe Mr. Bryce said; I do not know personally. I had received several deputations on the subject. I represented to Mr. Bryce all that I was told by the deputations that waited on me. He dealt with it.

168. Was there a suitable man appointed?—I cannot say what was done when Mr. Bryce came back.

[*Mr. Bell* referred to question 178 of Major Kemp's evidence, 1886: Horowhenua Block.]

THURSDAY, 21ST JUNE, 1888.

Hon. J. BALLANCE examined.

169. *Mr. Bell.*] You were both Minister of Lands and Minister of Native Affairs in the Stout Government?—Yes.

170. I call your attention to your own question (528) in the printed evidence. You were present when Mr. Wallace gave evidence?—Yes.

171. And expressed your opinion that it was accurate and fair?—Yes, it was substantially accurate, except so far as he speculated about things of which he had no knowledge.